

**MULTI MEMBER OPERATING AGREEMENT
OF**

_____,
**an Arkansas limited liability company
("Company")**

THIS OPERATING AGREEMENT ("**Agreement**") is made and entered into as of _____, 20__ by the members named on the signature page hereto ("**Members**"). In consideration of the covenants and conditions hereinafter set forth, the Members agree that the terms of this Agreement shall govern the Company.

**ARTICLE I
ORGANIZATIONAL MATTERS**

1.1 Name and Formation. The name of the Company is _____. All business of the Company must be conducted in that name or in other names that comply with applicable law and that are selected by the Members from time to time. The Company was formed as a limited liability company upon the issuance of the Certificate of Formation to the Company by the Secretary of State of the State of Arkansas.

1.2 Foreign Qualification. The Members shall cause the Company to comply, to the extent legally possible, with all requirements necessary to qualify the Company as a foreign limited liability company in each jurisdiction in which the Company conducts business.

1.3 Principal Office. The principal office and place of business of the Company shall be at such place as the Members may designate from time to time, which need not be in the State of Arkansas. The Company may have such other offices as the Members may from time to time deem necessary or advisable.

1.4 Registered Office and Agent. The registered office and registered agent of the Company shall be the registered office and registered agent named in the Certificate of Formation. The Company may change the registered office and registered agent as the Members may from time to time deem necessary or advisable.

1.5 Duration. The period of duration of the Company is perpetual from the date its Certificate of Formation was filed with the State of Arkansas, unless the Company is earlier dissolved in accordance with either the provisions of this Agreement or applicable law.

1.6 Purpose. The primary purpose of the Company shall be the purpose set forth in the Company's Certificate of Formation filed with the State of Arkansas.

1.7 Powers. The Company shall have all powers necessary, suitable, or convenient for the accomplishment of the purposes of the Company, including, without limitation (a) to make and perform all contracts; (b) to borrow or lend money and secure payment thereof; (c) to engage in all activities and transactions; and (d) to have all powers available to a limited liability company under the laws governing corporations in the State of Arkansas and the laws of any other

jurisdiction where the Company conducts business.

ARTICLE II MANAGEMENT AND OPERATION OF COMPANY

2.1 Management. The Members shall have the sole and exclusive control of the management, business, and affairs of the Company, and the Members shall make all decisions and take all actions for the Company.

2.2 Annual Meetings. Annual meetings of the Members shall be held at the principal office of the Company or at the place designated by the Members. Annual meetings of the Members may be held at the time determined by the Members.

2.3 Special Meetings. Special meetings called by any one of the Members shall be held at the principal office of the Company or at the place designated by the Members. Written notice of the date, time, place, and purpose of (or the business to be transacted at) special meetings shall be delivered personally to the Members or sent to each member by U. S. mail or electronically at the Member's address as shown on the records of the Company. Notice must be given pursuant to applicable law.

2.4 Waiver of Notice. Action taken at any meeting of the Members without the required notice shall be as valid as though made at a meeting after notice if a quorum is present and each of the Members not present signs a written waiver of notice or a consent to the holding of that meeting. Attendance of a Member at a meeting constitutes waiver of notice of the meeting unless the Member attends the meeting for the express purpose of objecting to the transaction of business on the grounds that the meeting is not lawfully convened.

2.5 Action Without Meeting. Any action permitted or required by law, the Certificate of Formation, or this Agreement to be taken at a meeting may be taken without a meeting if Members having not fewer than the minimum votes that would be necessary to take the action at a meeting at which all Members were present consent in writing, setting forth the action to be taken, and signed by the Members. Any action by written consent shall have the same force and effect as a vote of the Members.

2.6 Vote on Action by Members. Unless otherwise required by law or this Agreement, any and all actions requiring Members' approval shall be considered approved if any Member(s) that own at least fifty-one percent (51%) of the outstanding membership interest ("**majority in interest**") approve such action. Any and all other actions requiring Members' approval shall be considered approved if any Member(s) that own the specified membership interest set forth by applicable law approve such action.

2.7 Quorum. At all meetings of the Members, a majority in interest of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business. Members participating by telephone shall be counted for purposes of determining a quorum.

2.8 Vote by Proxy. Members may vote either in person or by proxy. Proxies must be executed

in writing by the Members. An electronic transmission by the Member or a copy of a writing executed by a Member is deemed an execution in writing for purposes of this Agreement.

2.9 Officers. The Members may appoint the officers of the Company to exercise the powers and authority of the Members in the conduct of the business and affairs of the Company. The officers of the Company may or may not be a member of the Company. The offices consist of a President, Treasurer, Secretary, or other officers as may be elected or appointed by the Members. The Members may provide rules for the appointment, removal, supervision, and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Members. Any action taken by a duly authorized officer, pursuant to authority granted by the Members in accordance with this Agreement, shall constitute the act of and serve to bind the Company.

2.10 Resignation or Removal of Officers. Any officer may resign at any time with written notice to the Members. Any officer may be removed from office by the Members, either with or without cause; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the person so removed.

2.11 Liability to Third Parties. The Members are not liable for the debts, obligations, or liabilities of the Company, including, but not limited to, liability under a judgment, decree, or order of a court.

ARTICLE III MEMBERSHIP AND CAPITALIZATION

3.1 New Members. A person may become a member of the Company if approved by a vote of all the existing Members, provided that the new member fulfills all other conditions imposed by action of the Members.

3.2 Membership Interest. A Member's membership interest is the percentage ownership calculated by having the agreed value of contributions to the Company that have been made by the Member divided by the total of all contributions made to the Company by all Members, as shown in the records of the Company.

3.3 Membership Contributions. The contribution of a Member may consist of any tangible or intangible benefit to the Company or other property of any kind or nature, including cash, a promissory note, services performed, or real property.

3.4 Failure to Make Membership Contribution. If a Member fails to make a contribution to the Company that is required by an enforceable promise to make the contribution, the Company is entitled to take any of the following actions:

- A. Reduce the defaulting Member's interest in the same proportion that the amount of the default bears to the total contribution of the Member.

- B. Require that the defaulting Member forfeit the Member's interest.
- C. Subordinate the defaulting Member's interest to that of all other Members of record.
- D. Force a sale of the defaulting Member's interest.
- E. Determine the value of the defaulting Member's interest by appraisal or by formula and sell the interest.

3.5 Compromise or Release of Obligation. The obligation of a Member or its legal representative or successor to make a contribution or otherwise pay cash or transfer property or to return cash or property paid or distributed to the Member in violation of applicable law or this Agreement may not be compromised or released. Notwithstanding a compromise or release, a creditor of the Company who extends credit or otherwise acts in reasonable reliance on that obligation, after the Member signs a writing that reflects the obligation and before the writing is amended or canceled to reflect the compromise or release, may choose to enforce the original obligation.

3.6 Allocation of Profits and Losses. The profits and losses of the Company shall be allocated among the Members in accordance with the current membership interest of the Members as determined as of the date of the Company's most recent accounting.

3.7 Sharing of Distributions. The Members are entitled to receive distributions of cash or other assets from the Company when approved by the action of all Members. The Company may not make any distribution that will impair the ability of the Company to pay its debts and obligations as they mature. Any distributions shall be made on the basis of the current membership interest of the Members.

3.8 Assignment of Membership Interest. A Member may not assign the Member's interest in the Company except with the written consent of all the other Members of record. Any such consent to assignment automatically entitles the assignee to become a Member. A Member's membership interest may be evidenced by a certificate of membership interest issued by the Company.

3.9 Obligations of Member by Assignment. Anyone who becomes a member as a result of a permitted assignment of a membership interest assumes all of the obligations of the assignor, including liabilities unknown to the assignee at the time the assignee became a member. Such member shall be given a copy of this Agreement and be bound to its terms and provisions, and such member shall evidence his or her acceptance thereof in writing.

3.10 Distribution on Withdrawal. Subject to applicable law, any withdrawing Member shall be entitled to receive, within a reasonable time after withdrawal, the fair value of that Member's interest in the Company as of the date of withdrawal. The Company may make a distribution in a form other than cash.

**ARTICLE IV
BOOKS AND ACCOUNTS**

4.1 Records and Reports. At the expense of the Company, the Members shall maintain records and accounts of all operations and expenditures of the Company.

4.2 Tax Returns. The Members shall cause to be prepared, at the expense of the Company, all tax returns and statements, if any, which must be filed on behalf of the Company with any taxing authority, including federal, state, and franchise tax returns. The Members shall furnish to the Company all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income and franchise tax returns to be prepared and filed.

**ARTICLE V
DISSOLUTION AND TERMINATION**

5.1 Dissolution. The Company shall be dissolved upon or any event set forth by law.

5.2 Winding Up and Distribution. On the dissolution of the Company, the business and affairs of the Company shall be wound up in accordance with applicable law.

5.3 Certificate of Termination. On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Members (or such other persons as the law may require or permit) shall execute, acknowledge, and cause to be filed a Certificate of Termination, at which time the Company shall cease to exist as a limited liability company.

**ARTICLE VI
INDEMNIFICATION**

To the maximum extent permitted by law, the Company shall indemnify and hold harmless the Members from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including attorney's fees and disbursements), judgments, fines, settlements, penalties, and other expenses actually and reasonably incurred by the Indemnitee in connection with any and all claims, demands, actions, suits, or proceedings, civil, criminal, administrative, or investigative, in which the Indemnitee may be involved, or threatened to be involved, as a party or otherwise, by reason of the fact that the Indemnitee is or was a Member of the Company, arising out of or incidental to the business of the Company, provided, (i) the Indemnitee's conduct did not constitute willful misconduct or recklessness; (ii) the action is not based on breach of this Agreement; (iii) the Indemnitee acted in good faith and in a manner its reasonably believed to be in, or not opposed to, the best interests of the Company and within the scope of such Indemnitee's authority; and (iv) with respect to a criminal action or proceeding, the Indemnitee had no reasonable cause to believe its conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, in and of itself, create a presumption or otherwise constitute evidence that the Indemnitee acted in a manner contrary to that specified herein above.

**ARTICLE VII
GENERAL PROVISIONS**

7.1 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Arkansas.

7.2 Severability. If any provision of this Agreement is or becomes invalid, illegal, or unenforceable in any respect, the remaining provisions contained herein shall not be affected thereby.

7.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assignees.

Member Name: _____

Signature: _____

Member Name: _____

Signature: _____

Member Name: _____

Signature: _____

SPOUSAL CONSENT

The undersigned, being the spouses of the Members, do hereby consent to the provisions of this Agreement with respect to any community property interest that the undersigned may have in the equity securities of the following Limited Liability Company:

_____.

Spouse's Signature: _____ Date: _____

Spouse's Name of Member: _____

Spouse's Signature: _____ Date: _____

Spouse's Name of Member: _____

Spouse's Signature: _____ Date: _____

Spouse's Name of Member: _____

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