

**FIRST AMENDMENT TO THE
OPERATING AGREEMENT OF
KJDY, LLC**

This First Amendment (this "First Amendment") to that certain Operating Agreement of KJDY, LLC, an Oregon limited liability company (the "LLC"), dated August 12, 2014 (the "Operating Agreement"), is by and among the undersigned persons, who constitute all of the members of the LLC, and is effective January 1, 2018. Capitalized terms used but not defined in this First Amendment have the meaning given in the Operating Agreement.

1. Sections 6.3 and 6.4 of the Operating Agreement are amended and restated in their entirety and new Section 6.5 is added to read:

6.3 Accounting Reports. As soon as practicable after the close of each fiscal year, the Partnership Representative (defined in Section 6.5) shall cause each member to receive an unaudited report of the activities of the LLC for the preceding fiscal year, including a copy of a balance sheet of the LLC as of the end of such year and a statement of income and loss for such year.

6.4 Tax Returns. The Partnership Representative shall cause all required federal, state and local income tax returns for the LLC to be prepared and timely filed with the appropriate authorities. Within 90 days after the end of each fiscal year, the Partnership Representative shall cause the LLC to furnish a statement to each member suitable for the member to use in the preparation of the member's income tax return, showing the amounts of any distributions, contributions, income, gain, losses, deductions or credits allocated to the member for the fiscal year.

6.5 Partnership Representative.

(a) Partnership Representative. The partnership representative ("Partnership Representative") shall be the person approved by the members, and shall make all elections, determinations and other decisions regarding the LLC under the partnership audit rules under Code Sections 6221 through 6241, and any related proposed or final federal, state or local Treasury Regulations, administrative rules or guidance (collectively the "Partnership Audit Rules"), including without limitation, the elections and procedures described in Code Sections 6221, 6225 or 6226(a)(1). Randolph McKone will serve as the initial Partnership Representative until his successor is duly approved by the members.

(b) Duties and Rights of the Partnership Representative. The Partnership Representative may take any and all actions under the Partnership Audit Rules, and shall have any and all powers necessary to perform fully in such capacity. In such regard, the Partnership Representative's authority shall include the authority to represent the LLC before taxing authorities and courts in tax matters affecting the LLC and the members in their capacity as such. Each member shall reasonably cooperate with the Partnership Representative and provide the Partnership Representative any tax

information reasonably requested so the Partnership Representative can implement the provisions of this Section 6.5 (including by making any permitted elections).

(c) Imputed Underpayment and Tax Liabilities. If the LLC is subject to any tax, interest or penalties under Code Section 6225 of the Partnership Audit Rules, and the LLC makes no election under Code Section 6226, the Partnership Representative (i) shall use commercially reasonable efforts to allocate and apportion among the members any imputed underpayment in a manner it reasonably determines to be fair and equitable generally based on each member's share of such assessment that would have occurred had the LLC elected to "push out" the adjustment under Code Section 6226 of the Code (but using the tax rates applicable to the LLC under Code Section 6225(b)), and (ii) the members shall contribute to the LLC their shares of the imputed underpayment at least ten calendar days before the payment is due or, at the Partnership Representative's reasonable discretion, such amounts will reduce amounts otherwise distributable to the members. Notwithstanding the removal, transfer, or withdrawal of all or any portion of its interest in the LLC, each member shall remain liable for such member's allocable share of any imputed underpayment.

(d) Costs of the Partnership Representative. The LLC shall reimburse the Partnership Representative for all costs and expenses incurred in connection with any proceeding affecting tax matters of the LLC and the members, and indemnify the Partnership Representative with respect to any proceeding brought against it in connection with any judgment in or settlement of any such proceeding or in connection with any other proceeding, action, judgment, cost, expense, loss, damage or other liability incurred by Partnership Representative in such capacity.

2. Article 7 of the Operating Agreement is amended and restated in its entirety to read:

ARTICLE 7 ALLOCATIONS

7.1 Profits and Losses.

(a) After giving effect to special allocations set forth in Section 7.4, Profits and Losses will be allocated in the following order of priority:

(i) First, to the members in proportion to, and to the extent of, the allocations to each of Losses under Section 7.1(b)(iii) that have not been offset by prior allocations of Profits under this Section 7.1(a)(i);

(ii) Second, to Randolph McKone until the cumulative Profits allocated under this Section 7.1(a)(ii) that have not been offset by prior allocations of Losses under Section 7.1(b)(ii) equals the Preferred Amount for the current tax year and all other tax years beginning on or after January 1, 2018;

(iii) Third, to the members in accordance with their percentage ownership interests.

(b) After giving effect to the special allocations set forth in Section 7.4, Losses will be allocated in the following order of priority:

(i) First, to the members in proportion to, and to the extent of, the allocations of Profits to each under Section 7.1(a)(iii) that have not been offset by prior allocations of Losses under this Section 7.1(b)(i);

(ii) Second, to Randolph McKone to the extent of the allocations of Profits under Section 7.1(a)(ii) that have not been offset by prior allocations of Losses under this Section 7.1(b)(ii); and

(iii) Third, to the members in accordance with their percentage ownership interests.

For purposes of this Operating Agreement, the "Preferred Amount" initially will be zero per tax year starting with the tax year beginning on January 1, 2018. The Preferred Amount will be prorated for any tax year of less than 365 days. From time to time, the members may approve a new Preferred Amount and the date from which it is effective.

7.2 Other Allocation Rules.

(a) The members will share "excess nonrecourse liabilities" of the LLC within the meaning of Regulations Section 1.752-3(a)(3) in accordance with their percentage ownership interests.

(b) Except as otherwise provided in Sections 7.1 and 7.4, all items of income, gain, deduction, loss and credit will be allocated to the members in accordance with their percentage ownership interests at the time of the allocation. If additional members are admitted to the LLC on different dates during any taxable year, items of income, gain, deduction and loss will be allocated to the members based on their percentage ownership interests from time to time during such year in accordance with Code Section 706, using any convention permitted by law and selected by the manager.

(c) Items of income, gain, deduction, loss and credit allocable to any period will be determined on a daily, monthly, or other basis, as determined by the manager using any permissible method under Code Section 706 and the related Treasury Regulations.

(d) No new member will be entitled to any retroactive allocations of losses, income, or expense deductions incurred by the LLC. Under Code Section 706(d) of the Code and the related Treasury Regulations, the manager may, at its option, when a person becomes a member, close the LLC books (as though the LLC's taxable year had ended) or make pro rata allocations of loss, income, and expense deductions to a new member for that portion of the LLC's taxable year in which the new member became a member.

(e) The members are aware of the income tax consequences of the allocations made by this Article 7 and will report their shares of LLC income, gain, deduction, loss and credit for income tax purposes in accordance with this Article 7.

7.3 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the related Treasury Regulations, income, gain, loss, and deduction with respect to any property contributed to the capital of the LLC or carried on its books for capital account purposes will, solely for tax, be allocated among the members to take into account of any variation between the adjusted basis of the property to the LLC for federal income tax purposes and its initial fair market value for capital account purposes. If the value of any LLC asset is adjusted under capital account rules, later allocations of income, gain, loss, and deduction regarding the asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its value for capital account purposes under Code Section 704(c) and the related Treasury Regulations. Such items will be allocated under the method of Treas. Reg. §1.704-3 selected by the manager. Any elections or other decisions relating to such allocations will be made by the manager in any manner that reasonably reflects the purpose and intention of this Operating Agreement. Allocations under this Section 7.3 are solely for federal, state, and local income taxes and will not affect, or be considered in computing, any member's capital account.

7.4 Special Allocations. The following special allocations will be made in the following order of priority:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of Section 7.1, items of LLC income and gain will be specially allocated to one or more members in the amount and manner required to satisfy the partnership minimum gain chargeback rules of Treas. Reg. §1.704-2(f) and the partner minimum gain chargeback rules of Treas. Reg. §1.704-2(i)(4).

(b) Qualified Income Offset. If any member unexpectedly receives any adjustments, allocations, or distributions described in Treas. Reg. §§1.704-1(b)(2)(ii)(d)(4), (5) or (6) and the member would have an Adjusted Deficit (defined in Section 7.5(a)) after all other allocations provided for in Section 7.4 were made without regard to this Section 7.4(b), items of LLC income and gain will be specially allocated to each such member in the manner and minimum amount necessary to eliminate the Adjusted Deficit of the member as quickly as possible.

(c) Nonrecourse Deductions. Nonrecourse deductions for any tax year will be specially allocated to the members in accordance with their percentage interests.

(d) Partner Nonrecourse Deductions. Any partner nonrecourse deductions for any tax year will be specially allocated to the member who bears the economic risk of loss with respect to the partner nonrecourse debt to which the partner nonrecourse deductions are attributable in accordance with Treas. Reg. §1.704-2(i)(1).

(e) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any LLC asset pursuant to Code Sections 734(b) or 743(b) is required, pursuant to Regulations Sections 1.704-1(b)(2)(iv)(m)(2) or (4), to be taken into account in determining capital accounts as the result of a distribution to a member in complete liquidation of its interest in the LLC, the amount of the adjustment to capital accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis) and the gain or loss will be specially allocated to the members in accordance with their interests in the LLC if Treas. Reg. §1.704-1(b)(2)(iv)(m)(2) applies, or to the member to whom the distribution was made if Treas. Reg. §1.704-1(b)(2)(iv)(m)(4) applies.

(f) Excess Losses. The Losses allocated to a member under Section 7.1(b) will not exceed the maximum amount that can be allocated to the member without causing the member to have an Adjusted Deficit at the end of any tax year. If some but not all of the members would have Adjusted Deficits as a consequence of an allocation of Losses pursuant to Section 7.1(b), the limitation set forth in this Section 7.4(f) will be applied on a member by member basis so as to allocate the maximum permissible Loss to each member under Treas. Reg. §1.704-1(b)(2)(ii)(d).

(g) Curative Allocations. The allocations set forth in Sections 7.4(a) through 7.4(f) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. To the extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of LLC income, gain, loss or deduction pursuant to this Section 7.4(g). Therefore, notwithstanding any allocation provision other than the Regulatory Allocations, the manager will make the offsetting special allocations of LLC income, gain, loss or deduction in whatever manner it determines appropriate so that each member's capital account balance is, to the extent possible, equal to the capital account balance that the member would have had if the Regulatory Allocations were not part of the Agreement and all LLC items were allocated pursuant to Section 7.1 of the Agreement. In exercising its discretion under this Section 7.4(g), the manager will consider future Regulatory Allocations under Section 7.4(a) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 7.4(c) and 7.4(d).

7.5 Definitions.

(a) "Adjusted Deficit" means, with respect to any member, the deficit balance, if any, in the member's capital account as of the end of the relevant tax year, after giving effect to the following adjustments:

(i) credit to such capital account any amounts that the member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Treas. Reg. §§1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) debit to such capital account the items described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Deficit is intended to comply with the provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d) and will be so interpreted.

(b) "Depreciation" means, for each tax year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such tax year, except that if the value of an asset for capital account purposes differs from its adjusted basis for federal income tax purposes at the beginning of such fiscal year, Depreciation will be an amount that bears the same ratio to such beginning value as the federal income tax depreciation, amortization, or other cost recovery deduction for such tax year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such tax year is zero, Depreciation will be determined with reference to such beginning value using any reasonable method selected by the manager.

(c) "Profits" and "Losses" means, for each tax year, an amount equal to the LLC's taxable income or loss for such tax year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) will be included in taxable income or loss), with the following adjustments:

(i) add LLC income that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses;

(ii) subtract any LLC expenditures described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses;

(iii) if any LLC asset is revalued pursuant to Section 2.7, the amount of such adjustment will be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the value of such property for capital account purposes, notwithstanding that the adjusted tax basis of such property differs from such value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there will be taken into account Depreciation for such Fiscal Year;

(vi) to the extent an adjustment to the adjusted tax basis of any LLC asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining capital

accounts as a result of a distribution other than in complete liquidation of a member's interest in the LLC, the amount of such adjustment will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and will be taken into account for purposes of computing Profits or Losses;

(vii) notwithstanding any other provision of this Section 7.5(c), any items which are specially allocated pursuant to Section 7.4 will not be taken into account in computing Profits or Losses; and

(viii) the amounts of the items of LLC income, gain, loss or deduction available to be specially allocated under Sections 7.4 will be determined by applying rules analogous to those set forth in Sections 7.5(c)(i) through 7.5(c)(vi).

3. Article 8 of the Operating Agreement is amended and restated in its entirety to read:

ARTICLE 8 DISTRIBUTIONS

To the extent permitted under the Oregon Limited Liability Company Act, as amended from time to time and any agreements between the LLC and its creditors that restrict distributions, net cash from the ownership and operation of the LLC's business and properties shall be distributed in accordance with this Article 8 at such times and in such amounts as has the managers deem appropriate.

8.1 **Tax Distributions.** The LLC shall make distributions to the members at such times and in such amounts as the managers determine are appropriate for the members to pay their estimated and final federal, state and local income taxes with respect to their allocable shares of the taxable income of the LLC for each calendar year. All distributions under this Section 8.1 will be treated as advances on and be credited against amounts distributable to the members under Section 8.2.

8.2 **Nontax Distributions.** The LLC will distribute net cash in the following order of priority:

(a) First, to Randolph McKone until the cumulative amount distributed under this Section 8.2(a) for the current and all prior taxable years beginning on or after January 1, 2018 equals the cumulative Preferred Amount for all such years; and

(b) Second, to the members in accordance with their percentage ownership interests.

8.3 **Guaranteed Payments.** The LLC may make payments to one or more members in the form of an hourly wage, salary or commission-based compensation. Such amounts will be treated as a guaranteed payment within the meaning of Code

Section 707(c) and not as distributions, and will be in addition to distributions under Sections 8.1 and 8.2 and allocations of Profits and Losses under Article 7.

4. Section 9.4 of the Operating Agreement is amended and restated in its entirety to read:

9.4 Liquidation Upon Dissolution.

(a) Winding up. Upon the dissolution and liquidation of the LLC, the LLC will continue solely to wind up its affairs in an orderly manner, liquidate its assets, and satisfy the claims of its creditors and members, and no member or manager will take any action inconsistent with, or unnecessary to or appropriate for, the winding up of the LLC's business and affairs. To the extent not inconsistent with the foregoing, all covenants and obligations in this Operating Agreement will continue in full force and effect until the property of the LLC has been distributed under this Section 9.4(a). The manager will oversee the winding up and dissolution of the LLC, will take full account of the LLC's liabilities and property, will cause the property to be liquidated as promptly as is consistent with obtaining its fair value, and will cause the proceeds, to the extent sufficient, to be applied and distributed in the following order:

(i) first, to the payment and discharge of the LLC's debts and liabilities to creditors, including members, to the extent permitted by law;

(ii) second, to the payment and discharge of the LLC's remaining debts and liabilities to members; and

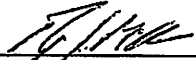
(iii) third, to the members in proportion to, and to the extent of, the positive capital account balances of each, determined after giving effect to all contributions, distributions, and allocations for the current and all prior tax years.

(b) Compliance with certain requirements of Treasury Regulations. If the LLC is "liquidated" within the meaning of Treas. Reg. §1.704-1(b)(2)(ii)(g), distributions will be made under this Section 9.4 to the members with positive capital accounts in compliance with Treas. Reg. §1.704-1(b)(2)(ii)(b)(2). If any member has a deficit balance in its capital account (after giving effect to all contributions, distributions and allocations for all tax years), such member will have no obligation to contribute to the capital of the LLC with respect to such deficit, and such deficit will not be considered a debt owed to the LLC or to any other person for any purpose.

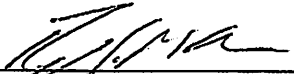
This First Amendment may be executed in one or more counterparts, each of which will constitute an original and all of which will constitute one and the same agreement. As evidence of their agreement to the foregoing, the LLC and the members have executed this First Amendment below.

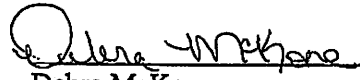
(Signatures follow on next page)

KJDY, LLC

By 
Randolph McKone
Its manager

Members:


Randolph McKone


Debra McKone

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