

006054/85 DOLLARS.

FINE 5145

ROOM

AID

691

This form must be completed for all  
'Place of Business' registrations.  
(See note below for re-registration  
from a 'Branch')

This form should be completed in black.

**Return and declaration delivered for registration of  
a place of business of an overseas company**

(Pursuant to section 691 of the Companies Act 1985)

Previous branch number  
(if applicable)

Company name

Country of incorporation

For official  
use only

FC29210

PANCIL, LLC

UNITED STATES

Address of place of business in  
Great Britain

PANCIL, LLC

78 YORK STREET

Post town LONDON

County / Region

Postcode W1H 1DP

Either

Constitution of the company

(See notes 1 and 2)  
(A certified English translation must  
be included)

\* Delete as applicable

# Mark appropriate box(es)

A certified copy of the

#



Instrument(s) constituting or defining the constitution of  
the company; and



A certified translation

\* is /-are delivered for registration

OR

The company must deliver  
certified copies of its  
constitutional documents  
(with certified translations),  
and the particulars of the  
company's directors and  
secretary.  
However, if the company is  
closing a branch registration  
and effecting a place of business  
registration, it may rely on the  
documents or the particulars of  
the directors and secretary  
previously filed in  
that part of Great Britain, provided  
any relevant alterations to those  
documents have been updated  
on the register.

(04/02)

The

#



The constitutional documents (and a certified translation\*)

\* and / or



Particulars of the current directors and secretary(ies)

were previously delivered in respect of a branch  
registered at this registry

Branch

MONDAY



\*A0UB5D96\*

A29	14/09/2009	181
COMPANIES HOUSE		
A10	11/08/2009	234
COMPANIES HOUSE		
A00	03/08/2009	3
COMPANIES HOUSE		

**Directors** (See notes 3,4 and 5)

Name \* Style/Title

Forenames

Surname

\* Honours etc

Previous forenames

\*\* Tick this box if the Previous surname

address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office address.

Address \*\*

☐

Date of birth

(See note 5)

Business occupation (if any). If none other directorships.

CD MR

STEPHEN ALLEN

SCHUTZ

AD 6414 EL CAMINO DEL TEATRO

Post town LA JOLLA

County / Region CALIFORNIA

Postcode 92037 Country UNITED STATES

DO 04141944 Nationality NA AMERICAN

OC PUBLISHER

OD

Name \* Style/Title

Forenames

Surname

\* Honours etc

Previous forenames

Previous sur-

\*\* Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office

Address \*\*

☐

Date of birth

(See note 5)

Business occupation (if any). If none other directorships.

CD MRS

SUSAN POLIS

SCHUTZ

AD 6414 EL CAMINO DEL TEATRO

Post town LA JOLLA

County / Region CALIFORNIA

Postcode 92037 Country UNITED STATES

DO 05231944 Nationality NA AMERICAN

OC AUTHOR AND DOCUMENTARY

OD PRODUCER

\* Voluntary details

**Company Secretary(ies)**

(See notes 4 and 6)

Name

\* Style/Title

Forenames

Surname

\* Honours etc

Previous forenames

Previous surname

\*\* Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office

Address \*\*

☐

Name

\* Style/Title

Forenames

Surname

\* Honours etc

Previous forenames

Previous surname

\*\* Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under section 723B of the Companies Act 1985 otherwise, give your usual residential address. In the case of a corporation, give the registered or principal office

Address \*\*

☐**Person(s) authorised**

List of some one or more persons resident in Great Britain authorised to accept on the company's behalf services of process and any notice required to be served on it.

\* Style/Title

Forenames

Surname

Address

\* Voluntary details

CS	MR
	PAUL WAYNE
	KNUTSON
AD	<del>P.O. BOX 1046</del>
	400 PROSPECT STREET
Post town	LA JOLLA
County / Region	CALIFORNIA
Postcode	<del>92037</del> 92038
Country	UNITED STATES

CS	
AD	
Post town	
County / Region	
Postcode	
Country	

	JORDANS INTERNATIONAL LIMITED
	20-22 BEDFORD ROW
Post town	LONDON
Country / Region	GREAT BRITAIN
Postcode	WC1A 4JS

**Person(s) authorised** (continued)

List of some one or more persons resident in Great Britain authorised to accept on the company's behalf services of process and any notice required to be served on it.

\* Style/Title

Forenames

Surname

Address

_____
_____
_____
_____
_____
Post town _____
Country / Region _____ Postcode _____

\* Style/Title

Forenames

Surname

Address

_____
_____
_____
_____
_____
Post town _____
Country / Region _____ Postcode _____

\* Style/Title

Forenames

Surname

Address

_____
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_____
_____
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Post town _____
Country / Region _____ Postcode _____

\* Style/Title

Forenames

Surname

Address

_____
_____
_____
_____
_____
Post town _____
Country / Region _____ Postcode _____

\* Voluntary details

**Declaration** (See note 8)

Full name and address

1 MR JAY H. GRODIN

of (address) 8288 HOLLYWOOD BLVD

LOS ANGELES, CALIFORNIA 90069

<sup>†</sup> delete as applicable

a <sup>†</sup>director/ <sup>†</sup>secretary/ <sup>†</sup>person authorised to accept on the company's behalf service of process or any notices required to be served on it, do solemnly and sincerely declare that the company established its place of business in Great Britain on

Day Month Year

09 07 2009

(enter date)

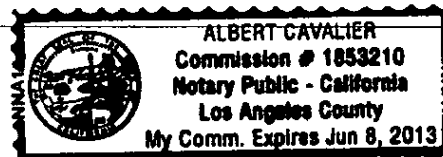
and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Signed

Declared at 1901 Av of STARS in Century  
CA 90067

on Day Month Year

29 07 2009



before me ALBERT CAVALIER Notary Public

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths. (See note 8)

Albert Cavalier

Number of continuation sheets attached

☐

To whom should Companies House direct any enquiries about the information on this form?

MR PAUL KNOTSON

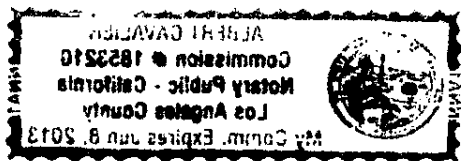
P.O. Box 1046

LA JOLLA, CALIFORNIA Postcode 92038

Telephone 858/456-8511 Extension —

Please ensure the form is fully completed and then send it to the Registrar of Companies at  
(See note 9)

Companies House, Crown Way, Cardiff CF14 3UZ  
for companies establishing a place of business in England and Wales  
Companies House, 37 Castle Terrace, Edinburgh EH1 2EB  
for companies establishing a place of business in Scotland



**State of California**  
**Secretary of State**

**CERTIFICATE OF STATUS**

**ENTITY NAME:** PANCIL, LLC

**FILE NUMBER:** 200010110065  
**FORMATION DATE:** 04/07/2000  
**TYPE:** DOMESTIC LIMITED LIABILITY COMPANY  
**JURISDICTION:** CALIFORNIA  
**STATUS:** ACTIVE (GOOD STANDING)

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

The records of this office indicate the entity is authorized to exercise all of its powers, rights and privileges in the State of California.

No information is available from this office regarding the financial condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of September 3, 2009.

*Debra Bowen*

**DEBRA BOWEN**  
Secretary of State

**State of California**  
**Secretary of State**



I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.



**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of

**SEP 03 2009**

DEBRA BOWEN  
Secretary of State





State of California  
Bill Jones  
Secretary of State

LLC-1

LIMITED LIABILITY COMPANY  
ARTICLES OF ORGANIZATION

**IMPORTANT** - Read the instructions before completing the form.  
This document is presented for filing pursuant to Section 17050 of the California Corporations Code.

1. Limited liability company name:

(End the name with LLC, L.L.C., Limited Liability Company or Ltd. Liability Co.)

PANCIL, LLC

2. Latest date (month/day/year) on which the limited liability company is to dissolve.

April 30, 2030

3. The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea Limited Liability Company Act.

4. Enter the name of initial agent for service of process and check the appropriate provision below:

Lawrence M. Sherman

, which is

☒ an individual residing in California.

☐ a corporation which has filed a certificate pursuant to Section 1505 of the California Corporations Code.  
Skip Item 5 and proceed to Item 6.

5. If the initial agent for service of process is an individual, enter a business or residential street address in California:

Street address: 750 B Street, Suite 1930

City: San Diego State: California

Zip Code: 92101

6. The limited liability company will be managed by: (check one)

☒ one manager

☐ more than one manager

☐ limited liability company members

7. Describe type of business of the Limited Liability Company.

Real Estate Investment

8. If other matters are to be included in the Articles of Organization attach one or more separate pages.

Number of pages attached, if any:

0

9. It is hereby declared that I am the person who executed this instrument, which execution is my act and deed.

  
Signature of organizer

Lawrence M. Sherman

Type or print name of organizer

Date: April 4, 2000

For Secretary of State Use

File No. 200010110065

**FILED**

In the Office of the Secretary of State  
of the State of California

APR 07 2000

  
BILL JONES, Secretary of State



# State of California

**Bill Jones**  
**Secretary of State**

## LIMITED LIABILITY COMPANY CERTIFICATE OF AMENDMENT

A \$30.00 filing fee must accompany this form  
**IMPORTANT - Read instructions before completing this form**

**FILED**  
In the Office of the Secretary of State  
of the State of California

**APR 27 2000**

*Bill Jones*  
**BILL JONES, Secretary of State**

This Space For Filing Use Only

1. Limited Liability Company Name:  
PANCIL, LLC

2. Secretary of State File number:  
200010110065

3. Enter only the information in the Articles of Organization (LLC-1) amended by filing this Certificate of Amendment (LLC-2). Provide the text of the amendment adopted using the space provided and/or attaching one or more separate pages.

A. Amendment to text of the Articles of Organization:

B. Limited Liability Company Name: \_\_\_\_\_

C. Latest date on which the limited liability company is to dissolve: (Month/Day/Year) \_\_\_\_\_

D. The Limited Liability Company will be managed by (Check One):

☐ One Manager      ☒ More Than One Manager      ☐ Limited Liability Company Members

E. Any change in the events that will cause dissolution of the Limited Liability Company.

4. Number of pages attached, if any: 0

5. It is hereby declared that I am the person who executed this instrument, which execution is my act and deed.

*[Signature]*  
Signature of authorized person

Stephen Schutz, Manager  
Type or print name and title of authorized person

Date: April 10, 2000

### 6. RETURN TO:

NAME      Lawrence M. Sherman  
FIRM      SHERMAN & LAPIDUS LLP  
ADDRESS      750 B Street, Suite 1930  
CITY/STATE      San Diego, CA 92101  
ZIP CODE      \_\_\_\_\_



State of California  
Kevin Shelley  
Secretary of State

**LIMITED LIABILITY COMPANY  
CERTIFICATE OF MERGER**

(Corporations Code Section 17852)

Filing Fee - Please see instructions.  
IMPORTANT - Read instructions before completing this form.

**FILED**  
in the office of the Secretary of State  
the State of California

JAN 1 2004

*Kevin Shelley*  
KEVIN SHELLEY, SECRETARY OF STATE

This Space For Filing Use Only

1. Name of surviving entity: <b>Pancil, LLC</b>	2. Type of entity: <b>LLC</b>	3. Secretary of State File Number: <b>200010110065</b>	4. Jurisdiction: <b>CALIFORNIA</b>
5. Name of disappearing entity: <b>Boulder Interactive Learning Group, LLC</b>	6. Type of entity: <b>LLC</b>	7. Secretary of State File Number: <b>3163062 8100</b>	8. Jurisdiction: <b>DELAWARE</b>
9. Future effective date, if any: Month <u>January</u> Day <u>1</u> Year <u>2004</u>			
10. If a vote was required pursuant to Section 17851 or Section 1113, enter the outstanding interests of each class entitled to vote on the merger and the percentage of vote required:			
Surviving Entity		Disappearing Entity	
Each class entitled to vote	Percentage of vote required	Each class entitled to vote	Percentage of vote required
Membership Interest	50%	Membership Interest	50%
11. The principal terms of the agreement of merger were approved by a vote of the number of interests or shares of each class that equaled or exceeded the vote required.			
SECTION 12 IS ONLY APPLICABLE IF THE SURVIVING ENTITY IS A DOMESTIC LIMITED LIABILITY COMPANY, COMPLETE ITEM 12 AND PROCEED TO ITEM 15.			
12. Requisite changes to the information set forth in the Articles of Organization of the surviving limited liability company resulting from the merger. Attach additional pages if necessary.			
SECTIONS 13 AND 14 ARE APPLICABLE IF THE SURVIVING ENTITY IS A FOREIGN LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, COMPLETE ITEMS 13 AND 14.			
13. Principal business address of the surviving foreign limited liability company or other business entity:			
Address:			
City: State: Zip Code:			
14. Other information required to be stated in the Certificate of Merger by the laws under which each constituent other business entity is organized. Attach additional pages if necessary.			
15. Number of pages attached, if any:			
16. I certify that the statements contained in this document are true and correct of my own knowledge. I declare that I am the person who is executing this instrument, which execution is my act and deed.			
<i>Stephen Schutz</i> Signature of Authorized Person for the Surviving Entity		12/26/03 Date	
<i>Stephen Schutz, Manager</i> Type or Print Name and Title of Person Signing		12/26/03 Date	
<i>Stephen Schutz</i> Signature of Authorized Person for the Surviving Entity		12/26/03 Date	
<i>Stephen Schutz, Manager</i> Type or Print Name and Title of Person Signing		12/26/03 Date	
<i>Stephen Schutz</i> Signature of Authorized Person for the Disappearing Entity		12/26/03 Date	
<i>Stephen Schutz, Manager</i> Type or Print Name and Title of Person Signing		12/26/03 Date	

SECSTATE (REV. 12/2003)

FORM LLC-9 - FILING FEE: SEE INSTRUCTIONS  
Approved by Secretary of State



**State of California**  
Secretary of State



I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 4 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

SEP 03 2009

DEBRA BOWEN  
Secretary of State



State of California  
Bill Jones  
Secretary of State

LIMITED LIABILITY COMPANY - STATEMENT OF INFORMATION

FILED  
SACRAMENTO, CALIF.

JUL 10 2000

*Bill Jones*  
BILL JONES  
SECRETARY OF STATE

This Space For Filing Use Only

M

1. LIMITED LIABILITY COMPANY NAME

PANCIL, LLC

2. SECRETARY OF STATE FILE NUMBER  
200010110065

3. JURISDICTION OF FORMATION  
CALIFORNIA

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY AND STATE ZIP CODE  
1250 Prospect, Suite #04 La Jolla, CA 92037

5. STREET ADDRESS IN CALIFORNIA OF OFFICE WHERE RECORDS ARE MAINTAINED (FOR DOMESTIC ONLY) CITY ZIP CODE  
1250 Prospect, Suite #04 La Jolla, CA 92037

6. CHECK THE APPROPRIATE PROVISION BELOW AND NAME THE AGENT FOR SERVICE OF PROCESS:  
☒ AN INDIVIDUAL RESIDING IN CALIFORNIA.  
☐ A CORPORATION WHICH HAS FILED A CERTIFICATE PURSUANT TO SECTION 1505 OF THE CALIFORNIA CORPORATIONS CODE.  
AGENT'S NAME: Lawrence M. Sherman

7. ADDRESS OF THE AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY ZIP CODE  
750 B Street, Suite 1930 San Diego CA 92101

8. DESCRIBE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY.  
Real Estate Investment

LIST THE NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER AND CHIEF EXECUTIVE OFFICER (CEO), IF ANY. (CHECK THE APPROPRIATE DESIGNATION). ATTACH ADDITIONAL PAGES IF NECESSARY.

9. NAME Stephen Schutz ☒ MANAGER  
ADDRESS 1250 Prospect, Suite #04 ☐ MEMBER  
CITY La Jolla STATE CA ZIP 92037 ☐ CEO, IF ANY

10. NAME Susan Schutz ☒ MANAGER  
ADDRESS 1250 Prospect, Suite #04 ☐ MEMBER  
CITY La Jolla STATE CA ZIP 92037 ☐ CEO, IF ANY

11. NUMBER OF PAGES ATTACHED, IF ANY.  
None

12. I DECLARE THAT THIS STATEMENT IS TRUE, CORRECT, AND COMPLETE.

SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

*Stephen Schutz*  
Stephen Schutz, Manager

TYPE OR PRINT NAME AND TITLE OF PERSON SIGNING

April 11, 2000  
DATE

DUE DATE: JUL 07 2000



State of California  
Bill Jones  
Secretary of State

LIMITED LIABILITY COMPANY - STATEMENT OF INFORMATION

FILED  
SACRAMENTO, CALIF.

AUG 21 2000

*Bill Jones*  
BILL JONES  
SECRETARY OF STATE

Filing Fee - Please see information section

IMPORTANT - Read Instructions Before Completing This Form

1. LIMITED LIABILITY COMPANY NAME  
Pancil, LLC

This Space For Filing Use Only

2. SECRETARY OF STATE FILE NUMBER  
200010110065

3. JURISDICTION OF FORMATION  
California

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY AND STATE ZIP CODE  
1250 Prospect Street, Suite #04 La Jolla, CA 92037

5. STREET ADDRESS IN CALIFORNIA OF OFFICE WHERE RECORDS ARE MAINTAINED (FOR DOMESTIC ONLY) CITY ZIP CODE  
1250 Prospect Street, Suite #04 La Jolla, CA 92037

6. CHECK THE APPROPRIATE PROVISION BELOW AND NAME THE AGENT FOR SERVICE OF PROCESS:  
☒ AN INDIVIDUAL RESIDING IN CALIFORNIA.  
☐ A CORPORATION WHICH HAS FILED A CERTIFICATE PURSUANT TO SECTION 1505 OF THE CALIFORNIA CORPORATIONS CODE.  
AGENT'S NAME: Ed Guzik

7. ADDRESS OF THE AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY ZIP CODE  
1250 Prospect Street, Suite #04 La Jolla, CA 92037

8. DESCRIBE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY.  
publishing

LIST THE NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER AND CHIEF EXECUTIVE OFFICER (CEO), IF ANY. (CHECK THE APPROPRIATE DESIGNATION). ATTACH ADDITIONAL PAGES IF NECESSARY.

9. NAME Stephen Schutz ☒ MANAGER  
ADDRESS 1250 Prospect Street, Suite #04 ☐ MEMBER  
CITY La Jolla, CA 92037 ☐ CEO, IF ANY  
STATE ZIP

10. NAME Susan Schutz ☒ MANAGER  
ADDRESS 1250 Prospect Street, Suite #04 ☐ MEMBER  
CITY La Jolla, CA 92037 ☐ CEO, IF ANY  
STATE ZIP

11. NUMBER OF PAGES ATTACHED, IF ANY.

12. I DECLARE THAT THIS STATEMENT IS TRUE, CORRECT, AND COMPLETE.

SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

DATE

Stephen Schutz, Manager

TYPE OR PRINT NAME AND TITLE OF PERSON SIGNING

DUE DATE:



State of California  
Secretary of State

STATEMENT OF INFORMATION  
(Limited Liability Company)

65

Filing Fee \$20.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

**FILED**  
in the office of the Secretary of State  
of the State of California

FEB 08 2006

This Space For Filing Use Only

DUE DATE:

FILE NUMBER AND STATE OR PLACE OF ORGANIZATION

2. SECRETARY OF STATE FILE NUMBER

200010110065

3. STATE OR PLACE OF ORGANIZATION

CALIFORNIA

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE

CITY AND STATE

ZIP CODE

7917 IVANHOE AVE

LA JOLLA

CA

92037

5. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY)

CITY

STATE

ZIP CODE

SAME

CA

NAME AND COMPLETE ADDRESS OF THE CHIEF EXECUTIVE OFFICER, IF ANY

6. NAME

ADDRESS

CITY AND STATE

ZIP CODE

NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER (Attach additional pages, if necessary.)

7. NAME

ADDRESS

CITY AND STATE

ZIP CODE

STEPHEN SCHUTZ P.O. BOX 1046

LA JOLLA, CA

92038

8. NAME

ADDRESS

CITY AND STATE

ZIP CODE

9. NAME

ADDRESS

CITY AND STATE

ZIP CODE

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California address. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 11 must be left blank.)

10. NAME OF AGENT FOR SERVICE OF PROCESS

JAY H. GRODIN

11. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL

CITY

STATE

ZIP CODE

1901 AVENUE OF THE STARS #610 LOS ANGELES

CA

90067

TYPE OF BUSINESS

12. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

PUBLICATION OF EDUCATIONAL MATERIAL - WEBSITE

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

SHARON SELLSTROM

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

Sharon Sellstrom

SIGNATURE

TITLE

DATE

2/3/06



# State of California Secretary of State

**L**

4/30

## STATEMENT OF INFORMATION (Limited Liability Company)

02

Filing Fee \$20.00. If amendment, see instructions.

**IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

1. LIMITED LIABILITY COMPANY NAME (Please do not alter if name is preprinted.)

200010110065  
PANCIL, LLC  
7917 IVANHOE AVE  
LA JOLLA CA 92037**FILED**  
In the office of the Secretary of State  
of the State of California**MAY 01 2008**

This Space For Filing Use Only

**DUE DATE: 04/30/2008****FILE NUMBER AND STATE OR PLACE OF ORGANIZATION**

2. SECRETARY OF STATE FILE NUMBER

200010110065

3. STATE OR PLACE OF ORGANIZATION

CA

**NO CHANGE STATEMENT**☒ If there has been no change in any of the information contained in the last Statement of Information filed with the Secretary of State, check the box and proceed to Item 13.

If there have been any changes to the information contained in the last Statement of Information filed, or no Statement of Information has been previously filed, this form must be completed in its entirety.

**COMPLETE ADDRESSES FOR THE FOLLOWING** (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE

CITY AND STATE

ZIP CODE

5. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY)

CITY

STATE

ZIP CODE

CA

**NAME AND COMPLETE ADDRESS OF THE CHIEF EXECUTIVE OFFICER, IF ANY**

6. NAME

ADDRESS

CITY AND STATE

ZIP CODE

**NAME AND COMPLETE ADDRESS OF ANY MANAGER OR MANAGERS, OR IF NONE HAVE BEEN APPOINTED OR ELECTED, PROVIDE THE NAME AND ADDRESS OF EACH MEMBER** (Attach additional pages, if necessary.)

7. NAME

ADDRESS

CITY AND STATE

ZIP CODE

8. NAME

ADDRESS

CITY AND STATE

ZIP CODE

9. NAME

ADDRESS

CITY AND STATE

ZIP CODE

**AGENT FOR SERVICE OF PROCESS** (If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California address. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 11 must be left blank.)

10. NAME OF AGENT FOR SERVICE OF PROCESS

11. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL

CITY

STATE

**TYPE OF BUSINESS**

12. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

SIGNATURE

TITLE

DATE

LLC-12R (REV 07/2006)

APPROVED BY SECRETARY OF STATE





PANCIL, LLC  
P. O. Box 1046  
La Jolla, California 92038  
858/456-8500

July 23, 2009

To Whom It May Concern:

The attached documents are copies of the original Operating Agreement of Pencil, LLC, organized in the State of California on April 7, 2000 and include its additions and assignments.

I, Paul W. Knutson, hereby affirm that the attached reproduction of the Operating Agreement of Pencil, LLC is a true, correct and complete photocopy of a document in my possession.

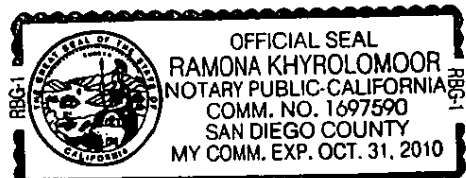
Paul W. Knutson  
Secretary and Chief Financial Officer

State of California }  
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 23rd day of July (month), 2009 (year), by Paul W. Knutson proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Ramona Khyrolo Moor  
(Signature of Notary)

Paul W. Knutson.



**OPERATING AGREEMENT  
OF  
PANCIL LLC**

***THE SECURITY REFERRED TO IN THIS OPERATING AGREEMENT (REPRESENTED BY THE MEMBERSHIP INTERESTS) HAS NOT BEEN REGISTERED OR QUALIFIED PURSUANT TO THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE AND MAY BE OFFERED AND SOLD ONLY IF SO REGISTERED AND QUALIFIED OR IF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION EXISTS.***



COMPANIES HOUSE

## PANCIL LLC OPERATING AGREEMENT

This Operating Agreement ("Agreement") is entered into as of April 7, 2000, among the persons and entities set forth on Exhibit A attached hereto as Members.

### RECITAL

A. The Members are entering into this Agreement to govern the affairs of the Company and provide for certain other matters. The Members hereby agree as follows.

#### 1. COMPANY FORMATION AND IDENTIFICATION.

1.1 Formation. The Managers have caused the formation of a California limited liability company ("LLC"), by filing Articles of Organization and a Certificate of Amendment (collectively the "Articles") with the California Secretary of State. A copy of the Articles as filed are attached hereto as Exhibit B.

1.2 Name. The name of the LLC governed by this Agreement is Pancil LLC (the "Company").

1.3 Principal Executive Office. The principal executive office of the Company shall be at 1250 Prospect, Suite 04, La Jolla, California 92037, until changed by the Managers.

1.4 Agent For Service of Process. The initial agent for service of process of the Company was Lawrence M. Sherman. The Managers will change the agent for service of process to Ed Guzik.

1.5 Initial Members. The addresses of the initial Members of the Company are listed on Exhibit "A" attached hereto and incorporated herein.

#### 2. DEFINITIONS.

The following terms used in this Agreement shall have the following meanings, unless expressly provided otherwise:

"Additional Capital Contributions" means with respect to any Member, any cash contribution required to be made pursuant to Section 5.2 hereof.

"Affiliate" means (i) any person directly or indirectly controlling, controlled by or under common control with another person; (ii) a person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of another person; (iii) any officer, director, general partner, trustee or anyone acting in a substantially similar capacity as to another person; and (iv) any person who is an officer, director, general partner, trustee, or holder of ten percent (10%) or more of the voting securities or beneficial interests of any of the foregoing.

"Allocations" means a person's share of the Distributions, income, gains, losses, deductions, credits or similar items for tax, accounting and other purposes of the Company as set forth in this Agreement.

"Available Cash" means all net revenues from the Company's investments and operations including net proceeds from all sales, refinancings and other dispositions of Company Property that the Managers, at the Managers' sole discretion, deem in excess of the amount reasonably necessary for the operating requirements of the Company, including debt reduction and Reserves.

"Bankrupt or "bankruptcy" means, with respect to any person, being the subject of an order for relief under Title 11 of the United States Code, or any successor statute or other statute in any foreign jurisdiction having like import or effect.

"Capital Account" means with respect to any Member, the account reflecting the capital interest of the Member in the Company, consisting of the Member's initial Capital Contribution and any Additional Capital Contribution required pursuant to Section 5.2, maintained and adjusted in accordance with Article 7 herein.

"Capital Contribution" means, with respect to any Member, the amount of the money and the fair market value of any property (other than money) contributed to the Company (net of liability secured by such contributed property that the Company is considered to assume or take "subject to" under IRC Section 752) in consideration of the Percentage Allocation Interest held by such Member. A Capital Contribution shall not be deemed a loan.

"Company Property" means all assets and properties of the Company of any and all kinds, tangible and intangible.

"Distribution" means the transfer of money or property by the Company to its Members without consideration.

"Economic Interest" means a person's right to share in the allocations of, and to receive distributions from, the Company, but does not include any other rights of a Member, including the right to vote or to participate in management or any right to information concerning the business and affairs of the Company.

"Encumber" means the act of creating or purporting to create an Encumbrance, whether or not perfected under applicable law.

"Encumbrance" means, with respect to any Membership Interest, or any element thereof, a mortgage, pledge, security interest, lien, proxy coupled with an interest (other than as contemplated by this Agreement), option, or preferential right to purchase.

"IRC" means the Internal Revenue Code of 1986, as amended.

"LLC Act" means the Beverly-Killea Limited Liability Company Act(California Corporations Code sections 17000-17705), including amendments from time to time.

"Majority of Members" means a Member or Members whose Percentage Allocation Interests represents more than fifty percent (50%) of the Percentage Allocation Interests of all of the Members unless otherwise specified in this Agreement.

"Manager" or "Managers" means the Person(s) named as such in Article 9 or the Person(s) from whom time to time succeed any Person(s) as a Manager and who, in either case, are serving at the relevant time as a Manager.

"Member" means a person who has:

(i) been admitted to the Company as a member in accordance with this Agreement, or an assignee of a Membership Interest in the Company who has become a member pursuant to this Agreement; and

(ii) not resigned or withdrawn as a Member or, if other than an individual, been dissolved.

"Membership Interest" means a Member's rights in and obligations to the Company, including the Member's Economic Interest, any right to vote or participate in management, and any right to information concerning the business and affairs of the Company provided by the LLC Act.

"Officer" means any person elected or appointed pursuant to the LLC Act or this Agreement.

"Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

"Percentage Allocation Interest(s)" means the percentage of each Member's share of Allocations which is the percentage set forth on Exhibit "A" attached hereto and incorporated herein. Percentage Allocation Interests may be adjusted as provided in this Agreement and upon the transfer, issuance or redemption of a Membership Interest or by operation of law.

"Reserves" means the aggregate of reserve accounts that the Managers, at the Managers' sole discretion, deems reasonably necessary to meet accrued or contingent liabilities of the Company, reasonably anticipated operating expenses and working capital requirements.

"Treasury Regulations" means the income tax regulations promulgated by the United States Department of the Treasury and published in the Federal Register for the purpose of interpreting and applying the provisions of the IRC, as such Treasury Regulations may be amended from time to time, including corresponding provisions of applicable successor regulations.

3. TERM.

The Company shall commence on the date of filing of the Articles and shall continue thereafter until April 30, 2030, unless sooner terminated in accordance with this Agreement or as otherwise provided by law.

4. PURPOSE.

The Company shall have the power to engage in all activities which a limited liability company may legally engage in under applicable law.

5. CAPITAL CONTRIBUTIONS.

5.1 Capital Contributions. Each Member shall contribute to the capital of the Company as the Member's initial Capital Contribution the amount specified in Exhibit "A."

5.2 Additional Capital Contributions.

5.2.1 Each Member shall contribute as Additional Capital Contributions, its Percentage Allocation Interest of Additional Capital Obligations determined from time-to-time by either Manager provided that the aggregate Capital Contributions and Additional Capital Contributions for all Members shall in no event exceed \$2,500,000 without the prior written consent of each Member.

5.2.2 If any Member does not pay to the Company, when due, any amount that it is obligated to contribute to the Company under the provisions of Sections 5.1 or 5.2.1 hereof (such Member being hereinafter referred to as the "Delinquent Member" and such amount being hereinafter referred to as the "Delinquent Contribution"), and any other Member has paid to the Company, when due, all amounts that it is then, or was prior thereto, obligated to contribute to the Company pursuant to Section 5.2.1 (the "Non-Delinquent Member(s)"), the Non-Delinquent Member(s) may, if it or they so elect, give notice of such nonpayment to the Delinquent Member(s). If the default is not cured within five (5) days after the giving of such notice, the Delinquent Member(s) shall cease to have the right to cure its default and the Non-Delinquent Member(s) shall have the right to elect any one of the following remedies:

(A) The Non-Delinquent Member(s) shall have the right to pay and advance the Delinquent Contribution(s) as a loan to the Company, bearing interest at the rate set

forth in Section 5.4 below. Any such loan shall be due and payable on demand.

(B) The Non-Delinquent Member shall have the right to contribute to the capital of the Company or otherwise pay, for and on behalf of the Delinquent Member, the Delinquent Contribution and such amount shall constitute the principal amount of, and shall be the debt, payable upon demand, of the Delinquent Member to the Non-Delinquent Member making such loan. Such debt shall bear interest on the unpaid principal balance thereof at an annual rate equal to the lesser of (a) the applicable federal rate, or (b) the then maximum rate permitted on such debts under the laws of the State of California. Notwithstanding the provisions of Articles 6 and 14 hereof and any other provision hereof to the contrary, until such time any such debt and all interest accrued thereon has been paid to the Non-Delinquent Member making such loan, no distributions of cash, in liquidation or otherwise shall be made by the Company to the Delinquent Member, and all such distributions to which the Delinquent Member would otherwise be entitled under this Agreement shall be distributed by the Company to the Non-Delinquent Member making such loan and shall be applied by such Non-Delinquent Member to the payment of all accrued and unpaid interest on such debt and then to the payment of the principal amount of such debt.

5.3 No Interest on Capital Contributions. No interest shall be paid to any Member on capital contributions.

5.4 Loans. The Company may from time to time borrow such amounts from such persons (including the Members or their Affiliates) on such security and payable on such terms as may be approved by the Managers. The amount of any loan from a Member shall not increase the Capital Account or the Percentage Allocation Interest of the lending Member. The amount of any such loan shall be repayable on such terms and bear interest at a rate agreed on by the lending Member and the Company, or if no rate is agreed on then at the lesser of the applicable federal rate for the term of such loan or the maximum rate allowed by law. No Member shall be obligated to make any loans to the Company.

## 6. ALLOCATIONS AND DISTRIBUTIONS.

6.1 Allocations. Except as otherwise provided in this Article 6, the Company shall allocate Profits and Losses among the Members and adjust their respective Capital Account balances, as provided in this Section.

6.1.1 The Company shall allocate profits to the Members as follows:

(a) first, in the same manner, to the same extent and in reverse chronological order of the aggregate losses previously allocated to the Members during all prior fiscal years until the aggregate profits allocated pursuant to this subpart for the current fiscal year and for all previous fiscal years equals the aggregate losses allocated during all such previous years;

(b) second, to the Members in proportion to and in accordance with the schedule of Distributions under Section 6.3 below.

6.1.2 The Company shall allocate the losses of the Company to the Members as follows:

(a) first, to the Members in accordance with their Percentage Allocation Interests until the Capital Account balance for any Member is reduced to zero; and

(b) thereafter, to the Members in proportion to and in accordance with Percentage Allocation Interests.

6.2 Limitations on Distributions. No Distributions shall be made in contravention of the LLC Act. No Member shall be entitled to receive Distributions from the Company other than as provided in this Agreement.

6.3 Distributions. Distributions shall be distributed to the Members as follows:

first, to any Member a return of Member Loans including interest thereon;

second, to the Members the amount of their unpaid Capital Contributions; and

thereafter, Distributions shall be made pro rata in accordance with Percentage Allocation Interests.

6.4 Other Allocation Rules. For purposes of determining the net profits, net losses, or any other items allocable to any period, net profits, net losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Managers using any permissible method under Code Section 706 and the Regulations thereunder. The Members are aware of the income tax consequences of the allocations made by this Article 6 and hereby agree to be bound by the provisions of Article 6 in reporting their shares of Company income and loss for income tax purposes.

6.5 Overriding Allocations. Notwithstanding any provision of this Article 6 to the contrary:

6.5.1 Allocations in Liquidation. All items of income, gain, loss or deduction recognized during a fiscal year in which an event occurs resulting in the liquidation and termination of the Company, and all items of income, gain, loss or deduction recognized during each fiscal year thereafter, shall be allocated among the Members in the following order and manner: (i) first, to eliminate the Members' deficit Capital Account balances, allocated in proportion to such



deficit Capital Account balances; and (ii) second, in proportion to each Member's Percentage Allocation Interests. Then, liquidating Distributions shall be made in accordance with positive Capital Account balances.

6.5.2 Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-01(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, which create or increase a deficit balance in the Capital Account of such Member, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specially credited to the Capital Account of such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account so credited as quickly as possible. It is the intent that this Section 6.5.2 qualify and be construed as a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d) of the Regulations, which shall be controlling in the event of a conflict between such Regulations and this Section 6.5.2.

6.6 Target Final Balances. The Members intend that the allocations of income, gain, loss and deduction (including items of gross income, gain, loss and deduction and the allocations arising from a revaluation of the Company's assets) made pursuant to Article 6 result in their respective Capital Account balances as of the liquidation of any Member's interest to be equal to the total distributions they would have received if all the Company assets were sold for cash for their fair market values immediately prior to the liquidation, all liabilities were paid and the cash was distributed in accordance with Section 6.6 ("Target Final Balances"). All allocation provisions of Article 6 shall be interpreted consistent with this intent. To the extent that the allocation provisions of Article 6 would not produce the Target Final Balances, the Members agree to take such actions as are necessary to amend such allocation provisions to produce such Target Final Balances.

## 7. CAPITAL ACCOUNTS.

7.1 Separate Capital Account. A separate Capital Account shall be maintained for each Member. No Member shall be entitled to interest on such Member's Capital Account for any reason, notwithstanding any disproportion therein as between the Members.

7.2 Capital Account Maintenance. The Capital Account of each Member shall be maintained in accordance with the rules of Section 704(b) of the IRC and the Treasury Regulations thereunder (including Section 1.704-1(b)(2)(iv) thereof). Adjustments shall be made to the Capital Accounts for all distributions and allocations as required by the rules of Section 704(b) of the IRC and the Treasury Regulations thereunder. A Member's Capital Account shall be increased and decreased as follows:

(i) increased by (A) the amount of money or property contributed to the Company by the Member and (B) allocations to the Member of Company net profit and items of income and gain, including income and gain exempt from taxation, and

(ii) decreased by (A) the amount of money distributed to the Member by the Company as a return of capital, (B) the fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the IRC), allocations to the Member of expenditures not deductible in computing the Company's taxable income and not properly chargeable to any particular Member's Capital Account, and (D) allocations to the Member of net losses and items of loss and deductions for federal income tax purposes.

7.3 Deficit Makeup. No allocation to any Member of any loss shall create any asset of or obligation to the Company, even if said allocation reduces such Member's Capital Account. No Member shall be obligated to pay any such amount to or for the account of the Company or any creditor of the Company.

## 8. OTHER FINANCIAL MATTERS.

8.1 Fiscal Year. The fiscal year of the Company shall be the calendar year.

8.2 Other Elections. The Company shall have the right, as determined by the Managers, to make any other elections or determinations required or permitted for federal or state income tax or other tax purposes.

8.3 Books and Records. The Company shall maintain at its principal executive office the books and records required by the LLC Act. Members shall have the right to obtain, or to inspect and copy, those records described in the LLC Act.

8.4 Tax Information. Within one hundred fifty (150) days after the end of each fiscal year, the Company shall cause to be prepared and sent to each Member, or assignee or holder of an Economic Interest, such tax information and statements as shall be necessary for the preparation by such person of its federal and state income tax returns.

8.5 Bank Accounts. The Company shall maintain checking accounts in the name of the Company at a bank approved by the Managers or the Chief Financial Officer and each account shall require that all checks have signatures, single or multiple, as determined by the Managers. All funds of the Company shall be maintained in such account(s).

8.6 Organization Expenses. The Company shall pay or reimburse the Managers for the actual costs of all organizational expenses of the Company, including legal fees and costs actually incurred by the Managers in connection with formation of the Company and preparation and negotiation of this Agreement.


**Pancil LLC**

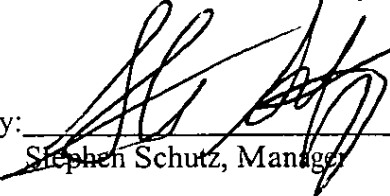
**Officer Designation**

Pursuant to Section 9.2 of the Operating Agreement of Pancil LLC, dated as of April 7, 2000, Susan Polis Schutz and Stephen Schutz as Managers of Pancil LLC hereby appoint Paul Knutson as Chief Financial Officer and Secretary of Pancil LLC.

Executed this 2nd day of July, 2009.

**Pancil LLC**

By:   
Susan Polis Schutz, Manager

By:   
Stephen Schutz, Manager

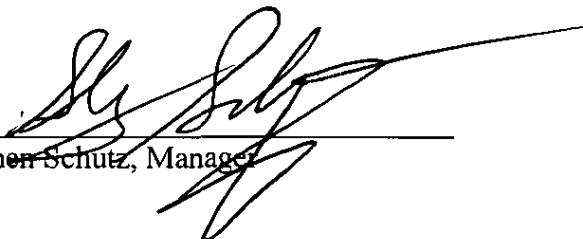
**Pancil LLC**  
**Officer Designation**

Pursuant to the provisions of Section 9.2 of the Operating Agreement of Pancil LLC dated as of April 7, 2000, Susan Schutz and Stephen Schutz as the Managers of Pancil LLC, hereby appoint Jay H. Grodin as a Vice President of the company.

Executed this 18<sup>th</sup> day of October, 2004

**Pancil LLC**

By   
Susan Schutz, Manager

By   
Stephen Schutz, Manager

## 9. MANAGEMENT.

9.1 Managers. The initial Managers of the Company shall be Stephen Schutz and Susan Schutz.. Each of the foregoing persons shall serve as a Manager until the earlier of: (i) his or her death, retirement or resignation; or (ii) his or her removal by the Members as provided below. A Manager may be removed only for fraud or wilfull misconduct upon the vote of other Members holding not less than seventy percent (70%) of the Percentage Allocation Interests of the Company.

9.2 General; Authority to Bind the Company. The Managers shall be responsible for conducting the ordinary and usual business and affairs of the Company. Either Manager shall have the authority to act on behalf of the Company and the signature of either Manager acting alone shall be sufficient to bind the Company. The Managers shall use reasonable efforts to keep the Members informed as to all matters of material concern to the Company. The Managers may appoint one or more Officers, including a chief executive officer, a secretary, a chief financial officer, and any other officers with such titles, powers, and duties as shall be determined by the Managers, who shall be responsible for day to day management of the Company and operation of the business, and for implementing decisions and pursuing objectives established by the Managers. The initial officers of the Company shall be:

Stephen Schutz and Susan Schutz	-	Co-Chief Executive Officers
Jared Schutz Polis	-	Vice President
Ed Guzik	-	Chief Financial Officer

9.3 Limitations of Authority of Managers. Notwithstanding the foregoing, the Managers shall not take any of the following actions on behalf of the Company, unless a Majority of Members has consented to the taking of such action:

9.3.1 Any act that would make it impossible to carry on the ordinary business of the Company;

9.3.2 Any confession of a judgment against the Company;

9.3.3 The dissolution of the Company;

9.3.4 The disposition of all or a substantial part of the Company's assets not in the ordinary course of business.

9.4 No Exclusive Duty. Neither the Managers nor the Members shall be required to devote all or substantially all of their time or efforts to the business of the Company. Each Manager and Member may engage in other enterprises, including those in competition with the business of the Company and no Manager or Member shall be required to offer business opportunities to the Company or to the other Members. Each Member may take advantage of those

opportunities for their own account or for the accounts of other enterprises with which they are associated. Neither the Company nor any Member shall have the right to any income or profit derived by a Member from any enterprise or opportunity permitted by this Section.

9.5 No Compensation: Expenses. Neither Manager nor any Member shall be entitled to any fees, commissions, overhead allowance or other compensation for performing their duties and obligations under this Agreement, provided, however, the Managers and Officers shall be entitled to reimbursement by the Company for all direct expenses incurred on behalf of the Company, subject to appropriate documentation and such policies as may be adopted by the Managers.

9.6 Arrangements with Members. A Member may transact business with the Company and, subject to other applicable law, has the same rights and obligations with respect thereto as a person who is not a Member. If and to the extent approved by the Managers, the Company may enter into transactions or agreements with the Members (or their Affiliates); provided, the terms of any such arrangements shall be no less favorable to the Company as are available from unaffiliated persons.

9.7 Member's Authority. No Member shall, acting solely in the capacity of a Member, be an agent of the Company, nor have any authority to bind or act for, nor execute any instrument on behalf of, the Company.

## 10. MEETINGS AND VOTING OF MEMBERS.

10.1 Majority Vote. Members shall vote in accordance with their Percentage Allocation Interests. Except as otherwise provided in this Agreement, whenever the approval of the Members is required, such approval shall be by the vote of a Majority of Members.

### 10.2 Rules and Procedures for Meetings and Voting.

10.2.1 Meetings of the Members may be called at any time by the Managers, or by Members representing more than ten (10%) percent of the Percentage Allocation Interests of the Members for the purpose of addressing any matters on which the Members may vote. If a meeting of the Members is called by the Members, notice of the call shall be delivered to the Managers. Meetings may be held at the principal executive office of the Company or at such other location as may be designated by the Managers. Following the call of a meeting, the Managers shall give notice of the meeting not less than ten (10), or more than sixty (60) calendar days prior to the date of the meeting to all Members entitled to vote at the meeting. The notice shall state the place, date and hour of the meeting and the general nature of business to be transacted. No other business may be transacted at the meeting. A quorum at any meeting of Members shall consist of a Majority of Members, represented in person or by Proxy. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment,

notwithstanding the withdrawal of a sufficient number of Members to leave less than a quorum, if the action taken, other than adjournment, is approved by the requisite Percentage Allocation Interests of Members as specified in this Agreement or the LLC Act.

10.2.2 A meeting of Members at which a quorum is present may be adjourned to another time or place and any business which might have been transacted at the original meeting may be transacted at the adjourned meeting. If a quorum is not present at an original meeting, that meeting may be adjourned by the vote of a Majority of Members represented either in person or by proxy. Notice of the adjourned meeting need not be given to Members entitled to notice if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless (a) the adjournment is for more than forty-five (45) days, or (b) after the adjournment, a new record date is fixed for the adjourned meeting. In the situations described in clauses (a) and (b), notice of the adjourned meeting shall be given to each Member of record entitled to vote at the adjourned meeting.

10.2.3 The transactions of any meeting of Members, however called and noticed, and wherever held, shall be as valid as though consummated at a meeting duly held after regular call and notice, if (a) a quorum is present at that meeting, either in person or by proxy, and (b) either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs either a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. Attendance of a Member at a meeting shall constitute waiver of notice, unless that Member objects, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be described in the notice of the meeting and not so included, if the objection is expressly made at the meeting.

10.2.4 At all meetings of Members, a Member may vote in person or by proxy. Such proxy shall be filed with the Manager before or at the time of the meeting, and may be filed by facsimile transmission to the Manager at the principal executive office of the Company or such other address as may be given by the Manager to the Members for such purposes.

10.2.5 Members may participate in a meeting through use of conference telephone or similar communications equipment, provided that all Members participating in such meeting can hear one another. Such participation shall be deemed attendance at the meeting.

10.2.6 Any action that may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all Members entitled to vote thereon were present and voted. If the Members as requested to consent to a matter without a meeting, each Member shall be given notice of the matter to be voted upon in the manner described in Section 10.2.1. Any action taken without a meeting shall be effective when the required minimum number of votes have been received.

Prompt notice of the action taken shall be given to all Members who have not consented to the action.

11. COMPETITION AND OUTSIDE INTERESTS.

Supplementing the provisions of Sections 9.4 above, there is no limitation on the outside interests or activities of any Manager or Member. Any Manager or Member may have other business interests and may engage in other activities, whether or not such interests or activities are competitive with the Company, without any obligation to offer any interest in such interests or activities to the Company or any Member. Each Member hereby waives and releases any right to participate in any present or future venture or activity of the Managers and Members or their respective affiliates.

12. LIABILITY AND INDEMNITY.

12.1 Liability of Members. Except as provided in the LLC Act, no Member shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability, of the Company, whether that debt, liability or obligation arises in contract, tort or otherwise, solely by reason of being a Member of the Company.

12.2 Liability of Manager and Officers. No person who is a Manager or Officer, or both, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Company, whether that debt, liability or obligation arises in contract, tort or otherwise, solely by reason of being a Manager or Officer, or both, of the Company.

12.3 Indemnity of the Manager and Officers.

To the extent permitted by the LLC Act:

12.3.1 In any threatened, pending or completed action or proceeding (other than an action by or in the right of the Company) to which a Manager or Officer was or is a party or is threatened to be made a party by reason of the fact that he is or was a Manager or Officer of the Company involving an alleged cause of action for damages arising from the performance of his activities on behalf of the Company, the Company shall indemnify such Manager or Officer against expenses, including attorney's fees, judgments and amounts paid in settlement, actually and reasonably incurred by him in connection with such action or proceeding unless the Manager or Officer acted in bad faith or with willful misconduct.

12.3.2 In any threatened, pending or completed action or proceeding, by or in the right of the Company, to which a Manager or Officer was or is a party or is threatened to be made a party by reason of the fact that he is or was a Manager or Officer of the Company involving an alleged cause of action for damages arising from the performance of his activities on behalf of the Company, the Company shall indemnify such Manager or Officer against expenses, including



attorney's fees, judgments and amounts paid in settlement, actually and reasonably incurred by him in connection with such action or proceeding unless the Manager or Officer acted in bad faith or with willful misconduct.

12.3.3 To the extent a Manager or Officer incurred costs or expenses in defense of any action or proceeding referred to in Section 12.3.2 above, or in defense of any claim, issue or matter therein, the Company shall indemnify the Manager or Officer against the expenses, including attorney's fees, actually and reasonably incurred by them in connection therewith.

12.4 Indemnity of Members. The Company shall indemnify, defend and hold the Members (and their respective directors, officers, shareholders, members, partners and other agents) harmless from and against all claims, losses and liabilities, including attorneys' fees and costs, incurred in connection with Company matters, unless such claims, losses or liabilities arise out of bad faith or wilful misconduct by the Member.

12.5 Outside Activities. Each Member shall indemnify, defend, protect and hold the Company and the other Members harmless from any claims, losses and liabilities, including attorneys' fees and costs, incurred as a result of any activity or liability of such Member unassociated with and outside the scope of the business and purpose of the Company.

### 13. TRANSFER OF INTERESTS AND WITHDRAWAL.

13.1 Approval Required. Except as expressly provided in this Agreement, a Member shall not transfer any part of the Member's Membership Interest in the Company, whether now owned or later acquired, unless (a) the Managers approve the transferee's admission to the Company as a Member and (b) the Membership Interest to be transferred, when added to the total of all other Membership Interests transferred in the preceding twelve (12) months, will not cause the termination of the Company under the IRC. No Member may encumber or permit or suffer an Encumbrance of all or any part of the Member's Membership Interest in the Company unless such Encumbrances have been approved in writing by the Managers. Such approvals may be granted or withheld in the Managers' sole discretion. Any transfer or Encumbrance of a Membership Interest without such approval shall be void. Notwithstanding any other provision of this Agreement to the contrary, a Member may transfer its Membership Interest to another Member without the consent of the Managers and a Member who is a natural person may transfer all or any part of his or her Membership Interest to a trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse and the Member's issue; provided, that a Member retains any beneficial interest in the trust and all the voting interests included in such Membership Interest. A transfer of the Member's beneficial interest in such trust or failure to retain such voting interest shall be deemed a transfer of a Membership Interest. As a condition to any transfer of a Member's Membership Interest in the Company, the transferring Member shall pay all costs reasonably incurred by the Company in connection with such transfer, including attorneys' fees and costs. A transfer or sale of a Membership Interest in a Member shall be deemed an assignment or

transfer hereunder.

13.2 Status of Transferee. Except for transferees receiving their Membership Interest pursuant to a transfer approved by the Managers or otherwise satisfying the requirements of paragraphs 13.1 above, a transfer resulting from the death, dissolution, incapacity, disability, incompetency, bankruptcy or insolvency of a Member shall make the transferee of a Membership Interest an assignee of an Economic Interest only. An assignee of an Economic Interest shall not be entitled to exercise any rights and powers of a Member, including the right to vote, and the assignee shall only be entitled to receive, in accordance with the terms of the transfer, the distributions and allocations the transferring Member otherwise would have received.

13.3 Securities Laws. The initial sale of Membership Interests in the Company to the initial Members have not been qualified or registered under the securities laws of any state, including California, or registered under the Securities Act of 1933, in reliance upon exemptions from the registration provisions of those laws. Notwithstanding any other provision of this Agreement, Membership Interests may not be transferred unless registered or qualified under applicable state and federal securities laws unless, in the opinion of legal counsel satisfactory to the Company, such qualification or registration is not required. The Member who desires to transfer a Membership Interest shall be responsible for all legal fees incurred in connection with said opinion.

13.4 Withdrawal. No Member may withdraw or resign as a Member of the Company. In the event of such withdrawal or resignation, the Company shall not be dissolved.

13.5 Expulsion. Neither the Managers nor the Members shall have the right to expel a Member.

#### 14. DISSOLUTION.

14.1 Events of Dissolution. The Company shall be dissolved upon the first to occur of the following events:

- (i) the expiration of the term under paragraph 3;
- (ii) by operation of law;
- (iii) entry of a decree of judicial dissolution under applicable law;
- (iv) the written agreement of all Members to dissolve the Company; or
- (v) the sale or other disposition of substantially all of the Company's

assets.

14.2 Winding Up and Liquidation. Upon dissolution of the Company, the Managers shall wind up the affairs of and liquidate the Company in accordance with applicable law and distribute the net proceeds of liquidation as follows:

(i) to the payment of debts, liabilities and obligations of the Company, other than obligations assumed or transferred in connection with the sale or other disposition of Company property, and all expenses of liquidation;

(ii) to set up any Reserves the Managers deems necessary for any contingent or unforeseen debts, liabilities or obligations of the Company;

(iii) to the Members in accordance with their positive Capital Account balances after giving effect to the allocation provisions contained in Article 6 hereof.

14.3 Time for Liquidation. A reasonable time shall be allowed for the orderly liquidation of Company property and the discharge of Company debts, liabilities and obligations, so as to reduce the loss normally resulting from a liquidation.

14.4 Certificate of Dissolution of Company. Upon dissolution of the Company, the Manager shall execute, file, publish and record such certificates of dissolution and cancellation, tax returns and other documents and instruments as may be required under applicable law.

## 15. GENERAL PROVISIONS.

15.1 Notices. Except as otherwise provided in this Agreement, any notice or other communication given to any Member in connection with the business of the Company shall be in writing and shall be deemed duly given (i) on the date of delivery if personally delivered to the Member (if an individual) or to the designated representative or an executive officer of a Member (if an entity), or (ii) one (1) business day after delivery if sent to a Member by facsimile, telegram or overnight courier to its address set forth below, or (iii) three (3) business days after mailing if sent by first class mail, postage prepaid, and properly addressed to the Member at the address set forth in Exhibit A or such other address designated from time to time by such party for this purpose.

15.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, beneficiaries, legal representatives, successors, assigns and personal representatives of the respective Members, subject to the restrictions on transfer contained in this Agreement.

15.3 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

15.4 Entire Agreement. This Agreement contains the entire understanding among the Company and the Members and supersedes any prior written or oral representations, understandings and agreements between the Company and the Members with respect to the subject matter of this Agreement. Any purported modifications or amendments of this Agreement shall be of no force or effect unless contained in a subsequent written agreement signed by the Member(s) to be charged.

15.5 Construction. Any rule of law or legal decision that would require interpretation of any ambiguities in this agreement against the party drafting it is not applicable and is waived. The provisions of this agreement shall be interpreted in a reasonable manner to effect the intent of the parties and the purpose of this agreement.

15.6 Paragraph Headings. The captions of the paragraphs in this Agreement are inserted as a matter of convenience and for reference only and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions.

15.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

15.8 Waiver. The failure to enforce any provision of this Agreement shall not constitute a waiver thereof or the right to enforce such provision thereafter.

15.9 Attorneys' Fees. If any party institutes or is made a party to an action or proceeding to enforce or interpret this Agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party all reasonable attorneys' fees and costs (whether otherwise taxable or recoverable) incurred in connection with such action or proceeding, or any appeal or enforcement of such action or proceeding.

15.10 Further Assurances. The parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Agreement.

15.11 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument.

15.12 Arbitration. Any controversy, dispute or claim arising out of the interpretation, performance or breach of this Agreement (including disputes as to the jurisdiction of the arbitrator) shall be resolved at the request of any party hereto ("Initiation") directed to the American Arbitration Association ("AAA") by a binding arbitration conducted by a single Arbitrator in San Diego County, California in accordance with the Commercial Arbitration Rules ("CAR") of the AAA, except as modified by the terms of this Section. The arbitrator shall apply California substantive law to the matter(s) which are the subject of the arbitration. The arbitrator shall have the power to grant such

legal and equitable remedies and award such damages as may be granted or awarded by a Judge of the Superior Court of the County of San Diego, California. The arbitrator shall prepare and provide to the parties a written decision ("Decision") on all matter(s) which are the subject of the arbitration, including factual findings and the reasons which form the basis of the Decision of the arbitrator. The arbitrator shall not have the power to commit errors of law or legal reasoning and the award may be vacated or corrected pursuant to California Code of Civil Procedure Sections 1286.2 or 1286.6 for any such error. The Decision shall have the effect and be enforceable in the manner provided by the California Code of Civil Procedure. Costs of the arbitration shall be borne as directed by the arbitrator. The parties hereby agree that the CAR are modified as follows:

15.12.1 If the parties have not agreed to an Arbitrator within thirty (30) days after Initiation of arbitration, then the AAA shall appoint a single neutral Arbitrator as soon thereafter as practical.

15.12.2 The parties shall be permitted discovery, including depositions, under the supervision of and rules set by the Arbitrator; provided, however, that discovery shall be completed within forty-five (45) days of selection or appointment of the Arbitrator. The Arbitrator shall have power to impose such sanctions as the Arbitrator deems appropriate for failure of a party or counsel for a party to comply with discovery rules established by the Arbitrator.

15.12.3 A hearing before the Arbitrator shall be held no later than ninety (90) days after Initiation of arbitration, unless a hearing is waived by all parties.

15.12.4 No later than ten (10) days from the date of closing of the arbitration hearing, or, if an oral hearing has been waived, from the date of transmitting final statements and proofs to the Arbitrator, the Arbitrator shall render a written Decision.

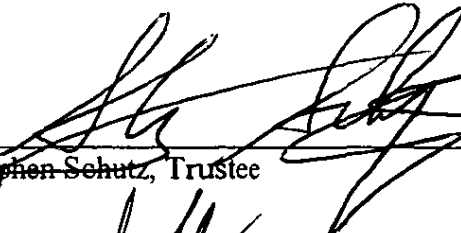
15.13 Gender. As used in this agreement, the masculine, feminine or neuter gender, and the singular or plural number shall each be deemed to include the others whenever the context so indicated.

15.14 Time. Time is of the essence under this Agreement.

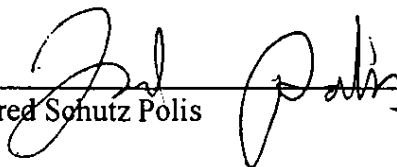
IN WITNESS WHEREOF, this Agreement has been entered into as of the date and year first above written.

MEMBERS

STEPHEN AND SUSAN SCHUTZ, TRUSTEES  
UNDER TRUST DATED DECEMBER 19, 1985

By:   
Stephen Schutz, Trustee

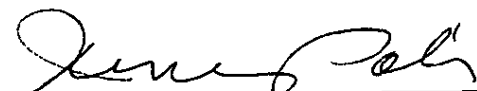
By:   
Susan Schutz, Trustee

  
Jared Schutz Polis

June Polis, as Custodian for Jordanna Polis Schutz,  
under the Colorado Uniform Transfer to Minors Act

By:   
June Polis, as Custodian

June Polis, as Custodian for Jorian Polis Schutz,  
under the California Uniform Transfer to Minors Act

By:   
June Polis, as Custodian

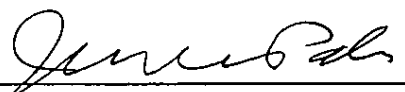
**EXHIBIT A**

<u>Member and Address</u>	<u>Initial Capital Contribution</u>	<u>Initial Percentage Allocation Interest</u>
Stephen and Susan Schutz, Trustees under Trust Dated December 19, 1985 1250 Prospect, Suite #04 La Jolla, California 92037 TIN: 101-34-6715 106-34-7052	\$ 636,400	31.821747%
Jared Schutz Polis 2525 Arapahoe Avenue Suite E-4 PMB 317 Boulder, Colorado 80302 TIN: 523-29-4455	\$ 472,200	23.614973%
June Polis, as Custodian for Jordanna Polis Schutz, under the Colorado Uniform Transfer to Minors Act 2525 Arapahoe Avenue Suite E-4 PMB 317 Boulder, Colorado 80302 TIN: 523-29-2863	\$ 445,700	22.281640%
June Polis, as Custodian for Jorian Polis Schutz, under the California Uniform Transfer to Minors Act P.O. Box 1046 La Jolla, California 92038 TIN: 547-93-7677	<u>\$ 445,700</u>	<u>22.281640%</u>
	<u>\$2,000,000</u>	<u>100%</u>

## ASSIGNMENT OF MEMBERSHIP INTEREST

The undersigned, June Polis, as Custodian for Jordanna Polis Schutz under the Colorado Uniform Transfers to Minors Act, hereby assigns and transfers to Jordanna Polis Schutz, the 22.281640% membership interest in Pancil, LLC, a California limited liability company, held by such Custodian together with the right to become a substituted member in such company, subject to the provisions of that certain Operating Agreement dated as of April 7, 2000.

IN WITNESS WHEREOF, the undersigned has executed this Assignment as of this 21st day of December, 2001.



June Polis as Custodian for Jordanna Polis  
Schutz under the Colorado Uniform  
Transfers to Minors Act

The undersigned, being all of the other Members of Pancil, LLC hereby consent to the foregoing Assignment of Membership Interest.

STEPHEN AND SUSAN SCHUTZ,  
TRUSTEES UNDER TRUST DATED  
DECEMBER 19, 1985

By: 

Stephen Schutz, Trustee

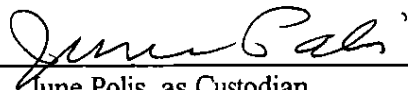
By: 

Susan Schutz, Trustee

  
Jared Schutz Polis



June Polis, as Custodian for Jordanna Polis  
Schutz, under the California Uniform  
Transfer to Minors Act

By:   
June Polis, as Custodian

# ASSIGNMENT OF MEMBERSHIP INTEREST

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IN WITNESS WHEREOF, the undersigned has executed this Assignment as of this 21st day of December, 2001.



June Polis as Custodian for ~~Jordanna~~ Polis Schutz under the Colorado Uniform Transfers to Minors Act

The undersigned, being all of the other Members of Pancil, LLC hereby consent to the foregoing Assignment of Membership Interest.

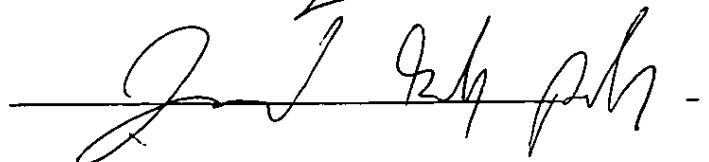
STEPHEN AND SUSAN SCHUTZ,  
TRUSTEES UNDER TRUST DATED  
DECEMBER 19, 1985

By: 

Stephen Schutz, Trustee

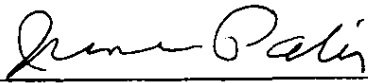
By: 

Susan Schutz, Trustee



Jared Schutz Polis

June Polis, as Custodian for Jorian Polis  
Schutz, under the California Uniform Transfer  
to Minors Act

By:   
June Polis, as Custodian

## EXHIBIT A

<u>Member and Address</u>	<u>Initial Capital Contribution</u>	<u>Initial Percentage Allocation Interest</u>
Stephen and Susan Schutz, Trustees under Trust Dated December 19, 1985 7185 Navajo Road, Suite J San Diego, CA 92119 TIN: 101-34-6715 106-34-7052	\$ 636,400	31.821747%
Jared Schutz-Polis 1725 Walnut Street Boulder, CO 80302 TIN: 523-29-4455	\$ 472,200	23.614973%
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<del>June Polis, as Custodian for Jorian Polis Schutz, under the California Uniform Transfer to Minors Act</del> 2525 Arapahoe Avenue Suite E-4, PMB 317 Boulder, CO 80302 TIN: 547-93-7677	<u>\$ 445,700</u>	<u>22.281640%</u>
	<u>\$2,000,000</u>	<u>100%</u>

## ASSIGNMENT AND ASSUMPTION OF INTEREST

THIS ASSIGNMENT AND ASSUMPTION OF INTEREST (this "Assignment") is made and entered into as of the 1st day of August, 2004 by and between JARED S. POLIS ("Assignor") and JPS INTERNATIONAL, LLC, a Delaware limited liability company ("Assignee").

### WITNESSETH:

WHEREAS, Assignor is the holder of a membership interest in Pancil LLC, a California limited liability company ("Pancil"); and

WHEREAS, Assignor desires to transfer to Assignee all of Assignor's right, title and interest in and to its membership interest in Pancil (the "Assigned Interest"), and Assignee desires to accept the same and assume and perform any and all obligations associated therewith.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby transfers and conveys to Assignee all of Assignor's right, title and interest in and to the Assigned Interest. Assignor represents and warrants that (i) he has valid marketable title to the Assigned Interest, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest and has full right, power and authority to sell, assign, transfer and deliver the Assigned Interest, (ii) has obtained all necessary and appropriate consents and approvals to transfer the Assigned Interest to Assignee and (iii) is duly authorized to execute this Agreement and this Agreement constitutes a valid and binding agreement on the part of Assignor enforceable in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles.

2. Assumption. Assignee hereby accepts such assignment and hereby assumes all duties and obligations of Assignor with respect to the Assigned Interest pursuant to that certain Operating Agreement of Pancil LLC dated as of April 7, 2000, as amended through the date hereof (the "Pancil Operating Agreement"). Assignee represents and warrants that it is duly authorized to execute this Agreement and this Agreement constitutes a valid and binding agreement on the part of Assignee enforceable in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles.

3. Assignee and Assignor Covenants. As an express condition precedent to the transfer of the Assigned Interest, Assignee and Assignor hereby, for so long as Assignee holds the Assigned Interest, agree to be bound by the following covenants with respect to the Assigned Interest:

a. Assignee shall not sell, transfer, or otherwise assign or convey the Assigned Interest except as provided in the Operating Agreement.

b. Assignor shall not sell, transfer, or otherwise assign or convey all or any part of the membership interest in Assignee to any party or otherwise cause Assignee to incur any change in ownership; provided, however, that, prior to any such change in ownership, Assignee shall transfer the Assigned Interest back to Assignor and shall not be deemed to be in violation of this covenant.

c. Immediately prior to any bankruptcy or insolvency of Assignee, or immediately prior to the occurrence of any other event which by operation of law would vest in any third party any ownership interest in Assignee, the Assigned Interest shall be deemed to be automatically conveyed, without any further action required on behalf of any of the parties hereto, to Assignor for no additional consideration.

d. The foregoing covenants shall be construed so as to prohibit the grant of any economic interest (as opposed to an ownership interest) in the holdings of Assignee by Assignor to any party, including but not limited to, certain directors and officers of Jovian Holdings, Inc.

4. Miscellaneous Provisions.

(a) Further Assurances. Assignor and Assignee agree to execute such other instruments of transfer as may be required to evidence the assignment of the Assigned Interest to Assignee.

(b) Amendment. This Assignment may only be amended or supplemented by a writing executed by all parties hereto; provided, however, that no such amendment may be made to the covenants set forth in Section 4 hereof without the express written consent of Pancil.

(c) Entire Agreement. This Assignment contains the entire agreement between the parties with respect to the transfer of the Assigned Interests to the Assignee and supersedes all prior arrangements or understandings with respect thereto.

(d) Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of the parties to it and their respective heirs, legal representatives, successors, and assigns.

(e) Governing Law. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Colorado, without respect to its conflicts of law principles.

(f) Severability. In the event any one or more of the provisions contained in this Assignment or in any other instrument referred to herein shall, for any reason, be held to be invalid, illegal, or unenforceable, such illegality, invalidity or unenforceability shall not affect any other provisions of this Assignment.

(g) Attorneys' Fees. If any suit or action shall be instituted to enforce the rights of a party arising under this Assignment, the prevailing party shall be awarded reasonable attorneys' fees, expert witness fees and other court costs.

(h) Counterparts and Facsimile. This instrument may be signed in one or more counterparts or by facsimile signature, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

(i) Third Party Beneficiaries. Pancil shall be deemed to be a third party beneficiary of the covenants of Assignee set forth in Section 4 of this Agreement and shall be entitled to enforce such covenants to the same extent and in place of Assignor and Assignee.

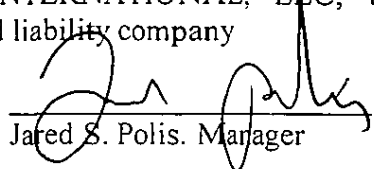
[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Assignment to be effective as of the day and year first above written.

**ASSIGNEE:**

JPS INTERNATIONAL, LLC, a Delaware limited liability company

By:

  
Jared S. Polis, Manager

**ASSIGNOR:**

By:

  
Jared S. Polis

**CONSENT OF PANCIL LLC TO ASSIGNMENT AND ASSUMPTION:**

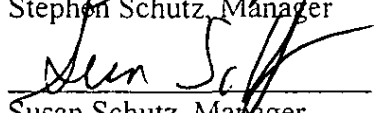
The undersigned, being the duly authorized Managers of Pancil, hereby consent to and approve of the transfer of the Assigned Interest from Assignor to Assignee as provided herein, and in accordance with Section 13 of the Pancil Operating Agreement hereby approve the admission of Assignee as a member of Pancil in substitution of and in place of Assignor, subject to all of the rights, privileges, conditions and restrictions applicable to members set forth in the Pancil Operating Agreement. The undersigned shall take any such further actions and shall execute such further documents as Assignee may reasonably request to effectuate the intent and purpose of the foregoing. The undersigned hereby consent to any reconveyance of the Assigned Interest back to Assignor pursuant to the provisions of Section 4 of this Agreement.

**PANCIL LLC**

By:

  
Stephen Schutz, Manager

By:

  
Susan Schutz, Manager





**FILE COPY**

**CERTIFICATE OF REGISTRATION  
OF AN OVERSEA COMPANY**

Establishment of a Place of Business

Company No. FC029210

The Registrar of Companies for England and Wales hereby certifies that

**PANCIL, LLC**

has this day been registered under Section 691 of the Companies Act 1985 as  
having established a place of business in England and Wales.

Given at Companies House on 16th September 2009.



*Companies House*  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES