OPERATING AGREEMENT

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, LLC**

# INTRODUCTION

The undersigned are the Members of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, LLC, a Limited Liability Company formed under the laws of the State of New Jersey (the “Company”).

WHEREAS, upon full satisfaction of all payments set forth in the Loan Documents, the parties agree that they shall facilitate the completion of any and all documentation to reflect the Partner’s membership of the Company to be exchanged for final payment on the Loan Documents;

The undersigned hereby adopt the following Operating Agreement pursuant to the LLC laws of the State of New Jersey, and do hereby certify and agree as follows:

**ARTICLE I – NAME**

1.1 Name of Business: The name of the Company is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, LLC. The business of the Company may be conducted under such trade or fictitious names as the Members may determine.

## ARTICLE II. – OFFICES AND REGISTERED AGENT

2.1 Principal Office: The principal office of the Company is located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, New Jersey. The Company may have other offices, inside or outside the State of New Jersey as the Members may designate.

2.2 Registered Office: The registered office of the Company in the State of New Jersey is located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, New Jersey. The registered agent of the Company for service of process at that address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

## ARTICLE III. – BUSINESS PURPOSE

3.1 Business Purpose: The purpose of the Company is to purchase, hold and manage real estate investments located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

## ARTICLE IV. – MEMBERS

4.1 Members: The names of the Members are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at FIFTEEN (15%) interest, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_% interest) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_% interest).

The initial capital contribution is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Thousand and 00/100 ($\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) Dollars.

4.2 Additional Members: Additional Members may be admitted upon the consent of all other members.

## ARTICLE V. – ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations and Distributions: All items of Company income, gain, loss, deduction, credit, or the like will be allocated to all members, notwithstanding any agreements to the contrary, such as the Loan Documents. As stated in the Loan Documents, Partner shall not be responsible for providing any funds in addition to the Loan principal balance; all taxes, fees and other debts incurred by the Company shall be paid by Camino and Rivera.

5.2 Distributions of Cash or Assets: Distributions of cash or other assets shall only be made pursuant to an agreement among all members.

5.3 Capital Calls: Partner shall not be obligated to contribute to capital calls made by the Managing Members. Partner’s failure to contribute to a capital call shall not affect the priority in which it shall be repaid pursuant to the Loan Documents.

# ARTICLE VI. – CONDUCTING OF BUSINESS

# 6.1 Authorization: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are hereby authorized to conduct business on behalf of the Company. This includes but is not limited to entering into real estate contracts, obtaining real estate financing and executing all real estate closing documentation solely with respect to the property located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# ARTICLE VII. – MANAGEMENT OF THE COMPANY

7.1 Management: The Company will be managed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Managing Members”).

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ will have the sole right to manage the business of the Company and will have all powers and rights necessary, appropriate or advisable to effectuate and carry out the purposes and business of the Company.
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ may appoint, employ, or otherwise contract with other persons or entities for the transaction of business of the Company or the performance of services for or on behalf of the Company as they may deem necessary or appropriate to complete the project located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ may delegate to any other person or entity such authority to act on behalf of the Company as he may deem appropriate.
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ may not mortgage, pledge or otherwise borrow against the Company and/or the property located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, without the written consent of Partner.
4. Any person specifically authorized by Mario Camino and Daniel Rivera may execute any contract or other agreement or document on behalf of the Company and may execute and file on behalf of the Company with the secretary of state any document required or permitted to be filed under the LLC laws of the State of New Jersey.
5. No membership interest may be conveyed to third parties without the consent of all Members, including Partner.

# ARTICLE VIII. – FORECLOSURE

# 8.1 Foreclosure: In the event of a foreclosure of the property located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, any funds received from the foreclosure sale proceeds shall be used to pay off individual member contributions; Partner shall be provided with a priority position to be paid on any and all outstanding obligations in the Loan Documents, ahead of members \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

# ARTICLE IX – SECURITY FOR PARTNER

# 9.1 Mortgage as Security: If at any point in time over the Term set forth in the Loan Documents, it is feasible for Company to grant Partner a first or second position mortgage on the Property known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, New Jersey, Company will make a good faith effort to do so.

# ARTICLE X. – DURATION; DISSOLUTION

10.1 Duration: The Company will continue in existence until dissolved pursuant to the LLC laws of the State of New Jersey.

10.2 Dissolution: The Company will be dissolved and have its affairs wound up and terminated upon the determination of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to dissolve the company, or upon the occurrence of any other event causing a dissolution of the Company pursuant to the LLC laws of the State of New Jersey.

10.3 Winding Up: Upon dissolution, the Company will cease carrying on its business and affairs and will commence the winding up of the Company's business and affairs and complete the winding up as soon as practicable. Upon the winding up of the Company, the assets of the Company will be distributed first to creditors to the extent permitted by law in satisfaction of the Company’s debts, liabilities, and obligations.

# ARTICLE XI. – MISCELLANEOUS PROVISIONS

11.1 Entire Agreement: This Operating Agreement embodies the entire agreement. This Operating Agreement supersedes any and all other agreements, either oral or written with respect to the subject matter within.

11.2 Severance: Every provision of this Operating Agreement is intended to be severable. The invalidity or illegality of any particular provision of this Operating Agreement will not effect the other provisions, and this Operating Agreement will be construed in all respects as if such invalid or illegal provisions were omitted.

11.3 Amendments and Revocations: This Operating Agreement may be amended or revoked at any time by the written consent of all members

11.4 State Law: This Operating Agreement will be governed by, construed, and enforced in accordance with the laws of the State of New Jersey.

THE UNDERSIGNED, being all of the Members of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, LLC, evidence their adoption and ratification of the foregoing Operating Agreement of the LLC.

Dated: April \_\_\_, 2019

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

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

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

READ and APPROVED BY:

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

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**