

**OPERATING AGREEMENT
OF
ABC LLC**

a _____ limited liability company

This Limited Liability Company Operating Agreement (the “Operating Agreement” or “Agreement”) of **ABC LLC** a _____ limited liability company (the “Company”) dated as of _____, 20____, (the “Effective Date”) is entered into by and between JOHN DOE (“JOHN”) and JANE DOE (“JANE”) as members of the Company. JOHN and JANE may individually be referred to as “Member” or collectively as “Members”.

The Members hereto desire to form the Company in accordance with the _____ Limited Liability Company Act (the “Act”) to engage in the business hereinafter described upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties agree as follows:

**SECTION 1
THE COMPANY**

1.1 Definitions.

Capitalized words and phrases used in this Operating Agreement have the following meanings:

“Act” means the _____ Limited Liability Company Act, Chapter _____, as amended from time to time (or any corresponding provisions of succeeding law).

“Articles of Dissolution” means a certificate filed in accordance with the Act.

“Bankruptcy” means, with respect to any Person, a “Voluntary Bankruptcy” or an “Involuntary Bankruptcy.” A “Voluntary Bankruptcy” means, with respect to any Person (i) the inability of such Person generally to pay its debts as such debts become due, or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors; (ii) the filing of any petition or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or

seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for such Person or for any substantial part of its property; or, (iii) corporate action taken by such Person to authorize any of the actions set forth above. An “Involuntary Bankruptcy” means, with respect to any Person, without the consent or acquiescence of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation, or the filing of any such petition against such Person which petition shall not be dismissed within ninety (90) days, or without the consent or acquiescence of such Person, the entering of an order appointing a trustee, custodian, receiver or liquidator of such Person or of all or any substantial part of the property of such Person which order shall not be dismissed within ninety (90) days.

“Business” means the business of operating and managing **ABC LLC, a _____ limited liability company.**

“Certificate” means the Certificate of Formation filed with the _____ Department of State pursuant to the Act to form the Company, as originally executed and amended, modified, supplemented or restated from time to time, as the context requires.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time.

“Company” means the limited liability company formed pursuant to this Operating Agreement and the Articles and the limited liability company continuing the business of this Company in the event of dissolution of the Company as herein provided.

“Debt” means (i) any indebtedness for borrowed money or the deferred purchase price of property as evidenced by a note, bonds, or other instruments; (ii) obligations as lessee under capital leases; (iii) obligations secured by any mortgage, pledge, security interest, encumbrance, lien or charge of any kind existing on any asset owned or held by the Company whether or not the Company has assumed or become liable for the obligations secured thereby; (iv) accounts payable; and, (v) obligations under direct or indirect guarantees of [including obligations (contingent or otherwise) to assure a creditor against loss in respect of] indebtedness or obligations of the kinds referred to in clauses (i), (ii), (iii) and (iv), above provided that Debt shall not include obligations in respect of any accounts payable that are incurred in the ordinary course of the Company’s business and are not delinquent or are being contested in good faith by appropriate proceedings.

“Dissolution Event” shall have the meaning set forth in Section 10.1 hereof.

“GAAP” means generally accepted accounting principles in effect in the United States of America from time to time.

“Involuntary Bankruptcy” has the meaning set forth in the definition of Bankruptcy.

“Liquidation Period” has the meaning set forth in Section 10.7 hereof.

“Liquidator” has the meaning set forth in Section 10.9(a) hereof.

“Membership Units” or “Units” means any ownership interest in the Company representing a Capital Contribution of \$1.00, including any and all benefits to which the holder of such Units may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this agreement. The Company shall issue 1000 Membership Units.

“Manager(s)” means the Person or Persons elected by the Members to serve as the Manager(s).

“Operating Agreement” mean this Operating Agreement of **ABC LLC, a _____ limited liability company** including all Exhibits and Schedules attached hereto, as amended from time to time. Words such as “herein,” “hereinafter,” “hereof,” “hereto” and “hereunder” refer to this Operating Agreement as a whole, unless the context otherwise requires.

“Percentage Interests” means a Member’s percentage of Membership Units reflected in Section 2.1.

“Person” means any individual, partnership (whether general or limited), limited liability company, corporation, trust, estate, association, nominee or other entity.

“Reconstitution Period” has the meaning set forth in Section 10.1(b) hereof.

“Securities Act” means the Securities Act of 1933, as amended.

“Tax Matters Member” has the meaning set forth in Section 7.3(a) hereof.

“Transfer” means, as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge or hypothecate or otherwise dispose of.

“Treasury Regulations” means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations are amended from time to time.

“Voluntary Bankruptcy” has the meaning set forth in the definition of “Bankruptcy.”

2. Name.

The name of the Company shall be **ABC LLC**, a _____ **limited liability** company, and all business of the Company shall be conducted in such name. The Managers may change the name of the Company upon ten (10) days’ notice to the Members.

1.3 Purpose; Powers.

The sole business of the Company is to engage in the following activities and exercise the following powers:

(a) To oversee the rental and management of real estate assets owned by the Company (the "Company Property");

(b) To engage in all other activities necessary, customary, convenient, or incidental to any of the foregoing; and

(c) To exercise all other powers necessary to or reasonably connected with the Company's business that may be legally exercised by limited liability companies under the Act and that at any time appear conducive to or expedient for the protection or benefit of the Company, the Property, and all other assets owned by the Company.

1.4 The Real Property Sale.

Notwithstanding anything in this Agreement, in the event the Members wish to sell, convey, or transfer the Real Property, the Members expressly agree that such sale, conveyance, or transfer must be agreed upon by a unanimous vote of the Members presenting One Hundred Percent (100%) of the Units of the Company.

1.5 Principal Place of Business.

The principal place of business of the Company shall be _____. The Managers may change the principal place of business of the Company to any other place within or without the State of _____ upon ten (10) days’ notice to the Members.

1.6 Term.

The term of the Company shall commence on the date the Articles are filed with the _____ Secretary of State in accordance with the Act and shall continue until the winding up and liquidation of the Company and its business is completed following a Dissolution Event, as provided in Section 10 hereof.

1.7 Filings; Agent for Service of Process.

(a) The Articles were filed in accordance with the Act on _____. The Manager(s) shall take any and all other actions reasonably necessary to perfect and maintain the status of the Company as a limited liability company under the laws of the State of _____, including the preparation and filing of such amendments to the Certificate and such other assumed name articles, documents, instruments and publications as may be required by law, including, without limitation, action to reflect:

(i) a change in the Company name;

(ii) a correction of false or erroneous statements in the Certificate or the desire of the Members to make a change in any statement therein in order that it shall accurately represent the agreement among the Members; or,

(iii) a change in the time for dissolution of the Company as stated in the Certificate and in this Operating Agreement.

(b) The Members and the Manager(s) shall execute and cause to be filed original or amended articles and shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Company as a limited liability company or similar type of entity under the laws of any other jurisdictions in which the Company engages in business.

(c) Upon the dissolution and completion of the winding up and liquidation of the Company in accordance with Section 10, the Manager shall promptly execute and cause to be filed articles of dissolution in accordance with the Act and the laws of any other jurisdictions in which the Manager(s) deems such filing necessary or advisable.

1.8 Title to Property.

All property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in his individual name, and each Member's interest in the Company shall be personal property for all purposes. At all times after the Effective Date, the Company shall hold title to all of its property in the name of the Company and not in the name of any Member. The Members hereby agree that no Member, nor any successor in

interest to any Member, shall have the right while this Operating Agreement remain in effect, including, without limitation, during the period the Company is in liquidation following any dissolution, to have any Company asset partitioned, or to file a complaint or institute any proceedings at law or in equity to have such asset partitioned; and each Member, on behalf of himself, his successors, successors in title, and assigns, hereby waives any such right.

1.9 Payments of Individual Obligations.

The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be Transferred or encumbered for, or in payment of, any individual obligation of any Member.

SECTION 2
MEMBERS' CAPITAL CONTRIBUTIONS

2.1 Original Capital Contributions.

The name, email, "Percentage Interest", and number of "Units" of each of the Members is as follows:

<u>Name</u>	<u>Percentage Interest</u>	<u>Units</u>
John Doe John@johndoe.com	50%	500
Jane Doe Jane@janedoe.com	50%	500

2.2 Additional Capital Contributions.

The Members may make additional capital contributions only with the written consent of all Members. Nothing herein shall be construed to require the Members to make any additional capital contributions.

3. Capital Account.

A Capital Account shall be maintained for each Member in accordance with Code Section 704(c), and such account shall be adjusted annually to reflect (i) additions or withdrawals of capital by any Member and (ii) allocations of profit, loss or gain allocated to such Member in accordance

with Section 3, below. Capital Accounts shall be adjusted at the end of each calendar year. No Member shall be permitted to withdraw any capital from its Capital Account without the approval of the majority of the Members.

SECTION 3 ALLOCATIONS

3.1 Allocation of Profits and Losses.

Except as to special allocations set forth in Sections 3.2 and 3.3, all profits, income, gain, deduction and loss shall be allocated to the Members according to their Percentage Interests in the Company. All allocations of profit, gain or loss shall be reflected in each Member's Capital Account.

3.2 Regulatory Allocations.

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, notwithstanding any other provision of this Section 3, if there is a net decrease in the Company's minimum gain during any fiscal year, each Member shall be specially allocated items of the Company's income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's portion of the net decrease in the Company's minimum gain, determined in accordance with Treasury Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Treasury Regulations. This Section 3.2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Treasury Regulations, notwithstanding any other provision of this Section 3, if there is a net decrease in the Member's nonrecourse debt minimum gain attributable to a Member nonrecourse debt during the Company's fiscal year, each Member who has a portion of the Member nonrecourse debt minimum gain attributable to such Member nonrecourse debt, determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of the Company's income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's portion of the net decrease in Member nonrecourse debt minimum gain attributable to such Member nonrecourse debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance

with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Treasury Regulations. This Section 3.2(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

3.3 Curative Allocations.

The allocations set forth in Section 3.2 (the “Regulatory Allocations”) are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 3.3. Therefore, notwithstanding any other provision of this Section 3.3 (other than the Regulatory Allocations), the Tax Matters Member, as provided in Section 7.3(a) shall make such offsetting special allocations of the Company’s income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member’s capital account balance is, to the extent possible, equal to the capital account balance such Member would have had if the Regulatory Allocations were not part of this Operating Agreement and all of the Company’s items were allocated pursuant to Section 3.1.

**SECTION 4
DISTRIBUTIONS**

1. Distribution.

Any distribution of profits and gain shall be subject to the unanimous vote of the Members, and shall be in accordance with the Members Percentage Interests. All such distributions shall be deducted from the respective Members’ Capital Account.

2. Minimum Distributions.

Notwithstanding Section 4.1, the Manager shall make minimum annual distributions from the Company on the last day of any calendar year to the extent that any Member incurs an income tax liability due to allocation of profit or gain according to the Member’s Percentage Interests in the Company. Such minimum annual distributions shall be payable no later than sixty (60) days after close of the calendar year.

4.3 Limitations on Distributions. The Company shall make no distributions to the Members except (i) as provided in this Section 4 and Section 10 hereof.

**SECTION 5
MANAGEMENT**

5.1 Manager(s).

(a) The management of the Company shall be vested in the manager(s) designated by the Members as provided in Section 5.1(c) hereof.

(b) The manager of the Company shall be (the “Manager”):

JOHN DOE

(c) A manager shall remain in office until removed by unanimous vote of the Members, or upon the resignation, disability or death of such manager. The respective member shall replace the departing manager by delivering to the Company a statement designating a successor manager and setting forth such successor manager’s business addresses and telephone numbers.

(d) A manager shall perform his duties as a manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of being or having been a manager of the Company.

(e) A manager shall have the power to delegate authority to such officers, employees, agents and representatives of the Company, as they may from time to time deem appropriate. Such delegation by a manager will not cause the manager to cease to be a manager of the Company and any such delegation may be rescinded at any time a manager

(f) A manager shall not be liable under a judgment, decree or order of court, or in any other manner, for a debt, obligation or liability of the Company.

5.2 Manager(s)’ Powers.

(a) Except as otherwise provided in this Operating Agreement, all powers to control and manage the Business and affairs of the Company shall be exclusively vested in the Manager and the Manager may exercise all powers of the Company and do all such lawful acts as are not by statute, the Articles or this Operating Agreement directed or required to be exercised or done by the Members and in so doing shall have the right and authority to take all actions which the Manager deems necessary, useful or appropriate for the management and conduct of the Business, including exercising the following specific rights and powers:

(i) Conduct its business, carry on its operations and have and exercise the powers granted by the Act in any state, territory, district or possession of the United States, or in

any foreign country which may be necessary or convenient to effect any or all of the purposes for which it is organized;

(ii) Acquire by purchase, lease, or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(iii) Operate, maintain, finance, improve, construct, own, grant operations with respect to, sell, convey, assign, mortgage, and lease any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(iv) Execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance, and operation of the Business, or in connection with managing the affairs of the Company, including, executing amendments to this Operating Agreement and the Articles in accordance with the terms of this Operating Agreement, both as Manager and, if required, as attorney-in-fact for the Members pursuant to any power of attorney granted by the Members to the Manager;

(v) Borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the accomplishment of the purposes of the Company, and secure the same by mortgage, pledge, or other lien on any Company assets (collectively referred to as an "Encumbrance"); ***provided such Encumbrance does not exceed FIVE THOUSAND DOLLARS (\$5,000.00);***

(vi) Execute, in furtherance of any or all of the purposes of the Company, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the Company assets (collectively referred to as an "Encumbrance"), ***provided such Encumbrance does not exceed FIVE THOUSAND DOLLARS (\$5,000.00);***

(vii) Prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the assets of the Company and in connection therewith execute any extensions or renewals of encumbrances on any or all of such assets;

(viii) Care for and distribute funds to the Members by way of cash income, return of capital, or otherwise, all in accordance with the provisions of this Operating Agreement, and perform all matters in furtherance of the objectives of the Company or this Operating Agreement;

(ix) Contract on behalf of the Company for the employment and services of employees and/or independent contractors, such as lawyers and accountants, and delegate to such Persons the duty to manage or supervise any of the assets or operations of the Company;

(x) Engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to Company assets and managers' liability) necessary or incidental to, or in connection with, the accomplishment of the purposes of the Company, as may be lawfully carried on or performed by a limited liability company under the laws of each state in which the Company is then formed or qualified;

(xi) Take, or refrain from taking, all actions, not expressly proscribed or limited by this Operating Agreement, as may be necessary or appropriate to accomplish the purposes of the Company;

(xii) Institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Company, the Members or the Manager in connection with activities arising out of, connected with, or incidental to this Operating Agreement, and to engage counsel or others in connection therewith;

(xiii) Purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited companies, other limited liability companies, or individuals or direct or indirect obligations of the United States or of any government, state, territory, government district or municipality or of any instrumentality of any of them;

(xiv) Indemnify a member or a manager or former member or manager, and to make any other indemnification that is authorized by this Operating Agreement in accordance with the Act.

(xv) All acts of the Manager, taken voluntarily and in good faith, shall be authorized hereunder. Any acts of the Manager under duress or on behalf of any creditor of a Member shall not be authorized hereunder.

(xvi) NOTWITHSTANDING ANY HERE TO THE CONTRARY, THE FOLLOWING ACTS SHALL REQUIRE A UNANIMOUS VOTE OF THE MEMBERS PRIOR TO THE MANAGER EXECUTING SUCH ACT:

- a. any Company expense in an amount greater than FIVE THOUSAND DOLLARS (\$5,000.00) or more, or

b. Any sale of Company assets.

5.3 Duties and Obligations of the Manager(s).

(a) The Manager shall cause the Company to conduct its business and operations separate and apart from that of any Member or the Manager, including, without limitation, (i) segregating Company assets and not allowing funds or other assets of the Company to be commingled with the funds or other assets of, held by, or registered in the name of, any Member or Manager(s); (ii) maintaining books and financial records of the Company separate from the books and financial records of any Member or Manager, and observing all Company procedures and formalities, including, without limitation, maintaining minutes of Company meetings and acting on behalf of the Company only pursuant to due authorization of the Members; (iii) causing the Company to pay its liabilities from assets of the Company; and, (iv) causing the Company to conduct its dealings with third parties in its own name and as a separate and independent entity.

(b) The Manager shall take all actions which may be necessary or appropriate (i) for the continuation of the Company's valid existence as a limited liability company under the laws of the State of _____ and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Members or to enable the Company to conduct the business in which it is engaged; and, (ii) for the accomplishment of the Company's purposes, including the acquisition, development, maintenance, preservation, and operation of property in accordance with the provisions of this Operating Agreement and applicable laws.

(c) The Manager shall be under a fiduciary duty to conduct the affairs of the Company in the best interests of the Company and of the Members, including the safekeeping and use of all of the property and the use thereof for the exclusive benefit of the Company.

5.4 Indemnification of the Manager(s).

(a) Unless otherwise provided in Section 5.4(d) hereof, the Company, its receiver, or its trustee (in the case of its receiver or trustee, to the extent of the Company's property) shall indemnify, save harmless, and pay all judgments and claims against the Manager relating to any liability or damage incurred by reason of any act performed or omitted to be performed by the Manager in connection with the Business, including reasonable attorneys' fees incurred by the Manager in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred.

(b) Unless otherwise provided in Section 5.4(d) hereof, in the event of any action by a Member against a manager, including a Company derivative suit, the Company shall indemnify, save harmless, and pay all expenses of a manager, including reasonable attorneys' fees

incurred in the defense of such action.

(c) Unless otherwise provided in Section 5.4(d) hereof, the Company shall indemnify, save harmless, and pay all expenses, costs, or liabilities of a Manager, if for the benefit of the Company and in accordance with this Operating Agreement a Manager makes any deposit or makes any other similar payment or assumes any obligation in connection with any property proposed to be acquired by the Company and suffers any financial loss as the result of such action.

(d) Notwithstanding the provisions of Sections 5.4(a), 5.4(b) and 5.4(c) above, such Sections shall be enforced only to the maximum extent permitted by law and a manager shall not be indemnified from any liability for the fraud, intentional misconduct, gross negligence or a knowing violation of the law which was material to the cause of action.

(e) The obligations of the Company set forth in this Section 5.4 are expressly intended to create third party beneficiary rights of a manager and any member is authorized, on behalf of the Company, to give written confirmation to a manager of the existence and extent of the Company's obligations to such manager hereunder.

5.5 Bankruptcy, Other Circumstances, and Involuntary Assignment by Manager(s).

The Manager shall not cease to be such by reason of any of the following. An order for relief against a Manager is entered under Chapter 7 of the federal bankruptcy law, or such Manager: (a) makes a general assignment for the benefit of creditors; (b) files a voluntary petition under the federal bankruptcy law; (c) files a petition or answer seeking for the Manager any reorganization arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation; (d) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature; or, (e) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager's properties. In addition the following circumstance shall not cause a person to cease to be a Manager: sixty days after the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, the proceeding has not been dismissed, or if with sixty days after the appointment without the Manager's consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager's properties, the appointment is not vacated or stayed, or within sixty days after the expiration of any such stay, the appointment is not vacated.

**SECTION 6
ROLE OF MEMBERS**

6.1 Members' Liability.

No Member shall be liable under a judgment, decree or order of a court, or in any other manner for the Debts or any other obligations or liabilities of the Company. A Member shall be liable only to make its capital contributions and shall not be required to restore a deficit balance in its capital account or to lend any funds to the Company or, after its capital contributions have been made, to make any additional contributions, assessments or payments to the Company, provided that a Member may be required to repay distributions made to it as provided in this Operating Agreement or Section 605.0406 of the Act. The Managers shall not have any personal liability for the repayment of any capital contributions of any Member.

6.2 Partition.

While the Company remains in effect or is continued, each Member agrees and waives its rights to have any of the Company's property partitioned, or to file a complaint or to institute any suit, action or proceeding at law or in equity to have any of the Company's property partitioned, and each Member, on behalf of itself, its successors and its assigns hereby waives any such right.

6.3 Confidentiality.

Except as contemplated hereby or required by a court of competent authority, each Member shall keep confidential and shall not disclose to others without the prior written consent of all Members any information which (i) pertains to this Operating Agreement, any negotiations pertaining thereto, any of the transactions contemplated hereby, or the Business of the Company; or, (ii) pertains to confidential or proprietary information of any Member or the Company or which any Member has labeled in writing as confidential or proprietary. No Member shall use any information which (i) pertains to this Operating Agreement, any negotiations pertaining hereto, any of the transactions contemplated hereby, or the Business of the Company; or, (ii) pertains to the confidential or proprietary information of any Member or the Company or which any Member has labeled in writing as confidential or proprietary, except in connection with the transactions contemplated hereby. The term "confidential information" is used in this Section 6.3 to describe information which is confidential, non-public or proprietary in nature, was provided to such Member or its representatives by the Company, any other Member, and relates either directly, or indirectly to the Company or the Business. Information which (i) is available, or becomes available, to the public through no fault or action by such Member; or (ii) becomes available on non-confidential basis from any source other than the Company, any other Member, and such source is not prohibited from disclosing such information, shall not be deemed confidential information.

6.4 Transactions Between a Member and the Company.

Except as otherwise provided herein or by applicable law, any Member may, but shall not be obligated to, lend money to the Company, act as surety for the Company and transact other business

with the Company and has the same rights and obligations when transacting business with the Company as a person or entity who is not a Member. A Member may also be an employee or be retained as an agent of the Company. The existence of these relationships and acting in such capacities will not result in the Member being deemed to be participating in the control of the business of the Company or otherwise affect the limited liability of the Member.

6.5 Other Instruments.

Each Member hereby agrees to execute and deliver to the Company within five (5) days after receipt of a written request therefore, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Manager deem necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Operating Agreement.

**SECTION 7
ACCOUNTING, BOOKS AND RECORDS**

7.1 Accounting, Books and Records.

(a) The Company shall keep on site at its principal place of business each of the following:

(i) A current list of the full name and last known business address of each Member and the Manager(s), separately identifying the Members in alphabetical order and the Manager(s), in alphabetical order;

(ii) A copy of the filed Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any document has been executed; and

(iii) Copies of any then effective Regulations of the Company.

(b) The Manager shall determine the accounting methods utilized by the Company.

7.2 Reports.

(a) In General. The Tax Matters Member of the Company shall be responsible for causing the preparation of financial reports of the Company and the coordination of financial matters of the Company with the Company's accountants.

7.3 Tax Matters.

(a) Tax Elections. The Members of the Company have JOHN DOE to act as the “Tax Matters Member” under the Code and in any similar capacity under state or local law.

(b) Tax Information. Necessary tax information shall be delivered to each Member as soon as practicable after the end of each fiscal year of the Company but not later than five (5) months after the end of each fiscal year.

**SECTION 8
AMENDMENTS**

Amendments to this Operating Agreement may be proposed by the Manager or any Member. Following such proposal, the Manager shall submit to the Members a verbatim statement of any proposed amendment, providing that counsel for the Company, if any, shall have approved of the same in writing as to form, and the Manager shall include in any such submission a recommendation as to the proposed amendment. The Manager shall seek the written vote of the Members on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. A proposed amendment shall be adopted and be effective as an amendment hereto if it receives a unanimous affirmative vote of the Members. Notwithstanding the foregoing, this Operating Agreement shall not be amended without the consent of each Member adversely affected (i) if such amendment would modify the limited liability of a Member; or, (ii) alter the interest of a Member in profits, losses, other items, or any Company distributions.

**SECTION 9
ASSIGNMENT AND TRANSFER OF MEMBERSHIP
INTERESTS BY MEMBERS; SUBSTITUTION OF MEMBERS**

9.1 Restrictions on Transfers.

a) Except as otherwise provided in this Section 9, no Member may “Transfer” (*defined as any action or intended action to directly or indirectly sell, exchange, barter, assign, transfer, give, or otherwise voluntarily or involuntarily dispose of, including, but not limited to any transfer by way of gift or bequeath upon the death of any Member, or any action or intended action to pledge, escrow, hypothecate, mortgage, grant or create a security interest in or lien upon, or otherwise voluntarily or involuntarily encumber a Membership Interest or any portion thereof or interest therein*) all or any portion of any Membership Interest without the unanimous consent of the other Members, whose consent may be withheld in their

sole discretion, unless such Transfer is to a Permitted Transferee (as defined in Section 9.2 below). Any purported Transfer from the Company, in violation of this Section 9 shall be null and void *ab initio* and of no force or effect and shall not bind the Company. However, if the Company is required to recognize such Transfer (by law or otherwise), the rights of the Transferee in the Membership Interest transferred shall be strictly limited to the Transferor's rights to allocations and distributions (i.e. the economic interest only) as provided in this Agreement with respect to such Membership Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations or liabilities for damages that the Transferor or Transferee of such Membership Interest may have to the Company. Each Member hereby acknowledges the reasonableness of the restrictions on transfer imposed by this Agreement in view of the Company's purposes and the relationship of the Members. Accordingly, the restrictions on transfer contained herein shall be specifically enforceable. Each Member hereby further agrees to hold the Company and each Member (and each Member's successors and assigns) wholly and completely harmless from any cost, liability, or damage (including, without limitation, liabilities for income taxes and costs of enforcing this indemnity) incurred by any of such indemnified persons as a result of a transfer or an attempted transfer in violation of this Section 9 and efforts to enforce the indemnity granted hereby.

b) A Permitted Transferee, shall not be admitted as a Member unless and until the Transferee executes and delivers a Counterpart Signature of this Agreement, expressly assumes all of the obligations of the Transferor hereunder, executes or delivers such other agreements, instruments, certificates, affidavits, opinions of counsel and other documents as the Company may reasonably require in order to admit the Transferee as a Member in accordance with this Agreement and applicable law. Except as provided in the immediately preceding sentence, a Transferee shall not be a Member or otherwise be entitled to participate in the management and affairs of the Company, and a Transfer of a Membership Interest shall not release, terminate, alter or otherwise affect any duty, obligation or liability of the Transferor.

c) In the event of a Transfer in violation of this Agreement, any voting rights with respect to the transferred Membership Interest shall automatically be transferred to the non-Transferring Members pro-rata in accordance with each such non-Transferring Member's Percentage Interest immediately prior to such Transfer (excluding the Membership Interest subject to the Transfer).

9.2 Permitted Transferee.

A permitted transferee ("Permitted Transferee") shall be the immediate family member (spouse and children, if any) of any Member and the following individuals:

9.3 Drag Along Rights. if a Member or group of Members holding 51% of the Membership Interest in the Company (collectively the “Selling Member”) proposes to sell all its Membership Interest, to a third-party purchaser pursuant to a *bona fide* offer made by such third-party (“Drag Transaction”), such Selling Member shall have the right to cause all of the other Members (the “Drag-Along Members”) to transfer such percentage of the Drag-Along Members’ Membership Interest’s to such third-party purchaser equal the percentage determined by dividing the number of Membership Interest to be transferred by the Selling Member(s) by the total number of Membership Interest held by the Selling Member(s) prior to such transfer. Such right shall be exercised by the Selling Member(s) pursuant to a written demand Notice (the “Joint-Sale Demand”) which sets forth the terms and conditions of the proposed sale which shall be delivered to the Drag-Along Members. Each Member shall be entitled to receive such percentage of the overall consideration to be paid to all Members equal to the percentage determined by dividing the number of Membership Interest sold by such Member by the total Membership Interest sold by all Members, and otherwise on the same terms applicable to the sale by the Selling Member to the third party as set forth in the Joint-Sale Demand. The closing of any sale of the Membership Interest pursuant to this Section 9.3(a) shall be no sooner than thirty (30) days after the Drag-Along Members receive the Joint-Sale Demand. Each Member constitutes and appoints each Selling Member as the Member’s true and lawful Attorney-in-Fact, and in the Member’s name, place, and stead, to make, execute, sign, acknowledge, and file any and all documents required to approve and consummate a Drag Transaction.

9.4 Right of First Refusal.

(a) Within ten (10) days of Notice to a Member of a *bona fide* third-party offer (the “Offer”) to purchase such Member’s Membership Interest (the “Offered Interest”), the Member receiving the Offer (the “Offering Member”) must, if such Member desires to accept such Offer, give Notice of such Offer (the “Offer Notice”) to the other Members (the “Other Members”).

(b) Each Other Member may purchase a portion of the Membership Interest subject to the Offer on the terms and conditions set forth in the Offer Notice, provided that within thirty (30) days of the Notice of the Offer, such Other Member gives Notice of its intention to purchase any or all of such Membership Interest to the Offering Member along with the amount of Membership Interest such Other Member desires to purchase.

(c) In the event that the Other Members, in the aggregate, accept the Offer with respect to all of the Offered Interest, the Offer shall be deemed accepted in full and each Other Member shall be deemed to have accepted that percentage of the Offered Interest

determined by dividing (A) the Offered Interest that such Other Member gave Notice of its willingness to purchase by (B) the aggregate Offered Interest all Other Members gave Notice of their willingness to purchase. Notwithstanding the previous sentence, if Other Members, in the aggregate, accept more than one hundred percent (100%) of the Offered Interest, then the Offered Interest shall be deemed accepted by the Other Members as follows: (i) First, each Other Member accepting to purchase a percentage of the Offered Interest that is less than the Percentage Interest held by such Other Member in relation to all Other Members immediately prior to such purchase shall be permitted to purchase the amount they have elected to purchase; and (ii) Second, each Other Member accepting to purchase a percentage of the Offered Interest that is equal to or more than the Percentage Interest held by such Other Member in relation to all Other Members immediately prior to such purchase shall be permitted to purchase such portion of the remaining Offered Interest determined by multiplying (A) the Offered Interest remaining after any purchases pursuant to (i) immediately above and (B) the percentage of Membership Interest held by such accepting Other Member in relation to all accepting Other Members purchasing pursuant to this subsection (ii). In the event that Other Members, in the aggregate accept the Offer with respect to all of the Offered Interest, the Offer shall be deemed to be accepted in full. If the Other Members do not accept the Offer as to all of the Offered Interest during the Offer Period, the Offer shall be deemed to be rejected only with respect to any un-purchased portion of the Offered Interest.

(d) If the Other Members do not provide Acceptance Notices for all of the Membership Interest under Section 9.4(b), the rights and obligations of the Other Members to purchase any unpurchased Membership Interest under this Section 9.4 shall terminate. The Offering Member shall be entitled to sell any non-purchased Membership Interest without regard to the consent requirements set forth in this Section 9.4 and without regard to Section 9.3); provided that (1) such sale occurs within ninety (90) days of the close of the date of the Offer on the same terms and conditions as set forth in the Offer and (2) such sale would not directly or indirectly result in the breach of, and otherwise complies with, all other applicable provisions of this Agreement.

(e) The Closing of any purchase by the Other Members pursuant to this Section 9.4(e) shall occur no later than ninety (90) days following the date of the Offer Notice.

SECTION 10 DISSOLUTION AND WINDING UP

10.1 Dissolution Events.

(a) Dissolution. The Company shall dissolve and shall commence winding up and liquidating upon the first to occur of any of the following (each a “Dissolution Event”):

(i) The majority vote of the Members to dissolve, wind-up, and liquidate the Company;

(ii) A judicial determination that an event has occurred that makes it unlawful, impossible or impractical to carry on the Business; or

(iii) The Bankruptcy, dissolution, retirement, resignation or expulsion of any Member; provided, that any such event will not be deemed a Dissolution Event in the event that there are at least two remaining Members and, if there are two remaining Members each remaining Member agrees to continue the business of the Company within ninety (90) days after the occurrence of such an event.

(iv) Unless Sections 10(a)(i), 10(a)(ii) or 10(a)(iii) cause a prior dissolution, the Company's existence shall terminate on December 31, 2049.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Dissolution Event.

(b) Reconstitution. If it is determined, by a court of competent jurisdiction, that the Company has dissolved prior to the occurrence of a Dissolution Event, then within an additional ninety (90) days after such determination (the "Reconstitution Period"), all of the Members may elect to reconstitute the Company and continue its business on the same terms and conditions set forth in this Operating Agreement by forming a new limited liability company on terms identical to those set forth in this Operating Agreement. Unless such an election is made within the Reconstitution Period, the Company shall liquidate and wind up its affairs in accordance with Section 10.2 hereof. If such an election is made within the Reconstitution Period, then:

(i) The reconstituted limited liability company shall continue until the occurrence of a Dissolution Event as provided in this Section 10.1(a);

(ii) Unless otherwise agreed to by a majority of the Members, the Articles and this Operating Agreement shall automatically constitute the Articles and this Operating Agreement of such new Company. All of the assets and liabilities of the dissolved Company shall be deemed to have been automatically assigned, assumed, conveyed and transferred to the new Company. No bond, collateral, assumption or release of any Member's or the Company's liabilities shall be required; provided that the right of the Members to select successor managers and to reconstitute and continue the Business shall not exist and may not be exercised unless the Company has received an opinion of counsel that the exercise of the right would not result in the loss of limited liability of any Member and neither the Company nor the reconstituted limited liability company would cease to be treated as a partnership for federal income tax purposes upon the exercise of such right to continue.

10.2 Winding Up.

Upon the occurrence of (i) a Dissolution Event; or, (ii) the determination by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Dissolution Event (unless the Company is reconstituted pursuant to Section 10.1(b) hereof), the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs, provided that all covenants contained in the Operating Agreement and obligations provided for in this Operating Agreement shall continue to be fully binding upon the Members until such time as the property has been distributed pursuant to this Section 10.2 and the Articles has been canceled pursuant to the Act. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within ninety (90) days of the occurrence of the Dissolution Event and within ninety (90) days after the last day on which the Company may be reconstituted pursuant to Section 10.1(b) hereof. The Liquidator shall take full account of the Company's liabilities and property and shall cause the property or the proceeds from the sale thereof (as determined pursuant to Section 10.9 hereof), to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

(a) First, to creditors (including members and managers who are creditors, to the extent otherwise permitted by law) in satisfaction of all of the Company's Debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof), other than liabilities for which reasonable provision for payment has been made and liabilities for distribution to members under Section 605.0404 or Section 605.0405 of the Act;

(b) Second, except as provided in this Operating Agreement, to members and former members of the Company in satisfaction of liabilities for distribution under Section 605.0406 or Section 605.0404 of the Act; and

(c) The balance, if any, to the Members in accordance with the positive balance in their capital accounts, after giving effect to all contributions, distributions and allocations for all periods.

No Member or Manager shall receive additional compensation for any services performed pursuant to this Section 10.

10.3 Compliance With Certain Requirements of Regulations; Deficit Capital Accounts.

In the event the Company is "liquidated" within the meaning of Treasury Regulations

Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Section 10 to the Members who have positive capital accounts in compliance with Treasury Regulations Section 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 fiscal years, including the fiscal year during which such liquidation occurs), such Member shall have an obligation to contribute to the capital of the Company the amount necessary to restore such deficit balance to zero in compliance with Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(3). In the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to this Section 10 may be:

(a) Distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 10.2 hereof; or

(b) Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

10.4 Deemed Distribution and Recontribution.

Notwithstanding any other provision of this Section 10, in the event the Company is liquidated within the meaning of Treasury Regulations Section 1.7041(b)(2)(ii)(g) but no Dissolution Event has occurred, the Property shall not be liquidated, the Company's Debts and other liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, solely for federal income tax purposes, the Company shall be deemed to have distributed the property in kind to the Members, who shall be deemed to have taken subject to all Debts of the Company and other liabilities all in accordance with their respective capital accounts. Immediately thereafter, the Members shall be deemed to have recontributed the property in kind to the Company, which shall be deemed to have taken subject to all such liabilities.

10.5 Rights of Members.

Except as otherwise provided in this Operating Agreement, each Member shall look solely to the property of the Company for the return of its capital contribution and has no right or power to demand or receive property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return such capital contribution, the Members shall have no recourse against the Company or any other Member or the Manager(s).

10.6 Notice of Dissolution/Termination.

(a) In the event a Dissolution Event occurs or an event occurs that would, but for provisions of Section 10.1, result in a dissolution of the Company, the Managers shall, within thirty (30) days thereafter, provide written notice thereof to each of the Members and to all other parties with whom the Company regularly conducts business (as determined in the discretion of the Managers) and shall publish notice thereof in a newspaper of general circulation in each place in which the Company regularly conducts business (as determined in the discretion of the Managers).

(b) Upon completion of the distribution of the Company's property as provided in this Section 10, the Company shall be terminated, and the Liquidator shall cause the filing of the Articles of Dissolution pursuant to the Act and shall take all such other actions as may be necessary to terminate the Company.

10.7 Allocations During Period of Liquidation.

During the period commencing on the first day of the fiscal year during which a Dissolution Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 10.2 hereof (the "Liquidation Period"), the Members shall continue to share profits, losses, gain, loss and other items of Company income, gain, loss or deduction in the manner provided in Section 3 hereof.

10.8 Character of Liquidating Distributions.

All payments made in liquidation of the interest of a Member in the Company shall be made in exchange for the interest of such Member in property pursuant to Section 736(b)(1) of the Code, including the interest of such Member in Company goodwill.

10.9 The Liquidator.

(a) Definition. The "Liquidator" shall mean a Person appointed by the Manager(s) to oversee the liquidation of the Company.

(b) Fees. The Company is authorized to pay a reasonable fee to the Liquidator for its services performed pursuant to this Section 10 and to reimburse the Liquidator for its reasonable costs and expenses incurred in performing those services.

(c) Indemnification. The Company shall indemnify, save harmless, and pay all judgments and claims against such Liquidator or any officers, directors, agents or employees of the Liquidator relating to any liability or damage incurred by reason of any act performed or omitted to

be performed by the Liquidator, or any officers, directors, agents or employees of the Liquidator in connection with the liquidation of the Company, including reasonable attorneys' fees incurred by the Liquidator, officer, director, agent or employee in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, except to the extent such liability or damage is caused by the fraud, intentional misconduct of, or a knowing violation of the laws by the Liquidator which was material to the cause of action.

10.10 Form of Liquidating Distributions.

For purposes of making distributions required by Section 10.2 hereof, the Liquidator may determine whether to distribute all or any portion of the property in kind or to sell all or any portion of the property and distribute the proceeds therefrom.

**SECTION 11
MISCELLANEOUS**

11.1 Notices.

Any notice, payment, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be in writing and shall be deemed to have been delivered, given, and received for all purposes (i) if delivered personally to the Person or to an officer of the Person to whom the same is directed; or, (ii) when the same is actually received, if sent either by registered or certified mail, postage and charges prepaid, or by facsimile, if such facsimile is followed by a hard copy of the facsimile communication sent promptly thereafter by registered or certified mail, postage and charges prepaid, addressed as follows, or to such other address as such Person may from time to time specify by notice to the Members and Managers:

(a) If to the Company, to the address determined pursuant to Section 1.4 hereof;

(b) If to the Managers or to the Members, to the email address set forth in Section 2.1 hereof.

11.2 Binding Effect.

Except as otherwise provided in this Operating Agreement, every covenant, term, and provision of this Operating Agreement shall be binding upon and inure to the benefit of the Members and their respective successors, transferees, and assigns.

11.3 Construction.

Every covenant, term, and provision of this Operating Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member.

11.4 Time.

In computing any period of time pursuant to this Operating Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included, but the time shall begin to run on the next succeeding day. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

11.5 Headings.

Section and other headings contained in this Operating Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Operating Agreement or any provision hereof.

11.6 Severability.

Except as otherwise provided in the succeeding sentence, every provision of this Operating Agreement is intended to be severable, and, if any term or provision of this Operating Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Operating Agreement. The preceding sentence of this Section 11.6 shall be of no force or effect if the consequence of enforcing the remainder of this Operating Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

11.7 Incorporation by Reference.

Every exhibit, schedule, and other appendix attached to this Operating Agreement and referred to herein is not incorporated in this Operating Agreement by reference unless this Operating Agreement expressly otherwise provide.

11.8 Variation of Terms.

All terms and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

11.9 Governing Law.

The laws of the State of _____ shall govern the validity of this Operating Agreement, the construction of its terms, and the interpretation of the rights and duties arising hereunder.

11.10 Waiver of Jury Trial.

Each of the Members irrevocably waives to the extent permitted by law, all rights to trial by jury and all rights to immunity by sovereignty or otherwise in any action, proceeding or counterclaim arising out of or relating to this Operating Agreement.

11.11 Counterpart Execution.

This Operating Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed and entered into this Operating Agreement of the Company as of the day first above set forth.

MEMBERS:

By: _____
JOHN DOE

By: _____
JANE DOE

INITIALS _____ / _____ / _____ / _____ / _____ / _____ / _____