

NAME OF NEVIS LLC

OPERATING AGREEMENT

This Operating Agreement is entered into as of MONTH. DAY, 20__ by **NAME OF ASSET PROTECTION TRUST** (hereinafter referred to as the “Member”) and **NAME OF MANAGER** (hereinafter referred to as the “Manager”).

WITNESSETH:

- A. The Member desire to form or have formed a limited liability company (“the Company”) under the Act.
- B. The Manager and the Members wish to set forth the terms and conditions pursuant to which the Company (as hereinafter defined) shall be operated and by which it shall exist;

NOW THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto covenant, agree, and certify as follows:

ARTICLE I: DEFINITIONS

The following defined terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement, and when not so defined shall have the meanings set forth in the Limited Liability Company Ordinance, 1995.

- 1.1 “Act” means the Nevis Limited Liability Company Ordinance, 1995, including amendments from time to time.
- 1.2 “Articles of Organization” is defined in the Act, as applied to this Company.
- 1.3 “Assignee” means a person who has acquired a Member’s Membership Interest in the Company, by way of a Transfer in accordance with the terms of this Agreement, but who has not acquired all Membership Rights
- 1.4 “Assigning Member” means a Member who by means of a Transfer has transferred a Membership Interest in the Company to an Assignee.
- 1.5 “Board” means the Board appointed pursuant to section 4 of the Financial Supervisory Commission Act 2003.
- 1.6 “Capital Account” means, as to any Member, a separate account maintained and adjusted in accordance with Article III, Section 3.3.
- 1.7 “Capital Event” means a sale or disposition of any of the Company’s capital assets, the receipt of insurance and other proceeds derived from the involuntary conversion of Company property, the receipt of proceeds from a refinancing of Company property, or a

similar event with respect to Company property or assets.

- 1.8 “Company Property” shall mean all interests, rights and assets of any type owned by the Company.
- 1.9 “Contribution” means anything of value which a person may contribute to a limited liability company as a prerequisite for or in connection with membership, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.
- 1.10 “Court” means the High Court of Nevis-St. Kitts, or, to the extent applicable, the Caribbean Court of Justice.
- 1.11 “Disregarded Entity” means an entity disregarded from its owner for tax purposes in accordance with the Internal Revenue Code and Revenue Ruling 2004-77. The Company may be a multi-member disregarded entity in accordance with Revenue Ruling 2004-77. The term “Disregarded Entity” does not mean the Company is disregarded from its owner for non-tax purposes (which purposes include, but are not limited to, legal or collection matters.)
- 1.12 “Foreign limited liability Company” means a limited liability company of similar nature to that herein defined, formed under the laws of any jurisdiction other than Nevis.
- 1.13 “Gross Asset Value” means, as follows:
- (a) The Gross Asset Value of any item of property contributed by a Member to the Company shall be the fair market value of such property, as mutually agreed by the contributing Member and the Company; and
 - (b) The Gross Asset Value of any item of Company property distributed to any Member shall be the fair market value of such item of property on the date of distribution, as mutually agreed by the distributee Member and the Company.
- 1.14 “Involuntary Transfer” means, with respect to any Membership Rights, or any element thereof whether by operation of law, pursuant to court order, foreclosure of a security interest, execution of a judgment or other legal process, or otherwise, including a purported transfer to or from a trustee in bankruptcy, receiver, or assignee for the benefit of creditors.
- 1.15 “Losses” See “Profits and Losses.”
- 1.16 “Majority of Members” means a Member or Members whose Percentage Interests represent more than 50 percent of the Percentage Interests of all the Members holding membership rights.
- 1.17 “Manager” shall refer to Name of Manager or such other person(s) who from time to time is elected to manage the business of the Company.
- 1.18 “Member” or “Members” means a Person with an ownership interest in the Company

with rights and obligations under the Agreement.

- 1.19 “Membership Interest” means a member’s share of the profits and losses of a limited liability company and the right to receive distributions of the limited liability company’s assets.
- 1.20 “Membership Rights” means all of the rights of a member in a company including Membership Interest, voting rights and any other right or interest arising from or incidental to being a member whether prescribed in this Act or in this Operating Agreement or otherwise at law.
- 1.21 “Notice” means a written notice required or permitted under this Agreement. A notice must be delivered using one of the following methods:
- (a) hand delivery (notice is deemed given on delivery);
 - (b) fax with telephone confirmation by the recipient (notice is deemed given on telephone confirmation);
 - (c) United Parcel Service, Federal Express, DHL Couriers or other delivery service of equal or superior reputation and which provides for proof of delivery from a disinterested party (notice is deemed given at the time of the first attempted delivery by the delivery service).
- Addresses for notice may be changed by written notice in the manner herein specified. Unless and until notice is given, the last address given, or address provided in this Agreement (if no notice of change has been given) will control. All communications will be addressed to the address of the Member that is specified in the Company’s records.
- 1.22 “Operating Agreement” (or the “Agreement”) means this Operating Agreement, as originally executed and as amended from time to time.
- 1.23 "Percentage Interest" of any Member shall mean the Interests of such Member relative to that of all the Members. Except as otherwise provided herein, the Percentage Interest of a Member shall determine the share of Profits, Losses, cash distributions, and other allocations to that Member relative to all the Members entitled to receive their share of Profits, Losses, distributions, and other allocations on the same basis.
- 1.24 “Person” means any natural person, partnership, limited partnership, company, limited liability company, trust, estate, custodian, nominee, trustee, executor, administrator, fiduciary, or any other individual or entity in its own or any representative capacity.
- 1.25 “Profits and Losses” means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company’s taxable income or loss for such year or period.
- 1.26 “Registrar” means the Registrar of Limited Liability Companies appointed by the Board.
- 1.27 “Registered Office” means the business address of the Registered Agent on file with the

Registrar.

- 1.28 “Registered Agent” means for service of process on the Company, [REGISTERED AGENT NAME AND ADDRESS].
- 1.29 “Substituted Member” is defined in Article IX, Section 9.7.
- 1.30 “Successor in Interest” means an Assignee, a successor of a Person by merger or otherwise by operation of law, or a transferee of all or substantially all of the business or assets of a Person.
- 1.31 “Transfer” means, with respect to a Membership Rights, any element of a Member’s Membership Rights, any sale, assignment, gift, Involuntary Transfer, or other disposition of a Membership Right or any element of a Membership Right, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement.
- 1.32 “Triggering Event” is defined in Article IX, Section 9.3.
- 1.33 “Unanimous” means the written consent of all Members or all Managers, or both, as is specified in the particular provisions of this Agreement.
- 1.34 “Vote” means a written consent or approval, a ballot cast at a Meeting, or a voice vote.
- 1.35 “Voting Interest” means, with respect to a Member, the right to Vote or participate in management and any right to information concerning the business and affairs of the Company provided under the Act, except as limited by the provisions of this Agreement. A Member’s Voting Interest shall be the same percentage of all Voting Interests as that Member’s Membership Rights bears to the Membership Rights of all Members.

ARTICLE II: ARTICLES OF ORGANIZATION

- 2.1 Schedule A of this Agreement shows the Members of the Company, and their contact addresses.
- 2.2 The name of the Company shall be Name of Nevis LLC.
- 2.3 The principal place of business of the Company shall be at 1324 S. Lakeshore Drive, Sarasota Florida 34231. The Company may relocate its office or have additional offices at any other place or places, within and without Nevis, as the Manager may determine from time to time in the Manager’s sole discretion.
- 2.4. The Company shall have as its principal purpose the right to engage in any lawful act or activity for which limited liability companies may now or hereafter be organized under the Act.
- 2.5 The Company shall have every power which it considers necessary or convenient to engage in any lawful act or activity in furtherance of its purposes.

- 2.7. The Company's term shall continue until terminated by the provisions of this Agreement or as otherwise provided under the Act.
- 2.8. If the Articles of Organization as filed with the Registrar of Companies on the date of the formation of the Company, differ from this Agreement in any way, then the Manager shall arrange for the filing with the Registrar of Companies of an Amendment to the Articles of Organization to rectify such difference and conform the Articles of Organization to this Agreement.

ARTICLE III: CAPITALIZATION

- 3.1. The Member shall initially contribute to the capital of the Company as the Member's Capital Contribution the sum of \$100.
- 3.2. No Member shall be required to make an additional Capital Contribution in the absence of the written consent of all Members.
- 3.3. An individual Capital Account shall be maintained for each Member consisting of that Member's Capital Contribution, (1) increased by that Member's share of Profits, (2) decreased by that Member's share of Losses, and (3) adjusted as required when events occur that the Members unanimously deem make it appropriate or necessitate to make an adjustment to reflect the Member's relative economic interests in the Company.
- 3.4. A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or property from the Company except as provided in this Agreement.
- 3.5. No interest shall be paid on funds or property contributed to the capital of the Company or on the balance of a Member's Capital Account.
- 3.6. A Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.
- 3.7. No Member shall have priority over any other Member, with respect to the return of a Capital Contribution, or distributions or allocations of income, gain, losses, deductions, credits, or items thereof.

ARTICLE IV: ALLOCATIONS AND DISTRIBUTIONS

- 4.1. The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to a Member in accordance with the Member's Percentage Interest.
- 4.2. In the case of a Transfer of a Membership Interest during any fiscal year, the Assigning Member and Assignee shall each be allocated the Assigning Member's share of Profits or Losses based on the number of days each held the Membership Rights during that fiscal year.

- 4.3 All cash resulting from the normal business operations of the Company and from a Capital Event shall be distributed among the Members in proportion to their Percentage Interests at such times as the Manager may determine.
- 4.4 If the proceeds from a sale or other disposition of a Company asset consist of property other than cash, the value of such property shall be as determined by the Manager, or, if the Members appoint such by unanimous consent, by an independent, professional appraiser chosen by all Members. Such non-cash proceeds shall then be allocated among all the Members in proportion to their Percentage Interests. If such non-cash proceeds are subsequently reduced to cash, such cash shall be distributed to each Member in accordance with Section 4.3.
- 4.5 Notwithstanding any other provisions of this Agreement to the contrary, when there is a distribution in liquidation and/or dissolution of the Company, or when any Member's interest is liquidated, all items of income and loss first shall be allocated to the Members' Capital Accounts under this Article IV, and other credits and deductions to the Members' Capital Accounts shall be made before the final distribution is made. The final distribution to the Members shall be made to the Members to the extent of and in proportion to their positive Capital Account balances.

ARTICLE V: MANAGER

- 5.1 The first Manager of the Company shall be Name of Manager.
- 5.2 The Member(s) may remove a Manager and appoint a successor Manager, or may appoint additional manager(s), only by unanimous consent of all Members.
- 5.3 Subject to section 5.2 hereof, any appointment or removal notice shall be in writing, and shall be effective upon receipt thereof by the Manager.
- 5.4 If at any time there is no Manager capable of acting or being appointed, the Members holding Membership Rights shall manage the Company and all references to the "Manager" in this Agreement shall refer to the Members acting as the Managers of the Company.
- 5.5 The Manager may voluntarily retire as Manager from the Company provided he gives prior written notice to the Members. Such notice is to be effective 30 days after receipt thereof by the Members, or within 30 days of posting the same by registered airmail to the last known address of that person, whichever is the sooner. Such notice requirement may be shortened or waived by the Members in their sole discretion.
- 5.6 Where a Manager is dead, or retires, or is removed from office as Manager, or refuses, or is unfit or disqualified to act as Manager in accordance with section 5.2 hereof, or commits an act of voluntary bankruptcy or, if it is not a natural person, becomes insolvent or subject to a winding-up order, then that Manager shall from that point in time be considered removed as a Manager, and the Members by unanimous vote of all those

holding Voting Interests may appoint one or more other persons (whether or not being the persons exercising the power) to be a Manager or Managers in place of such Manager.

5.7 Standard of care.

(a) Any Member or Manager, in the performance of his, her, or its duties, is entitled to rely in good faith on information, opinions, reports, and other statements, including financial statements, books of account, and other financial data, if prepared or presented by (i) one or more employees of the Company or (ii) legal counsel, public accountants, or other Persons as to matters within the Person's professional or expert competence.

(b) The Manager is to perform his, her, or its duties as a Manager in good faith, in a manner he, she, or it reasonably believes to be in or not opposed to the best interests of the Company, and with the care that an ordinarily prudent person in a similar position would use under similar circumstances.

(c) A Manager cannot be found to have violated Section 5.7(b) hereof unless it is proved, by clear and convincing evidence, in an action brought against the Manager, that he, she, or it has not met the standard of Section 5.7(b) hereof..

(d) A Manager is to be liable in damages for any action that he, she, or it takes or fails to take as a Manager only if it is proved, by clear and convincing evidence, that his, her, or its action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company.

ARTICLE VI: MANAGEMENT

6.1 The Manager, who need not be a Member, shall be solely responsible for the management of the Company, and shall have all powers generally conferred by law as well as those which are necessary, advisable, or consistent in connection therewith. Any note, contract, deed, bill of sale, mortgage, lease or other commitment purporting to bind the Company to any action shall be signed by the Manager on behalf of the Company or by any person to whom the Manager grants the authority under an agreement or arrangement.

6.2 In addition to any other rights and powers which the Manager may possess under applicable law or pursuant to this Agreement, the Manager shall have all specific rights, powers, and authorities required or appropriate to the Manager's management of the Company which shall include without limitation the following rights, powers, and authorities to be exercised in such manner, in such form, at such times, and to such extent as the Manager, in the Manager's best, good faith discretion, determines:

- (a) to acquire, hold, lease, encumber, pledge, option, exchange, or otherwise dispose of real or personal property (or rights or interests therein) of any nature whatsoever as may be necessary or advisable for the operation of the Company;
- (b) to borrow or lend money for Company purposes and, if security is required for the borrowing thereof, to execute and deliver all instruments, deeds of trust, mortgages,

security agreements, assignments, and other security documents relating to all or a portion of the assets of the Company as may be necessary or advisable for the operation of its business. For purposes hereof, the borrowing or lending of money for Company purposes shall include: (i) lending money to Members or other persons or entities, whether related or unrelated, or borrowing money from any of the foregoing, upon such terms and conditions as the Manager shall determine in the Manager's sole and absolute discretion; and (ii) the guaranteeing of, or pledging the Company Property for any of the foregoing loans, or for loans to or from Members to or from other persons or entities, all as determined in the sole and absolute discretion of the Manager;

- (c) to negotiate and enter into contracts, agreements, or arrangements concerning the business of the Company and assets of the Company as may be necessary or advisable for the operation of the business of the Company;
- (d) to employ persons, agents, outside consultants, and independent contractors as may be necessary or advisable for the operation of the Company;
- (e) to pay all expenses reasonably incurred in the operation or administration of the Company and to establish reserves for liabilities and obligations of the Company whether contingent or otherwise;
- (f) to pay on behalf of the Company (and be reimbursed for) any and all organizational expenses incurred in the creation of the Company including, without limitation, legal and accounting fees;
- (g) to place record title to or the right to use any assets of the Company in the name of a nominee as may be necessary or advisable for the operation of the Company;
- (h) to execute and deliver any and all instruments to effectuate the foregoing and to take all such actions as may be necessary or advisable for the operation of the Company;
- (i) to determine the use of the revenues of the Company for Company purposes;
- (j) to purchase and maintain insurance for the benefit of the Company for Company purposes;
- (k) to control any matters affecting the rights and obligations of the Company, including the employment of attorneys to advise and represent the Company, the conduct of any litigation and the settlement thereof, and any other incurring of legal expenses; and
- (l) to buy, sell and trade in securities of whatsoever nature, including short sales, on margin or otherwise, and for such purposes to maintain and operate a margin account with any broker and pledge any securities held or purchased by them with such broker as security for loans and/or advances made to the Member. In connection with the foregoing, the Manager is authorized to hold stocks, bonds or otherwise securities in the name of a nominee or in other form without disclosure of the Company so that title to the property may pass by delivery.

- 6.3 The Manager shall not have the authority to:
- (a) do any act in contravention of this Agreement;
 - (b) subject to the other provisions hereof, do any act which would make it impossible to carry on the business of the Company, unless all Members have provided written consent; provided, however, the sale or other disposition of all or any portion of the Company Property shall not be deemed to be an act making it impossible for the Company to carry on its ordinary business;
 - (c) confess a judgment against the Company, unless all Members have provided written consent;
 - (d) possess Company Property or assign the rights of the Company in specific Company Property for other than Company purposes, except as provided herein;
 - (e) liquidate and/or dissolve the Company without receiving the prior written consent of all of the current Members; and
 - (f) do any action set out in Article VII, Section 7.8 or otherwise in this Agreement which requires the unanimous or majority Vote of all of the current Voting Members before receiving such consent.
- 6.4.
- (a) The Manager's liability shall be limited as set forth in the Act and as otherwise provided under applicable law. The Manager shall not be personally liable for any debts, losses, liabilities or obligations of the Company, except as may be provided under the Act or under applicable law.
 - (b) The Manager shall not be liable, responsible, or accountable in damages or otherwise to the Company or to the Members for any liability or loss relating to the performance or non-performance of any act concerning the business of the Company, provided the Manager was acting in good faith within what the Manager reasonably believed to be within the scope of the Manager's authority and for a purpose which the Manager reasonably believed to be in the best interests of the Company, except for acts of gross negligence or fraud.
 - (c) The Company (but not the Members) shall indemnify and hold harmless the Manager against any liability or loss or threat of liability or loss, including without limitation legal fees and court costs, as a result of any claim or legal proceeding relating to the performance or non-performance of any act concerning the business, provided the Manager was acting in good faith within what the Manager reasonably believed to be within the scope of the Manager's authority and for a purpose which the Manager reasonably believed to be in the best interests of the Company, except for acts of gross negligence or fraud.
 - (d) The Company and the Members, jointly and severally, hereby release the Manager from any liability or loss to the Company or the Members under the circumstances set forth in this Section 6.4.

ARTICLE VII: THE MEMBERS

- 7.1 Member liability shall be limited as set forth in the Act and as otherwise provided under applicable law. No Member shall be personally liable for any debts, losses, liabilities or obligations of the Company, except as may be provided under the Act or under applicable law.
- 7.2 An annual meeting of the Members for the transaction of such business as may properly come before a meeting of the Members may be held at such time and date as the Manager may each year designate. For the purposes hereof, the anniversary month shall be the month in which the Company's Articles of Organization were accepted by the Registrar of Companies.
- 7.3 A special meeting of the Members may be called at any time by the Manager and shall be called by the Manager upon the written request of the holders of not less than one-tenth (1/10) of the owners of all the Members entitled to vote at the meeting, such written request to state the purpose or purposes of the meeting and to be delivered to the Manager.
- 7.4 All meetings of the Members shall be held at the principal office of the Company or at such other place, within or without Nevis, as shall be determined from time to time by the Manager.
- 7.5 Written notice, stating the place, day and hour of the meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be given by or under the direction of any Manager or the person(s) calling the meeting at least ten (10) days but not more than fifty (50) days before the date fixed for such meeting. Notice shall be given to each Member of record entitled to vote at such meeting. Notice shall be delivered to each Member in person or sent by mail, postage prepaid, addressed as set forth on the books of the Company. Notice that has been mailed pursuant to this Section 7.5 shall be deemed to have been given when deposited. A waiver of such notice, in writing, signed by the person or persons entitled to said notice, whether before, at or after the time stated therein, shall be deemed equivalent to such notice. Except as otherwise required by the Act, notice of any adjourned meeting of the Members shall not be required.
- 7.6. For the purpose of determining Members entitled to notice of and to vote at any meeting of Members or any adjournment thereof, or entitled to receive any distributions, or in order to make a determination of Members for any other proper purpose, the Manager shall fix in advance a date as the record date for any such determination, such date in any case not to be more than 50 days and, in the case of a meeting of Members, not less than 10 days prior to the date on which the particular action requiring such determination is to be taken. If no record date is fixed in accordance with this Section 7.6, the date on which a notice of meeting is mailed, or on which a distribution is made, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting has been made as provided herein, the determination shall apply to any adjournment thereof.

- 7.7. Except as otherwise may be required by this Agreement or the Act, the presence at any meeting, in person or by proxy, of Members holding a majority of Membership Interests entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum for the transaction of business. In the absence of a quorum, a majority in interest of the Members entitled to vote, present in person or by proxy, may adjourn the meeting from time to time for a period not to exceed sixty (60) days in any one case. If an adjournment is for more than 30 days, or if a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be delivered to each Member of record entitled to vote at the meeting. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called.
- 7.8. Except as otherwise may be provided by the Act, this Agreement, or any voting agreement among the Members, each Member, at every meeting of the Members, shall be entitled to vote, in person or by proxy, in accordance with his percentage of Membership Interests. At all meetings of the Members at which a quorum is present, except as otherwise may be required by statute, the Articles of Organization, this Agreement, or any voting agreement among Members, the affirmative vote of the holders of a majority of Membership Rights shall be the act of the Members.
- 7.9. Whenever the vote of Members at a meeting thereof is required or permitted to be taken in connection with any action, the meeting and vote of Members may be dispensed with if all of the Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken. Actions taken pursuant to this Section 7.9 shall be effective when all Members entitled to vote have signed the subject consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the consent is first signed by a Member.
- 7.10. Any meeting which may be held under this Article VII may be held by telephone. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Any such proxy shall be filed with the Managers before or at the time of the meeting.
- 7.11. Any number of Members may create a voting trust for the purpose of voting their Company Interests by entering into a written agreement specifying the terms and conditions of the voting trust. Each beneficiary of such a trust and his agents and attorneys shall have the same rights to inspect the Company's books and records, to share in the Company's Profits and Losses, and to receive distributions of the Company's assets as has every other Member. However, no voting trust shall prohibit a Member from voting on or giving his consent to any action required by the Act, the Articles of Organization, or this Agreement to be taken unanimously by the Members.
- 7.12. This Operating Agreement shall be deemed an executory contract that imposes executory or future obligations on each Member while they are a Member of the Company; which obligations, collectively and singularly are to be considered so material to the benefit of the LLC that if not fully performed, the violating Member shall (unless determined otherwise by the Managers) be in breach of this Operating Agreement. Such breach shall constitute a withdrawal by the offending Member from the Company. Moreover, each of these obligations rely upon the personal services of the named Member and therefore are

not assignable without the express written consent of all the Managers. These executory obligation(s) are as follows:

7.12.1 Upon written request by the Managers, (but no more frequently than annually) submit to the Managers a "Member's recommendations for the further development of the LLC," following parameters set forth within the request for submissions. All submissions must be received by a Manager within 90 days of date of written request, unless the time for submission has been extended by the Managers.

7.12.2 Unless excused by illness, each Member agrees to serve from time-to-time on an advisory panel to assist the Managers on certain issues that may affect the LLC. There shall be no compensation for this service. No Member shall be required to serve in excess of one month per year.

ARTICLE VIII: ACCOUNTS & RECORDS

- 8.1. All assets of the Company, whether real or personal, shall be held in the name of the Company.
- 8.2. All funds of the Company shall be deposited in one or more accounts with one or more recognized financial institutions in the name of the Company, at such locations as shall be determined by the Manager. Withdrawal from such accounts shall require the signature of the Manager or such person or persons as the Manager may designate.
- 8.3. Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal executive office and shall be open to inspection and copying by each Member or the Member's authorized representatives on reasonable Notice during normal business hours. The costs of such inspection and copying shall be borne by the Member.
- 8.4. Financial books and records of the Company shall be kept on the cash method of accounting, which shall be the method of accounting followed by the Company. A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Company's business and for carrying out the provisions of this Agreement. The fiscal year of the Company shall be January 1 through December 31.
- 8.5. At all times during the term of existence of the Company, and beyond that term if a Majority of the Members deem it necessary, the Manager shall keep or cause to be kept the books of account referred to in Section 8.4 above, and the following:
 - (a) A current list of the full name and last known business or residence address of each Member, together with the Capital Contribution and the share in Profits and Losses of each Member;
 - (b) A copy of the Articles of Organization, as amended;
 - (c) Copies of the Company's income tax or information returns and reports, if any, for

the six most recent taxable years;

- (d) Executed counterparts of this Agreement, as amended;
- (e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;
- (f) Financial statements of the Company for the six most recent fiscal years; and
- (g) The Books and Records of the Company as they relate to the Company's internal affairs for the current and past four fiscal years.

If a Majority of Members deem that any of the foregoing items shall be kept beyond the term of existence of the Company, the repository of said items shall be as designated by a Majority of Members.

- 8.6 Within 90 days after the end of each taxable year of the Company, the Company shall send to each of the Members all information necessary for the Members to complete their income tax or information returns, and a copy of the Company's income tax or information returns for such year.

ARTICLE IX: TRANSFERS OF MEMBERSHIP INTERESTS

- 9.1 A Member may withdraw from the Company at any time by giving Notice of Withdrawal to all other Members at least 180 calendar days before the effective date of withdrawal. Upon notice of intent to withdraw or resign, a Member shall become an Assignee in proportion to the Membership interest he held immediately prior to giving Notice of Withdrawal. Withdrawal shall not release a Member from any obligations and liabilities under this Agreement accrued or incurred before the effective date of withdrawal. A withdrawing Member shall have no right to a return of capital without the consent of all Company Managers; neither shall the non-withdrawing Members have any obligation to purchase the withdrawing Member's Membership interest in the Company. A withdrawing Member shall divest the Member's entire Membership Interest before the effective date of withdrawal in accordance with the transfer restrictions and option rights set forth in this Operating Agreement.
- 9.2 Except as expressly provided in this Agreement, a Member shall not Transfer any part of the Member's Membership Rights in the Company, whether now owned or hereafter acquired, unless all the other Members unanimously approve the transferee's admission to the Company as a Member upon such Transfer.
- 9.3 On the happening of any of the following events (Triggering Events) with respect to a Member, the Company and the other Members shall have the option to purchase all or any portion of the Membership Interest in the Company of such Member (Selling Member) at the price and on the terms provided in Article IX of this Agreement:
- (a) the death or incapacity of a Member;

- (b) the bankruptcy of a Member;
- (c) the winding up and dissolution of a Member who is not a natural person, or merger or other corporate reorganization of a Member who is not a natural person, as a result of which such Member who is not a natural person does not survive as an entity;
- (d) the withdrawal of a Member; or
- (e) the occurrence of any other event that is, or that would cause, a Transfer in contravention of this Agreement.

Each Member agrees to promptly give Notice of a Triggering Event to all other Members.

- 9.4 On the receipt of Notice by the other Members as contemplated by Section 9.1, and on receipt of actual notice of any Triggering Event (the date of such receipt is hereinafter referred to as the “Option Date”), the Manager(s) shall promptly give notice of the occurrence of such a Triggering Event to each Member, and the Company shall have the option, for a period ending 30 calendar days following the determination of the purchase price as provided in Section 9.6, to purchase the Membership Interest in the Company to which the option relates, at the price and on the terms provided in Section 9.6, and the other Members, pro rata in accordance with their prior Membership Interests in the Company, shall then have the option, for a period of 30 days thereafter, to purchase the Membership Interest in the Company not purchased by the Company, on the same terms and conditions as apply to the Company. If all other Members do not elect to purchase the entire remaining Membership Interest in the Company, then the Members electing to purchase shall have the right, pro rata in accordance with their prior Membership Interest in the Company, to purchase the additional Membership Interest in the Company available for purchase. The transferee of the Membership Interest in the Company that is not purchased shall hold such Membership Interest in the Company subject to all of the provisions of this Agreement. Additionally, the transferee of an unpurchased interest is not a Member, unless and until such Membership is consented to in accordance with the provisions of this Agreement. Until such consent is given, the transferee of an unpurchased interest is an Assignee only.
- 9.5 No Member shall participate in any Vote or decision in any matter pertaining to the disposition of that Member’s Membership Interest in the Company under this Agreement.
- 9.6 The purchase price of the Membership Interest that is the subject of an option under this Agreement shall be the Fair Market Value of such Membership Interest as determined under this Section 9.6. Each of the selling and purchasing parties shall use his, her, or its best efforts to mutually agree on the Fair Market Value. If the parties are unable to so agree within 30 days of the date on which the option is first exercisable (the Option Date), the selling party shall appoint, within 40 days of the Option Date, one appraiser, and the purchasing party shall appoint within 40 days of the Option Date, one appraiser. The two appraisers shall within a period of five additional days, agree on and appoint an additional appraiser. The three appraisers shall, within 60 days after the appointment of the third appraiser, determine the Fair Market Value of the Membership Interest in writing and submit their report to all the parties. The Fair Market Value shall be determined by

disregarding the appraiser's valuation that diverges the greatest from each of the other two appraisers' valuations, and the arithmetic mean of the remaining two appraisers' valuations shall be the Fair Market Value. Each purchasing party shall pay for the services of the appraiser selected by it, plus one-half of the fee charged by the third appraiser.

9.6.1 The terms of payment for the purchase of a Member's interest may include a down payment and an installment note bearing reasonable interest, an up-front cash payment, or any other reasonable terms or form of payment as may be determined by the Managers.

- 9.7 Except as expressly permitted under Section 9.2, a prospective transferee (other than an existing Member) of a Membership Interest may be admitted as a Member with respect to such Membership Interest (Substituted Member) only (1) if the Managers unanimously consent, and (2) on such prospective transferee's executing a counterpart of this Agreement as a party hereto. Any prospective transferee of a Membership Interest shall be deemed an Assignee only, until such prospective transferee has been admitted as a Substituted Member.
- 9.8 Any person admitted to the Company as a Substituted Member shall be subject to all provisions of this Agreement.
- 9.9 In the event that a Member's Interests are taken by levy, foreclosure, charging order, execution, or other similar proceeding, the Company shall not dissolve, but the assignee of said Interest shall be entitled to no more than to receive the profits and losses attributable to said Interests, and only when payable, in accordance with the assignee's Percentage Interest and, in no event, shall said assignee have the right to interfere with the management or administration of the Company business or affairs or to become a Member entitled to exercise the rights of a Member, i.e., become a substitute Member, except as is otherwise provided herein.

ARTICLE X: DISSOLUTION AND WINDING UP

- 10.1 The Company shall be dissolved on the first to occur of the following events:
- (a) At the time specified as the end of the period of duration of the term of the Company in the Articles of Organization (unless the extension of such term is approved by written consent of all the Members); or
 - (b) The written agreement of all Voting Members and all Managers to dissolve the Company; or
 - (c) The sale or other disposition of substantially all of the Company assets, unless the Members by majority vote decide to not dissolve the Company.
- 10.2 On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Members who have not wrongfully dissolved the Company shall wind up the affairs of the Company. The Members winding up the affairs of the Company shall give written Notice of the commencement of winding up by mail to all known creditors and claimants

against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company (except debts owing to Members) the remaining assets of the Company shall be distributed or applied in the following order of priority:

- (a) To pay the expenses of liquidation.
- (b) To repay outstanding loans to Members. If there are insufficient funds to pay such loans in full, each Member shall be repaid in the ratio that the Member's respective loan, together with interest accrued and unpaid thereon, bears to the total of all such loans from Members, including all interest accrued and unpaid on those loans. Such repayment shall first be credited to unpaid principal and the remainder shall be credited to accrued and unpaid interest.
- (c) Among the Members in accordance with the provisions of Article IV, Section 4.5.

10.3 Each Member shall look solely to the assets of the Company for the return of the Member's investment, and if the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the investment of any Member, such Member shall have no recourse against any other Members for indemnification, contribution, or reimbursement.

ARTICLE XI: MISCELLANEOUS PROVISIONS

- 11.1 This Agreement is governed by, and shall be construed in accordance with, the laws of Nevis. The parties submit to the exclusive jurisdiction of Nevis in respect of all disputes which may arise out of this Agreement.
- 11.2 If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.
- 11.3 This Agreement constitutes the whole and entire agreement of the parties with respect to the subject matter of this Agreement, and it shall not be modified or amended in any respect except by a written instrument executed by all the parties. This Agreement replaces and supersedes all prior written and oral agreements by and among the Members or any of them.
- 11.4 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 11.5 This Agreement shall be binding on and inure to the benefit of the parties and their heirs, personal representatives, and permitted successors and assigns.

- 11.6 Whenever used in this Agreement, the singular shall include the plural, the plural shall include the singular, and the neuter gender shall include the male and female as well as a trust, firm, company, or corporation, all as the context and meaning of this Agreement may require.
- 11.7 The parties to this Agreement shall promptly execute and deliver any and all additional documents, instruments, notices, and other assurances, and shall do any and all other acts and things, reasonably necessary in connection with the performance of their respective obligations under this Agreement and to carry out the intent of the parties.
- 11.8 Except as provided in this Agreement, no provision of this Agreement shall be construed to limit in any manner the Members in the carrying on of their own respective businesses or activities.
- 11.9 Except as provided in this Agreement, no provision of this Agreement shall be construed to constitute a Member, in the Member's capacity as such, the agent of any other Member.
- 11.10 Each Member represents and warrants to the other Members that the Member has the capacity and authority to enter into this Agreement.
- 11.11 The article, section, and paragraph titles and headings contained in this Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.
- 11.12 This Agreement may be altered, amended, or repealed only by a unanimous Vote of all the Members and consent of all Managers.
- 11.13 Time is of the essence of every provision of this Agreement that specifies a time for performance.
- 11.14 This Agreement is made solely for the benefit of the parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.
- 11.15 The Members intend the Company to be a limited liability company under the Act. No Member shall take any action inconsistent with the express intent of the parties to this Agreement.
- 11.16 The Company shall be a legal entity with separate rights and liabilities, distinct from its Members or Manager. Any estate or interest in property may be acquired, held or conveyed in the name of the Company and title to any estate or interest so acquired shall vest in the Company and not in its Members or Manager.
- 11.17 Every provision of this Agreement is severable. If any provision hereof is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

11.18 Each party to this Agreement represents that all capital invested in or loaned to the Company shall be from legitimate sources and not directly or indirectly derived from illegal activities, including, but not necessarily limited to, drug trafficking or other crimes, whether in Nevis or any other jurisdiction.

IN WITNESS WHEREOF the parties have executed or caused to be executed this Agreement as of the day first above written.

MEMBER:

**NAME OF ASSET PROTECTION TRUST
BY ITS TRUSTEES**

The COMMON SEAL of **NAME OF OFFSHORE TRUSTEE**
was hereunto affixed by its
Authorized Representative
in the presence of

Witness

OFFSHORE TRUSTEE INC.

SIGNED AND DELIVERED
by the United States Co-Trustee
in the presence of

(Note, there is only a US Co-Trustee if it is a Kinetic Asset Protection Trust)

Witness

NAME OF US CO-TRUSTEE

MANAGER:

NAME OF MANAGER, an individual