THE MEMBERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE, BUT HAVE BEEN ISSUED PURSUANT TO EXEMPTIONS UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND THE NEVADASECURITIES LAW OF 1953, AS AMENDED, AND THE REGISTERED HOLDERS OF SAID MEMBERSHIP INTERESTS HAVE EXECUTED AN INVESTMENT REPRESENTATION WITH RESPECT THERETO. FURTHER, THE MEMBERSHIP INTERESTS HAVE NOT BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF NEVADAOR ANY OTHER STATE. ACCORDINGLY, THE SALE, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF ANY OF SAID MEMBERSHIP INTERESTS IS RESTRICTED AND MAY NOT BE ACCOMPLISHED EXCEPT IN ACCORDANCE WITH SUCH INVESTMENT REPRESENTATION, THIS AGREEMENT AND AN APPLICABLE REGISTRATION STATEMENT OR AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGERS THAT REGISTRATION IS UNNECESSARY.

OPERATING AGREEMENT

**OF**

**TRANSATLANTIC ENERGY HOLDINGS, LLC**

This Operating Agreement (this “*Agreement*”) is made effective as of the \_23\_ day of August, 2019 (the “*Effective Date*”), by and between the undersigned Members and Managers who have formed a limited liability company (the “*Company*”) and shall govern the operations of the Company and the rights, duties and obligations of the Company and its Members and Managers.

**Preliminary Statements**

1. The Members formed a limited liability company under Title 7, Chapter 86 of the Nevada Revised Statutes, on or about August \_23\_, 2019;

B. The Members desire, by this Agreement, to set forth their agreement as to the affairs of the Company and the conduct of its business; and

C. The Members desire, by this Agreement, to set forth certain requirements, rights, duties and obligations of the Company and its Members and Managers.

**Agreement**

In consideration of the foregoing, the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereto agree to the following:

1. *Definitions*. For purposes of this Agreement, the following terms shall have the meanings set forth below, except as otherwise specified or as the context may otherwise require:

“*Act*” shall mean Title 7, Chapter 86 of the Nevada Revised Statutes, as amended from time to time or any corresponding provisions of succeeding law.

“*Adjusted Capital Account Deficit*” shall mean, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments: (i) credit to such Capital Account any amounts which such Member is obligated to restore (pursuant to the terms of such Member’s promissory note or otherwise) or is deemed to be obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and (ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations. The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

“*Agreement*” shall mean this Operating Agreement as amended from time to time.

“*Articles*” shall mean the Articles of Organization of the Company which were filed with the Secretary of State on or about August \_23\_, 2019, a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference.

“*Bankruptcy*” shall mean (i) the entry of a decree or order for relief by a court having jurisdiction in respect of a Person in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of a Person or for any substantial part of such Person’s property or the entry of an order for the winding up or liquidation of its affairs, which decree or order remains unstayed and in effect for a period of ninety (90) consecutive days; (ii) the commencement by a Person of a voluntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of a Person or for any substantial part of its property, or any general assignment by a Person for the benefit of creditors; or (iii) the attachment by a creditor of a Person’s interest in the Company, which attachment is not discharged or vacated within ninety (90) days from the date it becomes effective.

“*Business*” shall mean the business operations of the Company, which primarily shall focus on and include the acquisition, sale, trading, investment, holding and development in oil and gas drilling and production, minerals extraction, and energy, and investing, holding, purchasing, selling, development and trading in each of the foregoing, all as determined by the Managers.

“*Capital Account(s)*” shall mean the individual account(s) maintained by the Company with respect to each Member as provided in Section 3.2.

“*Capital Contribution(s)*” shall mean the amount of cash or the agreed value of the Property (as determined by the Members and the Company) contributed by the Members to the Company, by each Member inclusive of such Member’s Initial Capital Contribution, as provided in Article 3.

“*Class A Member*” shall mean a Member holding Class A Units. A Class A Member shall be a voting Member.

“*Class A Membership Interest*” shall mean a Membership Interest held by a Class A Member.

“*Class B Member*” shall mean a Member holding Class B Units. A Class B Member shall be a non-voting Member unless specifically stated in this Agreement or as required by the Act.

“*Class B Membership Interest*” shall mean a Membership Interest held by a Class B Member.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended from time to time or any corresponding provisions of succeeding law. All references to the Code or any regulations adopted thereunder, including Treasury Regulations or Temporary Treasury Regulations are references to the Code or such regulations as they are in effect on the date hereof.

“*Company*” shall mean Transatlantic Energy Holdings, LLC, a Nevada limited liability company.

“*Default Interest Rate”* shall mean the rate per annum equal to the Wall Street Journal prime rate as quoted in the Wall Street Journal’s money rates section, which is also the base rate on corporate loans at large United States money center commercial banks, as its prime commercial or similar reference interest rate, with adjustments to be made on the same date as any change in the rate.

“*Delinquent Member*” shall mean a Member who fails to make a Capital Contribution in the time required.

“*Depreciation*” shall mean, for each fiscal year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; *provided, however*, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

“*Determination Date*” shall mean the date on which notice is given to purchase an Interest or Membership Interest under Article 10.

“*Distributable Cash*” shall mean, at the time of determination for any period (on the cash receipts and disbursements method of accounting), all Company cash derived from the conduct of the Company’s business, including distributions from entities owned by the Company, cash from operations or investments, and cash from the sale or other disposition of Property, other than Capital Contributions with interest earned pending its utilization.

“*Fair Market Value*” shall mean the value of an Interest or Membership Interest as determined by a Qualified Appraiser selected by the Managers.

“*Fiscal Year*” shall mean the fiscal year and the taxable year of the Company that shall end as of December 31 of each calendar year.

“*Gross Asset Value*” with respect to any asset shall mean the asset’s adjusted basis for federal income tax purposes, except as follows:

* + 1. The Initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company;
    2. The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Managers, as of the following times:
       1. The acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution;
       2. The distribution by the Company to a Member of more than a de minimis amount of Property other than money as consideration for an interest in the Company; and
       3. The liquidation of the Company for federal income tax purposes within the meaning of Regulations Section 1.704‑1(b)(2)(ii)(g); *provided, however,* that the adjustments pursuant to clauses (a) and (b) above shall be made only if the Managers reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;
    3. The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution;
    4. The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); *provided, however*, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the Managers determine that an adjustment pursuant to clause (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv); and
    5. If the Gross Asset Value of an asset has been determined pursuant to subparagraphs (i), (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“*Initial Capital Contribution*” shall mean the initial Capital Contributions of a Member contributed to the Company in exchange for the Member’s Membership Interest.

“*Initial Member*” shall mean any holder of a Membership Interest who has become a Member pursuant to the terms of this Agreement as of the Effective Date.

“*Interest*” shall mean the interest of a Transferee or an assignee upon the transfer of a Membership Interest without the Transferee or Assignee being admitted to the Company as a Member. The owner of an Interest shall have the right to an allocative share of the economic benefits of the Company, including Net Profits, Net Losses, and distributions, but shall not be entitled to vote on Company matters.

“*Interest Holder*” shall mean the holder of any Interest or Membership Interest.

“*Manager(s)*” shall mean the person(s) elected to manage the Company pursuant to Article 5, or any successor(s) thereto. If there is only one (1) Manager at any given time, any reference herein to “*Managers*” shall be deemed to refer to the one (1) Manager as the context may require. If there is more than one (1) Manager at any given time, any reference herein to “Manager” shall be deemed to refer to all Managers, unless the context requires otherwise.

“*Member(s)*” shall mean any holder of a Membership Interest who has become a Member pursuant to the terms of this Agreement, but does not include a Transferee or an assignee who has not become a substitute Member. If there is only one (1) Member at any given time, any reference herein to “*Members*” shall be deemed to refer to the one (1) Member as the context may require. If there is more than one (1) Member at any given time, any reference herein to “Member” shall be deemed to refer to all Members, unless the context requires otherwise. Unless otherwise provided herein, any reference to a Member or the Members shall include both Class A Members and Class B Members.

“*Member Nonrecourse* *Debt*” shall have the same meaning as partner nonrecourse debt set forth in Regulations Sections 1.704-2(b)(4) and 1.704-2(i).

“*Member Nonrecourse Debt Minimum Gain*” shall mean an amount, with respect to each Member Nonrecourse Debt, equal to the Minimum Gain that would result if such Member Nonrecourse Debt were treated as a nonrecourse liability of the Company, determined in accordance with Regulations Section 1.704-2(i)(2) and (3).

“*Member Nonrecourse Deductions*” shall have the same meaning as partner nonrecourse deductions set forth in Regulations Sections 1.704-2(i)(1) and 1.704-(2)(i)(2).

“*Membership Interest(s)*” shall mean the respective right of a Member to an allocative share (based on the percentage of each Members issued and outstanding Membership Interest Units to the total issued and outstanding Membership Interest Units) of the economic benefits of the Company, including Net Profits, Net Losses, and distributions and the right to vote on, consent to or otherwise participate in any decision as required by this Agreement or the Act. Each Membership Interest shall be expressed in the number of units a Member holds and as a percentage calculated by the ratio that each Member’s Membership Interest Units bears to the total issued and outstanding Membership Interest Units of all Members holding Membership Interests. All Members, except for Members holding Class B Membership Interests, shall be entitled to vote on all matters consent to or otherwise participate in any decision as required by this Agreement or the Act.

“*Membership Interest Units*” shall mean the number of units of Membership Interests (whether Class A Membership Interests or Class B Membership Interests) held by a Member as determined in Section 3.1 acquired in exchange for a capital contribution.

“*Minimum Gain*” shall mean the amount determined by computing with respect to each nonrecourse liability of the Company, the amount of gain of whatever character, if any, that would be realized if it disposed in a taxable transaction of the property subject to such liability in full satisfaction thereof, and by then aggregating the amounts so computed as set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

“*Nonrecourse Deductions*” shall mean deductions having the meaning set forth in Sections 1.704-2(b)(1) and 1.704-2(c) of the Regulations.

“*NRS*” shall mean Nevada Revised Statutes.

“*Officer*” has the meaning set forth in Section 5.2.

“*Payment Terms*” shall mean the terms for payment of an Interest or a Membership Interest acquired by the Company or one or more Members under Article 10.

“*Person*” shall mean any individual, partnership, corporation, trust, limited liability company or other entity.

“*Profits”* and *“Losses*,” respectively, shall mean, for each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for these purposes, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

1. Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to the foregoing shall be added to such taxable income or loss;
2. Any expenditures of the Company described in Code Section 705(a)(2)(B) or that are treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to the foregoing shall be subtracted from such taxable income or loss;
3. In the event the Gross Asset Value of any Company asset is adjusted pursuant to clause (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;
4. Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;
5. In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with the definition of Depreciation under this Agreement;
6. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and
7. Notwithstanding the above, any items which are specially allocated pursuant to Sections 4.2, 4.3 or 4.4 shall not be taken into account in computing Profits and Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Sections 4.2 and 4.3 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) of this definition of Profits and Losses.

“*Property*” shall mean the principal assets to be owned by the Company which shall primarily be interests in oil and gas drilling and production, minerals, and energy (the “*Primary Assets*”), provided, however, that the term “Property” shall include all assets of the Company, including, in conjunction with and in furtherance of, the primary purpose of the Company set forth in Section 2, and the Primary Assets.

“*Purchase Price*” shall mean the price for the acquisition of an Interest or a Membership Interest by the Company or one or more Members under Article 10.

“*Qualified Appraiser*” shall mean an appraiser who is qualified to perform business appraisals of limited liability companies and ownership interests therein.

“*Regulations*” shall mean the federal income tax regulations promulgated by the U.S. Treasury Department under the Code, as such may be amended from time to time or any corresponding provisions of succeeding law.

“*Secretary of State*” shall mean the Secretary of State of the State of Nevada.

“*Term*” shall mean, as applicable to each Member, the period of time that commences when such Member acquires their respective Membership Interests and ends two (2) years after such Member surrenders such Membership Interest or their rights to their Membership Interest are terminated as provided herein.

“*Transferee*” shall mean a third person or entity to whom a Transferring Member sells, transfers, encumbers, assigns or otherwise disposes of all or any part of the Member’s Membership Interest.

“*Transferring Member*” shall mean a Member who sells, transfers, encumbers, assigns or otherwise disposes of all or any part of the Member’s Membership Interest to any third person or entity.

“*Valuation Date*” shall mean the date for determining the value of an Interest or a Membership Interest to be acquired by the Company or one or more Members under Article 10.

1. *Formation Matters and Purpose*.
   1. *Formation*. The Company has been formed pursuant to the Act by the filing of the Articles. The Members hereby approve and ratify the Articles and all actions of the organizer in preparing and filing the same. The Members hereby agree to indemnify and hold harmless the organizer for all acts completed by the organizer in association with the organization of the Company.
   2. *Name*. The name of the Company is Transatlantic Energy Holdings, LLC. The Company may do business under such other names as may be chosen from time to time by the Members.
   3. *Registered Office/Registered Agent*. The registered office of the Company shall be at such place in the State of Nevada, or at such other place in the State of Nevada as the Managers may from time to time determine. The Company may maintain such other offices as the Managers shall determine. The registered agent of the Company shall be as the Managers may from time to time choose. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the registered agent with the Secretary of State as required by the Act.
   4. *Purposes and Powers*. The Company shall exist under the laws of the State of Nevada and is organized to operate the Business and for any legal and lawful purpose permitted under the Articles and the Act necessary or advisable in carrying out the Business, and/or related to the Business, in each case, as determined by the Managers. The Company shall have all the powers granted to a limited liability company under the laws of the State of Nevada. If the Company qualifies to do business in a foreign jurisdiction, the Company may transact all business permitted in that jurisdiction. There is no jurisdictional restriction upon the Company’s assets or activities.
   5. *Governing Act*. The Company under this Agreement shall be organized pursuant to the Act.
2. *Capital Contributions* *and Capital Accounts*.
   1. *Membership Interests and Initial Capital Contributions of Members*. The Membership Interests and Initial Capital Contributions of the Members shall be in such amounts or values as are set forth in this Article 3. All Initial Capital Contributions shall be fully received and credited to the Members’ respective capital accounts as Initial Capital Contributions to the capital of the Company upon receipt by the Company of the respective contributions set forth herein. The failure of a Member to make all Capital Contributions in the amounts and at the times as required in this Section 3.1 shall be a material breach of this Agreement, and shall entitle the non-breaching Members, at their option as determined by the majority of non-breaching Members, to pursue any or all of the remedies set forth in this Agreement, including the following remedies all without any requirement of notice or opportunity to cure: (i) terminate this Agreement, (ii) cause the Company to be dissolved, and (iii) cancel the breaching Member’s Membership Interest. Upon any such breach and termination, the breaching Member shall not be entitled to a return of any previously made partial capital contribution. Members shall be entitled to retain their respective Membership Interests only upon receipt by the Company of all of the required Capital Contributions set forth below. The Members shall make the Initial Capital Contributions in exchange for the Membership Interest Units as set forth on Schedule 1. The Initial Capital Contributions of the Members shall be utilized for the Company purposes as set forth on Schedule 1. The Company initially anticipates raising $5,000,000 by issuing 5,000,000 Membership Interest Units. The Manager may increase or decrease the amount of Capital Contributions to be contributed to the Company and the sources of such equity contributions.
   2. *Tax Status and Capital Accounts*. For tax purposes, (i) in the event that the Company has only one (1) Member, the Member may determine to treat the Company as a disregarded entity for tax purposes (in such event, the applicable sections of this Agreement relating to taxation as a partnership shall not be applicable), and (ii) in the event that the Company has two (2) or more Members, the Company shall be treated as a partnership for tax purposes. For tax purposes, a separate Capital Account shall be established and maintained for each Member in accordance with Code Section 704 and Regulations Section 1.704-1(b) and the following provisions:
      1. *Increase and Decrease of Capital Accounts*. Generally, the Capital Account of a Member shall consist of the Member’s Initial Capital Contribution increased by: (i) any Capital Contributions in cash in excess of the Initial Capital Contribution; (ii) the fair market value of any Capital Contribution of property in kind (net of liabilities securing such contributed property that the Company is considered to assume or take subject to, under Section 752 of the Code) in excess of the Initial Capital Contribution; (iii) such Member’s share of Profits (or items thereof allocated pursuant to Article 4), including income and gain exempt from tax; and (iv) any other increases required by this Agreement or the Regulations, including Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) and decreased by (w) all amounts paid or distributed to the Member, other than amounts required to be treated as a payment for property or services under the Code; (x) the fair market value of property (actually and deemed) distributed in kind to such Member (net of liabilities securing such distributed property that such Member is considered to assume or take subject to, under Section 752 of the Code); (y) such Member’s share of Losses allocated pursuant to Article 4; and (z) any other decreases required by the Regulations, including items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).
      2. *Transferred Membership Interest*. If any Membership Interest in the Company, or a portion thereof, is transferred in accordance with this Agreement, the Transferee or substitute Member, as applicable, shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest or Membership Interest, as applicable.
      3. *Intent to Comply with Regulations*. The foregoing provisions and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations. The Members shall make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).
   3. *Special Rules with Respect to Capital Accounts*.
      1. *Consideration of Code*. Notwithstanding any other provision of this Agreement, each Member’s Capital Account shall be maintained and adjusted in accordance with the Code and the Regulations, including Regulations Section 1.704-1(b)(2)(iv) and appropriate adjustments to the Capital Accounts permitted in the case of a Member who receives the benefit of any special basis adjustments under Sections 734, 743 and 754 of the Code.
      2. *Revaluation of Assets*. Members’ Capital Accounts shall be adjusted in accordance with, and upon the occurrence of an event described in Regulations Section 1.704-1(b)(2)(iv)(f), including the receipt of additional Capital Contributions in excess of the Initial Capital Contribution pursuant to Section 3.8, to reflect a revaluation of Company’s assets on the Company’s books. Such adjustments to the Members’ Capital Accounts shall be made in accordance with Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss with respect to such revalued property.
      3. *Time of Adjustment*. For purposes of computing the balance in a Member’s Capital Account, no credit shall be given for any Capital Contribution which such Member is to make until such contribution is actually made.
   4. *Federal Income Tax Elections*. The Company may make all elections for federal income tax purposes, including but not limited to an election pursuant to Code Section 754 to adjust the basis of the Company’s assets under Code Sections 734 or 743. In the event an election pursuant to Code Section 754 is made by the Company, upon the adjustment to the basis of the Company’s assets, the Members’ Capital Accounts shall be adjusted in accordance with the requirements of Regulation Section 1.704-1(b)(2)(iv)(m).
   5. *Members Invested Capital*. In the event the Company’s assets are revalued resulting in an adjustment to the Members’ Capital Accounts, the Members’ invested capital shall, for purposes of this Agreement, be deemed to be each Member’s respective Capital Account balance immediately after such revaluation.
   6. *No Return of or Interest on Capital; No Partition*. Except as specifically provided in this Agreement, no Member may withdraw any amount from its/his/her Capital Account or be paid interest on its/his/her Capital Contributions or its/his/her Capital Account. No Member shall have any personal liability for the repayment of any Capital Contributions of any other Member. Each Member waives any right to partition Property. The foregoing shall not constitute a waiver of any Member’s rights upon dissolution of the Company.
   7. *Ownership Interests*. The Membership Interests shall be personal property of the respective Members for all purposes.
   8. *Additional Required Capital Contributions*. Subsequent Capital Contributions shall be made by the Members in such amounts and at such times as may be necessary for the continued operations of the Company as determined by the Managers from time to time in their sole discretion.
   9. *No Deficit Restoration Obligation*. This Agreement shall not be construed as creating an obligation to restore a deficit in a Member’s Capital Account balance.
   10. *Remedies if Member Fails to Make Required Capital Contribution*. At such time as a Member becomes a “*Delinquent Member*” and upon notice to the Delinquent Member, the Company or the non-Delinquent Member(s) may, after thirty (30) days’ written notice to the Delinquent Member, exercise one or more of the following remedies:
       1. Take any action (including court proceedings) necessary to obtain payment by the Delinquent Member of the portion of the Delinquent Member’s Capital Contribution that is in default. In addition, the Company may collect interest on the delinquent amount at the prime rate published in the Wall Street Journal’s Money Rates section (the “*Default Interest Rate*”) from the date the Capital Contribution was due until the date it is made. Any action taken will be at the Delinquent Member’s cost and expense.
       2. Permit the other Members (the “*Lending Member*,” whether one or more), to advance the portion of the Delinquent Member’s capital contribution that is in default. The Lending Member will advance funds in proportion to their Membership Interest or other percentages as they may agree. Advancing funds by the Lending Member will have the following results:
          1. The sum advanced constitutes a loan from the Lending Member to the Delinquent Member. Additionally, the sum advanced constitutes a capital contribution of that sum to the Company by the Delinquent Member in accordance with the applicable provisions hereof.
          2. The principal balance of the loan and its accrued interest is due on the tenth (10th) day after written demand by the Lending Member to the Delinquent Member.
          3. The loan amount bears interest at the Default Interest Rate from the day the advance is made until the date the loan, and accrued interest, is repaid to the Lending Member.
          4. All distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after the Company’s dissolution) instead will be paid to the Lending Member. The distributions will be paid to the Lending Member until the loan and all accrued interest have been paid in full. The payments will be applied first to accrued interest and then to principal.
          5. The payment of the loan and accrued interest is secured by a security interest in the Delinquent Member’s Membership Interest, as more fully set forth in this section.
          6. The Lending Member may take any action (including court proceedings) necessary to obtain payment from the Delinquent Member of the loan and all accrued interest. Any necessary action taken will be at the Delinquent Member’s cost and expense.
       3. Permit the other non-Delinquent Members (the “*Purchasing Member*,” whether one or more), to purchase the Delinquent Member’s Membership Interest Units that would be obtained upon the capital contribution that is in default. The Purchasing Member will pay such funds to the Company in proportion to their Membership Interest or other percentages as they may agree. Upon such payment each Purchasing Member’s Membership Interest Units and Membership Interests shall be increased by percentage of the Delinquent Member’s Membership Interest Units that are purchased thereby decreasing the Delinquent Member’s proportionate share of outstanding Membership Interests.

In the event that no action is taken under either Sections 3.10(a), (b) or (c), then the Delinquent Member(s)’ Membership Interest Units shall be fully diluted and reduced proportionately by the additional Capital Contributions so made by other Members, or otherwise affected pursuant to Sections 3.10(a), (b) or (c).

* 1. *Profits Interests*. The Company may issue Membership Interests in exchange for no consideration other than the performance of services of the recipient, in which case, except as reasonably determined by the Manager, such Membership Interests shall be treated as a “profits interest” under Revenue Procedure 93-27, Revenue Procedure 2001-43, or any similar provisions of any future IRS guidance or applicable law, including Regulations under Code §83.  The Company shall adjust the capital accounts of all Members immediately before the issuance of any such Membership Interests to Treas. Reg. §1.704-1(b)(2)(iv)(f) to reflect the fair market value of the Company’s assets at the time of such adjustment.

1. *Allocations of Profits and Losses and Distributions to Members*.
   1. *Profits and Losses*. After giving effect to the special allocations set forth in Sections 4.2, 4.3 and 4.4, Profits and Losses for any fiscal year shall be allocated and credited to the Members’ respective Capital Accounts in accordance with each Member’s percentage of allocations as set forth on Schedule 1. Notwithstanding the previous sentence and after application of Regulations Section 1.704-1(b)(2)(ii)(d), no Losses shall be allocated to a Member that would cause such Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. Any Losses not allocated to a Member due to the foregoing limitation shall be specially allocated to the Members with positive Capital Account balances in proportion to such Capital Account balances until all such Capital Account balances have been reduced to zero and any remainder shall be allocated to the Members in accordance with their respective Membership Interest.
   2. *Special Allocations*. The following special allocations shall be made in the following order:
      1. *Minimum Gain Chargeback*. Notwithstanding any other provision of this Article 4, if there is a net decrease in Minimum Gain during any Company taxable year, each Member who would otherwise have an Adjusted Capital Account Deficit at the end of such year shall be specially allocated, before any other allocation under this Article 4, items of Company income and gain for such year (and, if necessary, subsequent years) in accordance with Regulations Section 1.704-2(f). Allocations pursuant to this Section 4.2(a) shall be made in proportion to and to the extent of an amount equal to such Member’s share of the net decrease in Minimum Gain determined in accordance with Regulations Section 1.704-2(g)(2). This Section 4.2(a) is intended to comply with the “*minimum gain chargeback*” provisions of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.
      2. *Member Minimum Gain Chargeback*. Notwithstanding any other provision of this Article 4 except Section 4.2(a), if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company taxable year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member’s share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4). This Section 4.2(b) is intended to comply with the “*minimum gain chargeback*” requirement of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.
      3. *Qualified Income Offset*. Except as provided in Section 4.2(a), in the event any Member who is not obligated (or treated as obligated) to restore a deficit balance in its Capital Account unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.2(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 4 have been tentatively made as if this Section 4.2(c) were not in the Agreement. This Section 4.2(c) is intended to constitute a “*qualified income offset*” within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d)(3).
      4. *Gross Income Allocation*. In the event any Member has a deficit Capital Account at the end of any Company fiscal year that is in excess of the sum of (i) the amount such Member is obligated to restore, (ii) the amount such Member is deemed to be obligated to restore pursuant to Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 4.2(d) shall be made if and only to the extent that such Member would have a deficit Capital Account balance in excess of such sum after all other allocations provided for in this Article 4 have been tentatively made as if Section 4.2(c) and this Section 4.2(d) were not in the Agreement.
      5. *Nonrecourse Deductions*. Nonrecourse Deductions for any taxable year or other period shall be allocated among the Members in accordance with their respective Membership Interest.
      6. *Member Nonrecourse Deductions*. Any Member Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Member who bears (or is deemed to bear) the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(2).
   3. *Curative Allocations*. The allocations set forth in Sections 4.2(a), (b), (d), (e) and (f) (the “*Regulatory Allocations*”) are intended to comply with certain requirements of Regulations Section 1.704-1(b). The Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items, and the Regulatory Allocations to each Member, shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.
   4. *Tax Allocations: Code Section 704(c)*. In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value. In the event the Gross Asset Value of any Company asset is adjusted pursuant to clause (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Any elections or other decisions relating to allocations pursuant to this Section 4.4 shall be made by the Managers in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 4.4 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member’s capital account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.
   5. *Miscellaneous*.
      1. For purposes of determining the Profits, Losses or any other allocations for any period, Profits, Losses and any such other allocations shall be determined on a daily, monthly or other basis, as determined by the Managers using any permissible method under Code Section 706 and the Regulations promulgated thereunder.
      2. Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the year.
      3. The Members are aware of the income tax consequences of the allocations made by this Article 4 and hereby agree to be bound by the provisions of this Article 4 in reporting their shares of Company income or loss for income tax purposes. Further, it is the intent of the Company and its Members that the Company will be governed by the applicable provisions of Subchapter K of Chapter 1 of the Code.
      4. Solely for the purpose of determining each Member’s share of excess nonrecourse liabilities pursuant to Regulation Section 1.752-3(a)(3), and solely for such purpose, each Member’s interest in Company Profits is hereby specified to be such Member’s respective Membership Interest.
      5. For purposes of determining the Profits for any period, Profits shall be determined by first allocating such amounts to operating expenses of the Company and second to payment of the loans to the Members as required by Section 3.1. In no event shall any Member be allocated Profits prior to full payment of all outstanding loans to the Members as required by Section 3.1.
   6. *Distributions to Members*.
      1. *Distributable Cash*. The Managers shall determine the amount of cash, if any, available for distribution, and such distributions shall be made annually. Any distribution may be based upon all relevant factors, including, but not limited to, the operating expenses and debt service of the Company, sums expended or projected by the Company for capital expenditures and a reasonable reserve for working capital.
      2. *Restrictions on Distributions*. No distribution shall be made if, after giving effect to the distribution, (i) the Company would not be able to pay its debts as they become due in the usual course of business or (ii) the total assets of the Company would be less than the sum of its total liabilities.
      3. *Allocation of Distributions*. Unless otherwise agreed by the unanimous vote or written consent of the Members, distributions shall be made to the Members in proportion to the sharing of the Profits and Losses, as set forth in Section 4.1. In no event shall any Member receive a distribution prior to full payment of all outstanding loans to the Members as required by Section 3.1.
      4. *Priority of Distributions*. Notwithstanding anything to the contrary in this Agreement, the Company shall make distributions of available cash as set forth in this Section 4.6(d). To the extent of any conflict between this Section 4.6(d) and any other provision, this Section 4.6(d) shall control. The Company shall use available cash in the following order of distributions:
         1. First, to the payment of any debts or obligations of the Company, including loans to third parties or to Members.
         2. Second, to a reserve account for the Company’s operations as set forth in Section 4.7, in an amount to be reasonably determined by the Managers, as deemed necessary for the future liabilities and obligations of the Company.
         3. Third, to the Members in proportion to the sharing of the Profits and Losses, as set forth in Section 4.1.
   7. *Establishment of Reserve*. The Managers shall have the right and obligation to establish reasonable reserves based on generally accepted accounting principles for maintenance, improvements, acquisitions, capital expenditures and other contingencies, such reserves to be funded with such portion of the operating revenues of the Company for any fiscal year as the Managers may deem necessary or appropriate for that purpose.
   8. *Amounts Withheld*. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment, distribution or allocation to the Company or the Members shall be treated as amounts distributed to the Members pursuant to this Article 4 for all purposes under this Agreement. The Managers are authorized to withhold from distributions, or with respect to allocations, to the Members and to pay over to any federal, state or local government any amounts required to be so withheld pursuant to Code or any provision of any other federal, state or local law and shall allocate any such amounts to the Members with respect to which such amount was withheld.
2. *Management*.
   1. *Rights and Duties of Members*. The Members shall not take part in the control, direction or operation of the affairs of the Company, in its capacity as such, other than to exercise the rights specifically provided in this Agreement, nor may the Members act for or bind the Company.
   2. *Number of Managers; Officers*.
      1. The Company shall be managed by at least one (1) Manager. The number of Managers may be changed from time to time by the affirmative vote or written consent of the Class A Members. The Managers may delegate any of their authority to manage, control or conduct the Business of the Company to any standing or special committee or to any officer of the Company designated as Chief Financial Officer, Chief Operating Officer, Chief Executive Officer, President, Vice-President, Secretary or Treasurer (each, an “Officer”) or agent and to appoint any persons to be agents of the Company with such powers, including the power to subdelegate, and upon such terms as may be deemed fit. Subject to the express, written prior consent of the Managers, each Manager, along with any Officers appointed by the Managers, shall have full and complete authority, power, and discretion to bind the Company with third parties and to do business for and on behalf of the Company. A Manager or Officer need not be a resident of the State of Nevada or a Member of the Company. If the Managers elect to appoint one or more Officers, then each Officer shall serve until his or her successor is duly appointed by the Managers or until his or her earlier removal or resignation. Any Officer (including, for the avoidance of doubt, any initial Officer) may be removed at any time by the Managers with or without cause, and any Officer vacancy shall be filled, if at all, by the Managers. In addition to the foregoing and to such power and authority granted by the Managers, each Officer shall have such power and authority as is granted to officers of a corporation pursuant to and conferred under NRS Chapter 78. Without limiting any other duties, authorities, responsibilities, or powers that the Managers may confer upon an Officer, any duly appointed Officer or Manager may execute any document on behalf of the Company as its authorized signatory and be identified by his or her title, as an “officer,” “manager” or as an “authorized signatory”, each as the case may be applicable. The duties, powers and responsibilities of the Officers shall be established by the Managers. Upon appointment as an Officer, each such Officer shall execute and deliver to the Company a joinder to this Agreement in the form attached hereto as Exhibit “D”.
      2. The Managers may, in their discretion, elect the President (the “President”) of the Company within ten (10) days of the Effective Date. Without limiting any other provision of this Agreement, including the power to remove the President as set forth in Section 5.2(a), the President shall be responsible for and have authority for the day-to-day operations of the Company. The Managers may override any decision or action taken by the President. The President shall not take any actions which would not reasonably be determined to be day-to-day operational actions. The Managers may enter into an employment agreement with the President, in form and substance agreed to by the Managers and the President.
   3. *Election and Term of Managers*. The Managers of the Company shall be such person, persons, entity or entities as may be appointed by the Class A Members. The identity and number of Managers shall be determined by the Class A Members at the annual meeting of the Members. The Class A Members shall identify the initial Manager(s) by filing the appropriate initial list of managers with the Secretary of State. Except as otherwise provided in this Agreement, no prior consent or approval of a Member is required for any act or transaction to be taken by the Managers. A Manager elected under this Section 5.3 shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.
   4. *Duties of the Managers*. The Managers shall carry out their duties in accordance with its good faith business judgment of the best interests of the Company. The Managers shall execute and cause to be filed original or amended documents and shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Company as a limited liability company under the laws of the State of Nevada and any other states or jurisdictions in which the Company engages in business.
   5. *Authority of the Managers*. Subject to the terms of this Agreement including, without limitation, the provisions of this Section 5.5, and Sections 5.4, 5.6 and 5.10, the Managers shall have the complete and exclusive right, power and authority to manage and control all of the business, affairs, assets and Property and are authorized and empowered to represent and bind the Company, and enter into, execute and deliver any contracts, Agreements, instruments and documents on behalf of the Company and carry out and implement all of the purposes of the Company. If there is more than one Manager, the rights and powers of the Managers shall be exercised among them as they may agree among themselves, but in the absence of such an agreement or in the event of a deadlock or other task of decision pursuant to such agreement they shall be bound by the majority vote of the Managers then in office. Notwithstanding Section 5.1, in the event of a deadlock after giving effect to the preceding sentence, the decision in question shall be approved by the affirmative vote or written consent of the Members owning at least a majority of the total Membership Interests. If after the foregoing, there is still a deadlock, the Managers shall submit the decision to binding arbitration. Such arbitration shall have one (1) arbitrator and shall not exceed four (4) hours of time, each party having two (2) hours maximum to present their arguments to the arbitrator. The decision of the arbitrator shall be final and binding on the Managers and Members. In addition to the general management authority, each Manager shall have the following specific rights which may be conducted by each Manager (without the consent of, but with prior notice to, the other Manager) in performance of and in connection with their respective tasks and duties set forth in Section 5.4, subject to compliance with the other provisions of this Agreement.
      1. To operate, manage, supervise, control and conduct the Business and other affairs of the Company.
      2. To employ or engage and compensate Persons in addition to the Manager to manage or operate the Company business and to perform Company administrative services, accounting services, independent auditing services, legal services, and other services, whether discretionary or otherwise, for the benefit of the Company.
      3. To contract to buy, acquire, purchase, lease, sell, sell, exchange, grant any option on, or otherwise transfer or dispose of any Property or any portion thereof or any interest therein.
      4. To operate, manage, and collect income from any Property in accordance with this Agreement.
      5. To borrow money from banks, other third party lenders or the Members on terms and conditions which the Manager deems reasonable, and to pledge, mortgage and grant security interests or deeds of trust in or on any Property as security for the payment of indebtedness authorized by this Agreement.
      6. To mortgage, pledge, hypothecate or authorize or grant any security interest or lien in or on Property other than to secure repayment of indebtedness authorized by this Agreement.
      7. To loan funds to any party on terms and conditions deemed reasonable by the Managers.
      8. To permit a guaranty by a Member of any Company debt or obligation.
      9. To make any reasonable purchases or expenditures for the organization, operation and conduct of the business and affairs of the Company and to negotiate, execute, acknowledge, file, record, deliver and perform any agreements and instruments considered necessary or appropriate by the Manager for the conduct of the Company business and affairs in accordance with this Agreement or for the implementation of the powers granted under this Agreement.
      10. To prepay, modify, amend, renew, or extend any authorized Company indebtedness.
      11. To make any and all elections for federal, state and local tax purposes including any election, if permitted by applicable law to adjust the basis of property pursuant to Sections 754, 734(b) and 743(b) of the Code, or comparable provisions of state or local law, in connection with transfers of any Membership Interest in the Company and Company distributions.
      12. To execute and accept any instrument, conveyance, or agreement incident to the Property or the Company’s business without the joinder, ratification, or consent of any Member.
      13. To maintain insurance for the benefit of the Company.
      14. To perform the Company’s obligations, and exercise all the Company’s rights under any Agreement to which the Company or its nominee is a party.
      15. To advance any monies to the Company required for the Company’s business, but with no obligation to do so.
      16. To enter into contracts, leases or other business undertakings to further the purposes of the Company.
      17. To open and maintain bank and investment accounts and arrangements, drawing checks and other orders for paying money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements.
      18. To control Company inventory and maintain all Property in good order.
      19. To collect sums due the Company.
      20. To invest and reinvest Property to accomplish ­Company purposes.
      21. To distribute Distributable Cash subject to other provisions of this Agreement.
      22. To execute and file certificates or instruments as required or permitted by the Act and any other laws of Nevada or any other jurisdiction where the Company does business.
      23. To designate one or more officers of the Company, such as a president, vice-president, secretary or treasurer, who shall perform such duties as may be designated by the Manager. Officers need not be Members or Managers. Officers may receive reasonable compensation as determined by the Manager.
      24. To invest Company funds in commercial paper, government securities, certificates of deposit, time deposits, banker’s acceptances, money market funds, or similar investments having a maturity generally considered to be short term.
      25. To arrange for securities acquired by the Company to be held by an established securities brokerage firm, trust department, or other custodian chosen by the Managers in an account or accounts in the name of the Company and to direct such custodian to invest, hold, sell, exchange, and reinvest the funds of the Company and to collect dividends, interest, royalties, rent and other income payable to the Company, and to present securities at maturity, to vote proxies solicited by or with respect to securities and to otherwise act in the best interests of the Company.
      26. To apply for and obtain, on behalf of the Company, any and all required licenses and permits in order to conduct operations.
      27. To admit new Members to the Company and determine the amount and value of such consideration for Membership Interest Units.
      28. To establish one or more subsidiaries or affiliated entities of the Company to further the Business.

The Members, Managers, Officers and the Company confirm and acknowledge that, except with any specific items otherwise set forth in this Agreement, in no event shall the Members be required to approve any Company action; rather, subject to prior approval and authority of the Managers, and subject to the management and control of the Managers as set forth in this Agreement, the Managers and Officers shall have full power and authority to bind the Company with respect to all such matters. Any third Person may rely on this provision (and, at the request of such third Person, a certificate of the Managers or Officers confirming such power and authority to bind the Company) and the Members shall hold any such third Person harmless for any action taken in reliance on this provision or such certificate.

* 1. *Restrictions on Manager Authority*. Except as otherwise stated herein, the Managers shall not directly or indirectly perform any of the following actions without the unanimous voteor written consent of the Members:
     1. Do any act in contravention of this Agreement, as amended from time to time; or
     2. Extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company’s federal, state or local tax returns.
  2. *Scope of Duties*. Each Manager and Officer shall devote such time to the business and affairs of the Company as is necessary to carry out the duties set forth in this Agreement. Additionally, the duty of care that the Managers and Officers owe to the Company and the Members is limited to act in good faith with the intention of increasing the value of the assets of the Company and to refrain from engaging in reckless conduct, intentional misconduct or a knowing violation of laws. The Managers and Officers shall not be liable, responsible or accountable, in damages or otherwise, to any Member or to the Company for any act performed by the Manager or Officer within the scope of the authority conferred on such Manager or Officer by this Agreement, and within the standard of care specified in this Agreement and by law.
  3. *Limitation of Liability of Managers*. Neither the Manager nor any Officer shall be liable for the return of any contribution of capital of the Member or for any profits thereon, and any return of capital and profits shall be made, if at all, solely from the assets and business of the Company. Except as otherwise provided herein, neither the Manager nor any Officer shall be liable to the Company or the Member for any act or omission in connection with the business or affairs of the Company, including without limitation any breach of fiduciary duty as a Manager or Officer, any mistake of judgment, and any business decision (including any decision regarding the timing of any acquisition or disposition of any Property), so long as the Manager or Officer, as applicable, acted in good faith on behalf of the Company and in a manner reasonably believed by such Manager or Officer to be within the scope of authority under this Agreement and in the best interests of the Company, unless such act or omission constitutes gross negligence, intentional misconduct, fraud, or a knowing violation of law.
  4. *Right to Rely on Managers or Officer*.
     1. Any person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Managers or any Officer as to:
        1. The identity of the Managers, any Officer or any Member;
        2. The existence or nonexistence of any fact or facts that constitute a condition precedent to acts by the Managers or any Officer or which are in any other manner germane to the affairs of the Company;
        3. The persons who are authorized to execute and deliver any instrument or document of the Company (which persons may include the Officers); or
        4. Any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.
     2. Subject to Section 5.5, the signature of the Managers shall be necessary and sufficient to convey title to any Property or to execute any promissory notes, trust deeds, mortgages or other instruments of hypothecation, and all of the Members agree that a copy of this Agreement may be shown to the appropriate parties in order to confirm the same, and further agree that the signature of the Managers shall be sufficient to effectuate this or any other provision of this Agreement. All Members do hereby appoint the Managers as their attorneys-in-fact for the execution of any or all of the documents described in this Section 5.9(b).
  5. *Resignation and Vacancies*. Any Manager may resign as a Manager at any time by giving written notice to the Members. Any such resignation shall take effect on the date of the receipt of such notice or any later time specified therein. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. The Members, and only the Members, may fill any vacancy in the office of any Manager by the affirmative vote or written consent of a majority of the remaining Managers. Notwithstanding anything to the contrary in this Agreement, no Manager may be removed by the other Managers or the Members.
  6. *Loans*. If the Members (regardless of whether such Members may also be Managers) shall make any loan or loans to the Company or advance money on its behalf, the amount of any such loan or advance shall not be treated as a Capital Contribution but shall be a debt due from the Company. The amount of any such loan or advance by the lending Member shall be repayable out of the Company’s cash and shall bear interest at such rate as the Manager and the lending Member shall agree but not in excess of the maximum rate permitted by law. The Members shall not be obligated to make any loan or advance to the Company.
  7. *Waiver of Self-Dealing*.
     1. The Managers may enter into any transaction on the Company’s behalf despite the fact that another party to the transaction may be:
        1. Any Manager or Member;
        2. A business controlled by the Managers or Members or a business of which the Managers or any Member, or any agent of a Manager or Member, is also a direc­tor, officer, or employee or other agent; or
        3. Any affiliate, employee, stockholder, associate, manager, partner, or business associ­ate of a Manager or Member.
     2. Subject to the restrictions herein, a Manager may have other business interests and may engage in other activities in addition to those relating to management of the Company and any Manager may engage independently or with others in other business ventures of every nature and description. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of any other Manager or to income or proceeds derived therefrom. The pursuit of other ventures and activities by Managers is hereby consented to by the Members and the Company and shall not be deemed wrongful or improper. The Members acknowledge that the Class A Members and Managers may establish one or more additional companies, ventures or funds to pursue opportunities and business that is similar to the Business and the Class A Members and Managers have not obligation to offer such opportunities and business to the Members.
     3. Subject to Section 5.13(b), the Managers may engage in or possess an interest in other business ventures of any nature or description, independently or with others and the pursuit of such ventures shall not be wrongful or improper, and neither the Company nor any Member shall have any right by virtue of this Agreement in or to any of such ventures, or in or to the income, gains, losses or deductions derived or to be derived therefrom. The Managers shall not be obligated to offer or present any particular investment or business opportunity to the Company, but rather the Managers and shall have the right to take for their own account or to recommend to others any such particular investment or business opportunity. Notwithstanding anything to the contrary herein, the Managers or any Member may present any such opportunity to the Company as a transaction for the Company to pursue or participate as an investor, broker, adviser, consultant or otherwise.

1. *Payments to Managers and Officers*.
   1. *Reimbursement of Expenses*. The Company shall pay or reimburse the Managers and Officers for all reasonable fees and expenses for legal services, outside accounting services, travel, and other fees and expenses incurred by the Managers in connection with the performance of the Managers’ and Officers’ obligations under this Agreement.
   2. *Compensation for Services*. The Company shall pay to the Manager a management fee equal to twenty-five percent (25%) of the Profits (determined prior to any distributions and/or allocations of Profits and Losses to Members). The Manager may waive all or any portion of the foregoing management fee in its entirety, or with respect to allocating such management fee to less than all of the Members.
2. *Rights and Obligations of Members*.
   1. *Liability of Members*.
      1. The Members shall not have any personal liability with respect to the liabilities or obligations of the Company; and
      2. The Members shall not be personally liable or obligated, except as otherwise required by the Act to return to the Company or to pay any creditor or any other Member the amount of any return of its Capital Contribution to it or other distribution made to it.
   2. *Voting Rights*. The Class A Members shall have the right to vote on the matters that are required by this Agreement to be approved by the Members and any such matter, to be approved, must be approved by a majority of the Class A Members (based on percentage of Membership Interests within the Class A Members). Class B Members shall not have any voting rights. Any action to be taken by the Class A Members may be taken at a meeting held in accordance with Section 7.3 or by consent in writing in accordance with this Section 7.2. The Managers shall notify in writing the Members of any matters to be voted upon or consented to and the date on which the votes or consents will be counted. The Class A Members shall vote or consent by a signed written consent or a signed writing directing the manner in which they desire that their votes be cast, except that if the Class A Members fail to respond to the notice of the Managers within thirty (30) days after hand delivery or the mailing thereof by certified or registered mail, the Class A Members shall be deemed not to have consented to or approved any action proposed by the Managers.
   3. *Company Meetings*.
      1. The annual meeting of the Members shall be held each year at such time and place as are determined by the Managers. Failure to hold an annual meeting shall not (i) constitute a breach of this Agreement; (ii) affect the limited liability of the Members; or (iii) in any way affect the Company’s status as a limited liability company in good standing.
      2. Special meetings of the Company may be called by any Manager, or by any Class A Member, upon no less than five (5) days but no more than thirty (30) days notice in writing to all other Members.
      3. Class A Members may participate in Company meetings by means of conference telephone calls in which all Class A Members participating in the meeting can hear each other. Each Class A Member may vote in person or by telephone or authorize another Class A Member or Members or any other Person to act for it by proxy. Proxies shall be valid only if in writing.
      4. At any Company meeting, the presence in person or by telephone or proxy of the Class A Members owning a majority of the Class A Membership Interests shall constitute a quorum.
      5. Except as otherwise provided herein, the business of the Company presented at any meeting shall be decided by a vote or written consent of the holders of a majority of the issued and outstanding Class A Membership Interest Units present in person, by telephone or proxy at the meeting. Alternatively and except as otherwise provided herein, actions of the Class A Members may be taken without a meeting by written consent of the Members holding a majority of the issued and outstanding Class A Membership Interest Units.
      6. Notwithstanding anything to the contrary herein, the Managers shall provide the Members with quarterly updates as to the performance of the Company within thirty (30) days after the end of each full calendar quarter.
   4. *Restrictions on Members*.
      1. The Members shall not have any power or authority to act on behalf of or to bind the Company or any other Member or Manager, or to pledge the Company’s credit or to render the Company liable pecuniarily for any purpose. A Member shall not take any action which would adversely affect the limited liability of a Member, or affect the status of the Company for federal income tax purposes.
      2. No Member, in the capacity as such, without the unanimous consent of all Members, shall do any of the following:
         1. Borrow or lend money on behalf of the Company;
         2. Purport to or sell, mortgage, lease, or otherwise dispose of or encumber Property;
         3. Sell, assign, pledge, or mortgage a Member’s Membership Interest, except as otherwise provided in Article 10; or
         4. Exercise or represent to any third party that such Member has the right to exercise any of the powers of the Managers described in this Agreement.
      3. A Member may hold its Membership Interests individually, in a family trust where such member is the sole beneficiary during such Member’s lifetime, or in an entity wholly owned by such Member, provided, however, that the individuals must directly retain, own and control the management and voting power of the voting rights of the Membership Interests or the Manager rights hereunder, regardless of whether the Membership Interests are held in a trust or in a permitted entity, and further, no other person or entity shall have any control of the management and voting power of the voting rights of Membership Interests or Manger rights hereunder.
   5. *Voting on Amendments*.
      1. Amendments to this Agreement or to the Articles may be proposed by any (i) Manager; or (ii) Class A Member(s) owning, in the aggregate, at least fifty percent (50%) of the total Class A Membership Interests Units. Following such proposal, the Managers shall submit to the Class A Members a verbatim statement of any proposed amendment, providing that counsel for the Company shall have approved of the same in writing as to form, and the Managers shall include in any such submission a recommendation as to the proposed amendment. The Managers shall seek the written consent of the Class A Members on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that they may deem appropriate. A proposed amendment shall be adopted and be effective as an amendment hereto if it receives approval by the Class A Members owning, in the aggregate, at least ninety percent (90%) of the issued and outstanding Class A Membership Interest Units.
      2. Notwithstanding Section 7.5(a), neither this Agreement nor the Articles shall be amended without the consent of each Member adversely affected if such amendment would modify the limited liability of a Member.
   6. *Resignation/Withdrawal*. Except as otherwise provided in this Agreement, no Member shall be permitted to withdraw as a Member of the Company or receive a return of any of the Member’s contributions to capital before the dissolution and winding up of the Company. A Member who attempts to withdraw in violation of this Agreement shall be liable for all damages caused by such breach and in addition, the Managers may, in their discretion, exercise such remedies against the Member on behalf of the Company, including those remedies set forth in NRS §86.335. In the event that the Member who is in violation of this Section 7.6 is also a Manager, any other Member may exercise such remedies against the Member-Manager on behalf of the Company, including those remedies set forth in NRS §86.335.
   7. *Other Breaches by a Member*. A Member who breaches this Agreement will be liable to the Company for all damages caused by the breach. The Company may offset for the damages against any distributions or return of capital to the Member who has breached this Agreement. A Member will breach this Agreement if the Member:
      1. Attempts to withdraw from the Company;
      2. Interferes with the Managers in the management of the day-to-day operation of the Company’s business or other Company affairs;
      3. Engages in conduct that may cause the Company to lose its tax status as a partnership;
      4. Owns a Membership Interest that becomes subject to a charging order, attachment, garnishment, or similar legal proceedings, including, without limitation, the filing of Bankruptcy of such Member; or
      5. Causes or attempts to cause the Company’s dissolution and winding up by court decree or otherwise, except as expressly permitted in this Agreement
   8. *Limitation of Liability*. Notwithstanding anything else contained in this Agreement, a Person who is a Member is not liable solely by reason of being a Member under a judgment, decree, order of court, or in any other manner, for a debt, obligation or liability of the Company (whether arising in contract, tort, or otherwise) or for the acts or omissions of any other Member, Manager, Officer, agent or employee of the Company.
   9. *Other Investment Activities of Members*. Subject to the restrictions herein, a Member may have other business interests and may engage in other activities in addition to those relating to management of the Company and any Member may engage independently or with others in other business ventures of every nature and description so long as such activities are not Competitive Activities. *Competitive Activities*” are activities that are directly or indirectly involved in the Business utilizing, directly or indirectly, the contacts and relationships gained or acquired through the involvement in the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of any other Member or to income or proceeds derived therefrom unless such activities are Competitive Activities. The pursuit of other ventures and activities (other than Competitive Activities) by Members is hereby consented to by the Members and the Company and shall not be deemed wrongful or improper.
   10. *Admission of New Members*. The Initial Members are those Members who executed this Agreement and each Member’s respective Subscription and Acceptance by Members, attached hereto as Exhibit “B”, and incorporated herein by reference, on the Effective Date. In the event that any Member is married, as a condition to being issued any Membership Interests Units, each married Member must have such Member’s spouse execute and deliver to the Company a Spousal Consent, attached hereto as Exhibit “C”, and incorporated herein by reference. New Members (including the issuance of Class B Membership Interests and admission of Class B Members) may be admitted to the Company (i) as permitted under Article 10, or (ii) upon the vote or written consent of the Class A Members, *provided*, *however*, that any new Member shall not receive any allocations of Profits, Losses or distributions until such time as the existing Members receive any priority allocations previously allocated to the existing Members, and, *further*, *provided*, that any new Members shall be required to contribute cash or cash equivalents in exchange for their Membership Interests in such amounts as determined by the Managers. Before being admitted, each new Member shall first be required to execute a written consent to be bound by the terms and conditions of the Articles and this Agreement. Once a new Member is admitted, the new Member shall have the rights and obligations of a Member. No Member shall be entitled to anti-dilution protections, whether hereunder or under the Act and each such Member’s Membership Interests are subject to dilution upon admission of new members.
   11. *Restrictions and Sale of Interests*. Notwithstanding anything to the contrary expressed or implied in this Agreement, if at any time (A) any governmental authority or the Managers find that a Member who owns any interest in the Company, including, without limitation, any Membership Interest, is unsuitable to hold that interest in the Company, or (B) the Member is subject to a Triggering Event (as defined below in this Section), then the Member shall forfeit and return its Membership Interests to the Company pursuant to this Section. The Company shall, within ten (10) days from the determination by the Manager of any of the conditions as set forth in the preceding sentence, return to the unsuitable Member the amount of such Member’s unused Initial Capital Contribution (to the extent actually made and paid and irrespective of Capital Accounts) as reflected on the books of the Company. The Member shall relinquish its Membership Interests and no longer be a Member. Thereafter, the unsuitable Member shall not: (a) receive any share of the distribution of profits or cash or any other property of, or payments upon dissolution of, the Company, other than a return of capital as required above; (b) exercise, whether directly or through a trustee or nominee, any voting right conferred by such interest; (c) participate in the management of the business and affairs of the Company; and (d) receive any remuneration in any form from the Company, for services rendered or otherwise, provided, however, if permissible under applicable law, the Member shall receive its proportionate share of Profits and Losses (at such times as the other Members are entitled to the same), as may be reasonably adjusted by the Managers for any losses caused to the Company as a result of such Member’s membership with the Company and the event that caused the relinquishment of the Membership Interests under this Section. For purposes of this Section, a “*Triggering Event*” is (i) the Bankruptcy of a Member or any of its constituents, (ii) breach of this Agreement by the Member, (iii) transferring a Membership Interest Unit in violation of this Agreement, or (iv) the commission of fraud against the Company or any of its Members.
3. *Accounting*.
   1. *Books and Records*. The Managers shall keep, or cause to be kept, true, exact and complete books of account of the Company’s affairs, in which shall be entered fully and accurately each transaction of the Company. A summary of the financial records consisting of a balance sheet and profit and loss statement shall be kept at the principal office of the Company and shall be open to the examination of any of the Members no more than once per year and provided that such Member has a legitimate business purpose for inspecting such statements. Except as otherwise provided herein, all financial books and records of the Company and of each entity which it controls shall be kept, and all financial statements furnished to the Members hereunder shall be prepared, in accordance with generally accepted accounting principles consistently applied as modified by tax basis accounting or such other basis as the Managers may determine.
   2. *Fiscal Year*. The fiscal year and the taxable year of the Company shall end as of December 31 of each calendar year.
   3. *Tax and Financial Reports*.
      1. The Members acknowledge that the Company will be treated as a “*partnership*” for federal income tax purposes. All provisions of this Agreement shall be construed so as to preserve that tax status.
      2. Not later than April 1 after the end of each fiscal year, each person who was a Member at any time during such fiscal year shall be provided with a Form K-1 and such other information, if any, with respect to the Company as may be necessary for the preparation of each Member’s federal or state income tax (or information) returns, including a statement showing each Member’s share of income, gain or loss, and credits for the Fiscal Year.
      3. The Managers shall prepare or cause to be prepared all federal, state and local tax returns of the Company for each year for which such returns are required to be filed. The “*tax matters partner*” designated in Section 8.5 shall promptly notify all other Members of any Company audits by the Internal Revenue Service or any state or local taxing authority.
      4. The Managers shall prepare or cause to be prepared all reports, audits and statements required in connection with the indebtedness of the Company.
      5. The Managers shall cause to be distributed to the Members, not later than April 1 after the end of each fiscal year, a balance sheet and income statement for the prior calendar year prepared in accordance with generally accepted accounting principles consistently applied.
   4. *Company’s Accountant*. The Company’s accountant shall be such firm of independent certified public accountants as the Managers may determine from time to time.
   5. *Tax Matters Partner*. If the Company has more than one (1) Member, the Managers will designate a Member to act on behalf of the Company as the “*tax matters partner*” within the meaning of Section 6231(a)(7) of the Code. The Company shall indemnify and reimburse the Tax Matters Partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such expenses shall be made before any distributions are made to the Members hereunder, and before any discretionary reserves are set aside by the Managers. The taking of any action and the incurring of any expense by the Tax Matters Partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of such Member, and the provisions hereof limiting the liability of and providing indemnification for the Managers shall be fully applicable to the Tax Matters Partner in his capacity as such.
   6. *Federal Income Tax Elections*. In the event of a distribution of Property to a Member or the transfer of an interest in the Company by sale, exchange, gift or upon the death of a Member, the Managers may, in their discretion, cause the Company to file an election under Section 754 of the Code in accordance with the Regulations promulgated thereunder to adjust the basis of Property in the manner provided in Sections 734 and 743 of the Code. All other elections required or permitted to be made by the Company under the Code shall be made by the Managers in such manner as in its reasonable judgment will be most advantageous to the Members.
4. *Term and Dissolution*.
   1. *Term*. The term of the Company shall commence as of the date the Articles were filed with the Secretary of State and shall continue until termination pursuant to the provisions hereof.
   2. *Events Causing Termination*. Except as otherwise provided herein, the Company shall be dissolved and shall terminate, and its affairs shall be wound up, upon the occurrence of any of the following:
      1. The Bankruptcy of the Company; or
      2. Upon the affirmative vote or consent of the Managers.
   3. *Actions, Death, etc., of Members*. No action of or event affecting a Member, including the death of a Member, shall dissolve or terminate the Company unless specifically provided in Section 9.2.
   4. *Actions and Distribution in Case of Termination*. Upon the termination of the Company, the Managers, or upon the removal of the Managers, such liquidating agent as a majority of the Members may appoint, shall execute and file with the Secretary of State such dissolution documents as are required by law, and proceed to wind up the affairs of the Company, liquidate the assets and apply and distribute the proceeds in the following order of priority:
      1. To the payment of the debts and liabilities of the Company, including Members who are creditors, and the expenses of liquidation in the order of priority as provided by law, and to the establishment of any reserves which the Managers or liquidating agent shall deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company. Said reserves may be paid over by the Managers or liquidating agent to a bank or an attorney-at-law to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations, and at the expiration of such period as the Managers or liquidating agent shall deem advisable, such reserves shall be distributed to the Members or their assigns in the order of priority provided in this Section 9.4;
      2. To the Members in accordance with Section 4.6. The Members believe and intend that the effect of making any and all liquidating distributions in accordance to the provisions of this Section 9.4(b) will result in each Member receiving liquidating distributions equal to the amount of available cash each such Member would have received if liquidating distributions were instead distributed in accordance with the positive balance standing in each such Member’s Capital Account. If the immediately preceding sentence is for any reason inaccurate, then the Managers, upon the advise of tax counsel to the Company, is hereby authorized to make such revisions to the provisions of Article 4 and/or to file such amended tax returns for the Company as may be reasonably necessary to cause such allocations to be in compliance with Section 704(b) of the Code and the Regulations promulgated thereunder.
      3. Liquidation shall be conducted in accordance with Regulations Section 1.704-1(b)(2). The Company shall terminate when all Property shall have been disposed of and the net proceeds, after satisfaction of liabilities to creditors, shall have been distributed among the Members as aforesaid. The establishment of any reserves in accordance with the provisions of Section 9.4(a) shall not have the effect of extending the term of the Company.
   5. *Rights of Members on Liquidation*. Except as otherwise provided in this Agreement, (i) each Member shall look solely to the assets of the Company for the return of his Capital Contributions and shall have no right or power to demand or receive property other than cash from the Company and (ii) no Member shall have priority over any other Member as to the return of his Capital Contributions, distributions or allocations.
   6. *Managers’ Powers during Liquidation*. During liquidation the Managers shall continue to have all managerial powers necessary to carry out their duties and functions in liquidation the Company, including the following powers:
      1. The power to continue to manage any Company business during the liquidation, including the power to enter into contracts that may extend beyond the liquidation;
      2. The power to execute deeds, bills of sale, assign­ments, and transfers to convey Property to third parties or to the respective Members incident to finally distributing the remaining Property (if any). The Managers may not, however, impose personal liabili­ty upon any Member or their legal representatives or successors in interest under any warranty of title contained in any instrument;
      3. The power to borrow funds, in the Managers’ best judgment, reasonably required to pay any Company obligations, and to execute security documents encumbering Property as security for the Company’s indebtedness. The Managers may not, however, create any personal obligation for any Manager or any Manager’s successors-in-interest to repay indebtedness other than from available proceeds from foreclosure or sales of Property as to which a lien is granted; and
      4. The power to settle, compromise, or adjust any claim asserted to be owing by or to the Company and the right to file, prosecute, or defend lawsuits and legal proceedings in connection with any matters.
5. *Restrictions on Transfer of a Member’s Interest.*
   1. *Consent*.Except as specifically provided herein, no Member shall voluntarily sell, transfer, encumber, assign, or otherwise dispose of all or any part of the Member’s Membership Interest to any Transferee without the prior written consent of the Managers.
   2. *Conditions to Transfer*. Without limiting the provisions of Sections 10.1 and 10.5, no Member shall have the right voluntarily or involuntarily to sell, assign, pledge, mortgage, encumber or grant any security interest in or otherwise transfer all or any portion of any Membership Interest, and no such purported transfer need be recognized by the Company, unless all of the following requirements are satisfied:
      1. The transfer shall not of itself cause the Company to be in default under any indebtedness of the Company;
      2. The transfer shall not violate any federal or state securities law;
      3. The Transferring Member shall deliver to the Company a fully executed written agreement of assignment that sets forth the name, address, and taxpayer identification number of the Transferee, and the terms of such transfer, provided such terms shall not conflict with any provision of this Agreement; and
      4. If any Member is a closely held corporation, or is an unincorporated association or partnership, the transfer, assignment or hypothecation of any stock or interest in such corporation, association or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment or transfer within the meaning of this Agreement, except as provided in Section 10.5.
   3. *Acquisition of an Interest or Membership Interest Conveyed to Another Without Authority*.
      1. The Company will have the unilateral option to acquire the Interest or Membership Interest, as applicable, of an Interest Holder if:
         1. any Interest Holder acquires an Interest or Membership Interest, as applicable, or becomes an assignee, as the result of a court order that the Company is required by law to recognize;
         2. any Interest Holder’s Interest or Membership Interest is subjected to a lawful “*charging order*”;
         3. a Member makes an unauthorized transfer or assignment of a Membership Interest that the Company is required by law (and by a court order) to recognize; or
         4. a Member makes an unauthorized transfer or assignment of a Membership Interest in violation of this Article 10.
      2. The unilateral option to acquire the Interest or Membership Interest, as applicable, of an Interest Holder or assignee pursuant to Section 10.3(a) shall be exercisable upon the following terms and conditions:
         1. The Company will have the option to acquire the Interest or Membership Interest, as applicable, by giving written notice to the Member, Transferee or assignee that it intends to purchase the interest within ninety (90) days from the date it is finally determined that the Company is required to recognize the transfer or assignment.
         2. The “*Valuation Date*” for determining the Purchase Price of the interest will be the first day of the month following the month in which notice of the unauthorized transfer is received.
         3. The Purchase Price and Payment Terms will be as set forth in Section 10.7 and Section 10.8, respectfully.
         4. By a majority affirmative vote or written consent of the Managers, other than the Member whose interest is to be acquired, the Managers may assign the Company’s option to purchase to one or more of the remaining Members. When done so, any rights or obligations imposed upon the Company will instead become, by substitu­tion, the rights and obligations of the Members who are assigned the option.
         5. Neither the Transferee nor assignee of an unauthorized transfer or assignment or the Member causing the transfer or assignment may vote on Company matters during the prescribed option period. If the option to purchase is timely exercised, the Transferee shall have voting rights only if admitted as a substitute Member pursuant to Section 10.4.
   4. *Admission of Substitute Members*.
      1. No Transferee shall become a substitute Member unless the following additional conditions are met:
         1. The Transferee executes, acknowledges and delivers to the Company a written consent as required in Section 7.10, and executes such other instruments as the Managers deem necessary or appropriate for admission as a substitute Member; and
         2. Each Transferee reimburses the Company for all reasonable accounting, legal and other expenses incurred by the Company regarding the transfer and such admission.
      2. A Transferee who acquires an interest in the Company without complying with the requirements of this Article 10 shall not become a substitute member, but shall have only those rights of a transferee set forth in NRS § 86.351.
      3. In the event the sale, transfer, assignment or encumbrance is approved pursuant to Section 10.1, and the remaining requirements of this Article 10 are satisfied, the Transferee shall be admitted to all the rights and powers of a Member, and is subject to all the restrictions and liabilities of the Transferring Member. Upon becoming a Member, a Transferee’s Interest shall become a Membership Interest. However, pursuant to NRS § 86.351, the Transferring Member is not released from liability to the Company.
   5. *Permitted Transfers*. Any Member may, in compliance with Section 10.2, notwithstanding Section 10.1, without the necessity of complying with the provisions thereof, transfer all or part of the Member’s Membership Interest to:
      1. the Company;
      2. to another Member;
      3. subject to Sections 7.4(c) and 10.12, to the Member’s partnership, corporation, trust, limited liability company or other entity owned one hundred percent (100%) by, collectively or individually, the Member (or, if a Member is an entity or trust, the individual controlling such entity or trust); or
      4. subject to Section 7.4(c) and 10.12, to a revocable living trust for the benefit of the Member (or, if a Member is an entity or trust, the individual controlling such entity or trust) to the extent allowed by local law, provided that the Trustee shall hold such Membership Interest subject to the provisions of this Agreement and the Transferring Member shall continue to be treated as the owner of the Membership Interest.
   6. *Transfer upon Death or Divorce of Member*. If at the date of death or date of a Decree of Divorce of a Member the fair market value of the Company is greater than twenty-five thousand dollars ($25,000), as determined by the Managers in their sole discretion, then in such event, during the period commencing on the death of any Member and ending six (6) months after the death of the Member or the divorce, as applicable, the Company shall have the unilateral option to purchase and redeem all of the deceased or divorced Member’s Membership Interest, at the Purchase Price and under the Payment Terms provided in Sections 10.7 and 10.8. The option shall be exercised by the Managers delivering written notice of exercise to the executor, administrator or other successor in interest of the deceased Member. Failure by the Company to give written notice of option exercise to the proper parties shall not invalidate the exercise of the option if the Company makes a good faith effort to give proper notice. If the option described herein is not exercised by the Company, the deceased Member’s Membership Interest shall pass to a successor designated by the deceased Member in a separate designation of beneficiary signed by the Member prior to the Member’s death. In the event the deceased Member does not sign a designation of beneficiary prior to death, the deceased Member’s Membership Interest shall pass to the decedent’s heirs, will beneficiaries or other successors in interest. Any recipient of a deceased Member’s Membership Interest shall not exercise any voting rights as a Member except upon compliance with the requirements necessary for a Transferee to become a substitute Member as set forth in this Article 10.
   7. *Purchase Price*. Except as otherwise provided in this Agreement, the purchase price to be paid for an Interest subject to this Agreement shall be determined by the Managers. The Valuation Date shall be the first day of the month following the month in which the event requiring a determination of the purchase price occurs. The Member’s (and any deceased Member’s estate) shall be bound by the determination of value made pursuant to and in accord with this Section 10.7.
   8. *Payment Terms*. The consideration for an Interest or Membership Interest purchased by the Company or by one or more Members under this Article 10 shall be paid to the Transferring Member, assignee or a representative or successor of a Transferring Member or Assignee, as the case may be, in accordance with the following Payment Terms:
      1. *Down Payment*. A down payment in cash of not less than twenty percent (20%) of the purchase price shall be paid within one hundred eighty (180) days of the Determination Date, provided that if the purchase price has not been determined within (180) days of the Determination Date the down payment shall become due and payable thirty (30) days following the date the purchase price is determined; and
      2. *Promissory Note*. The balance of the purchase price shall be paid pursuant to the terms of a promissory note (the “*Note*”) to be executed by the Company. The Note shall provide for the payment of a minimum of twenty percent (20%) of the balance of the purchase price, on the first anniversary date of the Note, and twenty percent (20%) of the initial unpaid principal balance, on each anniversary date thereafter to and including the date of payment in full. The Note shall be dated as of the date on which the down payment is required to be made. The Note shall provide that its maker may prepay all or any portion of the unpaid principal balance at any time, without penalty. The Note shall provide that the entire unpaid principal balance of the Note shall become due and payable immediately upon the occurrence of any of the following events:
         1. Adjudication of Bankruptcy of the Company;
         2. Voluntary or involuntary petition by or on behalf of the Company for arrangement or reorganization or for the protection of creditors and the debtor, under bankruptcy law; or
         3. Upon default in payment or of any of the terms of the Note.
   9. *Right of First Refusal*. Upon the approval by the Managers to transfer any Membership Interests as set forth in Section 10.1, a Member may, subject to the satisfaction of the conditions set forth in this Section and Section 10.2, transfer its Membership Interest (the “*Restricted Interests*”). The Transferring Member must first provide to the Company and the other Members a complete copy of the binding purchase offer or contract duly executed by a bona fide purchaser unrelated to the Transferring Member that sets forth the purchase price for the Restricted Interests and all other terms and conditions of the proposed sale (the “*Terms of Sale*”) and offer in writing to sell the Restricted Interests to the other Members on the Terms of Sale, as modified by the provisions of this Agreement (the “*Offer Notice*”). The Company shall have thirty (30) days to accept such offer by written notice of acceptance given to the Transferring Member. If the Managers fail to give the Transferring Member a written notice of acceptance within such thirty (30) day period, the other Members shall have thirty (30) days after receipt of the Offer Notice to accept such offer by written notice of acceptance given to the Transferring Member. If the other Members fail to give the Transferring Member a written notice of acceptance within such thirty (30) day period, the Transferring Member may proceed to sell the Restricted Interests to the purchaser identified in the Offer Notice for the price and upon terms that are not more favorable to the purchaser than the Terms of Sale disclosed to the other Members, provided that (x) such sale closes within three (3) months after the date of the Offer Notice, and (y) concurrently with the closing of such sale, the purchaser pays the outstanding balance of the Purchase Price to the Transferring Member. If the Transferring Member desires to modify the Terms of Sale prior to such closing in any manner that is more favorable to the purchaser, or if the Transferring Member is unable to close within such three (3) month period, the Transferring Member shall not sell, convey or otherwise dispose of the Restricted Interests without again offering to sell the Restricted Interests pursuant to another Offer Notice (with a copy of the signed purchase offer or contract) in accordance with this Section. If the other Members give the Transferring Member their notice of acceptance within such ninety (90) day period, the other Members shall promptly make any earnest money deposit required under the Terms of Sale and the other Members shall proceed to purchase, and the Transferring Member shall sell, the Restricted Interests in accordance with the Terms of Sale specified in the Offer Notice, except that the other Members shall have ninety (90) days after giving its notice of acceptance to close such purchase and sale, in lieu of any earlier closing deadline specified in the Terms of Sale. The other Members under this section shall have the right to purchase the Restricted Interests in proportion to their respective Membership Interests among the other Members who provide a notice to purchase the Restricted Interests.
   10. *Nonrecognition of an Unauthorized Transfer*. The Company will not be required to recognize the Interest of any Transferee or assignee who has obtained a purported Interest as the result of a transfer or assignment that is not authorized by this Agreement. If there is a doubt as to ownership of an Interest or who is entitled to Distributable Cash or liquidating proceeds, the Managers may accumulate Distributable Cash or liquida­tion proceeds until the issue is resolved to the Managers’ satisfaction.
   11. *Governmental Approvals*. The Company shall apply for and use its best efforts to obtain all governmental and administrative approvals required, if any, in connection with the purchase and sale of Membership Interests under this Agreement. The Members shall cooperate in obtaining such approvals and to execute all documents that may be required to be executed by the members in connection with such approvals. The Company shall pay all costs and filing fees in connection with obtaining such approvals.
   12. *Restrictions on Certain Interests*. Notwithstanding the foregoing, if at the date of death or divorce of a Member the fair market value of the Company is less than twenty-five thousand dollars ($25,000), as determined by the Managers in their sole discretion, then the foregoing provisions of this Section 10.6 shall not apply. In such event, the deceased Member’s Membership Interest shall immediately be transferred to the Company. Notwithstanding the foregoing, upon a divorce of a Member, if such divorcing Member’s then spouse relinquishes in writing all rights of such spouse, if any, to any right, title or interest in and to the divorcing Member’s Membership Interests and any economic or beneficial rights of any kind associated therewith, then in such event the divorcing Member’s interest shall not be subject to this Section and such divorcing Member shall be entitled to retain his Membership Interest. The foregoing shall be subject to the prior written approval by the Company and the Company’s legal counsel of the divorcing Member’s spouse’s relinquishment of rights in and to the foregoing Membership Interests and other rights of the divorcing Members as described above. Notwithstanding the foregoing, upon a death of a Member, if such deceased Member’s estate and/or heirs agree to take any such Membership Interests subject only to economic rights and a profits interest only (an no voting rights whatsoever, whether arising as a Member or Manager, or otherwise), then such estate and/or heirs may, subject to the remainder of this Agreement, obtain such interests of the deceased Member and succeed to the Membership Interest (economic and/or profits interest only) of the deceased Member. Such Persons shall hold such Membership Interests as dissociated Members and the dissociated Member shall be treated as a transferee (and not a substitute Member) under the Act and this Agreement from the effective date of the dissociation and, as such, shall have the right to receive only distributions from the Company to which the transferor would be entitled, and shall have no right to: (A) participate in the voting, management or conduct of the Company’s Business or as a Member; (B) require access to information concerning the Company’s transactions; or (C) inspect or copy any of the Company’s records.
6. *Indemnification*.
   1. *Indemnification of Manager, Member, Employee or Agent: Proceeding Other than by Company*. The Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that he is or was an organizer, Member, Manager, Officer, employee or agent of this Company, or is or was serving at the request of this Company as an organizer, manager, director, officer, employee or agent of another limited-liability company or corporation, against expenses, including attorneys’ fees, judgment, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with the action, suit or proceeding unless such Person’s act or omission constitutes gross negligence, intentional misconduct, fraud or a knowing violation of law. 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, of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of this Company, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.
   2. *Indemnification of Manager, Member, Employee or Agent: Proceeding by Company.* The Company shall indemnify any Person who was or is party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of this Company to procure a judgment in its favor by reason of the fact that he is or was an organizer, Member, Manager, Officer, employee or agent of this Company, or is or was serving at the request of this company as an organizer, member, manager, director, officer, employee or agent of another limited-liability company, corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys’ fees actually and reasonably incurred by such Person in connection with the defense or settlement of the actions or suit unless such Person’s act or omission constitutes gross negligence, intentional misconduct, fraud or a knowing violation of law. Indemnification may not be made for any claim, issue or matter as to which such a Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.
   3. *Indemnification of Member by Other Members*: If any Member, individually, or through such Member’s limited liability company, trust, corporation, or other entity, acts as the guarantor on behalf of the Company for any of the obligations of the Company to a third party (the “*Guarantor Member*”), and the Company thereafter defaults or otherwise causes the Guarantor Member to be liable to such third party as a guarantor, the other Members of the Company shall indemnify the Guarantor Member, based on each Members’ pro rata share of their total Membership Interests of the Company, for any and all amounts and fees owed to such third party by the Guarantor Member.
   4. *Advance of Expense*. Expenses incurred in defending a civil or criminal action, suit or proceeding brought other than by the Company shall be paid by the Company in advance until the earlier to occur of (a) the final disposition of the action, suit or proceeding in the specific case, or (b) a determination that indemnification is not proper under the circumstances because the applicable standard of conduct set forth in this Article 11 has not been met.
   5. *Determination of Indemnification*. Any indemnification under Sections 11.1, 11.2, and 11.3, unless ordered by a court or advanced by the Company, must be made by this Company, or the Members, only as authorized in the specific case upon a determination that indemnification of the organizer, Member, Manager, Officer, employee or agent is proper in the circumstances. The determination must be made:
      1. By the Manager if the Manager was not a party to the act, suit or proceeding; or
      2. If the Manager was a party to the act, suit or proceeding, by the Members (excluding the participating Member if such Member was the Manager in question).
   6. *Cooperation of Indemnitee*. Any person seeking indemnification pursuant to this Article 11 shall promptly notify the Company of any action, suit or proceeding for which indemnification is sought and shall in all ways cooperate fully with the Company and its insurer, if any, in their efforts to determine whether or not indemnification is proper in the circumstances, given the applicable standard of conduct set forth in this Article 11. Any person seeking indemnification pursuant to this Article 11 other than with respect to (a) a criminal action, suit, or proceeding, or (b) an action, suit, or proceeding by or in the right of the Company, shall (i) allow the Company and/or its insurer the right to assume direction and control of the defense thereof, if they elect to do so, including the right to select or approve defense counsel, (ii) allow the Company and/or its insurer the right to settle such actions, suits, or proceedings at the sole discretion of the Company and/or its insurer, and (iii) cooperate fully with the Company and its insurer in defending against, and settling such actions, suits, or proceedings.
   7. *Non-Exclusivity*. The indemnification provided by this Article 11 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Act, the Articles or this Agreement or any agreement, vote of Members or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Member, Manager, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.
   8. *Insurance*. The Company shall purchase and maintain insurance on behalf of any person who is or was an organizer, Manager, Member, Officer, employee, or agent of the Company, or is or was serving the Company with a contractual commitment of indemnification, or is or was serving at the request of the Company as an organizer, manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of his/her status as such, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of the Act, as amended from time to time.
   9. *Additional Indemnification*. The Company may provide further indemnity, in addition to the indemnity provided by this Article 11, to any person who is or was an organizer, Manager, Member, Officer, employee, or agent of the Company, or is or was serving the Company with a contractual commitment of indemnification, or is or was serving at the request of the Company as an organizer, manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, provided that no such indemnity shall indemnify any person from or on account of such person’s conduct which was finally adjudged to have been knowingly fraudulent, deliberately dishonest, or willful misconduct.
7. *Covenants of Members, Managers and Officers*. Each Member, Manager and Officer understands and acknowledges that the Company’s ability to develop and retain trade secrets, customer lists, proprietary techniques, information regarding customer needs and other confidential information relating to the business of the Company is of the utmost importance to the Company’s success, and each Member, Manager and Officer further acknowledges that each Member will develop and learn such information in the course of each Member’s ownership of their Membership Interests and if applicable, employment, and that such information would be useful in competing unfairly with the Company. In light of these facts and in consideration of each Member’s Membership Interest and if applicable, employment with the Company, and the Company’s agreement herein, each Member, Manager and Officer covenants and agrees with the Company as set forth in this Article 12.
   1. *Covenant to Protect Confidential Information*.
      1. During and after the expiration of the Term, except upon the prior written consent of the Managers, which may be withheld or granted in Managers’ discretion, a Member, Manager and Officer will not directly or indirectly use or disclose any Confidential Information or Trade Secret except in the interest and for the benefit of the Company.
      2. During and after the expiration of the Term, a Member, Manager and Officer will not at any time directly or indirectly use or disclose any Trade Secret of the Company or any of its affiliates unless such information ceases to be deemed a Trade Secret by means of one of the exceptions set forth in Section 12.1(d) or by operation of law. For purposes of this Agreement, “*Trade Secret*” shall have that meaning set forth under applicable law.
      3. For purposes of this Agreement, “*Confidential Information*” means all proprietary technical, business and other information of the Company and its affiliates (other than Trade Secrets), which is not generally known to the public or to other Persons, including, without limitation, processes, financial data, financial plans, product plans, lists concerning actual or potential customers or suppliers, information regarding acquisition and investment plans and strategies, business plans or operations of the Company and its affiliates, whether learned by each Member prior to or after the date of this Agreement. Confidential Information includes, but is not limited to, information disclosed or owned by third parties that is treated by the Company as confidential or is subject to an obligation of the Company to treat such information as confidential, whether such obligation is contractual or arises by operation of law. Confidential Information shall not include information which was: (i) in the public domain at the time it was disclosed by the disclosing party, (ii) possessed by the recipient party as evidenced by written or tangible evidence, before receipt thereof from the disclosing party, (iii) disclosed to the recipient party under force of subpoena, court order or other lawful compulsion, or (iv) disclosed to the recipient party in good faith by a third party who had an independent legal right to such information. Nothing in this Section shall be construed to limit or supersede the common law of torts or statutory or other protection of trade secrets where such law provides the Company with greater protections or protections for a longer duration than that provided in this Section.
      4. The terms “*Trade Secret*” and “*Confidential Information*” shall not include, and the obligations set forth in this Agreement shall not apply to, any information that can be demonstrated by each Member, Manager and Officer: (i) to be or to have become generally available to the public through no act or omission of each Member, Manager and Officer and without violation of this Agreement or any other confidentiality obligation of each Member to the Company or its affiliates; or (ii) to have been obtained by each Member, Manager and Officer in good faith from a non-affiliated third party who disclosed such information to each Member, Manager and Officer on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed.
   2. *Non-Solicitation*. During the Term, a Member, Manager or Officer will not, directly or indirectly, whether alone or with any other Person, (a) employ, or knowingly permit any company or business directly or indirectly controlled by them to employ any person who is an employee of the Company; or (b) seek to induce any such employee to leave his or her employment with the Company.
   3. *Nondisparagement*. No Member, Manager or Officer will directly or indirectly, disparage the Company or any of its affiliates, shareholders, directors, Officers, Members, Managers or agents.
   4. *Non-Competition*.
      1. Except as provided in Section 7.9, so long as a Member is a Member hereunder and during the Restricted Period, no Member shall, within the Territory, and without the express written consent of the Company directly or indirectly render the same or substantially the same services, have substantially similar responsibilities, or participate in the management, operation, or other materially competitive position or role as for Company on behalf of any Restricted Business (other than the Company parent, affiliates and subsidiaries).
      2. The “*Restricted Business*” shall mean an entity, its parent, subsidiary, division or affiliate, engaged in the same Business as Company or whose business is engaged in a Competitive Activity. The “*Restricted Period*” means the Effective Date of such Member’s termination or relinquishment of Membership Interest (in any manner, as permitted or required in this Agreement) for a period of three (3) years following such termination.
   5. *Remedies*. Each Member, Manager and Officer acknowledges that if a Member, Manager or Officer breaches or threatens to breach each Person’s covenants and agreements in this Agreement, then such Member, Manager and Officer actions may cause irreparable harm and damage to the Company that could not be adequately compensated in damages. Accordingly, if any Member, Manager and Officer breaches or threatens to breach this Agreement, then the Company will be entitled to injunctive relief in addition to any other rights or remedies of the Company under this Agreement or otherwise.
   6. *Severability*. Without limiting any other rights or remedies, if any restrictive covenant of Article 12 is held by any court to be invalid, illegal or unenforceable, either in whole or in part, then such invalidity, illegality or unenforceability will not affect the validity, legality or enforceability of the remaining provisions or covenants of this Agreement, all of which will remain in full force and effect to the maximum extent allowed by law. Without limiting the foregoing, although the parties have, in good faith, used their best efforts to make the provisions of Article 12 reasonable in terms of geographic area, duration and scope of restricted activities in light of the Company’s business activities, and it is not anticipated, nor is it intended, by any party hereto that a court of competent jurisdiction would find it necessary to reform the provisions hereof to make them reasonable in terms of geographic area, duration or otherwise, the parties understand and agree that if a court of competent jurisdiction determines it necessary to reform the scope of Article 12 or any part thereof in order to make it binding and enforceable, such provision shall be considered divisible in all respects and such lesser scope as any such court shall determine to be reasonable shall be effective, binding and enforceable.
8. *General Provisions*.
   1. *Binding Effect and Benefit of this Agreement*. Subject to the provisions hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns, as the case may be. The parties hereto agree for themselves and for their successors and assigns, and their successors in interest, no matter how such succession in interest is acquired, to execute any instrument that may be necessary or proper to carry out all of the purposes and intentions of this Agreement. The Membership Interest of any successor to any party hereto that is not also a party hereto shall be treated hereunder as though it has continued and is continuing to be held by such party hereto for the purposes of determining the priorities of the rights of the parties hereto to purchase such Membership Interest under the terms of this Agreement.
   2. *Notices, Etc*. Except as otherwise expressly provided herein, all notices which are required or contemplated by this Agreement shall be in writing. Delivery of such notices shall be deemed to be made when the same are either personally served upon the person entitled thereto or sent by electronic facsimile transmission (“*Fax*”) to such person (with receipt acknowledged by the person receiving such Fax or three (3) days after being deposited in the mails, by certified or registered mail, with postage prepaid, addressed to such person at its mailing address as shown on the Company’s records as changed by notice to parties hereto in accordance herewith.
   3. *Headings, Gender and Number*. Headings in this Agreement are included herein for the convenience of reference only and shall not define, limit, or otherwise constitute a part of this Agreement for any other purpose. Whenever required by the context of this Agreement, the singular shall include the plural and the plural shall include the singular. The masculine, feminine, or neuter genders shall each include the others. All references to a period of days, months or years herein shall refer to calendar days, months or years, respectively, unless otherwise specifically stated.
   4. *Counterparts*. The parties hereto may execute this Agreement in any number of counterparts, each of which, when executed and delivered, shall be an original, but all such counterparts shall constitute one and the same instrument. This Agreement may be executed by signatures provided by electronic transmission of copies or PDFs, including email, which shall be as binding and effective as original signatures.
   5. *Severability of Provisions*. Each provision of this Agreement shall be considered severable. If for any reason any provision or provisions hereof are determined to be illegal or invalid, such illegality or invalidity shall not impair the operation of or affect those portions of this Agreement that are valid and this Agreement shall be construed in all respects as if such invalid or illegal provision was omitted.
   6. *Governing Law*. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed exclusively by the laws of the State of Nevada. Notwithstanding the foregoing, if any law or set of laws in the State of Nevada requires or otherwise dictates that the laws of another state or jurisdiction must be applied in any proceeding involving this Agreement, such Nevada law or set of laws shall be superseded by this Section and the remaining laws of the State of Nevada nonetheless shall be applied in such proceeding.
   7. *Exclusive Jurisdiction*. It is agreed that the Eighth Judicial District Court of the State of Nevada, in and for the County of Clark, shall be the sole and exclusive forum for the resolution of any disputes arising among any of the Members. The Company and each of the Members expressly and unconditionally confer jurisdiction for the resolution of any and all disputes upon such court. In the event that any litigation commenced in such court is properly removable to a federal court under the laws of the United States of America, such removal shall take place if the legal basis for removal exists; *provided, however*, that the parties to this Agreement agree that the exclusive venue of the Federal forum for the resolution of any disputes shall be the united states district court for the District of Nevada, Southern Nevada Division, located in Las Vegas, Nevada. Notwithstanding the foregoing, prior to the filing of any action under this Agreement by a Member against any other Member, such dispute shall be submitted to binding mediation, as selected by the Managers. If such mediation fails to resolve such dispute, the Class A Members shall resolve such dispute, which resolution may include termination and expulsion of one or more of the Members in dispute and the relinquishment of the Membership Interests by such Member. In the event, the acquisition by the Company of the Membership Interests shall occur pursuant to Article 10.
   8. *Federal Law Disclosure and Limitations*. The Membership Interests have not been registered under federal or state securities laws. Membership Interests may not be offered for sale, sold, pledged, or otherwise transferred unless so registered, or unless an exemption from registration exists. The availability of any exemption from registration must be established by an opinion of counsel, whose opinion must be satisfactory to the Managers.
   9. *Waiver*. No waiver of any breach of default of this Agreement by any party hereto shall be considered to be a waiver of any other breach or default of this Agreement.
   10. *Attorneys’ Fees*. If any party brings an action or proceeding (including any cross-complaint, counterclaims, or third-party claim) against any other party by reason of a default by the other party or otherwise arising out of this Agreement, the non-prevailing party shall pay to the prevailing party in such action or proceeding all of the prevailing party’s costs and expenses of suit (including the costs and expenses of enforcing any judgment or settlement), including reasonable attorneys’ fees, which shall be payable whether or not such action is prosecuted to judgment. “*Prevailing Party*” within the meaning of this Section includes a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.
   11. *Creditors*. No provision of this Agreement will be for the benefit of or enforceable by any creditors of the Company or other third parties.
   12. *Offset*. Whenever the Company is to pay any sum to any Member, any amounts that Member owes the Company may be deducted from that sum before payment.
   13. *Disclosure*. Each Member and Manager acknowledges that each of them:
       1. Has been advised to and has been afforded the opportunity to seek the advice of independent legal counsel in connection with signing and making this Agreement and its effect upon each of them;
       2. Acknowledges that this Agreement has been prepared at the request of Mark Hostetler and Lewis Roca Rothgerber Christie LLP represents such party in this transaction;
       3. Acknowledges that a conflict exists among the individual interests;
       4. Has not received any representation from Lewis Roca Rothgerber LLP about the tax consequences of this Agreement;
       5. Has carefully read and understood this Agreement;
       6. Is signing and making this Agreement voluntarily;
       7. Has been provided a fair and reasonable disclosure of the Property and financial obligations of the Company;
       8. Voluntarily and expressly waives in this writing any right to disclosure of the nature and extent of any Property and financial obligations, and the other Member’s assets and financial obligations beyond the disclosure provided.
       9. Has been advised to, and has had the opportunity to, seek the advice of independent tax and legal counsel; and
       10. Waives any and all potential conflicts of interest relative to this Agreement.
   14. *Securities Law Representations and Warranties*. Each Member executing a counterpart of this Agreement represents, warrants and covenants to the Company, the Managers and to all of the other Members the following matters and the matters set forth in this Section and as set forth in Exhibit “D”.
       1. Resale or Distribution. Such Person is acquiring such Person’s Units for investment and not with a view to the sale or distribution of any part thereof. Such Person has no present intention to sell or otherwise distribute any part of such Person’s Units.
       2. Units not Registered. The Company and the Managers have advised such Person: (i) that such Person’s Units have not been registered under the Securities Laws, as the offering and sale of such Person’s Units is to be effected in accordance with an exemption from the registration requirements of the federal Securities Laws and similar exemptions under applicable state Securities Law, and (ii) that, in this connection, the Company is relying, in part, on the representations and warranties of such Person set forth herein.
       3. Exemption from Registration Required upon Disposition. Such Person shall make no transfer of all or any portion of such Person’s Units unless and until: (i) such Person has notified the Company of the proposed transfer; (ii) such Person has furnished the Company with an opinion of legal counsel to the effect that such transfer shall not require registration of such Person’s Units under the Securities Laws; (iii) such opinion of legal counsel has been concurred with by the Company’s legal counsel; and (iv) the Company has advised such Person of such concurrence.
       4. Acknowledgment of Receipt of Information. Such Person has received all information that such Person deems necessary and appropriate to enable such Person to evaluate the financial risk inherent in acquiring such Person’s Units, and such Person acknowledges receipt of satisfactory and complete information covering the business and financial condition of the Company in response to all inquiries in respect thereof.
       5. Independent Advice. Such Person has had the opportunity to consult with such Person’s investment counselors, attorneys, accountants and other advisors regarding the terms and conditions of this Agreement and its tax and legal consequences.
       6. Qualifications. Such Person has either or both of the following: (i) a pre-existing business or personal relationship with the Company and/or one (1) or more of its Managers; and/or (ii) sufficient sophistication to make an informed investment decision based on such Person’s personal knowledge of the business and affairs of the Company, based upon such additional information as such Person may have requested and received from the Company and upon the independent inquiries and investigation undertaken by such Person.
       7. Risks; Risk Factors. Such Person understands that such Person’s investment in such Person’s Units is speculative and risky, and such Person has no assurance that the Company will be a financial success or that such Person’s investment in such Person’s Units will be recovered. Such Person has reviewed, in detail, and has had an opportunity to ask questions about, the Risk Factors attached as Exhibit “D”, and such Person has evaluated such Risk Factors when deciding whether to make an investment in the Company.
       8. Financial Ability. Such Person has the financial ability to bear the economic risk of such Person’s investment in such Person’s Units, has adequate means for providing for such Person’s current needs and personal contingencies and has no need for liquidity with respect to such Person’s Units.
       9. No Representations or Warranties. Neither the Company, nor any of the Members or Managers, nor any employee, agent (including, without limitation, any Manager) or Affiliate of the Company or of any of the Members or Managers has made any representation or warranty to such Person.
       10. No General Solicitation. The Company used no general solicitation or general advertising in connection with the Company’s offer to sell (if any) or the Company’s sale of such Person’s Units to such Person.
       11. Absence of Registration. Such Person recognizes that such Person’s Units have not been registered under the Securities Act and must be held indefinitely unless subsequently registered under the Securities Act, an exemption from such registration is available or as approved under this Agreement. Such Person understands that the Company is under no obligation to register such Person’s Units under the Securities Act or to comply with any exemption from such registration. Such Person understands that Rule 144 under the Securities Act presently does not apply and may never apply to the Company’s Securities because the Company does not now, and may never, file reports required by the Exchange Act, and has not made, and may never make, publicly available the information required by Rule 15c2-l 1 of the Exchange Act. Furthermore, such Person understands that if Rule 144 were available, sales of Company Securities made in reliance thereon could be made only in certain limited amounts, after certain holding periods, and only when specified current information about the Company had been made available to the public, all in accordance with the terms and in satisfaction of the conditions of Rule 144. Such Person understands that, in the case of Company Securities to which Rule 144 is not applicable, compliance with some other exemption under the Securities Act will be required in order for any re-sale or other Transfer of such Company securities to be effected legally.
       12. Restrictive Legend. Each certificate evidencing Units shall bear a legend restricting the transfer and ownership of such Units. Such legend may be similar to the following:

THE MEMBERSHIP INTERESTS HAVE NOT, NOR WILL BE, REGISTERED OR QUALIFIED UNDER FEDERAL OR STATE SECURITIES LAWS. THE MEMBERSHIP INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED UNLESS REGISTERED OR QUALIFIED, OR UNLESS AN EXEMPTION FROM REGISTRATION OR QUALIFICATION EXISTS. THE AVAILABILITY OF ANY EXEMPTION FROM REGISTRATION OR QUALIFICATION MUST BE ESTABLISHED BY AN OPINION OF COUNSEL FOR THE OWNER, WHICH OPINION AND COUNSEL MUST BE REASONABLY SATISFACTORY TO THE COMPANY.

THE PERCENTAGES OF OWNERSHIP OF THE COMPANY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE. THE PERCENTAGES OF OWNERSHIP ARE OFFERED AND SOLD IN RELIANCE ON EXCEPTIONS FROM THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT AND SUCH LAWS, AND PARTICULARLY REGULATION D.

THE MEMBERSHIP INTERESTS ARE SUBJECT TO CERTAIN RESTRICTIONS OF TRANSFER IMPOSED ON SUCH MEMBERSHIP INTERESTS PURSUANT TO THE OPERATING AGREEMENT OF THE COMPANY, A COPY OF WHICH IS ON FILE AT THE COMPANY’S REGISTERED OFFICE.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Operating Agreement to be executed as of the Effective Date.

CLASS A MEMBERS:

|  |  |
| --- | --- |
| H2P3 Holdings LLC,  a Nevada series limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Mark Hostetler, Co-Manager  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Paul Perry, Co-Manager |  |

**CLASS B MEMBER SIGNATURE PAGES**

THIS MEMBER SIGNATURE PAGE WILL BE AFFIXED

TO THE OPERATING AGREEMENT OF

TRANSATLANTIC ENERGY HOLDINGS, LLC

IN WITNESS WHEREOF, I have executed the Operating Agreement for Transatlantic Energy Holdings, LLC, a Nevada limited liability company, this day of \_\_\_\_\_\_\_\_\_, 2019, effective as of the Effective Date of the Operating Agreement.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NAME OF CLASS B MEMBER

ADDRESS:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SSN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNATURE OF MEMBER OR

AUTHORIZED OFFICER

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TITLE OF AUTHORIZED OFFICER

NUMBER OF CLASS B UNITS:\_\_\_\_\_\_\_\_\_\_

CONTRIBUTION AMOUNT:$\_\_\_\_\_\_\_\_\_\_\_\_

**JOINDER OF MANAGERS**

The undersigned, hereby agree(s) (i) to join in the Operating Agreement of Transatlantic Energy Holdings, LLC, a Nevada limited liability company, as a Manger of the Company, and (ii) agree(s) to serve as such Manager(s) of the Company designated below and to be bound by the obligations and duties of the Manager(s) as set forth in the Operating Agreement.

MANAGERS:

TransAtlantic Management LLC,

a Nevada limited liability company

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Mark Hostetler

Its: Manager

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Paul Perry

Its: Manager

**SCHEDULE 1**

**CAPITAL CONTRIBUTIONS**

**AND MEMBERSHIP ROSTER**

**OF**

**TRANSATLANTIC ENERGY HOLDINGS, LLC**

**(as of August \_\_, 2019)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Member** | **Class** | **Capital Contribution/Initial Capital Account** | **Initial**  **Membership**  **Interest** | **Number of Units** |
| H2P3 Holdings LLC | A | Services | 25% | 2,500 |
|  | B | $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_% | \_\_\_\_\_ |
|  | B | $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_% | \_\_\_\_\_ |
|  | B | $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_% | \_\_\_\_\_ |
|  | B | $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_% | \_\_\_\_\_ |
| Totals: |  | $\_\_\_\_\_\_\_\_\_ | 100% | 10,000 |
|  |  |  |  |  |

**EXHIBIT** “**A**”

**ARTICLES OF ORGANIZATION**

(see attached)

**EXHIBIT** “**B**”

SUBSCRIPTION AGREEMENTS

(see attached)

**Subscription Agreement**

TransAtlantic Energy Holdings LLC

Attention: Mark Hostetler

1000 N. Green Valley Parkway, Suite #440-272

Henderson, Nevada 89074

Gentlemen:

You have informed the undersigned (the “Purchaser”) that TransAtlantic Energy Holdings LLC, a Nevada corporation, (the “Company”) wishes to raise a minimum of Fifty Thousand Dollars ($50,000) and a maximum of Five Million Dollars ($5,000,000) from various persons by selling up to 5,000,000 Class B Membership Units of ownership (the “Units”), at a price of One Dollar ($1.00) per Unit.

I have received, read, and understand the Limited Offering Memorandum dated August 20, 2019 (the “Memorandum”). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms and conditions of this Subscription Agreement, the Memorandum and the Operating Agreement of TransAtlantic Energy Holdings LLC. I understand that you will rely on the following information to confirm that I am an “Accredited Investor”, as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or one of 35 Non-Accredited Investors that will be allowed to purchase Units in this Offering (subject to Company approval), and that I am qualified to be a Purchaser.

This Subscription Agreement is one of a number of such subscriptions for Units. By signing this Subscription Agreement, I offer to purchase and subscribe from the Company the number of Units set forth below on the terms specified herein. The Company reserves the right, in its complete discretion, to reject any subscription offer or to reduce the number of Units allotted to me. If this offer is accepted, the Company will execute a copy of this Subscription Agreement and return it to me. I understand that commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Units will be deposited in an Investment Holding Account. The Company has set a minimum offering proceeds figure of $50,000 for this Offering. The Company has established a bank account with Nevada State Bank, into which the minimum offering proceeds will be placed. All proceeds from the sale of Units will be delivered directly to the Company and be available for its use.

1. Accredited Investor. I am an Accredited Investor because I qualify within one of the following categories:

Please Check The Appropriate Category

\_\_\_\_\_ $1,000,000 Net Worth.

A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds $1,000,000 excluding the value of the primary residence of such natural person.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

\_\_\_\_\_ $200,000/$300,000 Income.

A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person’s spouse in excess of $300,000 per year in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

\_\_\_\_\_ Director or Officer of Issuer.

Any director or executive officer of the Company

\_\_\_\_\_ All Equity Owners In Entity Are Accredited.

An entity, (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

\_\_\_\_\_ Corporation.

A corporation not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of $5,000,000.

\_\_\_\_\_ Other Accredited Investor.

Any natural person or entity which qualifies as an Accredited Investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_One of 35 Non-Accredited Investors that may be allowed to invest in the offering

2. Representations and Warranties. I represent and warrant to the Company that:

(A) I (i) have adequate means of providing for my current needs and possible contingencies and I have no need for liquidity of my investment in the Units, (ii) can bear the economic risk of losing the entire amount of my investment in Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment; (iv) the purchase of Units is consistent, in both nature and amount, with my overall investment program and financial condition.

(B) The address set forth below is my true and correct residence, and I have no intention of becoming a resident of any other state or jurisdiction.

(C) I have not utilized the services of a “Purchaser Representative” (as defined in Regulation D promulgated under the Securities Act) because I am a sophisticated, experienced investor, capable of determining and understanding the risks and merits of this investment.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

(D) I have received and read, and am familiar with the Offering Documents, including the Memorandum, Subscription Agreement, and Operating Agreement of the Company. All documents, records and books pertaining to the Company and the Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(E) I have had the opportunity to ask questions of and receive answers from the Company’s officers and representatives concerning the Company’s affairs generally and the terms and conditions of my proposed investment in the Units.

(F) I understand the risks implicit in the business of the Company. Among other things, I understand that there can be no assurance that the Company will be successful in obtaining the funds necessary for its success. If only a fraction of the maximum amount of the Offering is raised, the Company may not be able to expand as rapidly as anticipated, and proceeds from this Offering may not be sufficient for the Company’s long term needs.

(G) Other than as set forth in the Memorandum, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering, and I am purchasing the Units based solely upon my own investigation and evaluation.

1. I understand that no Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions.

(I) The Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Units by anyone but me.

(J) I am aware of the following:

(i)The Units are a speculative investment which involves a high degree of risk; and

(ii) My investment in the Units is not readily transferable; it may not be possible for me to liquidate my investment.

(iii) The financial statements of the Company have merely been compiled, and have not been reviewed or audited.

(iv)There are substantial restrictions on the transferability of the Units registered under the Securities Act; and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

(v) No federal or state agency has made any finding or determination as to the fairness of the Units for public investment nor any recommendation or endorsement of the Units;

(K) Except as set forth in the Memorandum, none of the following information has ever been represented, guaranteed, or warranted to me expressly or by implication, by any broker, the Company, or agents or employees of the foregoing, or by any other person:

(i) The appropriate or exact length of time that I will be required to hold the Units;

(ii) The percentage of profit and/or amount or type of consideration, profit, or loss to be realized, if any, as a result of an investment in the Units; or

(iii) That the past performance or experience of the Company, or associates, agents, affiliates, or employees of the Company or any other person, will in any way indicate or predict economic results in connection with the purchase of Units;

(iv)The amount of dividends or distributions that the Company will make;

(L) I have not distributed the Memorandum to anyone, no other person has used the Memorandum, and I have made no copies of the Memorandum; and

(M) I hereby agree to indemnify and hold harmless the Company, its managers, directors, and representatives from and against any and all liability, damage, cost or expense, including reasonable attorneys fees, incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) The disposition of any of the Units by me which is contrary to the foregoing declarations, representations, and warranties; and

(iii) Any action, suit or proceeding based upon (1) the claim that said declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (2) the disposition of any of the Units.

(N) By entering into this Subscription Agreement, I acknowledge that the Company is relying on the truth and accuracy of my representations.

The foregoing representation and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of the fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefor.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

3. Transferability. I understand that I may sell or otherwise transfer my Units only if registered under the Securities Act or I provide the Company with an opinion of counsel acceptable to the Company to the effect that such sale or other transfer may be made in absence of registration under the Securities Act. I have no right to cause the Company to register the Units. Any certificates or other documents representing my Units will contain a restrictive legend reflecting this restriction, and stop transfer instructions will apply to my Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 hereof, and I will indemnify and hold harmless the Company, its officers, directors, and representatives involved in the offer or sale of the Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Subscription Agreement.

5. Revocation. I will not cancel, terminate or revoke this Subscription Agreement or any agreement made by me hereunder and this Subscription Agreement shall survive my death or disability.

6. Termination of Agreement. If this subscription is rejected by the Company, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this Subscription Agreement.

7. Miscellaneous.

(a) This Subscription Agreement shall be governed by and construed in accordance with the substantive law of the State of Nevada.

(b) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only in writing and executed by all parties.

(c) By Purchasing the Units in TransAtlantic Energy Holdings LLC I hereby agree to the terms and provisions of the Operating Agreement of the LLC – as included in this Memorandum as Exhibit B. I have hereby read and understand the Operating Agreement and understand how an LLC functions as a corporate entity.

8. Ownership Information. Please print here the total number of Units to be purchased, and the exact name(s) in which the Units will be registered.

Total Units:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name(s):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_ Single Person

\_\_\_\_\_ Husband and Wife, as community property

\_\_\_\_\_ Joint Tenants (with right of survivorship)

\_\_\_\_\_ Tenants in Common

\_\_\_\_\_ A Married Person as separate property

\_\_\_\_\_ Corporation or other organization

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

\_\_\_\_\_ A Partnership

\_\_\_\_\_ Trust

\_\_\_\_\_ IRA

\_\_\_\_\_ Tax-Qualified Retirement Plan

(i) Trustee(s)/ Custodian\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(ii) Trust Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(iii) Name of Trust\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(iv) For the Benefit of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_ Other:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(please explain)

Social Security or Tax I.D.#:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Residence Address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Street Address

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City State Zip

Mailing Address: (Complete only if different from residence)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Street Address (If P.O.Box, include address for surface delivery if different than

residence)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City State Zip

Phone Numbers

Home: (\_\_\_\_\_\_\_)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business: (\_\_\_\_\_\_\_)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Facsimile: (\_\_\_\_\_\_\_)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

9. Date and Signatures. Dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.

**Signatures Purchaser Name (Print)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Each co-owner or joint owner must sign - Names must be signed exactly as listed under “Purchaser Name”)

ACCEPTED:

TransAtlantic Energy Holdings LLC,

a Nevada limited liability company

By: TransAtlantic Management LLC,

a Nevada limited liability company,

its Manager

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purchaser’s Initials

**EXHIBIT** “**C**”

SPOUSAL CONSENT

(see attached)SPOUSAL CONSENT

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, spouse of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “*Member*”), with knowledge that each of the other parties to the Operating Agreement (the “*Agreement*”) to which this consent is attached are acting in reliance hereon, do hereby certify, acknowledge and agree as follows:

1. I have read the Agreement in its entirety and being convinced of the wisdom and equity of its terms, and in consideration of the provisions thereof, hereby expresses approval and acceptance of the Agreement.
2. I agree that any interest I may have in the membership interests (the “*Membership Interests*”) of Transatlantic Energy Holdings, LLC, a Nevada limited liability company (the “*Company*”) issued in either the names of myself or the Member, or in the Member’s name alone, will be bound by the Agreement.
3. During the Member’s lifetime, the Member will be solely entitled to vote the Membership Interests and the Membership Interests will be registered in the Member’s name only.
4. If during my lifetime, any of the Membership Interests are offered or are deemed to be offered for sale to the Company (or its Managers or Members) in accordance with the Agreement, the provisions of the Agreement shall be binding upon me to the extent of any and all interest that I may then have in the Membership Interests, and all of my interest, if any, in such Membership Interests shall be offered for sale in accordance with the Agreement.
5. In the event of a buy/sell event (as identified in the Agreement), including the Member’s death or the divorce of me from the Member, the provisions of the Agreement shall be binding upon me to the extent of any and all interest that I may then have in the Membership Interests of the Member, whether as a community property interest or any interest acquired by court decree, right of survivorship, or as an intestate successor, heir, legatee, or otherwise.
6. I accept and agree to be bound by the Agreement in all respects and in lieu of any other interest I may have in the Company, whether that interest may be community property or quasi-community property under the laws of the State of Nevada or other laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Agreement.
7. During my lifetime, I will not cause or allow any interest I may have in the Membership Interests to be transferred to any person other than the Member, nor will I create or allow to be created any tenancy or encumbrance of any such interest in favor of any person other than the Member.
8. I understand that the Membership Interests that my spouse may hold in the Company are restricted pursuant to the Agreement and that I may not be entitled to any ownership rights to such Membership Interests except as may be permitted under the Agreement. Upon a triggering event in the Agreement which requires the sale of my spouses Membership Interests, I agree to promptly execute and deliver to the Company any documents or agreements required by me to effectuate the intent and purpose of the Agreement relating to the restrictions on the Membership Interests bound thereby.
9. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights under the Agreement.
10. I will at any time make, execute, and deliver such instruments and documents as may be necessary to carry out the provisions of the Agreement and this Consent, and in the event of the my death, directs my personal representatives, heirs, and devisees to do likewise.
11. I hereby consent to any amendments or modifications to the Agreement that are consented to, executed by or otherwise binding upon my spouse.

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2019

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT** “**D**”

RISK FACTORS AND DISCLOSURES

**THE PURCHASE OF THE UNITS INVOLVES CERTAIN RISKS AND IS SUITABLE ONLY FOR PERSONS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT AND WHO CAN BEAR THE RISK OF POTENTIAL LOSS OF THEIR ENTIRE INVESTMENT. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION PROVIDED TO YOU BY THE COMPANY BEFORE PURCHASING THE UNITS. THE COMPANY MAY ENCOUNTER RISKS IN ADDITION TO THOSE DESCRIBED BELOW. ADDITIONAL RISKS AND UNCERTAINTIES NOT CURRENTLY KNOWN TO THE COMPANY OR THAT THE COMPANY CURRENTLY DEEMS TO BE IMMATERIAL MAY ALSO MATERIALLY AND ADVERSELY AFFECT YOUR INVESTMENT IN THE UNITS.**

1. Speculative Nature of the Company. The business of the Company (the “Business”) is highly speculative and involves substantial risks in investment in the energy sector, including but not limited to oil and gas production, and other markets. The rate of failure of such companies is higher than that for small businesses generally. Factors bearing upon the success of ventures include, among others, fluctuations in values and interest rates, development of markets, macro-economic and census related events and the experience and skill of management. Each of these factors bears directly upon the success of the venture. There can be no assurance that income derived from the operation of the Company will be sufficient to repay its members’ capital contributions.

**ACCORDINGLY, YOU ARE HEREBY ADVISED THAT OWNERSHIP OF THE UNITS REPRESENTS A HIGH RISK INVESTMENT AND SHOULD BE MADE ONLY BY PERSONS WHO HAVE THE PERSONAL FINANCIAL CAPABILITY OF SUSTAINING A COMPLETE LOSS OF THEIR INVESTMENT IN THE COMPANY.**

2. Lack of Specific Prior Operating History. The Company has only recently been organized for the purpose of raising capital necessary for formation of the Business. Although the management of the Company has a good deal of experience in the industry, the Company and its management may lack the experience in the Business that other companies that have had more longevity in the industry might enjoy.

3. Reliance on Management. All decisions with respect to the management of the Company will be made exclusively by the Company and its management. Accordingly, no person should purchase any of the Units offered hereby unless such person is willing to entrust all aspects of the management to the Company and has evaluated the Company’s capabilities to perform such functions.

4. Competition. Competition in the industry of the Company is fragmented and intense.

5. Nature of Investment. A public trading market for the Units will not develop and you will not be able to readily liquidate your investment in an emergency or otherwise. The acquisition of Units should be considered only as a long-term investment and is not suitable for persons desiring or requiring either immediate cash distributions or investment liquidity.

6. Information provided by Company. Any written information provided by the Company to you was and is intended only to describe those aspects of the Company's business and prospects which the Company believes to be material, and were not intended to be a thorough or exhaustive description of the Company’s business and prospects. The Company makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any person or entity other than the Company. Some of such information includes projections as to the future performance of the Company, which projections may not be realized, are based on assumptions which may not be correct, and are subject to numerous factors beyond the Company's control. The factors that could cause the Company’s performance, or the timing thereof, to differ from those projections include, but are not limited to, those discussed herein.

7. Federal Income Tax Risks. The Company will not request any rulings from the Internal Revenue Service concerning any of the tax issues presented by any investment in the Company or otherwise affecting the Company. Moreover, the Company will not obtain any tax opinion in connection with this subscription and this subscription will not identify, discuss or evaluate any of the tax issues. Although the investment has not been structured to be a “Tax Shelter”, substantial tax risks and benefits exist with respect to any investment in a limited liability company such as the Company. Limited liability companies are intended to be taxed as a pass through entity. It is advisable that each prospective member obtains from his or her own tax advisor advice considering the tax consequences to him or her of the ownership of units in the Company.

AS REQUIRED BY U.S. TREASURY REGULATIONS GOVERNING TAX PRACTICE, YOU ARE HEREBY ADVISED THAT ANY WRITTEN TAX ADVICE CONTAINED HEREIN WAS NOT WRITTEN OR INTENDED TO BE USED (AND CANNOT BE USED) BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE U.S. INTERNAL REVENUE CODE.