

OPERATING AGREEMENT
OF
G FR LLC

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This Operating Agreement ("**Agreement**") is effective as of the 16th day of **June 28, 2021**, by and among those Members who have signed below and who are shown in Schedule "C" attached hereto and made a part hereof for all purposes. The Members hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 **Capitalized Terms.** The following capitalized terms used in this Agreement have the meanings set forth below:

"**Additional Capital Contributions**" shall have the meaning as described in Article 4 of this Agreement.

"**Affiliate**" means any Person that directly or indirectly controls, is controlled by or is under common control with the Person in question. As used in this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Agreement**" means this Agreement as it may be amended from time to time.

"**Available Cash**" means, at the time of determination, all Company receipts derived from the conduct of the Company's business (excluding Capital Contributions and the Loan) reduced by such amounts as are necessary (a) to pay the current operating expenses and debt service of the Company, and (b) to provide such reserves for the reasonable needs of the Company's business as the Development Plan shall require, including reserves for replacements, capital improvements and additions, or as may be otherwise approved by a majority of the Membership Interests.

"**Bankruptcy**" or "**Bankrupt**" means, with respect to any Member, a Member making an assignment for the benefit of creditors, a Member becoming a party in any manner to any liquidation or dissolution action or proceeding with respect to such Member or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Member, or a receiver, liquidator, custodian or trustee being appointed for such Member or a substantial part of such Member's assets, and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within ninety (90) business days, or the entry of an order for relief against such Member under Title 11 of the United States Code or any state bankruptcy or insolvency proceeding. A Member will be deemed Bankrupt if the Bankruptcy of such Member will have occurred.

"**Business Day**" means Monday through Friday of each week, except that a legal holiday recognized as such by the federal government or the State of Texas shall not be a Business Day.

"**Capital Account**" means, as to any Member, the capital account maintained for each Member in accordance with Section 5.1 of this Agreement.

"**Capital Contribution**" means, as to each Member, the amount of capital contributed by

such Member in accordance with Article 4 of this Agreement. Any reference in this Agreement to the Capital Contribution of a Member will include the Capital Contributions made by any predecessor in interest of such Member in respect of such Interests of such Member.

"Certificate of Formation" means the Certificate of Formation of the Company filed with the Texas Secretary of State in accordance with the Code, as the same may be amended from time to time.

"Code" means the Texas Business Organizations Code, as the same may be amended from time to time.

"Commitment" means the limit of the capital contribution of each Member as show on the Member's signature page and on Schedule C.

"Company" means **G FR LLC, a Texas limited liability company.**

"Controlling Interests" means Membership Interest representing more than 90% of the outstanding Membership Interest.

"Controlling Members" means Members owning more than 90% of the Membership Interest.

"Entity" means a Person other than a natural person and includes, without limitation, corporations (both non-profit and other corporations), partnerships (both limited, limited liability, general), trusts, joint ventures, limited liability companies, and unincorporated associations.

"Fiscal Year" has the meaning set forth in Section 7.4 of this Agreement.

"Former Member" means any person who had executed this Agreement as a Member, or hereafter admitted to the Company as a Member, as provided in the Agreement, but who is no longer a Member of the Company.

"Interest" means the membership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled under this Agreement and together with the obligations of such Member to comply with all of terms and provisions of this Agreement.

"IRC" means the Internal Revenue Code of 1986, as amended.

"Manager" means GAMAL Enterprises Inc., a Texas corporation.

"Members" means each of the Person who executes this Agreement as a Member and becomes a member under the terms of this Agreement as well as each Person who is otherwise admitted to the Company as a member under the terms of this Agreement by signing a New Member Joinder Agreement.

"Membership Interests" means the percentage of interest of a Member as set forth in Schedule C to this Agreement, which will be completed by the Manager and furnished to the Member when all Members signing and making their initial Capital Contribution.

"Net Profits" shall mean (a) all payments received by the Company from Rents, Land

Sales and other sources all sources, LESS (b) (1) all reasonable, necessary and customary costs and expenses paid in connection with the Project (including all, construction, development and other reasonably related costs of the Project); (2) the costs of maintenance and operation of the Project; (3) any excise, sales, use, value added, gross receipts tax or franchise tax imposed by any governmental authority but specifically excluding federal income tax; (4) any reasonable, necessary and customary closing costs of the total purchase price of any developed Lots including, for example, title policy premiums, survey costs, ad valorem taxes, recording fees, attorney fees and escrow fees, any reasonable real commissions or broker's fees paid by to any third party; and (5) all reimbursement of expenses paid to Manager.

“Net Profits Allocation” shall mean Twenty five percent (**25%**) times the Net Profits.

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns to such Person as the context may require.

“Property” means the real property described in Schedule **“A”** attached hereto and made a part hereof for all purposes.

"Treasury Regulations" means the regulations of the U.S. Department of the Treasury promulgated under the IRC, as such Treasury Regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Title Company” means the title company engaged by the Manager and named as escrow agent in the Escrow Agreement.

"Transfer" has the meaning given to such term in Section 9.1 of this Agreement.

ARTICLE 2 ORGANIZATIONAL MATTERS

2.1 **Formation.** The Company has been formed as a limited liability company pursuant to the provisions of the Code. The rights and duties of the Members, and the affairs of the Company, will be governed by the provisions of this Agreement, the Certificate and the Code.

2.2 **Certificate of Formation and Related Documents.** From time to time, the Members will execute such certificates, qualifications to do business, fictitious name certificates, or similar filings in such jurisdictions as the Manager may determine from time to time to be necessary or appropriate in connection with the conduct of the business of the Company or to provide notification of the limitation of liability of Members under applicable law.

2.3 **Name.** The name of the Company is **G FR, LLC**.

2.4 **Principal Office.** The principal office of the Company will be located at **“5718 Westheimer Rd. Ste 1440, Houston, TX 77057”**, or as the Manager may determine from time to time The Company will promptly notify the Members of any change in the Company's principal office.

2.5 **Other Offices.** The Company may have such other offices as the Manager may determine from time to time.

2.6 **Term.** The existence of the Company will continue until the Company is dissolved in accordance with the terms of this Agreement or the Code.

2.7 **Change of Registered Agent or Registered Office.** The registered agent and the registered office may be changed from time to time at the direction of the Manager.

ARTICLE 3 PURPOSE AND POWERS

3.1 **Purpose of the Company.** The purpose for which the Company is organized is (i) to conduct all activities necessary to own and operate, sell or lease the Property; (ii) to perform any services or products that are reasonably associated with the Property; and to perform any other lawful business under the Code within the contemplation of this agreement, including, without limitation, the following:

(a) to sell, assign, transfer, lease or otherwise dispose of, sale of, all or any part of the assets of the Company or the Property; and,

(b) to engage in any other activity that now or hereafter may be necessary, incidental, proper, legal, advisable or convenient to accomplish the foregoing purposes and business.

The Company will conduct business in accordance with the laws of the State of Texas and may, among other acts, enter, enforce, and perform contracts, establish bank accounts, borrow money, grant deeds of trust and other security interests, lease, acquire, sell, and exchange real estate, employ employees and consultants, collect and pay funds, obtain insurance, and take other actions in furtherance of this purpose.

3.2 **Powers.** The Company will have all powers of a limited liability company under the Code and the power to do all things necessary or convenient to accomplish its purposes as set forth in Section 3.1.

ARTICLE 4 INTERESTS AND CAPITAL CONTRIBUTIONS

4.1 **Membership Interests and Initial Capital Contributions.** The Members of the Company and the respective Membership Interest of such Members are set forth on Schedule "C", attached hereto and made a part hereof for all purposes. Within five (5) business days following the date of this Agreement the Members shall make the Initial Capital Contributions as shown in Schedule C ("Initial Capital Contributions").

4.2 **Additional Capital Contributions.** Without creating any rights in favor of any third party, upon the written approval and request of the Manager, each Member shall contribute to the Company, in cash, on or before the date specified by the Manager, that Member's pro rata share of all funds that in the judgment of the Manager is necessary to enable the Company to discharge its costs, expenses, obligations and liabilities for the Project. The Manager shall notify each Member of required additional Capital Contributions pursuant to this Section 4.2, which notice must include a copy of the revised Development Budget and an explanation of the reason for the Additional Capital Contribution and the method and manner of calculation for each Member's pro rata share and a date (which date may be no earlier than seven (7) Business Days following each Member's receipt of notice) by which each Additional Capital Contribution must be made. The Company shall charge interest to each Member whose Additional Capital Contribution is not timely paid, with the interest rate to be set by the Manager.

4.3. **Failure to Make Contributions.** Any Member who fails to timely contribute all or any portion of any Additional Capital Contribution, which said Member is required to contribute to the Company hereunder, shall be considered a “**Delinquent Member**”. The Company may, upon notice to a Delinquent Member, permit the non-Delinquent Members who elect to do so, in proportion to their respective Interests or in such other percentages as they may agree (the “**Lending Members**”, whether one or more), to advance that portion of the Capital Contribution that is in default, as a loan (a “**Default Loan**”) with the following results:

- (a) the sum thus advanced shall constitute a loan to the Delinquent Member,
- (b) such loan and all associated costs incurred thereon shall be due six (6) months after such advance is made;
- (c) the loan shall bear interest at the Default Interest Rate from the date made until the date fully repaid;
- (d) all Company distributions and other payments that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) under this Agreement shall be paid to the Lending Members until the loan is paid in full with all such payments being applied to principal;
- (e) the payment of the loan shall be secured by security interest in the delinquent Member’s Membership Interest; and

Each Member hereby grants to the other Member and the Company, equally and ratably, a security interest in its Membership Interest to secure performance of a Member’s obligation(s) under this Sections (collectively, the “**Secured Obligations**”). Upon any default in the Secured Obligations, the Persons to whom such obligations are owed (each, a “**Secured Party**”) shall have all the rights and remedies of a secured party under the Uniform Commercial Code with respect to the security interest granted herein, and the proceeds arising from any foreclosure of the security interest herein granted may be applied to attorneys’ fees and expenses incurred by the Secured Party in exercising such rights and remedies. Each Member shall execute and deliver to the other Member and to the Company all such financing statements and other instruments as may be requested by the other Member to evidence the security interest provided for herein. This Agreement may serve as the necessary financing statement, or the Manager or the Lending Member may execute and file a financing statement on behalf of the other Member and the other Member hereby appoints the Manager and the Lending Member as its attorney-in-fact to execute such financing statements and other instruments as may be necessary to evidence or continue the perfection of the security interest herein granted. Such power of attorney is coupled with an interest and is irrevocable.

4.4. **Return of Contributions.** Except as expressly provided herein, no Member shall be entitled to: (a) the return of any part of its Capital Contributions, (b) any interest in respect of any Capital Contribution, or (c) the fair market value of its Membership Interest in connection with a withdrawal from the Company or otherwise. Unrepaid Capital Contributions shall not be a liability of the Company or of any Member. No Member shall be required to contribute or lend any cash or property to the Company to enable the Company to return any Member’s Capital Contribution to the Company.

4.5. **Member Loans.** If the Company shall have insufficient cash to pay its obligations, any Member, with the written approval of the other Member and the Manager, may advance such funds for the Company on such terms and conditions as the lending Member and the other Member may determine (“**Member Loan**”). Each such advance shall constitute a loan from such Member to the Company and shall not constitute a Capital Contribution.

4.6. **New Members.** The Manager may cause the Company to issue additional

Membership Interests and admit additional Members on the terms and conditions, which are acceptable to the Manager. At the time any additional Membership Interests are issued, and additional Members are admitted to the Company, the Manager shall notify the then current Members that a new Member has been added to the Company.

ARTICLE 5

CAPITAL ACCOUNTS; ALLOCATIONS AND DISTRIBUTIONS

5.1 Capital Accounts.

(a) The Company will establish, maintain and adjust each Member's Capital Account in accordance with the IRC and the Treasury Regulations, including, without limitation, (i) the adjustments permitted or required by IRC Section 704(b) and, to the extent applicable, the principles expressed in IRC Section 704(c); and (ii) the adjustments required to maintain Capital Accounts in accordance with the "**substantial economic effect test**" set forth in the Treasury Regulations under IRC Section 704(b).

(b) Subject to the foregoing, each Member's Capital Account will be credited with (i) the amounts of such Member's Capital Contribution and (ii) such Member's share of profits, gains and credits of the Company, and charged with (iii) such Member's share of losses, deductions, costs and expenses of the Company, and (iv) the amount of cash or value of all actual and deemed distributions of cash or other property distributed from the Company to such Member pursuant to this Agreement.

5.2 Allocations of Profits and Losses.

(a) Subject to the other provisions of this Section 5.2, for each Fiscal Year, items of income, gain, loss, deduction and credit of the Company will be allocated, for federal, state and local income tax purposes, among the Members pursuant to the principles of Sections 704(b) and 704(c) of the IRC and in conformity with regulations promulgated thereunder.

(b) The Manager will be authorized to determine the allocations to be made pursuant to Section 5.2(a), including making of any elections or revocations related to such allocations as permitted by any of the provisions of the federal, state or local income tax laws, *provided that* such allocations must: (i) conform to the principles of Sections 704(b) and 704(c) of the IRC and regulations promulgated thereunder, and (ii) based upon the exercise of the good faith business judgment of the Manager, after consultation with the Company's accountants. Each Member will be required to report on the appropriate income tax return the Member's share of Company's income, gains, losses, deductions and credits as determined by the Company.

(c) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation 1.704-1(b), items of Company income and gain will be specifically allocated to such Members in an amount and manner sufficient to eliminate the deficit balances, if any, in their Capital Accounts created by such adjustments, allocations or distributions as quickly as possible. Any special allocations of items of income or gain pursuant to this subparagraph will be taken into account in computing subsequent allocations of profits and loss so that the net amount of any items so allocated, to the extent possible, will be equal to the net amount that would have been allocated to each Member pursuant to the provisions of this Section 5.2 if such unexpected adjustments, allocations or distributions had not occurred. The provisions of this Section 5.2(d) will not affect the allocation to any Member who acquires his Interests subsequent to the special allocation required by this Section 5.2(d).

(d) In the event that any Member at any time, by reason of the application of Treasury Regulations Section 1.752-2(a) is deemed to bear the economic risk of loss for a liability of the Company, Section 5.2(a) will be amended to the extent necessary to ensure that all losses and deductions of the Company attributable to such liability are allocated among the Members in

accordance with the principles of Sections 752 and 704 of the IRC and the applicable regulations thereunder.

(e) The allocation of Available Cash shall be as follows: (i) first to return the Capital Contribution of the Members pro rata; (ii) next to pay the Preferred Return to the Members pro rata; (iii) then to the Net Profits Allocation; and (iv) the remaining Available Cash shall then be allocated to the Manager.

5.3 Distributions. The Company will make distributions at the times, in the amounts and in the priority, as set forth below

(a) In the event that any Member is allocated taxable income under Section 5.2 and has not received cash distributions under this Section 5.3, which equal or exceed forty percent (**40%**) of such taxable income, then the Company will promptly make quarterly distributions (a "**Tax Distribution**") to the Member in an amount equal to such shortfall, *provided* that the Company will not make any distribution to the extent that the Manager determines that such distribution will materially impair the Company's ability to pay its liabilities as they come due in the ordinary course of business.

(b) The Company may make additional distributions of Available Cash at such times and in such amounts as may be approved by the Manager. Such distributions will be allocated to the Members in accordance with Section 5.2(e) of this Agreement.

(c) The Company will make distributions to the Members upon the liquidation of the Company (which will include any sale of all or substantially all of the assets of the Company). Such distributions will be allocated to the Members in the manner set forth in Section 5.2(e) of this Agreement.

5.4 Return of Capital. Except as herein provided in Section 5.2(c) of this Agreement with respect to distributions during the term of the Company or following dissolution, no Member has the right to demand a return of such Member's Capital Contribution (or the balance of such Member's Capital Account). Further, no Member has the right (i) to demand and receive any distribution from the Company in any form other than cash, or (ii) to bring an action of partition against the Company or its property.

ARTICLE 6 MANAGEMENT OF THE COMPANY

6.1 Control of Business. Subject to Section 6.3 below and the provisions of the Code, the business and affairs of the Company will be managed by the Manager and will have the power and authority to act for and bind the Company in all respects.

6.2 Manager.

(a) **Manager.** There will be only one (1) Manager of the Company.

(b) **Authority and Duties.** The Manager will have the duties set forth in this Section 6.2 and such other duties as may be assigned to them from time to time by the Members. The Manager will have the authority to manage and control the day to day operations of the business and affairs of the Company and to do all things necessary or convenient to carry out the business and affairs of the Company, including but not limited to the following:

(i) to acquire, own, hold, manage, maintain, develop, operate, lease, exchange, and sell any or all of the Company assets or the Property;

(ii) the Company's sale, exchange or other transfer of any asset or group of assets of the Company or the Property, except as limited by Section 6.3 below;

(iii) to finance the Company's activities, on the terms and conditions as

the Manager deems appropriate by applying funds available to the Company for the payment of Company obligations, by selling Company assets, or by borrowing money, to refinance, increase the amount, modify the terms, and extend the time for payment, of any indebtedness or obligation of the Company and to pledge, mortgage, encumber, and grant security interests in, Company assets or the Property;

- (iv) the Company's entering into any agreements or transactions with any Member or any Affiliate of a Member;
- (v) the payment of compensation to an Affiliate;
- (vi) to sue, defend, or compromise any claim or liability of the Company or submit claims to mediation or arbitration;
- (vii) the settlement or compromise of any claim or action for damages against the Company;
- (viii) to file applications and deal with governmental agencies;
- (ix) to ensure that the Company is paying the actual cost and/or the fair market value for the goods, facilities and services provided to the Company;
- (x) to take any and all other action which is customary or reasonably related to carrying out any of the purposes of the Company, including but not limited to making contracts, opening bank and investment accounts, pricing mortgage products, selecting the type of loan products and programs that will be offered to prospective customers of the Company, employing, removing, and changing employees, consultants, and professional advisors, incurring legal, accounting, and consulting expenses, collecting sums due the Company, paying Company debts and obligations, obtaining insurance, performing the Company's obligations and exercising all rights and powers of the Company, and determining distributions, all in accordance with this agreement.

(c) **Manager May Engage in Other Competing Activities.** Members recognize that the Manager may continue to be involved in other competing businesses.

(d) **Removal of Manager.** The Manager may be removed by the affirmative vote of at the Controlling Interests, if the Controlling Interests acting responsibly and in good faith, determine that: (i) the Manager is engaged in act(s) of fraud, dishonesty, unethical business conduct, or similar acts of misconduct that are likely to materially and adversely affect the Company; (ii) the Manager has failed or refused to substantially and materially perform the duties required by this Agreement, or (iii) the Manager has become mentally or physically incapacitated to such an extent that the Manager is or shall be unable to perform fully its duties under this agreement for a period of more than **90** days; or (iv) the Manager has attempted to transfer all its rights as a Manager. The written notice of the Manager's removal shall be served upon it by certified mail. The notice shall set forth the day on which the removal is to be effective, which date shall not be less than thirty (**30**) days after the service of the notice on the Manager.

(e) **Election of New Manager.** Upon the removal or withdrawal of the Manager, the Members shall elect a new Manager, the new Manager may be elected upon the Affirmative Vote of the Controlling Interests at a special meeting called for that purpose.

(f) **Controlling Interest Approval for certain Manager Duties.** The Manager will not, without the approval of Controlling Interests:

- (i) dissolve the Company;
- (ii) solicit, approve, or accept additional capital contributions from Persons not Members;
- (iii) change the name of the Company;
- (iv) perform any actions other than the actions permitted by Section **6.2**;

The Members agree, that notwithstanding any other notice provision or any other term or condition in this Agreement, that if the Manager sends a request for approval of a business decision to any Member, and if the Manager does not receive written approval or rejection within five (**5**) business days following the date of such notice, then the Member to whom the request for approval

was submitted shall be deemed approved as submitted. In the event of such deemed approval, the Manager may take such action as the Manager deems necessary as if the approval of the Controlling Interests had actually been obtained. For purposes of this paragraph, notice shall be considered sufficient if it is sent to a Member last known fax number or email address and if the sender receives a confirmation that the fax or email has been successfully sent to the recipient.

6.3 Performance of Duties by Manager. The Manager will perform the duties described in this Agreement, in a manner reasonably believed to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing their duties, the Manager will be entitled to rely upon information, opinions, reports, or statements including financial statements and other financial data, in each case prepared or presented by:

- (a) one or more agents of the Company whom they reasonably believe to be reliable and competent in the matters presented; or
- (b) counsel, public accountants or other persons as to matters which they reasonably believe to be within such person's professional or expert competence.

6.4 Limitations on Liability of Members. No Member or Manager of the Company will have any liability to the Company or the Members for any losses sustained or liabilities incurred as a result of any act or omission of such person if (a) the person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the interests of the Company; and (b) the conduct of the person did not constitute actual fraud, gross negligence, or willful misconduct.

6.5 Liability to Third Parties. The debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, will be solely the debts, obligations, and liabilities of the Company and the Members and the Manager will not be obligated personally for any such debt, obligation, or liability by reason of acting as a Member or Manager of the Company.

6.6 Compensation and Reimbursement to Manager. Gamal Enterprises, Inc. will be entitled to receive the Net Profit Allocation but if Gamal Enterprises, Inc. is removed as Manager for any reason, then, Gamal Enterprises, Inc. will be paid **25%** of the Net Profit Allocation. The Manager shall be reimbursed for all expenses, disbursements and advances incurred or made by any of them in connection with the formation, organization, start-up and qualification of the Company to do business in accordance with the Development Budget. All expenses of the engineers and attorneys incurred by the Manager prior to the effective date hereof are deemed approved by the Members.

6.7 Contracts with Affiliates. The Manager or an Affiliate of the Manager may enter into an agreement to render services to the Company without obtaining any consent of the Members. Such agreements shall be on an arm's length basis and shall contain reasonable and customary terms, conditions and fees.

6.8 Other Activities of the Manager Affiliates. The Members acknowledge and agree that Manager and Affiliates are expressly authorized to engage in business activities and ventures which may compete either directly or indirectly with the business of the Company and its subsidiaries. Neither the Company nor any Member will have any rights in and to such business activities and ventures or the income or profits derived from such activities and ventures.

6.9 Indemnification.

(a) To the maximum extent permitted by law, the Company will defend, indemnify and hold harmless the Members and the Manager of the Company (each, an "Indemnatee") from and against any and all losses, claims, demands, costs, damages, liabilities, and expenses of any nature (including attorney's fees and disbursements), judgments, fines, settlements, penalties and other expenses actually and reasonably incurred by the Indemnatee, by reason of the fact that the Indemnatee is or was a Member or Manager of the Company, arising out of or incidental to the business of the Company provided (i) the Indemnatee's conduct did not constitute fraud, gross misconduct or willful misconduct; (ii) the action is not based on a breach of this Agreement; (iii) the Indemnatee acted in good faith and in a manner Indemnatee reasonably believed to be in, or not opposed to, the best interests of the Company; and (iv) such Indemnatee's conduct was not unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, will not, in and of itself, create a presumption that the Indemnatee acted in a manner contrary to that specified above.

(b) The Company shall advance to an Indemnatee the expenses reasonably incurred by an Indemnatee in defending any claim, demand, action, suit or proceeding subject to this Section prior to the final disposition of such claim, demand, action, suit or proceeding, provided that the Indemnatee delivers to the Company an undertaking to repay such amounts if it is ultimately determined that the Indemnatee is not entitled to be indemnified as authorized in this Section.

(c) The indemnification provided by this Section will be in addition to any other rights to which the Indemnatee may be entitled under any agreement, as a matter of law or equity, or otherwise, and will inure to the benefit of the successors, assigns, heirs, personal representatives, and administrators of the Indemnatee.

6.10 Reimbursement of Expenses. The Members acknowledge that the Manager has incurred out of pocket expenses in connection with the negotiation and acquisition of the Property and the negotiation and formation of the Company. The Members hereby authorize the Manager to be reimbursed for all reasonable and customary out of pocket expenses incurred by the Manager related to the Company.

6.11 Financial Matters/Banking Relationships/Bookkeeping. Manager may be assisted in carry out the duties of Manger involving financial matters, banking relationship and bookkeeping by others.

ARTICLE 7 BOOKS, RECORDS, ACCOUNTING AND REPORTS

7.1 Company Funds. The funds of the Company will be deposited in such bank accounts or invested in such interest-bearing or noninterest-bearing investments, including, without limitation, federally insured checking and savings accounts, certificates of deposit, government issued or backed securities, or mutual funds investing primarily in such types of securities, as will be designated by the Manager. Such funds will not be commingled with the funds of any other person.

7.2 Checks, Drafts, Orders for Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Company will be signed by such Manager or other agents of the Company and in such manner as the Manager will from time to time determine.

7.3 Financial Reports. The Company will prepare and distribute to the Members prepared unaudited quarterly financial reports. The financial reports shall consist of an unaudited balance sheet as of the end of each such period, and an unaudited profit and loss statement as of

the end of each such period. The report will be certified as true and correct by the Manager.

7.4 **Fiscal Year.** The Fiscal Year of the Company will end on December 31.

7.5 **Tax Matters Member.** The Manager will be the "tax matters" manager within the meaning of Section 6231 of the IRC.

7.6 **Tax Returns.** The Manager will cause all tax returns for the Company to be prepared and timely filed with the appropriate authorities and will provide to the Members such information as will be necessary for the preparation by the Members of their federal income tax returns.

7.7 **Books and Records.** The Company will maintain appropriate books and records with respect to the Company's business. The books and records will include (i) the Company's books of account; (ii) a current and past list of the full name and last known mailing address of each Member (all Members will be identified as such on the records); (iii) a copy of the Certificate of Formation and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any articles of amendment have been executed; (iv) copies of the Company's federal, state and local income tax returns and reports, if any, for the three (3) most recent years; (v) an executed copy of this Agreement as in effect and all amendments thereto; (vi) recent financial statements of the Company for the three (3) most recent years; and (vii) copies of such other material instruments and documents as the Manager may execute on behalf of the Company. Such books and records will be kept at the principal office of the Company. Each Member will have the right, during ordinary business hours, to inspect and copy any of such records at the requesting Member's expense.

7.8 **Accounting.** The books of the Company for financial reporting purposes will be maintained on an accrual basis of accounting in accordance with generally accepted accounting principles, consistently applied. The Company's books for purposes of maintaining and determining Capital Accounts will be maintained in accordance with the provisions of this Agreement, Section 704 of the IRC and, to the extent not inconsistent therewith, the principles described above for financial reporting purposes.

7.9 **Audits.** Each Member may, from time to time, perform reasonable audits of the business and affairs of the Company, and the Company shall cooperate with each such audit. Each Member, hereunder, may engage a third-party resource to assist in such audits.

7.10 **Material Adverse Change.** Each Member shall notify the other Member of any material adverse change in its business, operations or financial condition.

ARTICLE 8 RIGHTS AND OBLIGATIONS OF MEMBERS

8.1 **Limited Liability.** No Member will be personally liable for any debts, liabilities, or obligations of the Company; provided that each Member will be responsible for the amount of any distributions made to such Member that must be returned to the Company pursuant to the Code.

8.2 **Participation in Management.** Except as set forth herein, no Member, as such, will take any part in the management and control of the business of the Company nor will any Member, by reason of its status as such, have any right to transact any business for the Company or any authority or power to sign for or bind the Company.

8.3 **Other Activities of the Members and their Affiliates.** The Company and the

Members acknowledge and agree that all of the Members and their respective Affiliates are expressly authorized to engage in business activities and ventures which may compete either directly or indirectly with the business of the Company and its subsidiaries. Neither the Company nor any Member will have any rights in and to such business activities and ventures or the income or profits derived from such activities and ventures.

8.4 **Confidentiality.** Each Member shall (a) protect the financial, commercial and proprietary information of the Company and Members (“**Confidential Information**”) by using the same degree of care as the Member uses to protect its own confidential information of a like nature; and (b) not use any Confidential Information other than in connection with the rights and obligations hereunder.

8.5 **Action of Members Without a Meeting.**

(a) Any action required by the Texas Business Organizations Code to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the holder or holders of the Membership Interests of either:

(i) all those entitled to vote with respect to the action that is the subject of the consent; or

(ii) the minimum number of votes that would be necessary to take such action at a meeting at which holders of all of the Membership Interests entitled to vote on the action were present and voted.

(b) Every written consent signed by the holders of less than all the Membership Interests entitled to vote with respect to the action that is the subject of the consent shall bear the date of signature of each shareholder who signs the consent.

(c) A telegram, telex, cablegram, or other electronic transmission by a Member consenting to an action to be taken is considered to be written, signed, and dated for the purposes of this section if the transmission sets forth or is delivered with information from which the Company can determine that the transmission was transmitted by the Member and the date on which the Member transmitted the transmission. The date of transmission is the date on which the consent was signed.

(d) Any photographic, photostatic, facsimile, or similarly reliable reproduction of a consent in writing signed by a Member may be substituted or used instead of the original writing for any purpose for which the original writing could be used.

(e) Prompt notice of the taking of any action by Members without a meeting by less than unanimous written consent shall be given to those Members who did not consent in writing to the action.

8.6 **Expulsion.** A Member may be expelled from the Company by eighty-five percent (85%) of the Membership Interests (not including the Member to be expelled) if that Member (a) has willfully violated any provision of this Agreement; or (b) engaged in wrongful conduct that adversely and materially affects the business or operation of the Company. Such a Member shall be considered a Defaulting Member, and the Company or other Members may also exercise any one or more of the remedies provided for in Section 8.6 of this Article 8. The Company may offset any damages to the Company or its Members occasioned by the misconduct of the expelled Member against any amounts distributable or otherwise payable by the Company to the expelled Member.

ARTICLE 9 TRANSFER OF INTERESTS

9.1 **Restrictions on Transfer.** No Member will sell, assign, transfer, pledge, hypothecate, mortgage, encumber or dispose of (a "**Transfer**") all or any portion of a Member's Interests except in compliance with the terms of this Article 9. Any attempted Transfer in violation of this Article 9 will be null and void.

9.2 **Permitted Transfers.** The Membership Interests of the Members may be Transferred only with the prior written consent of all Members.

9.3 **Restrictions Continue.** Any Membership Interest which is Transferred by agreement of the Members; by involuntary Transfer in the event of failure to exercise a purchase option; by, reorganization, liquidation or dissolution; or for any other reason; shall continue to be fully subject to all the terms of this Agreement to the same extent as if the new owner of such Interest had been an original Member party to this Agreement.

9.4 **Buy-Sell Agreement.** In the event of the death or disability of a member, withdrawal or Bankruptcy or in the event of a disagreement, any Member or the heirs of such Member (the "**Initiating Member**") may purchase the Membership Interest of any other Member or the heirs of such Member (the "**Responding Member**") or sell the Membership Interest to the Responding Member upon the following terms:

(a) The Initiating Member shall notify the Responding Member in writing of the Initiating Member's offer to purchase the Interest of the Responding Member or to sell such Initiating Member's Interest to the Responding Member (the "Option Price").

(b) Within sixty (60) days after the receipt of such offer, the Responding Member shall deliver to the Initiating Member, written notification of either:

(i) such Responding Member's agreement to sell the Responding Member's Interest at the Option Price applicable to the Responding Member; or

(ii) such Responding Member's election to purchase the entire Interest of the Initiating Member at the Option Price applicable to the Initiating Member. Failure by the Responding Member to respond within sixty (60) days shall be deemed to be an election to proceed under (b)(i) above.

9.5 **Third Party Offer.** In the event a Member (the "**Selling Member**") desires to sell all or any portion of such Member's Membership Interest to a Person or entity other than an existing Member the Selling Member shall first offer the Membership Interest to the other Members on the terms set out below:

(a) Upon receipt of the terms of a third party offer to purchase such Membership Interest which is acceptable to the Selling Member (the "**Third Party Offer**") the Selling Member shall promptly deliver a copy of the Third Party Offer to all other Members and shall thereafter promptly disclose all pertinent information with regard to the offer which the other Members may reasonably request. For the purpose of this Article, if the written offer contains provisions relating to the purchase and sale of items other than the Membership Interest, the Third-Party Offer shall be deemed to relate to only those terms and conditions set out in the written offer, which relate to the Membership Interest. The date that all of the Members receive notice of the Selling Member's intent to sell his Membership Interest is the "Notification Date".

(b) Each Member who is to receive the copy of the Third Party Offer made to the Selling Member will have thirty (30) days from the Notification Date in which to notify the Selling Member in writing of his intention to purchase all (but not less than all) of the Selling Member's Membership Interest for the amount and on the terms and conditions set out in the Third Party Offer. If more than one of the Members (the "**Electing Members**") elect to purchase the Selling Member's Membership Interest, each Electing Member shall purchase the part of the Selling Member's Membership Interest that is proportional to the Electing Member's Membership Interest divided by the aggregate Membership Interest of all Electing Members. If none of the Members elect to purchase the Membership Interest of the Selling Member within thirty (30) days from the Notification Date, the Selling Member may then sell his Membership Interest to the Third Party on the terms and conditions of the Third-Party Offer.

(c) If one or more of the Electing Members elect to purchase the Membership Interest, then, accept as set out below, the Closing shall be on or before that date which is the later of: (i) thirty (30) days after the Notification Date, or (ii) the date set out for closing under the terms of the Third Party Offer, and the purchase price must be paid on the same terms and conditions as are set out in the Third Party Offer.

(d) At the Closing, the Selling Member will transfer the Membership Interest to be sold to the Electing Members, free and clear of any liens or encumbrances (other than any encumbrances to be taken subject to or assumed under the terms of the Third-Party Offer). If the sale to the Third Party is not closed within 180 days following the Notification Date, the Membership Interest to be sold shall first be re-offered to the other Members as described in this Section.

(e) A person who purchases a Membership Interest in the Company under this Section (other than an existing Member) shall only be entitled to the right of an Assignee until admitted to the Company as a Substitute Member as provided in this Agreement.

9.6 Right to Purchase Upon Divorce. If, as a result of divorce, a Membership Interest is awarded to or becomes owned by a Member's Spouse (the "**Divorced Spouse Interest**") the Member who was divorced will have the right to purchase the Divorced Spouse Interest for its Fair Value determined as of the date of divorce decree. Such right may be exercised by the Member who was divorced giving, to: (i) the Member's former spouse and (ii) each of the other Members, notice of a desire to purchase all or a portion of such Divorced Spouse Interest within two months after the date of the divorce decree or judgment (the "**Initial Notice**"). If, after the delivery of the Initial Notice, the Member who was divorced has not given notice to purchase all or a portion of such Divorced Spouse Interest or has given notice of purchasing only a portion of the Divorced Spouse Interest, the other Members will have the right to purchase all or the remaining portion of the Divorced Spouse Interest for its Fair Value determined as of the date of the divorce decree. Such right by the other Members may be exercised by the other Members giving, to: (i) the Member's former spouse and (ii) the Member who was divorced (the "**Other Member's Notice**"), notice of a desire to purchase all or a portion of such Divorced Spouse Interest within two (additional) months after the date of the "Other Member's Notice". If a Member provides the Other Member's Notice to purchase all or any portion of the Divorced Spouse Interest, within two months following the date of the Other Member's Notice, the Company shall cause the Fair Value of the Divorce Spouse Interest to be determined as of the Divorce Decree. If there is more than one Member who desires to exercise such right (each, a "**Purchasing Member**"), the Divorced Spouse Interest will be allocated among all Purchasing Members as follows: First, a portion of the Divorced Spouse Interest will be allocated to each Purchasing Member to the extent of the lesser of: (i) the Purchasing Member's pro rata portion (based on the number of Units owned by such Purchasing

Member relative to the number of Units of all Purchasing Members) of the Divorced Spouse Interest and (ii) the portion of the Divorced Spouse Interest that such Purchasing Member expressed a desire to purchase in such notice. If, after such allocation, any portion of the Divorced Spouses Interest has not been allocated to the Purchasing Members, a similar allocation will be made of the remaining Divorced Spouse Interest among the Purchasing Members who have not been allocated the full portion of the Divorced Spouse Interest which such Purchasing Members expressed a desire to purchase in their respective notices. Such procedure will be continued until all of the Divorced Spouse Interest has been fully allocated, if possible. The spouse of each Member executes this Agreement solely for the purpose of agreeing to this Section 9.6.

9.7 Fair Market Value Determination. In the event the Fair Value of a Membership Interest is to be determined under the terms of Section 9.6 of this Agreement and the parties cannot agree on the fair the Fair Market Value, then the Managing Members shall cause the Company to select a professional to evaluate and determine the Fair Market Value, including potential future earnings of the Company. The Company will make its books and records available for such evaluation and will otherwise cooperate and cause its employees to cooperate with such evaluation. The Company will pay the fees and expenses associated with the evaluation. The Managing Members will cause the professional to be selected in a timely manner. The determination of Fair Market Value, made by such professional will be final, conclusive, and binding on the Company, all Members, and all Assignees of a Membership Interest. Upon receipt of the determination of the Fair Market Value, the Company shall cause the report or reports developed by the professional to be distributed to the Members as soon as reasonably possible thereafter.

9.8 Disabled Member. A Member is a “Disabled Member” if any one of the following apply: (a) a Member is subject to a legal decree of incompetency (the date of such decree being deemed to be the date on which such disability occurred); (b) a Member submits any claim for disability insurance benefits on account of more than fifty percent (**50%**) disability (the date of the earliest of such claims shall be the date on which such disability shall be deemed to have occurred); or (c) a Member is subject to a medical determination that the Member, because of a medically determinable disease, injury, or other mental or physical disability, is unable to perform substantially all of the Member’s regular duties, and that such disability is determined or reasonably expected to last at least twelve (**12**) months, based on then available medical information. A medical determination of disability will exist upon the receipt by the Company of the written opinion of a physician who has examined the Member whose disability is in question.

9.9 Remedy. It is expressly agreed that the remedy at law for breach of any of the obligations set forth in this Article 9 is inadequate in view of: (a) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a Member to comply fully with each of said obligations; and (b) the uniqueness of the Company’s business and Members' relationship. Accordingly, each of the aforesaid obligations shall be, and are expressly made, enforceable by specific performance.

9.10 Assignee Not a Member. The assignee of a Membership Interest, whether pursuant to this Agreement or operation of law, shall not become a Member of the Company unless and until admitted as a Member pursuant to the provisions of Section 9.2.

9.11 Non-Complying Assignment is Void. Any attempted assignment of a Membership Interest that does not fully comply with the terms and provisions of this Agreement, particularly this Section 9.2, shall be void and of no legal or binding effect.

9.12 Closing. Upon the exercise by any Member of any right to purchase a Membership Interest pursuant to the provisions of this Article 9, the closing (“**Closing**”) of any such purchase

shall occur at the principal office of the Company within the time period prescribed for the payment, as set for in this Article 9. At the Closing:

(a) Each Member or former spouse of a Member selling or required to sell a Membership Interest (in any case hereinafter called ("**Seller**") shall assign to each Member purchasing or required to purchase such Membership Interest, or such Member's designee(s) (in any case hereinafter called ("**Purchaser**") Seller's Membership Interest in accordance with the instructions of Purchaser and shall execute and deliver to Purchaser all documents which may be required to give effect to the sale of the Membership Interest free and clear of all liens, claims and encumbrances, with covenants of general warranty.

(b) Purchaser shall deliver to Seller the purchase price in cash or certified bank cashier's check and such other releases and indemnifications as may be required by the preceding paragraphs and as may be reasonably requested by Seller.

(c) The Purchasing Member in addition to paying at the closing the applicable purchase price shall be obligated to loan to the Company an amount sufficient to discharge at the closing all outstanding and unpaid obligations of the Company to the Seller as of such time.

(d) Seller shall also execute such resignations and other documents as may be reasonably required by counsel for the Company to accomplish the withdrawal of the Seller as a Member of the Company and the Purchaser shall assume all of the Seller's obligations to the Company under any loans to the Company permitted by this Agreement, such assumptions to be in form reasonably satisfactory to counsel for the Seller. If the Purchaser is unable to remove the Seller's guarantees (if any) from any Company obligation prior to closing, the Purchaser shall execute an indemnification agreement in favor of the Seller for such guaranteed amounts in such form as is reasonably requested by the Seller. Thereafter, the Purchaser shall use reasonable efforts to remove any and all such the Seller guarantees.

ARTICLE 10 DISSOLUTION

10.1 **Events of Dissolution.** "Event of Dissolution" causing the Company to dissolve will be the approval of a plan of dissolution by: (i) a majority of the Membership Interests and (ii) the affirmative vote of the holders of a majority of the Preferred Interests then outstanding.

10.2 Liquidation.

(a) Upon dissolution of the Company, the Members will designate a person (such person being herein referred to as the "**Liquidator**") to wind up the business and affairs of the Company in accordance with the terms hereof and the requirements of the Code. A reasonable amount of time will be allowed for the period of winding up in light of prevailing market conditions and so as to avoid any loss in connection with any sale of the assets of the Company. The Liquidator will have all of the rights in connection with the liquidation and termination of the Company that that the Manager would have had with respect to the assets and liabilities of the Company during the term of the Company, and the Liquidator is hereby expressly authorized and empowered to effectuate the liquidation and termination of the Company and the transfer of any assets and liabilities of the Company. The Liquidator will have the right from time to time, by revocable powers of attorney, to delegate to one or more persons any or all of such rights and powers and the authority and power to execute documents in connection therewith, and to fix the reasonable compensation of each such person, which compensation will be charged as an expense of liquidation. The Liquidator is also expressly authorized to distribute the Company's property to the Members, subject to satisfaction of any liens. This Agreement will remain in full force and effect during the period of winding up, except that the Members will not have the right to make withdrawals of capital or additional capital contributions or to retire from the Company.

(b) In connection with the winding up of the Company, before the later to occur at the end of the Fiscal Year of the Company or the ninetieth day after the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), the assets of the Company will be distributed as follows:

(i) to creditors, including Members who were creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof); and

(ii) to the payment of the Net Profits Allocation to the Manager.

(iii) thereafter, to Members in the priorities set forth in Section 5.3(e).

(c) If distributions are insufficient to return any Member the full amount of such Member's Capital Contributions, such Members will have no recourse against any other Member. No Member will have any obligation to restore, or otherwise pay to the Company, any other Member, or any third party, the amount of any deficit balance in such Member's Capital Account upon dissolution and liquidation. Following the completion of the winding up of the affairs of the Company and the distribution of its assets, the Company will be deemed terminated and the Liquidator will file a certificate of cancellation in the Secretary of State of the State of Texas as required by the Code.

(d) Each Member will be furnished with a statement prepared by the Liquidator which will set forth the assets and liabilities of the Company as at the date of complete liquidation, and each Member's share thereof. Upon completion of the liquidation, each Member will cease to be a Member of the Company.

ARTICLE 11 GENERAL PROVISIONS

11.1 **Notices.** Any notice, demand, request or report required or permitted to be given or made under this Agreement will be in writing and will be deemed given or made when delivered in person or by electronic mail or five (5) days after the date when sent by certified or registered mail to: (i) a Member, when addressed to such Member at the address on the signature page or such other address as the Member may hereafter provide to Company in writing; and (ii) the Company, when addressed to the Company at its principal office. Nothing in this Section is intended to modify the time periods required for the exercise of rights by the parties under any other section of this Agreement. Regardless of the form in which notice is given, copies of all notices shall be sent electronically to each Member at the email address shown on such Member's signature page.

11.2 **Governing Law.** This Agreement will be governed by and interpreted in accordance with the laws of the State of Texas, without reference to its principles of conflicts of laws.

11.3 **Headings.** The Article and Section headings of this Agreement are for convenience only, do not form a part of this Agreement, and will not in any way affect the interpretation hereof.

11.4 **Power of Attorney.** Subject to the terms and conditions hereof, each Member hereby irrevocably constitutes and appoints the Manager his true and lawful attorney-in-fact and agent with full power and authority to act in his name, place and stead to execute, acknowledge, swear to, deliver, file, record and publish any document requisite to carrying out the intention and purposes enumerated below, including, but not limited to, the execution, acknowledgment, swearing to, delivery, filing, recording and publication of this Agreement and amendments thereto, documents, conveyances, leases, contracts, loan documents and/or counterparts thereof, and all other documents which such person reasonably deems necessary or appropriate hereunder:

(a) To qualify or continue the Company as a limited liability company;

(b) To effect the dissolution and termination of the Company; or

(c) To effect transfers, admissions, withdrawals and substitutions of Members as specifically provided under the terms of this Agreement, including any amendment to Schedule A necessary to reflect the same.

No person will take any action as an attorney-in-fact of any Member which would in any way increase the liability of such Member beyond the liability expressly set forth in this Agreement nor is any Member bound by such action taken. This power of attorney will be irrevocable for the term of this Agreement.

11.5 Parties in Interest. Nothing in this Agreement will be construed to be for the benefit of or enforceable by any Person not a party to this Agreement, including, but not limited to, any creditor of the Company, other than the Persons entitled to indemnification under Section 6.8.

11.6 Further Assurances. The Members will execute and deliver such further instruments and do such further acts and things as may reasonably be required to carry out the intent and purposes of this Agreement.

11.7 Remedies Cumulative. No remedy conferred upon or reserved to the Company or any Member by this Agreement is intended to be exclusive of any other remedy. Each and every such remedy will be cumulative and will be in addition to any other remedy given to the Company or any Member hereunder or now or hereafter existing at law or in equity or by statute.

11.8 Successors and Assigns. Subject to the restrictions on Transfer set forth in Article 9, this Agreement will bind and inure to the benefit of the parties hereto and their respective successors and assigns.

11.9 Legal Fees. In the event that any party should commence legal proceedings with respect to the rights and duties of the parties to this Agreement, the prevailing party in such legal proceedings will be entitled to reimbursement from the non-prevailing party of all legal fees and expenses incurred in such proceedings.

11.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which will constitute one and the same agreement.

11.11 Entire Agreement. The terms and conditions of this Agreement constitutes the entire agreement between the Members concerning the subject matter hereof, and will supersede all previous communications, either oral or written, between the parties hereto, and no agreement or understanding modifying this Agreement will be binding upon any Member unless such modification is in writing and signed by such Member.

11.12 Amendment. This Agreement may be amended from time to time with the prior written consent of the holders of seventy-five percent (**75%**) of all of the outstanding Membership Interest voting as a group, and *provided* that the following amendments will require the additional consents noted below:

(i) Any amendment which would require any Member to make additional capital contributions to the Company in excess of the Member's Commitment will require the prior written consent of such Member;

(ii) Any amendment which would modify the allocation of Profits and Losses or the priority of distributions than modifications to the allocation of Profits and Losses arising

from the issuance of additional Interests in the Company) will require the prior written consent of all Members; and

(iii) Any amendment which imposes any additional liability on any Member will require the prior written consent of such Member.

11.13 Arbitration/Mediation and Related Matters.

(i) In the event of any dispute, controversy or claim between the Parties arising out of or relating to any matter set forth in this Agreement, the Parties shall meet (whether in person or by telephone) to discuss an appropriate and reasonable resolution thereof. Efforts to resolve any such dispute, controversy or claim shall be conducted in good faith and with the intent to resolve such matter fairly. If such dispute, controversy or claim cannot be resolved in that manner, then the Parties agree to non-binding mediation of the dispute with a mutually acceptable mediator. If and only if mediation does not settle the dispute it shall be resolved by arbitration to be held in a mutually convenient location in Houston, Texas, or such other place as the Parties may agree in writing. The arbitration and the selection of one (1) arbitrator shall be conducted in accordance with the then existing rules and regulations of the American Arbitration Association, applying the substantive laws of the State of Texas. The Parties shall reasonably and in good faith select an arbitrator within fifteen (15) days of the date of the notice of such dispute, controversy or claim. The determination by the arbitrator shall be binding. The arbitrator shall have the broadest discretion permissible under Texas law, including without limitation the right to permit reasonable discovery and to entertain pre-hearing and post-hearing motions. In any arbitration proceeding arising under this Agreement, the arbitrator may not change, modify, or alter any express condition, term, or provision hereof, and to that extent the scope of the arbitrator's authority is limited. Judgment may be entered on the arbitrator's award in any court having jurisdiction over the Parties.

(ii) Should either Party employ an attorney or attorneys to enforce any of the provisions of this Agreement, or to recover damages for the breach of this Agreement, the non-prevailing party in any final judgment agrees to pay the other party all reasonable and necessary costs, charges and expenses, including attorneys' fees, expended or incurred in connection therewith.

(iii) Notwithstanding Section 11.13(i), a Party may seek from a court of competent jurisdiction a temporary restraining order or a temporary or permanent injunction, which may be necessary to protect any rights or property of a Party.

11.14 Compliance with Regulation D of the Securities Act of 1933. THE OWNERSHIP INTERESTS THAT ARE THE SUBJECT OF THIS COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THE INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, TRANSFERRED, OR OTHERWISE DISPOSED OF UNTIL THE HOLDER THEREOF PROVIDES EVIDENCE SATISFACTORY TO THE MANAGER (WHICH, IN THE DISCRETION OF THE MANAGERS, MAY INCLUDE AN OPINION OF COUNSEL) THAT SUCH OFFER, SALE, PLEDGE, TRANSFER, OR OTHER DISPOSITION WILL NOT VIOLATE APPLICABLE FEDERAL OR STATE SECURITIES LAWS. THE OWNERSHIP INTERESTS THAT ARE THE SUBJECT OF THIS COMPANY AGREEMENT ARE SUBJECT TO RESTRICTIONS ON THE SALE, PLEDGE, TRANSFER, OR OTHER DISPOSITION AS SET FORTH IN THIS COMPANY AGREEMENT.

11.15 Notice to Members. By executing this Agreement, each Member acknowledges that it has actual notice of all of the provisions of this Agreement, including, without limitation, the restrictions on the transfer of Membership Interests set forth in this Agreement, and all of the provisions of the Certificate of Formation. Except as otherwise expressly provided by law, each Member hereby agrees that this Agreement constitutes adequate notice of any notice requirement

under Chapter 8 of the Uniform Commercial Code, and each Member hereby waives any requirement that any further notice thereunder be given.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first-above written.

MANAGER:

**GAMAL Enterprises, Inc.
a Texas Corporation**

By:  C3326FE090DE43B...
Kareem Gamal, President

**G FR LLC MEMBER'S
SIGNATURE PAGE**

The undersigned agrees to be bound by the terms and provisions of the Operating Agreement for **G FR LLC** and authorizes the Manager to attach this signature page to the Operating Agreement.

Member/s

G FR LLC

By:  5E0C77FEED8431...
[Signature]

Real Estate Ideal Solutions LLC

**Mahmoud Khader
Manager**

SCHEDULE C

Member	Members Ownership
Real Estate Ideal Solutions LLC	100%