

**CLICK HERE TO DOWNLOAD**

ABC LEASE ASSOCIATES, L.L.C.  
OPERATING AGREEMENT

THIS OPERATING AGREEMENT (this "Agreement" or "Operating Agreement") of ABC LEASE ASSOCIATES, L.L.C., an Illinois limited liability company (the "Company"), is entered into and executed as of \_\_\_\_\_, by and among Able Adams ("Adams"), Ben Baker ("Baker") and Charles Clark ("Clark"). (Adams, Baker and Clark are also sometimes referred to herein as "Members" or "Managing Members.")

WITNESSETH:

WHEREAS, the Company has been formed to work with General Financial Advisors, LLC, a Delaware limited liability company, to locate and close transactions involving the restructuring of existing real estate and personal property leasing transactions so as to provide enhanced financial and economic results for lessors and/or lessees using, among other things, a proprietary user data base and matrix system as contemplated in a certain letter agreement dated \_\_\_\_\_, 20\_\_ (the "Letter Agreement").

WHEREAS, the Company has been organized pursuant to Articles of Organization ("Articles") filed with the Illinois Secretary of State, pursuant to the Illinois Limited Liability Company Act, as amended (the "Act" at 805 ILCS 180 1-1 et. seq.).

WHEREAS, the Members have agreed to enter into this Agreement to regulate the affairs of the Company, the conduct of its business, and the relations of its Members; and

WHEREAS, the Members have agreed that this Agreement shall serve as an "operating agreement" within the meaning of the Act.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Formation; Name; Organization.
  - (a) The Company has been formed as a limited liability company under the Act.
  - (b) The name of the Company shall be ABC Lease Associates, L.L.C.
  - (c) The Members agree to execute such certificates or documents, to make such filings and recordings, and to effect all other acts, including the filing or recording of Articles or any amendments to the Articles and assumed name certificates, and any amendments thereto, in the

appropriate offices in the State of Illinois as the Members may deem appropriate or as may be required in order to comply with all applicable laws.

2. Purposes.

(a) The purpose of the Company shall be to work with General Financial Advisors, LLC,, a Delaware limited liability company, to locate and close transactions involving the restructuring of existing real estate and personal property leasing transactions so as to provide enhanced financial and economic results for lessors and/or lessees using, among other things, a proprietary user data base and matrix system as contemplated in the Letter Agreement. The Company shall have the power to do all acts and things necessary or useful in connection with the foregoing.

(b) In carrying out the purposes of the Company, the Company is authorized to do the following:

(1) execute a certain Agreement dated \_\_\_\_\_, 20\_\_, by and between the Company and General Financial Advisors, LLC.

(2) execute and deliver all documents in connection with locating and closing transactions utilizing the One-Step Leasing Process, as defined in the Letter Agreement;

(3) enter into, perform and carry out contracts of any kind, including contracts with any Member or affiliated entity, necessary or incidental to the accomplishment of the purposes of the Company;

(4) bring and defend actions at law or in equity;

(5) make interim investments of the Company's funds in, among other things, obligations of federal, state and local governments or their agencies, mutual banks, commercial paper, bankers' acceptances, money market funds and bank certificates of deposit; and

(6) engage in any kind of lawful activity, and perform and carry out contracts of any kind, necessary or advisable and permitted by the Act in connection with the accomplishment of the purposes of the Company.

3. Principal Business Office; Registered Office and Agent. The address of the principal business office of the Company is c/o Able Adams, 100 Elm Lane, Any Town, USA, or at such other place within the State of Illinois as the Managing Members shall determine. The registered office of the Company shall be at its principal business office. The registered agent for service of process on the Company shall be Able Adams, whose address is at the principal business office of the Company. The principal business office, registered office, and the registered agent of the Company may be changed by the Managing Members from time to time in accordance with the then applicable provisions of the Act and any other applicable laws.

4. Term and Fiscal Year.

(a) The term of the Company shall commence as of the date hereof and shall continue until December 31, 20\_\_, or unless and until the Company is sooner dissolved and liquidated in accordance with the terms of this Operating Agreement or as otherwise provided by law.

(b) The first fiscal year of the Company shall terminate on December 31, 20\_\_, and succeeding fiscal years shall terminate on December 31st of each year thereafter, or on such other date as the Company shall terminate as herein provided.

5. Capital.

(a) Adams and Baker have each contributed \$30,000 to the capital of the Company and Clark has contributed \$40,000 to the capital of the Company (sometimes referred to herein as the "Initial Contributions"). The Members are not obligated to contribute any further sum or other property to the Company.

(b) For purposes of this Operating Agreement, the "Percentage Interests" of the Members shall be as follows:

<u>Member</u>	<u>Percentage Interests</u>
Adams	30.0%
Baker	30.0%
Clark	<u>40.0%</u>
TOTAL	100.0%

Whenever the term "Majority in Interest" is used in this Agreement for purposes of voting or consenting to a particular matter, such term shall mean the vote or consent by the Members owning more than 50% of the Percentage Interests owned by the Members.

(c) A separate capital account shall be determined and maintained for each Member in accordance with Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder. There shall be credited to each Member's capital account (i) the amount of money contributed by the Member to the Company, (ii) the fair market value of any property contributed by the Member to the Company (net of liabilities securing such contributed property that the Company is considered to assume or take subject to under Code Section 752), (iii) the Member's share of income or gain (or items thereof), including income and gain exempt from tax, and there shall be charged against each Member's capital account, (iv) the amount of money distributed to the Member by the Company, (v) the fair market value of any property distributed to the Member by the Company (net of any liabilities securing such distributed property

that such Member is considered to assume or take subject to under Code Section 752), and (vi) the Member's share of loss and deduction (or items thereof). Members' capital accounts shall be further increased or decreased as may be required by Treasury Regulation Section 1.704-1(b)(2)(iv). To the extent a Member's capital account is greater than zero, such excess is hereinafter referred to as a "positive balance." To the extent that a Member's capital account is less than zero, said amount is hereinafter referred to as a "deficit balance."

(d) Subject to Section 15(b), the personal liability of the Members arising out of or in any manner relating to the Company shall be limited to and shall not exceed such Members' capital contributions made or to be made as provided in this Operating Agreement. The Members shall have no personal liability for liabilities or obligations of the Company, except to the extent of their capital as set forth at Section 5(a) hereof, and the Members shall not be required to make any further or additional contributions to the capital of the Company or to lend or advance funds to the Company for any purpose. The Members shall not be entitled to the return of their capital, except to the extent, if any, that distributions of such capital are made or deemed to be made to such Members pursuant to this Operating Agreement.

(e) No interest or additional share of profits shall be paid or credited to the Members on their capital accounts, or on any undistributed profits or funds left on deposit with the Company; provided, however, that nothing herein contained shall be construed to prevent or prohibit the payment of interest on account of loans made by the Members to the Company. Any loans made to the Company by a Member shall not increase his capital contribution or Percentage Interest, but shall be a debt due from the Company and repaid accordingly.

(f) No Member shall have the right to withdraw any capital that it shall have paid to the Company, except in accordance with the provisions of this Operating Agreement.

## 6. Allocations and Distributions.

(a) Certain Definitions. For the purpose of this Operating Agreement:

(1) "Invested Capital" shall mean, with respect to any Member, the capital contributed in cash by such Member to the Company, reduced by the amount of Cash Receipts returned by the Company to such Member pursuant to Sections 6(c)(4) and 6(e)(4), but not less than zero.

(2) The terms "profits" and "losses" shall mean the net profits or losses of the Company for federal income tax purposes as finally determined for each fiscal year of the Company by the Company's accountants.

(3) "Cash Receipts" shall mean all cash received by the Company during any fiscal year from all sources.

(4) "Affiliate" shall mean, as to any named Member or Members, any person, corporation, partnership, trust or other entity that directly or indirectly, through one or more intermediaries, is controlled by, controls, or is under common control with such named Member or Members.

(5) "Minimum gain" shall have the meaning ascribed to "partnership minimum gain" as set forth in Treasury Regulations ' 1.704-2(d).

(b) Allocation of Profits and Losses.

(1) Subject to Sections 6(e) and 6(f) hereof, profits shall be allocated to the Members in proportion to their respective Percentage Interests.

(2) Subject to Sections 6(e) and 6(f) hereof, losses will be allocated to the Members in proportion to their respective Percentage Interests.

(c) Application of Cash Receipts. Cash Receipts shall be applied in the following order of priority:

(1) first, to pay any outstanding debts and obligations of the Company (or that are secured by the assets of the Company) that are currently due, except debts owed to any Member or Affiliate thereof;

(2) second, to establish or add to any reserve in an amount that the Members may deem reasonably necessary to provide for: (i) capital expenditures; (ii) contingent or unforeseen liabilities or obligations of the Company; and (iii) maturing obligations with respect to which the Members determine such reserves to be advisable;

(3) third, to pay any documented unreimbursed reasonable expenses incurred by any Member in the ordinary course of the business of the Company and debts owed to any Member or Affiliate thereof on a pro-rata basis; and

(4) fourth, to distribute Cash Receipts not disbursed or reserved in accordance with the foregoing provisions to the Members as follows:

(A) first, to the Members, their Invested Capital to the extent not previously returned; and

(B) second, any remaining Cash Receipts shall be distributed to the Members in proportion to their respective Percentage Interests.

(d) Priority and Distributions of Property. Except as otherwise provided in this Agreement, no Member shall have priority over any other Member, either as to the return of capital or as to profits, losses, or distributions. No Member shall have the right to demand or receive property other than cash for its capital in the Company or in payment of its share of profits, or Cash Receipts.

(e) Qualified Income Offset. Notwithstanding the foregoing, in the event any Members unexpectedly receive any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Company income and gain shall be specially allocated to such Members in an amount and manner sufficient to eliminate the deficit balances in

their capital accounts created by such adjustments, allocations, or distributions as quickly as possible and to the extent possible. For purposes of determining a Member's deficit capital account balance for purposes of this Section 6(e) and Section 6(f), (i) any deficit balance shall be reduced by any limited dollar amount of such deficit balance that such Member is obligated to restore, or is treated as being obligated to restore, no later than the end of the Company fiscal year in which such Member's interest is liquidated (or, if later, within 90 days after such liquidation), and (ii) a Member shall be treated as having a current obligation to restore a deficit balance to the extent of the Member's share of any Minimum Gain that would be allocable to such Member at the time of any determination made under this Section 6(e). Any special allocations of items of income or gain pursuant to this Section 6(e) shall be taken into account for the purpose of equitably adjusting subsequent allocations of profits so that the net allocations, in the aggregate, allocated to each Member pursuant to this Section 6 and the capital accounts of each Member, shall, as quickly as possible and to the extent possible, and without violating the constraints on deficit balances prescribed by this Section 6(e), be the same as if no special allocations had been made under this Section 6(e).

(f) Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, to the extent required under Treasury Regulation Section 1.704-2(f), in order that the Operating Agreement contains a "minimum gain chargeback," if there is a net decrease in Partnership Minimum Gain during a Company taxable year, all Members with deficit capital account balances at the end of such year (as determined under Section 6(e) above) shall be allocated, before any other allocation of Company items for such taxable year, items of income and gain for such year (and, if necessary, subsequent years) in the amount and in the proportions needed to eliminate such deficit capital account balances as quickly as possible.

## 7. Management.

(a) The Managing Members, subject to the Act and the terms and provisions of this Agreement, including, without limitation, Section 7(f), shall have full power of management and control of the conduct and operation of Company business. In addition to the rights and powers herein conferred, the Managing Members shall possess and may exercise all of the rights and powers of managers as provided in (but subject to the limitations and restrictions of) the Act, as now in effect or as hereafter from time to time amended. Adams, Baker and Clark shall each be designated as a "Manager" under the Company's Articles of Organization. With respect to any act or decision under this Operating Agreement which is required to be made by the Managing Members, agreement of the majority of the Managing Members with respect to such act or decision shall be required, subject to Section 7(f) hereof.

(b) Subject to Section 7(f), the other Members which are not Managers, if any, in their capacities as such, shall not take part in the management of the business of, or transact any business for, the Company, and shall have no power to contract for or act on behalf of the Company (except to the extent a Member is also the Managing Member). The Members shall have such rights concerning the conduct of Company affairs as are provided by the Act to the extent not inconsistent with the provisions of this Agreement.

(c) Subject to Section 7(f), the Managing Members are hereby authorized and vested with the power on behalf of the Company to cause the Company to enter into a certain Agreement

with USRA for the purposes of structuring and closing transactions utilizing the One-Step Leasing Process; and to execute or cause to be executed any instruments in connection with the foregoing to carry out the intentions and purposes hereof.

(d) Subject to Section 7(f), the Managing Members may engage on behalf of, and at the expense of, the Company, such persons, firms or corporations as the Managing Members in their reasonable judgment shall deem advisable for the conduct and operation of the business of the Company, including without limitation, lawyers and accountants on such terms and for such compensation or costs as the Managing Members, in their reasonable judgment, shall determine.

(e) Subject to Section 7(f), the Managing Members may, on behalf and at the expense of the Company, engage the Managing Members or another Member or a firm in which the Managing Members, another Member, or an officer, director, stockholder or Affiliate of any of them, has an interest, to render services to the Company, provided that the fees or other compensation payable for such services are specifically authorized by the terms of this Agreement or are comparable to or less than those prevailing in arm's-length transactions for similar services.

(f) Any matter described below must be unanimously consented to by the Members:

- (1) incurring any debt or other financial obligation on behalf of the Company; or
- (2) sale or other disposition of substantially all of the assets of the Company.

(g) The Managing Members, and their agents and Affiliates shall not be liable, responsible or accountable in damages or otherwise to the Company or any of the Members or their successors or assigns for any acts performed or omitted within the scope of the authority conferred on the Managing Members, provided that the Managing Members or such agents or Affiliates shall act in good faith and shall not be guilty of willful misconduct or gross negligence.

(h) Nothing herein contained shall impose any obligation upon any third party dealing with the Company to inquire as to the authority of the Managing Members, and any such third party shall be fully justified in relying upon such authority.

(i) The following provisions shall apply to loans by the Members and any Affiliate of the Members to the Company:

(1) The Members and their Affiliates may (but shall not be required to) lend to the Company such funds as the Managing Members determine is necessary to meet Company obligations.

(2) Any loan pursuant to this Section 7(i) shall bear compound interest at a floating rate equal to the prime (or equivalent) rate of interest most recently announced by The Northern Trust Company, Chicago, Illinois and from time to time in effect (such rate of interest to change when and as the prime rate changes). Any such loan shall be repayable by the Company from time to time pursuant to Sections 6(c)(3) hereof.

- (j) The initial officers of the Company shall be:
  - (1) Charles Clark B President
  - (2) Able Adams B Senior Vice President and Treasurer
  - (3) Ben Baker B Senior Vice President and Treasurer

These officers shall hold office until resignation or removal by the Majority in Interest of the Members. The Members may elect substitute officers upon the resignation or removal of any of the above officers. The officers shall have the responsibilities as set forth on Exhibit A hereto.

8. Other Activities of the Members. Any Member (or any Affiliate thereof) may engage and possess an interest in any other business venture of any nature, kind, or description, including, but not limited to, a business competitive with the businesses conducted by the Company. No Member (nor any Affiliate of a Member) shall have any obligation whatsoever to offer other investment opportunities to the Company or any Member.

9. Banking, Records, and Tax Matters.

(a) All funds of the Company shall be deposited or invested in its name in accounts with banks or savings and loan associations, in "money-market" funds or securities of the United States government, or like investment or depository media designated by the Managing Members, and the Managing Members or their designees shall have the right to draw checks thereon, initiate wire transfers therefrom and make, deliver, accept, and endorse negotiable instruments in connection with the Company's business. Provided however, the signature of at least two (2) of the Managing Members shall be required on any check or other document initiating any withdrawal from such Company account.

(b) Accurate books, records, and accounts shall be maintained by the Company showing its assets, liabilities, operations, transactions, and financial condition. Each Member shall have the right to inspect and copy such materials at all reasonable times and during regular business hours.

(c) Within 90 days following the close of each fiscal year of the Company, the Managing Members shall cause to be prepared (at Company expense) a United States Partnership Income Tax Return and appropriate state income tax returns, and shall cause to be furnished to each person who was a Member during the fiscal year then ended, a schedule of that Member's share of income, credits, and deductions on the form then prescribed by the Internal Revenue Service. All elections and options available to, or determination as to items of income or expense of, the Company for federal or state income tax purposes shall be taken, rejected, or made by the Company in the discretion of the Managing Members.

(d) In the event of a distribution of property made in the manner provided in Section 734 of the Code, or in the event of a transfer of any interest in the Company permitted by this Operating Agreement made in the manner provided in Section 743 of the Code, the Managing Members, on behalf of the Company, may in his discretion, file an election under Section 754 of the Code in accordance with the procedures set forth in the applicable regulations promulgated thereunder.



(e) Adam Able is hereby appointed the "tax-matters partner" of the Company for all purposes, pursuant to Sections 6221-6231 of the Code. The Company shall not be obligated to pay any fees or other compensation to the tax-matters partner in its capacity as such, provided that the Company shall reimburse the tax-matters partner for any and all reasonable out-of-pocket costs and expenses (including reasonable attorneys' and other professional fees) incurred by it in its capacity as tax-matters partner. The Company shall indemnify, defend, and hold the tax-matters partner harmless from and against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) sustained or incurred as a result of any act or decision concerning Company tax matters and within the scope of such Member's responsibilities as tax-matters partner.

10. Assignment of Member's Interest.

(a) A Member may not assign all or any part of his interest in the Company, or resign or otherwise withdraw from the Company, without first obtaining the prior unanimous written consent of the other Members, which consent may be withheld in the sole and absolute discretion of the such other Members; provided, however, that Members may not withhold their consent to a transfer by a Member to another Member. A Member may, without the consent of the other Members, collaterally pledge or assign their right to receive distributions hereunder, as security for a loan or loans, whether or not such loans are related to the Company's business, but no such assignee shall have the right, by virtue of such assignment, to become a new member hereunder. Subject to satisfaction of the conditions referred to herein, each other Member hereby consents to the substitution or admission of any assignee of a Member's interest as a Member.

(b) No person shall be admitted as an additional or substituted Member under this Operating Agreement unless and until:

(1) an assignment contemplated by paragraph (a) of this Section 10 is made in writing, signed by the assigning Member, and accepted in writing by the assignee, and a duplicate original of such assignment is delivered to and approved by the other Members;

(2) the prospective admittee executes and delivers to the Company a written agreement, in form reasonably satisfactory to the Members, pursuant to which said person agrees to be bound by and confirms the agreements, representations, warranties, and power of attorney contained in this Operating Agreement; and

(3) an appropriate amendment to this Operating Agreement is executed and any documents required by law to be filed of record are so filed.

(c) In the event an assignment is made in accordance with the terms hereof, unless otherwise required by the Code:

(1) the effective date of such assignment shall be the date the written instrument of assignment is delivered to the Company and approved by the Members;

(2) the Company and the Members shall be entitled to treat the assignor of the assigned interest as the absolute owner thereof in all respects and shall incur no liability for

allocations of profits and losses and distributions of Cash Receipts made in good faith to such assignor until such time as the written instrument of assignment actually has been received and approved by the Members and recorded in the books of the Company; and

(3) the division and allocation of profits and losses attributable to the Company interests between the assignor and assignee during any fiscal year of the Company shall be based upon the date or dates during such fiscal year in which income was earned or losses were sustained by the Company and shall not be based upon the length of time during such fiscal year, as measured by the effective date of such assignment, that the assigned interest was owned by each of them.

(d) The cost of processing and perfecting an admission contemplated by this Section (including reasonable attorneys' fees incurred by the Company) shall be borne by the party seeking admission as a Member to the Company.

11. Death, Incompetency, Insolvency or Dissolution of a Member; Dissociation. The death, incompetency, insolvency or dissolution or other event causing a Member's dissociation shall not terminate the Company. Subject to the last sentence of this Section 11, upon the death of a Member, his executor, administrator, or successor in interest shall have all of the rights and duties of a Member for the purpose of settling his estate. A Member who willfully withdraws as a Member under Section 35-45(1) of the Act shall be considered in breach of this Agreement, and shall be liable to the Company and the other Members for any damages caused by the dissociation. In the event a Member is dissociated from the Company upon the occurrence of any event described under Section 35 - 45 of the Act, the transferee or other successor in interest to the dissociated Member shall be subject to this Agreement, including, without limitation, Section 12 and the last sentence of this Section 11. Subject to the last sentence of this Section 11, the Company shall have no obligation to purchase the Units of a dissociated Member under Article 35 of the Act or otherwise; and no Member who suffers an event of dissociation or a successor thereto may require the Company to redeem or otherwise purchase their Units. A dissociated Member shall only have such rights to distributions with respect to his Units that he would have if such Member had not dissociated; that is, at such time as distributions are made to the Members, the dissociated Member shall receive his pro rata share of such distributions attributable to his interest. On any dissociation, the Member's right to vote or otherwise participate in the conduct of the Company's business shall terminate, and he or his successor shall be treated as a transferee of a Member's interest, until such time, if any, that the successor to such dissociated Member is admitted as an additional or substitute Member under Section 10. The interest of a dissociated Member shall be disregarded in determining whether any consent, approval or other action has been given or taken by the Members.

12. Transferees and Successors. Any person acquiring or claiming an interest in the Company, in any manner whatsoever, shall be subject to and bound by all terms, conditions, and obligations of this Operating Agreement to which his predecessor in interest was subject or bound, without regard to whether such person has executed a counterpart hereof or any other document contemplated hereby. No person, including the legal representative, heir, or legatee of a deceased Member, shall have any rights or obligations greater than those set forth in this Operating Agreement, and no person shall acquire an interest in the Company or become a Member thereof except as permitted by the terms of this Operating Agreement. This Operating Agreement shall be

binding upon and inure to the benefit of the parties hereto, their successors, permitted assigns, heirs, legatees, beneficiaries, legal representatives, executors, administrators, and successors in trust.

13. Dissolution and Winding Up.

(a) Upon dissolution of the Company, its assets shall be converted to cash or its equivalent, and its affairs shall be wound up with reasonable speed, but with a view towards obtaining fair value for Company assets. The Managing Members (or, if applicable, the sole remaining Member) shall liquidate the Company and shall have the authority to perform any and all acts and to take any and all actions which may be necessary, appropriate, or incidental to continue the business of the Company. Unless otherwise required under the Act, the proceeds of liquidation shall be distributed in the manner Cash Receipts are applied under Section 6(c). Any balance of such proceeds allocable to Members under Section 6(c) shall be distributed, no later than the end of the Company's taxable year in which the Company is liquidated, or, if later, within 90 days after the date of liquidation.

(b) Each Member hereby waives any and all rights to partition any asset of the Company, or any part thereof, or otherwise to divide (whether through an action in equity or through some other means) the beneficial interest in any nominee holding title to any such asset.

14. No Personal Liability for Return of Capital and Loans. No Member shall be liable personally for the return or repayment of all or any portion of the capital of any Member, or for the repayment of all or any portion of any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of any such loan shall be made solely from the assets of the Company.

15. Indemnification.

(a) The Company shall indemnify, defend, and hold the Members and their Affiliates, employees, officers, directors, and agents, and their respective successors, executors, administrators, and personal representatives (collectively, the "Indemnitees"), harmless from and against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) sustained or incurred as a result of any act or omission concerning the business or activities of the Company or pursuant to this Operating Agreement; provided that any such Indemnitee shall not be guilty of gross negligence or willful misconduct and shall have acted in good faith within what such Indemnitee reasonably believed to be the scope of his (or its) authority for a purpose that he (or it) reasonably believed to be in the best interests of the Company. Such indemnification shall be made only to the extent of the assets of the Company.

(b) In the event the Company is made a party to any litigation or otherwise incurs any loss or expense as a result of or in connection with any Member's personal obligations or liabilities unrelated to Company business, such Member shall indemnify and reimburse the Company for all such loss and expense incurred, including reasonable attorneys' fees, and the interest of such Member in the Company may be charged therefor.

16. Amendments. This Operating Agreement may be modified or amended only with the written agreement of all of the Members.

17. Governing Law. This Operating Agreement shall be regarded for all purposes as an Illinois document, and the validity and construction thereof shall be determined and governed by the laws of the State of Illinois. If any provision of this Operating Agreement, or the application of such provision to any person or circumstance, shall be held illegal, invalid, or unenforceable, or in conflict with the Act or other applicable law, the remainder of this Operating Agreement, or the application of such provision to persons or circumstances other than those to which it is held illegal, invalid, unenforceable, or in conflict, shall not be affected thereby.

18. Notice. All notices, requests, and demands herein required or permitted to be given or made shall be deemed to be effectively served and delivered (i) on the date of personal or courier delivery; (ii) the date of transmission by telecopy or other electronic transmission service, provided a confirmation copy is also sent no later than the next business day by courier delivery or by registered or certified mail, postage prepaid, return receipt requested; or (iii) three (3) business days after the date of deposit in the United States by registered or certified mail, postage prepaid, return receipt requested, and

(a) if intended for the Company, addressed or telecopied to the Company at the principal office or facsimile phone number of the Company; and

(b) if intended for a Member, addressed or telecopied to that Member at its address or facsimile phone number appearing below its name on the signature pages hereof;

or to such other person or at such other address or facsimile phone number designated by written notice given to the Company and all Members in accordance herewith.

19. Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall be deemed one Operating Agreement.

20. Interpretation. The use of the masculine, feminine, or neuter gender and the use of the singular or plural number shall not be given the effect of any exclusion or limitation herein; and the use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership, or other entity. All Section titles and captions contained herein are for convenient reference only and shall not be deemed a part of the context of this Operating Agreement.

21. Power of Attorney. Adams and Clark, by execution of this Agreement, irrevocably constitute and appoint Baker their true and lawful attorney-in-fact, with full power of substitution, in his name, place, and stead to make, execute, sign, acknowledge, swear to, publish, record, and file, on behalf of such Member and on behalf of the Company, the following:

(a) The Articles, a certificate of doing business under an assumed name, and any other certificates or instruments or amendments to any of the foregoing that may be required to be filed by the Company or the Members under the laws of the States of Illinois, and any other jurisdiction whose laws may be applicable;

(b) A certificate of cancellation of the Company and such other instruments as may be deemed necessary or desirable by said attorney upon the termination of the Company;

(c) Any and all amendments of the instruments described in subsections (a) and (b) above and to this Operating Agreement, provided such amendments either are required by law to be filed to maintain the Company as a validly existing limited liability company, are necessary to correct statements herein, or are consistent with this Operating Agreement or that have been authorized by the Members as provided in Section 16; and

(d) Any and all such other instruments as may be deemed necessary or desirable by said attorney to carry out fully the provisions of this Operating Agreement in accordance with its terms.

The foregoing grant of authority and the grant of authority as attorney-in-fact contained elsewhere herein is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death or incapacity of Adams or Clark and the delivery of an assignment by such Member of the whole or any portion of his interest in the Company.

22. Entire Agreement. This Operating Agreement represents the entire agreement and understanding of the parties hereto, and all prior or concurrent agreements, understandings, representations, and warranties in regard to the subject matter hereof are and have been merged herein and are superseded hereby.

IN WITNESS WHEREOF, the undersigned hereby (i) execute this Operating Agreement as of the date first written above, (ii) confirm their agreement to be a Member of the Company, (iii) agree to be bound by this Operating Agreement, and (iv) swear that the statements set forth herein are true and correct.

---

Able Adams  
100 Elm Lane  
Any Town, USA

---

Ben Baker  
123 Main  
Any Town, USA

---

Charles Clark  
123 Main  
Any Town, USA