

**OPERATING AGREEMENT
FOR BUSINESS NAME**

A Michigan Limited Liability Company

THIS OPERATING AGREEMENT is made and entered into as of **DATE** by and among **BUSINESS NAME**, a Michigan Limited Liability Company (the "Company") and **BUSINESS OWNER**, as member of the Company (individually, a "Member" and collectively, the "Members") who agree as follows:

ARTICLE 1

ORGANIZATION

.1 Formation. The Company has been organized as a Michigan Limited Liability Company under and pursuant to the Michigan Limited Liability Company Act, [being Act No. 23, Public Acts of 1993, as amended,] (the "Act") by the filing of Articles of Organization ("Articles") with the State of Michigan as required by the Act.

.2 Name. The name of the Company shall be the name set forth in the Preamble of this Operating Agreement. The Company may also conduct its business under one or more assumed names.

.3 Purposes. The purposes of the Company are to engage in any activity for which Limited Liability Companies may be formed under the Act. The Company shall have all the powers necessary or convenient to effect any purpose for which it is formed, including all powers granted by the Act.

.4 Duration. The Company shall continue perpetually in existence until the Company shall be dissolved and its affairs wound up in accordance with the Act or this Operating Agreement.

.5 Registered Office and Resident Agent. The Registered Office and Resident Agent of the Company shall be as designated in the initial Articles or any amendment thereof. The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Act. If the Resident Agent shall ever resign, the Company shall promptly appoint a successor.

.6 Intention for Company. The Members have formed the Company as a Limited Liability Company under and pursuant to the Act. The Members specifically intend and agree that the Company is not be a partnership (including, a limited partnership), a corporation or any other venture, but is, rather, a Limited Liability Company under and pursuant to the Act. No Member or Manager shall be construed to be a partner in the Company or a partner of any other Member, Manager or person and the Articles, this Operating Agreement and the relationships created thereby and arising therefrom shall not be construed to suggest otherwise.

ARTICLE 2

BOOKS, RECORDS AND ACCOUNTING

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.1 Books and Records. The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Act and such books and records shall be kept at the Company's Registered Office.

.2 Fiscal Year; Accounting. The Company's fiscal year shall be the calendar year. The particular accounting methods and principles to be followed by the Company shall be selected by the Manager from time to time.

.3 Reports. The Manager shall provide reports concerning the financial condition and results of operation of the Company and the Capital Accounts of the Members to the Members in the time, manner and form as the Manager determines. Such reports shall be provided at least annually as soon as practicable after the end of each calendar year and shall include a statement of each Member's share of profits and other items of income, gain, loss, deduction and credit.

.4 Member's Accounts. Separate Capital Accounts for each Member shall be maintained by the Company. Each Member's Capital Account shall reflect the Member's capital contributions and increases for the Member's share of any net income or gain of the Company. Each Member's Capital Account shall also reflect decreases for distributions made to the Member and the Member's share of any losses and deductions of the Company.

ARTICLE 3

CAPITAL CONTRIBUTIONS

.1 Initial Commitments and Contributions. By the execution of this Operating Agreement, the Members hereby agree to make the capital contributions set forth in the attached Exhibit A. The interests of the respective Members in the total capital of the Company (their respective "Sharing Ratios," as adjusted from time to time to reflect changes in the Capital Accounts of the Members and the total capital in the Company) is also set forth in Exhibit A. Any additional Member (other than an assignee of a membership interest who has been admitted as a Member) shall make the capital contribution set forth in an Admission Agreement. No interest shall accrue on any capital contribution and no Member shall have any right to withdraw or to be repaid any capital contribution except as provided in this Operating Agreement.

.2 Additional Contributions. In addition to the initial capital contributions, the Company may accept from time to time additional capital contributions. The Sharing Ratios of the Members shall be adjusted upon acceptance of such contributions.

ARTICLE 4

ALLOCATIONS AND DISTRIBUTIONS

.1 Allocations. Except as may be required by the Internal Revenue Code of 1986 as amended or this Operating Agreement, net profits, net losses, and other items of income,

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gain, loss, deduction and credit of the Company shall be allocated among the Members in accordance with their Sharing Ratios.

.2 Distributions. The Company may make distributions to the Members from time to time. Distributions may be made only after the Members determine that the Company has sufficient cash on hand for the current and the anticipated needs of the Company (including, needs for operating expenses, debt service, acquisitions, reserves and mandatory distributions, if any). All distributions shall be made to the Members in accordance with their Sharing Ratios. Distributions shall be in cash or property or partially in both, as determined by the Members. No distribution shall be declared or made if, after giving it effect, the Company would not be able to pay its debts as they become due in the usual course of business or the Company's total assets would be less than the sum of its total liabilities.

ARTICLE 5

DISPOSITION OF MEMBERSHIP INTERESTS

.1 General. Every sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation or other disposition of any membership interest shall be made only upon compliance with this Article. No membership interest shall be disposed of if the disposition would cause a termination of the Company under the Internal Revenue Code of 1986, as amended; without compliance with any and all state and federal securities laws and regulations; and unless the assignee of the membership interest provides the Company with the information and agreements that the Company may require in connection with such disposition. Any attempted disposition of a membership interest in violation of this Article is null and void ab initio.

.2 Permitted Dispositions. Subject to the provisions of this Article, a Member may assign such Member's membership interest in the Company in whole or in part at any time to any other Member, or to a grantor trust established for estate planning purposes. Any other transfer or assignment of a membership interest shall require the consent of all of the other Members. The assignment of a membership interest to anyone not a Member does not itself entitle the assignee to participate in the management and affairs of the Company or to become a Member, whether such an assignment is voluntary or involuntary. Such assignee is only entitled to receive, to the extent assigned, the distributions the assigning Member would otherwise be entitled to.

.3 Admission of Substitute Members. An assignee of a membership interest may be admitted as a substitute Member and shall be entitled to all the rights and powers of the assignor only if the other Members unanimously consent. If admitted, the substitute Member shall have, to the extent assigned, all of the rights and powers, and be subject to all of the restrictions and liabilities, of a Member.

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.4 Sale by Put/Option. Any Member who desires to transfer his Membership interest shall give written notice to every other Member of (a) his desire to transfer all of his membership interest; and (b) of the price and terms for the sale of all of such membership interest. The other Member(s) shall, within ten (10) business days of the date of such written notice, give a written notice indicating such other Member(s) decision to either purchase all of the interest of the Member who gave notice or to sell the entire membership interest of the other Member(s) to the Member who gave notice, in either case at the price and terms stated in the notice (adjusted, if necessary, to account for any percentage difference in sharing ratio between such membership interests). The sale shall close within 30 days of the giving of the notice of the decision of the other Member(s).

ARTICLE 6

MEETINGS OF MEMBERS

.1 Voting. All Members shall be entitled to vote on any matter submitted to a vote of the Members. Notwithstanding the foregoing, the Members shall have the right to vote on all of the following: (a) the dissolution of the Company pursuant to Paragraph 9.1(c) of this Operating Agreement; (b) the merger of the Company; (c) a transaction involving an actual or potential conflict of interest between any Member and the Company; (d) an amendment to the Articles; or (e) the sale, exchange, lease or other transfer of all or substantially all of the assets of the Company other than in the ordinary course of business.

.2 Required Vote. Unless a greater vote is required by the Act or the Articles, the affirmative vote or consent of a majority of the Sharing Ratios of all the Members entitled to vote or consent on such matter shall be required. All votes shall be by Sharing Ratios.

.3 Meetings. An annual meeting of Members for the transaction of such business as may properly come before the Meeting shall be held at such place, on such date and at such time as the Members shall determine. Special meetings of members for any proper purpose or purposes may be called at any time by any Member. The Company shall deliver or mail written notice stating the date, time, place and purposes of any meeting to each Member entitled to vote at the meeting. Such notice shall be given not less than ten (10) no more than sixty (60) days before the date of the meeting. All meetings of Members shall be presided over by a Chairperson who shall be a Member.

.4 Consent. Any action required or permitted to be taken at an annual or special meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by all of the Members entitled to vote on the action. Every written consent shall bear the date and signature of each Member who signs the consent.

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ARTICLE 7

MANAGEMENT

.1 Management of Business. The Company shall be managed by the Members. Each Member shall have a voice in the management of the Company according to Sharing Ratio.

.2 General Powers of Members. Except as may otherwise be provided in this Operating Agreement, the ordinary and usual decisions concerning the business and affairs of the Company shall be made by the Members. Each Member shall have the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company, including, the power to: (a) purchase, lease or otherwise acquire any real or personal property; (b) sell, convey, mortgage, grant a security interest in, pledge, lease, exchange or otherwise dispose or encumber any real or personal property; (c) open one or more depository accounts and make deposits into and checks and withdrawals against such accounts; (d) borrow money, incur liabilities, and other obligations; (e) enter into any and all agreements and execute any and all contracts, documents and instruments; (f) engage employees and agents, define their respective duties, and establish their compensation or remuneration; (g) obtain insurance covering the business and affairs of the Company and its property and on the lives and well being of its Members, employees and agents; and (h) commence, prosecute or defend any proceeding in the Company's name.

.3 Limitations. Notwithstanding the foregoing and any other provision contained in this Operating Agreement to the contrary, no act shall be taken, sum expended, decision made, obligation incurred or power exercised by any Member on behalf of the Company except by the unanimous consent of all Members with respect to (a) any significant and material purchase, receipt, lease, exchange or other acquisition of any real or personal property or business; (b) the sale of all or substantially all of the assets and property of the Company; (c) any mortgage, grant of security interest, pledge or encumbrance upon all or substantially all of the assets and property of the Company; (d) any merger; (e) any amendment or restatement of the Articles or this Operating Agreement; (f) any change in the character of the business and affairs of the Company; (g) the commission of any act which would make it impossible for the Company to carry on its ordinary business and affairs; or (h) any act that would contravene any provision of the Articles or this Operating Agreement or the Act.

.4 Standard of Care; Liability. Every Member shall discharge his or her duties in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Company. The Members shall not be liable for any monetary damages to the Company for any breach of such duties except for receipt of a financial benefit to which the Member is not entitled; voting for or assenting to a distribution to Members in violation of this Operating Agreement or the Act; or a knowing violation of the law.

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ARTICLE 8

EXCULPATION OF LIABILITY; INDEMNIFICATION

.1 Exculpation of Liability. Unless otherwise provided by law or expressly assumed, a Member shall not be liable for the acts, debts or liabilities of the Company.

.2 Indemnification. Except as otherwise provided in this Article, the Company shall indemnify each Member and may indemnify any employee or agent of the Company who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal, other than an action by or in the right of the Company, by reason of the fact that such person is or was the Member, employee or agent of the Company against expenses, including attorneys fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit or proceeding, if the person acted in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that such person reasonably believed to be in the best interests of the Company and with respect to a criminal action or proceeding, if such person had no reasonable cause to believe such person's conduct was unlawful. To the extent that a Member, employee or agent of the Company has been successful on the merits or otherwise in defense of an action, suit or proceeding or in defense of any claim, issue or other matter in the action, suit or proceeding, such person shall be indemnified against actual and reasonable expenses, including attorneys fees, incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided herein. Any indemnification permitted under this Article, unless ordered by a court, shall be made by the Company only as authorized in the specific case upon a determination that the indemnification is proper under the circumstances because the person to be indemnified has met the applicable standard of conduct and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. This determination and evaluation shall be made by a majority vote of the Members who are not parties or threatened to be made parties to the action, suit or proceeding. Notwithstanding the foregoing to the contrary, no indemnification shall be provided to any Member, employee or agent of the Company for or in connection with the receipt of a financial benefit to which such person is not entitled, voting for or assenting to a distribution to Members in violation of this Operating Agreement or the Act, or a knowing violation of law.

ARTICLE 9

DISSOLUTION AND WINDING UP

.1 Dissolution. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events: (a) at any time specified in the Articles or this Operating Agreement; (b) upon the happening of any event specified in the Articles or this Operating Agreement; (c) by the unanimous consent of all of the Members; (d) upon the

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death, withdrawal, expulsion, bankruptcy, or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company unless within ninety (90) days after the disassociation of membership as so provided in subparagraph (d), a majority of the remaining Members consent to continue the business of the Company.

.2 Winding Up. Upon dissolution, the Company shall cease carrying on its business and affairs and shall commence the winding up of the Company's business and affairs and complete the winding up as soon as practicable. Upon the winding up of the Company, the assets of the Company shall be distributed first to creditors to the extent permitted by law, in satisfaction of Company debts, liabilities and obligations and then to Members and former Members first, in satisfaction of liabilities for distributions and then, in accordance with their Sharing Ratios. Such proceeds shall be paid to such Members within ninety (90) days after the date of winding up.

ARTICLE 10

MISCELLANEOUS PROVISIONS

.1 Terms. Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require.

.2 Article Headings. The Article headings contained in this Operating Agreement have been inserted only as a matter of convenience and for reference, and in no way shall be construed to define, limit or describe the scope or intent of any provision of this Operating Agreement.

.3 Counterparts. This Operating Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same.

.4 Entire Agreement. This Operating Agreement constitutes the entire agreement among the parties hereto and contains all of the agreements among said parties with respect to the subject matter hereof. This Operating Agreement supersedes any and all other agreements, either oral or written, between said parties with respect to the subject matter hereof.

.5 Severability. The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

.6 Amendment. This Operating Agreement may be amended or revoked at any

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time by a written agreement executed by all of the parties to this Operating Agreement. No change or modification to this Operating Agreement shall be valid unless in writing and signed by all of the parties to this Operating Agreement.

.7 Notices. Any notice permitted or required under this Operating Agreement shall be conveyed to the Company at the address reflected in this Operating Agreement and will be deemed to have been given, when deposited in the United States mail, postage paid, or when delivered in person, or by courier or by facsimile transmission.

.8 Binding Effect. Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

.9 Governing Law. This Operating Agreement is being executed and delivered in the State of Michigan and shall be governed by, construed and enforced in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto make and execute this Operating Agreement on the dates below their names, to be effective on the date first above written.

WITNESSETH:

THE COMPANY:

BUSINESS NAME,
a Michigan limited liability company

By: _____

BUSINESS OWNER

Its: Member

MEMBERS:

By: _____

BUSINESS OWNER

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EXHIBIT A

<u>Member</u>	<u>Total Capital Contribution</u>	<u>Initial Sharing Ratio</u>
<u>BUSINESS OWNER</u>	\$5,000.00	100%

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