OPERATING AGREEMENT

FOR

A MEMBER-MANAGED LIMITED LIABILITY COMPANY

ARTICLE I
Company Formation

1.01 **FORMATION.** The Members have formed a Limited Liability Company ("Company") subject to the laws of the State of North Carolina, including the North Carolina Limited Liability Company Act (“the Act”) and the North Carolina General Statutes (“the Statutes”). This Operating Agreement (“Agreement”) is entered into and effective upon adoption by the Member(s). This Agreement is intended to provide for the regulation and management of the affairs of the Company. Except for the provisions of the Act that specifically may not be modified by the agreement of the Members, to the extent of any contradiction between the provisions of this Agreement and the Act or the variation of the general terms of the Act by this Agreement, each Member hereby acknowledges and agrees the provisions of this Agreement shall govern and control.

1.02 **COMPANY NAME.** The Members may change the name of the Company or operate under different names, *provided* a majority of the Members agree and the name complies with Section 57D-2-21 of the Act and Sections 55D-20 and 55D-21 of the Statutes.

1.03 **REGISTERED OFFICE & AGENT.** The name and location of the registered agent will be as stated in the Company’s formation documents and complies with Section 57D-2-40 of the Act and Article 4 of Title 55D of the Statutes. Pursuant to Article 4 of Title 55D of the Statutes, the Members are obligated to maintain and update the business records on file with the Company’s registered agent.

1.04 **TERM.** Pursuant to Section 57D-2-01 of the Act, the Company will continue until:

(a) Members unanimously vote for dissolution;

(b) An event occurs which causes the Company’s business to become unlawful; or

(c) Any other event causes the Company’s dissolution under the Act.

1.05 **CONTINUATION OF COMPANY.** In the event of an occurrence described in Section 1.04, if there is at least (1) one remaining Member, the remaining Member has the right to continue

the business of the Company. The remaining Member's successor, assignee, or transferee may continue the business of the Company, provided the successor, assignee, or transferee consents to the continuation in writing and submits any necessary filings to the office of the Secretary of State.

1.06 **BUSINESS PURPOSE.** The Company may conduct any and all lawful business appropriate in carrying out the Company's objectives, as permitted under Section 57D-2-01 of the Act.

1.07 **PRINCIPAL PLACE OF BUSINESS.** The Company's principal place of business will be as stated in the Company's formation documents or as selected by the Members.

1.08 **THE MEMBERS.** Members are the owners of the Company. Pursuant to Section 57D-2-30 of the Act, Members are not entitled to compensation for services furnished to the Company in the Member's capacity as a Member. The name and residential address of each Member is contained in Exhibit 1 attached to this Agreement. Each Member's initial membership interest is the percentage set forth in Exhibit 1. An unauthorized transfer of a Member's interest could create a substantial hardship for the Company. Consequently, the Members agree to the restrictions and procedures affecting the ownership and transfer of the Members' interests as identified in Article VII. The Members acknowledge these restrictions are not intended to penalize, but rather are intended to protect and preserve the existing trust-based relationships, the Company's capital, and the Company's financial ability to continue its operations.

1.09 **ADMISSION OF ADDITIONAL MEMBERS.** Pursuant to Sections 57D-3-01 and 57D-3-03 of the Act and this Agreement, Members may only be admitted to the Company through issuance of a new interest in the Company with unanimous written consent of the Members or the transfer of a Member's current interest under Article VII. Prior to being admitted as a Member, the prospective Member(s) must: (i) provide evidence to the Company that the admission of the prospective Member(s) will not violate any securities law, alter the tax status of the Company, or cause the termination of the Company; (ii) provide proof that the prospective Member(s) can make the initial contribution (as agreed upon between the prospective Member(s) and a majority of the current membership interests).

Any attempt to admit a new Member that deviates from this Section or Article VII will be null, void, and unenforceable against the Company or its Members.

1.10 **VOTING.** The Members agree that any vote of the Members shall be calculated based on membership interests held by each Member and listed in Exhibit 1, which may be amended pursuant to this Operating Agreement. Any vote under this Section may occur, provided a quorum of the membership interests is present for the vote.

1.11 **ACTIONS BY WRITTEN CONSENT.** Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, is signed by Members having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members were present and voting. A facsimile or similar electronic reproduction of a writing signed by a Member will be regarded as signed by the Member.

ARTICLE II
Capital Contributions

2.01 **INITIAL CONTRIBUTIONS.** Pursuant to Section 57D-4-01 of the Act, the Members will contribute the Company's initial capital as described in Exhibit 2 attached to this Agreement. The agreed total value of such property and cash is _____. In consideration for their contributions to the Company, each Member shall receive a membership interest in the Company, or percentage of interest in the Company as reflected in Exhibit 1 attached to this Agreement.

2.02 **ADDITIONAL CONTRIBUTIONS.** Unless a majority of the membership interests vote otherwise, no Member is obligated to make any additional contribution to the Company's capital beyond their initial contribution. The Company may elect to make a capital call from all Members if a majority of the membership interests agree. Any vote for a capital call must be memorialized, including the amounts of capital called. Contributions related to an authorized capital call shall be contributed pro rata based upon each Member's membership interest.

2.03 **FAILURE TO CONTRIBUTE.** Pursuant to Sections 57D-2-32 and 57D-4-02 of the Act, any contribution must be satisfied by the Member within sixty (60) days from the date of the call for capital. If a Member fails to make its required contributions to the Company, then the other Members may seek enforcement of the obligation to contribute capital. Any remedy under the Act may be pursued, including allowing the individual to become a Member without a transferable interest, provided there is unanimous consent from all Members who have satisfied their contribution obligations.

2.04 **WITHDRAWAL OF CAPITAL.** No Member may withdraw all or any part of its Capital Contribution except with the unanimous consent of the mangers or as provided in Article III (regarding distributions generally) or Article VIII (regarding dissolution of the Company).

2.05 **NO PARTITION.** Each Member, on behalf of itself and its successors and assigns, expressly waives any right to have the Company assets partitioned.

2.06 **RETURN OF CAPITAL CONTRIBUTIONS.** The Members agree that if the Company does not have adequate assets to return the Capital Contributions, then the Members will not have any recourse against the Company or the other Members, unless another Member owes an outstanding debt to the Company.

ARTICLE III
Profits, Losses, and Distribution

3.01 **PROFITS/LOSSES.** For accounting and tax purposes, the Company's net profits or net losses will be determined annually. As provided in Section 6.03, below, profits and losses will be allocated to the Members in proportion to each Member's economic interest in the Company as set forth in Exhibit 1 and in accordance with Treasury Regulation 1.704-1.

3.02 **DISTRIBUTIONS.** Pursuant to Sections 57D-4-03 and 57D-4-05 of the Act, the Members may determine to distribute available funds annually or as the Members see fit, *provided* that there remains sufficient funds to cover any debts or liabilities of the Company about which the Manager knows or has reason to know or expect. Any distributions which result in the Company's inability to cover its debts or liabilities are not permitted under this Agreement. Distributions in liquidation of the Company or in liquidation of a Member's interest must be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-1(b)(2)(ii)(b)(2). To the extent a Member has a negative capital account balance, there will be a qualified income offset, as set forth in Treasury Regulation 1.704-1(b)(2)(ii)(d). No Member has a right to demand or receive a distribution from the Company in any from other than money.

3.03 **IN-KIND DISTRIBUTIONS.** Subject to Section 57D-4-04 of the Act, the Company may make in-kind distributions of the Company assets, *provided* the Members unanimously agree and such agreement is in writing. The fair market value of the property must be determined and agreed upon by the Members before the distribution is made. The receiving Member's capital account shall be adjusted to reflect the value of the in-kind distribution.

3.04 **NO INTEREST.** Unless the Members unanimously agree otherwise, no interest shall accrue on any un-withdrawn distribution.

3.05 **WITHHOLDINGS**. The Company is authorized to withhold from payments or distributions to any Member, or with respect to any allocation made with respect to any Member, and to pay over to any federal, state, or local government any amounts required to be so withheld pursuant to the Act or any provision of any other federal, state or local law. All amounts withheld pursuant to this Section 3.05 with respect to any payment, distribution or allocation to a Member shall be treated as amounts paid or distributed to such Member for all purposes of this Agreement and the Act.

ARTICLE IV
Management

4.01 **MANAGEMENT OF THE BUSINESS.** Pursuant to Section 57D-3-20 of the Act, and as stated in its Articles, the Company's day to day affairs are managed by the Members. The name and residential address of each Member is attached as Exhibit 1 of this Agreement. A Member will be elected, terminated, or replaced as Chief Executive Member by majority vote of the membership interests, as set forth in Exhibit 1 and any amendments, to serve the Company as its agent. The Chief Executive Member is responsible for the daily operations of the business. Notwithstanding the other provisions of this Article, the Members agree that:

(a) Any decision that involves a sale of the business, a loan, or the acquisition of another company, must have the unanimous consent of all Members; and

(b) If a Member disagrees with the Chief Executive Member's decision or proposed decision, the disagreeing Member may call a vote to decide the course of action. A simple majority vote is necessary to take an action on behalf of the Company. The votes must be recorded in writing.

4.02 **APPOINTING OFFICERS.** Per Section 57D-3-22 of the Act, if authorized by majority vote of the Members, the Chief Executive Member may appoint officers or managers and define their function and authority.

4.03 **MEMBERS.** To the extent permitted under Section 57D-3-30 of the Act, no Member shall be personally liable for the obligations of the Company. Pursuant to Section 57D-3-20 of the Act, members may take any part in the control, management, direction, or operation of the Company's affairs and have power to bind the Company, *unless* the Members have agreed to reserve such powers to be exclusively exercised by the Chief Executive Member. Any agreement pursuant to Paragraph 4.01(a) of this Agreement must be signed by all Members to legally bind the Company, unless the Members unanimously agree to grant a single Member with the authority to sign and bind the Company.

4.04 **DISPUTES OF MEMBERS.** Disputes among Members will be decided by a majority vote. A Member has votes according to that Member's percent of ownership interest (e.g., 11% ownership equals 11 votes). A majority vote is necessary for an action to take place. Any vote under this Section may occur, *provided* a quorum of the membership interests is present for the vote. In the event of a split vote among the Members, the Chief Executive Member shall cast a vote to break the tie. Members are required to vote on at least one (1) resolution that attempts to address and resolve the dispute among the Members prior to any Member bringing a direct action.

Subject to Section 57D-8-01 of the Act, Members may maintain a derivative action to enforce a right of the Company, *provided* the acting Member properly demands the other Member(s) to enforce the right of the Company, *or* the acting Member adequately declares with particularity that such demands are futile.

4.05 **POWERS OF MEMBERS.** Pursuant to Section 57D-3-20 of the Act, the Members are authorized:

(a) to make all decisions regarding the Company's operations and legal affairs, including but not limited to:

i. the sale, development, lease, or other disposition of the Company's assets;

ii. the purchase or acquisition of other assets;

iii. the management of all or any part of the Company's assets;

iv. the borrowing of money and granting of security interests in the Company's assets;

v. the pre-payment, refinancing, or extension of any loan affecting the Company's assets;

vi. the compromise or release of any of the Company's claims or debts; and

vii. the employment of persons, firms, or corporations for the operation and management of the Company's business; ***and***

(b) to execute and deliver:

i. all contracts, conveyances, assignments, leases, sub-leases, franchise agreements, licensing agreements, management contracts, and maintenance contracts covering or affecting the Company's assets;

ii. all checks, drafts, and other orders for the payment of the Company's funds;

iii. all promissory notes, loans, security agreements and other similar documents; and

iv. all other instruments of any kind relating to the Company's business and affairs.

4.06 **DUTIES OF MEMBERS.** Each Member must have a duty as set forth in Exhibit 1 to this agreement. In accordance with Section 57D-2-32 of the Act, the Members agree that the failure to satisfy a Member's duties may result in the expulsion or removal of that Member.

(a) If a Member fails at their duties for a period of one hundred twenty (120) consecutive days, the Member will lose their membership interest. The start date of the failure must be documented.

(b) If a Member fails to do their duties for one hundred twenty (120) days out of any two hundred thirty nine (239) day period, the Company will consider such a failure and whether the Member will be expelled and lose their membership interest in accordance with this Article. The dates of failure in question must be documented.

(c) If a Member disputes the completion of another Member's duties and attempts to take over that Member's interest, they must do so in writing by certified delivery to the Member's residential address as listed in Exhibit 1. If certified delivery is not available, hand delivery by a third party is acceptable.

(d) If a Member receives a complaint as described above, the Member must fulfill their established duties within fourteen (14) days.

(e) If there is a dispute as to what any Member's duties are or if those duties are being fulfilled, and the Members have gone through the dispute process outlined in the above subsections (a) through (d) of this Section 4.06, the Members agree to enter into binding mediation or arbitration to decide if the Member's duties are being performed in compliance with the agreed duties as outlined in Exhibit 1 of this Agreement. If the Members fail to reach an agreement through arbitration or mediation, the Members in dispute agree to file a complaint in the appropriate Court to procure a decision as to the fulfillment of Members' duties. Upon a decision by the Court that a Member has failed to meet its duties, the Member will assign and forfeit their membership interest to the other remaining Member(s). The assignment of the non-compliant Member's membership interest will result in a debt owed to the non-compliant Member by the Company. The debt owed to the expelled Member shall be the aggregate sum of any capital contributions submitted to the Company by the expelled Member.

(f) The value of the non-compliant Member's interest being transferred to the remaining Member(s) must be determined before the transfer can be completed. During the course of the transfer, the non-compliant Member will maintain complete powers of membership in the Company.

(g) In the event of a dispute of Member's duties, Members may negotiate an exchange of membership interests for a lesser amount of Member duties, *provided* that modification is memorialized and attached to Exhibit 1.

4.07 **CHIEF EXECUTIVE MEMBER.** The Chief Executive Member has primary responsibility for managing company operations, carrying out the decisions of the Members.

4.08 **NOMINEE.** Title to the Company's assets will be held in the Company's name or in the name of any nominee that the Members may designate. The Members will have power to enter into a nominee agreement with any person, and such agreement may contain provisions indemnifying the nominee, except for their willful misconduct.

4.09 **FIDUCIARY RESPONSIBILITIES.** Each Member shall exercise all powers and perform all duties in good faith and shall act in all matters consistent with the duty of loyalty and the duty of care. Pursuant to Section 57D-3-21 of the Act, the Member acts in good faith if acting with a view to the interests of the limited liability company and of the members and with the degree of diligence, care and skill that ordinarily prudent persons would exercise in similar circumstances.

4.10 **SELF-DEALING.** Pursuant to Section 57D-3-21 of the Act, and unless entered into in bad faith, no contract or transaction between the Company and any of its Members, officers, or employees, or between the Company and any other entity or organization in which any of its Members, officers, or employees have a financial interest or are owners, managers, partners, directors, officers, or employees, shall be voidable solely for this reason or solely because such Member, officer, or employee was present or participated in the authorization of such contract or transaction. No Member, officer, or employee interested in such contract or transaction, because of such interest, shall be considered to be in breach of this Agreement or liable to the Company or any other Person for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction. While not required, approval or ratification by a majority of the Members having no interest in the transaction constitutes conclusive evidence that such transaction is permitted under this Section.

4.11 **PERMITTED TRANSACTIONS.** Subject to Section 57D-3-21 of the Act, each Member, and their respective affiliates and other related parties, shall be free to engage in any activity on their own or by the means of any entity, except for activities directly related to or in competition with the activities and services performed by the Company. Each Member’s fiduciary duty of loyalty, as it applies to outside business activities and opportunities, and the “corporate opportunity doctrine,” as such doctrine has been described under general corporation law, is hereby eliminated to the maximum extent allowed by the Act. Without limiting the foregoing, no Member, or their respective affiliates, shall be required to refer opportunities to the Company or to account for any benefits from transactions entered into in good faith that are not connected with or directly related to the Company and its activities or the services the Company provides.

4.12 **COMPANY INFORMATION.** Upon request, the Chief Executive Member will supply any information regarding the Company or its activities to any requesting Member. Pursuant to Section 57D-3-04 of the Act, any Member or a Member’s authorized representative may access, inspect, and copy all books, records, and materials in the Chief Executive Member's possession regarding the Company or its activities. These rights may be exercised at the requesting Member's expense.

4.13 **EXCULPATION.** Pursuant to Section 57D-3-30 of the Act, no Member shall be personally liable, directly or indirectly, for any debt, obligation, or liability of the Company by sole reason of a being a Member. Any debt, obligation, or liability of the Company is strictly and solely the liability of the Company. Any act or omission by the Member which causes or results in loss or damage to the Company, if done in good faith to promote the best interests of the Company, will not subject the Member to any liability, so long as the Member's conduct does not conflict with this Agreement or Sections 57D-3-21 or 57D-4-06 of the Act.

4.14 **INDEMNIFICATION.** Subject to Section 57D-3-31 the Company will indemnify any person who was or is a party defendant or is threatened to be made a party defendant, in a pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that the person is or was a Member of the Company, employee, or agent of the Company, or is or was serving at the request of the Company. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "nolo contendere" (or its equivalent) does not imply that the person did or did not act in good faith and in a manner which they reasonably believed to be lawful and in the best interest of the Company. Notwithstanding the other provisions of this Section, the Company will only indemnify someone if the conduct of that person does not violate this Agreement nor Sections 57D-3-21 or 57D-4-06 of the Act.

ARTICLE V
Compensation

5.01 **MANAGEMENT FEE.** Any Member rendering services to the Company is entitled to compensation equal to the value of those services. All Members must unanimously agree upon the value of the services.

5.02 **REIMBURSEMENT.** Pursuant to Section 57D-3-31 of the Act, the Company will reimburse the Members for all direct out-of-pocket expenses reasonably incurred in managing the Company. Any Member may dispute the reasonableness of an expense. The Members agree that no expense will be reimbursed if disputed by any Member.

ARTICLE VI
Bookkeeping

6.01 **BOOKS.** Per Section 57D-3-04 of the Act, the Members will maintain complete and accurate accounting of the Company's affairs at the Company's principal place of business or other location agreed upon by the Members. The Members will choose the method of accounting. The Company's accounting period will be the calendar year.

6.02 **RECORDS.** The Members must keep the following at the Company's principal place of business:

(a) A current list of the full name and the last known street address of each Member;

(b) A copy of all formation documents, this Agreement, and any amendments;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;

(d) Copies of all minutes, if any, of each meeting of the Members and any written consent obtained from the Members;

(e) Copies of the Company's financial statements for the three (3) most recent years.

6.03 **MEMBER'S ACCOUNTS.** The Members must maintain separate capital and distribution accounts for each Member. Each Member's capital account will be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv), each capital account will consist of the Member's initial capital contribution:

(a) *increased by:*

i. Any additional capital contribution made by the Member;

ii. Credit balances transferred from the Member's distribution account to his or her capital account; ***and***

(b) *decreased by:*

i. Distributions to the Member in reduction of Company capital;

ii. The Member's share of Company losses if charged to his or her capital account.

6.04 **REPORTS.** The Members shall close the books after the close of each calendar year, and must prepare and send to each Member a statement of that Member's distributive share of income and expense for income tax reporting purposes.

ARTICLE VII
Transfers

7.01 **ASSIGNMENT.** If a Member proposes to sell, assign, or otherwise dispose of all or part of the Member's interest in the Company, that Member must comply with the following procedures:

(a) The Member must first make a written offer, including the price, to sell such interest to the other Member(s). The dissociating Member may only advertise the sale if the other Members decline or fail to elect such interest within sixty (60) days after the offer.

(b) If the dissociating Member has a potential buyer of that Member's interest, the other current Member(s) have first option to purchase the dissociating Member's interest at the agreed purchase price. If there are any current remaining Members, those remaining Members may combine funds to purchase the dissociating Member's interest. Current Members have sixty (60) days to buy dissociating Members' interest if they so desire. The dissociating Member must show that any potential purchaser has full certified funds, or the ability to get full certified funds before the sixty (60) day first right of refusal period starts.

(c) Current Members must expressly and unanimously approve the sale of a dissociating Member's interest to grant full membership benefits and functionality to the new Member. Pursuant to Sections 57D-3-03 and 57D-5-04 of the Act, if the current remaining Members do not unanimously approve the sale, the purchaser or assignee will have no right to participate in the management and affairs of the business or to exercise

Member voting rights, and is only entitled to the right to receive distributions to which that dissociating Member would be entitled. The dissociating Member must disclose to the potential buyer or assignee if current Members will not approve the sale.

(d) If the current Members approve of the transfer and assignment, the prospective Member will not have all powers of a Member until that prospective Member executes all agreements binding the Members, including this Operating Agreement, with duly executed copies delivered to the Company.

(e) Upon the departure of the dissociating Member, the new Member shall only possess an economic interest in the Company until all the conditions for being a fully-fledged Member have been satisfied.

7.02 **VALUATION OF DISSOCIATING MEMBERS INTEREST.** If a Member wants to exit the Company, and does not have a buyer of its membership interest, the dissociating Member will assign its interest to the current Members according to the following procedures:

(a) A value must be placed upon this membership interest before assigned.

(b) If the dissociating Member and current Members do not agree on the value of the membership interest, the dissociating Member must pay for a certified appraiser to assess the Company's value, and the dissociating Members' interest will be assigned a value according to the dissociating Member's percentage of ownership.

(c) The current Members must approve the certified appraiser used by the dissociating Member. Current Members have thirty (30) days to approve the dissociating Member's certified appraiser from selection date of that appraiser. If current Members disapprove the certified appraiser, they must show evidence to support their disapproval of the certified appraiser as a vendor qualified to appraise the Company. Current Members may not stall the process by disapproving all certified appraisers without good faith.

(d) When a certified appraiser places a value on the Company, a value will be placed on the dissociating Member's interest according to that Member's membership interest.

(e) If the current Members disagree with the value placed on the dissociating Members' interest, then the current Member(s) must pay for their own certified appraiser to value the Company and the dissociating Member's interest according to the terms of this Section.

(f) The current Members' appraisal must be completed within sixty (60) days of the initial appraisal or right of current Members to dispute the value of the dissociating Member's interest expires.

(g) Upon completion of current Members' appraisal, the dissociating Member must approve the value placed on its interest. The dissociating Member has thirty (30) days to approve this value.

(h) If the dissociating Member does not approve the current Members' appraised value, then the value of the Company will be determined by adding both appraisers' assessed values, then dividing that value in half.

7.03 **DISTRIBUTION OF DISSOCIATING MEMBERS INTEREST.** Upon determination of the dissociating Members' interest value, the value will be a debt of the Company. The dissociating

Member will only be able to demand payment of this debt at dissolution of the Company or by the following method:

(a) The Company will make timely payments.

(b) The Company will only be required to make payments towards dissociating Member's debt if the Company is profitable and passes income to current Members.

(c) The Company must make a debt payment to the dissociating Member if the Company's income surpassed 50% of the total determined value of the dissociating Members' interest in a taxable year. (Example: If dissociating Members' value was $100,000 and current Member(s) received over $50,000 taxable income in the taxable year, the Company would owe a debt payment to dissociating Member. If current Member(s) only received $40,000 in passed income, there would be no payment due.)

(d) The debt payment must be at least 10% of the value of the passed income to current Members.

(e) The company must make payment to dissociating Member within sixty (60) days of the end of the Company's taxable year.

(f) The payment schedule will continue until the dissociating Member's debt is paid.

(g) If the Company dissolves, the dissociating Member will be a regular creditor and payment will follow Section 57D-4-07 of the Act.

(h) The dissociating Member's membership interest as assigned to current Members shall NOT accrue interest.

(i) The Company may pay the amount owed to the dissociating Member at any time.

ARTICLE VIII
Dissolution

8.01 **DISSOLUTION.** The Members may dissolve the Company at any time, provided the Members unanimously agree. Consistent with Section 57D-6-01 of the Act, the Company shall be dissolved if there are no Members for a consecutive period of ninety (90) days. Pursuant to Section 57D-3-03 of the Act, dissolution of the Company may not be ordered by a simple owner of a Member's transferable interests.

8.02 **DISTRIBUTIONS AFTER DISSOLUTION.** Upon dissolution, the Company must pay its debts before distributing cash, assets, or capital to the Members or the Members' interests. The Members agree that any distributions occurring after the dissolution of the Company shall follow the respective process(es) outlined in this Agreement and Section 57D-6-07 of the Act.

ARTICLE IX
General Matters

9.01 **MULTIPLE ORIGINALS.** This Agreement may be signed in any number of counterparts, each of which will be deemed an original.

9.02 **BINDING EFFECT.** Subject to the restrictions on transfer in Article VII of this Agreement, this Agreement binds and inures to the benefit of the Members and to their respective successors, personal representatives, heirs, and assigns.

9.03 **CONSTRUCTION OF HEADINGS.** The headings contained in this Agreement are included solely for the reader's convenience and reference.

9.04 **AMENDING OPERATING AGREEMENT.** This Agreement may only be amended by an affirmative vote or consent of all Members.

9.05 **GOVERNING LAW.** Pursuant to Section 57D-1-02 of the Act, the Parties acknowledge and agree this Agreement is and will be governed, construed, and administered according to the laws of the State of North Carolina, as they may be amended from time to time.

9.06 **COMPLIANCE WITH THE ACT.** All matters related to the operations of the Company not specifically addressed herein must be addressed in accordance with the Act. The Company must comply with all other provisions of the Act in order to stay compliant with the law.

9.07 **SEVERABILITY.** If a court of competent jurisdiction determines that any provision of this Agreement is invalid, then the remaining provisions are to be construed as if the invalid provision was never included.

9.08 **VENUE.** The venue for any dispute arising under this Agreement or any disputes among the Members or the Company will be the county in which the Registered Office is located.

9.09 **NOTICE TO MEMBERS.** All notices to be given under the Agreement to the Members shall be given in writing and shall be deemed given: (i) when deposited in the mail to the address shown below of the Member entitled to receive notice, postage prepaid, registered or certified; (ii) when transmitted if sent by facsimile provided a confirmation of transmission is produced by the sending machine to the fax number shown below of the Member entitled to received notice; (iii) when transmitted if sent by email when the email is received in the recipient's mailbox; or (iv) when delivered if delivered personally or sent by express courier service. The address or fax number of any Member may be changed by written notice to the Chief Executive Member. Notices to the Company shall be deemed given in the same manner provided they are directed to the Chief Executive Member at the Company's principal place of business.

9.10 **ENTIRE AGREEMENT.** This Agreement, together with the Articles of Organization (as may be amended) and all related exhibits, schedules, attachments, etc., constitute the sole and entire agreement by and among the Members. This Agreement supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, written or oral, with respect to the subject matter.

CERTIFICATION OF MEMBERS

The undersigned hereby agree, acknowledge, and certify that the foregoing Operating Agreement is adopted and approved by each Member. The agreement consisting of ____ pages, constitutes, together with Exhibit 1, Exhibit 2, the Operating Agreement of _____, adopted by the Members as of the _____ day of _____, 20___.

Members:

_____ _____
Signature Printed Name
Percent: _____%

_____ _____
Signature Printed Name
Percent: _____%

_____ _____
Signature Printed Name
Percent: _____%

_____ _____
Signature Printed Name
Percent: _____%

_____ _____
Signature Printed Name
Percent: _____%

EXHIBIT 1
LISTING OF MEMBERS

As of the _____ day of _____, 20_____ the following is a list of Members of the Company:

Name_____ Percent _____%

Address _____

Name_____ Percent _____%

Address _____

Name_____ Percent _____%

Address _____

Name_____ Percent _____%

Address _____

Authorized by Member(s) to provide Member Listing as of this _____ day of _____, 20_____.

_____ _____
Signature of Member Signature of Member

_____ _____
Signature of Member Signature of Member

EXHIBIT 2
CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE II, the Members' initial contribution to the Company capital is stated to be $_____. The description and each individual portion of this initial contribution is as follows:

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

SIGNED AND AGREED this _____ day of _____, 20____.

_____ _____
Member Member

_____ _____
Member Member

LLC Resolution to Open a Bank Account

Account: _____ Bank Name: _____
Holder: _____ Address: _____
_____ _____

Acct #: _____

As a Member of the LLC named above, I certify that the LLC has been organized within the bounds of state law as an LLC with its principal office located at:

_____

I further attest that at the initial meeting of the LLC's members was held on_____, a quorum was present, and voting and adopted the following resolutions:

Resolved, that the financial institution named above is designated as a depository for the funds of this LLC, which may be withdrawn on checks, drafts, debit advices, notes, or other orders for payments bearing any officer, manager, or authorized employee of this LLC.

Further Resolved, that the financial institution will accept and pay on, without further inquiry, any checks or debits drawn against any of the LLC's accounts. The checks or debits will be honored by the financial institution whether the item has been drawn or endorsed to the order of any authorized officer, manager, or employee signing; tendered by the authorized officer, manager, or employee for the purpose of cashing or payment; or for deposit to the officer's, manager's, or employee's personal account. The financial institution will not be required to inquire as to the use of any check or debit signed in accordance with the resolutions contained herein.

Further Resolved, that the officers, managers, or authorized employees may execute other agreements, including, but not limited to, special depository agreements, and arrangements concerning the manner, condition, and/or purposes for which funds, checks, debits, or items of the LLC may be deposited, collected, or withdrawn, as long as these other agreements are not contrary to the provisions contained in this resolution.

Further Resolved, that the power granted to the LLC's officers, managers, or authorized employees will remain in full force and effect until written notice has been delivered and received by the financial institution at each location where an account is maintained. The financial institution will be indemnified and held harmless from any losses suffered or liabilities incurred by continuing to act in accordance with this resolution.

I Further Attest that the person(s) named below occupy the stated position, as indicated by their signature, and that the resolutions contained in this document are recorded on the books of the LLC, and these resolutions are in full force and effect and have not been altered in any way.

CERTIFIED AND ATTESTED TO ON THIS _____ DAY OF _____, 20___, BY:

X_____

LLC MEMBER