**OPERATING AGREEMENT**

**OF**

**Project FM 1314 LLC**

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Upon valuable consideration, the persons named below as "Members" hereby covenant and agree to be bound to the following as their LIMITED LIABILITY COMPANY OPERATING AGREEMENT dated this 10/01/2024 (this "Agreement" or this "Operating Agreement") for Project FM 1314 LLC, a limited liability company organized under the laws of the State of Texas ("the LLC").

**ARTICLE I**

**DEFINITIONS**

As used in this Operating Agreement, the following terms are to have the meaning as stated below:

“**Company**” means Project FM 1314 LLC

**"LLC"** means "Limited Liability Company" and **"the LLC"** means Project FM 1314 LLC.

**"LLC Units" or "Units"** means measures of ownership in the LLC. The capital structure of the LLC shall consist of Units all of the same class with equal rights for all purposes under this Operating Agreement.

**"LLC Unit Percentage"** means, with respect to an LLC member, the percentage derived from the following fraction: number of LLC Units held by such Member divided by the total number of LLC Units held by all Members (and, thereafter, multiplying said fraction by 100 to arrive at a percentage).

**"State Law"** means the laws of the State of Texas.

**"Vote in interest of LLC members"** means a vote of the LLC members in which each LLC member shall have one vote per LLC Unit possessed; for example, a member possessing 150 LLC Units would have 150 votes in interest.

**"Supermajority vote in interest of LLC members"** means a vote of the LLC members in which each LLC member shall have one vote per LLC Unit possessed and the number of affirmative votes for any resolution before the members shall be more than 66% of the outstanding LLC Units. For example, if there are 1000 outstanding LLC Units, 667 affirmative votes are required to achieve a Supermajority vote in interest upon a resolution before the members.

**ARTICLE II**

**GENERAL PROVISIONS**

**Section 2.1** Formation. Articles of Organization either already have been filed with the appropriate State office or shall shortly be done so. The Members shall execute or cause to be executed all other instruments, certificates, notices and documents as may now or hereafter be required for the formation, valid existence and, when appropriate, termination of the LLC as a limited liability company under the laws of the State of Texas.

**Section 2.2** Company Name. The name of the LLC is " Project FM 1314 LLC" or such other name or names as may be selected by the Members from time to time, and its business shall be carried on in such name with such variations and changes as the Members deem prudent.

**Section 2.3** Purpose of the LLC. The purpose of the LLC is to engage in any lawful act or activity for which a limited liability company may be organized under the laws of the State of Texas including, but not limited to, real estate development.

**Section 2.4** Place of Business. The business address of the LLC shall be determined by the Members. The LLC may from time to time have such other place or places of business, within or without the State of Texas, as the Members may decide.

**Section 2.5** Registered Agent. The registered agent of the LLC shall be determined by the President who shall also possess the power to remove or replace a currently serving LLC registered agent.

**Section 2.6** Business Transactions of a Member with the Company. A Member may lend money to, borrow money from, act as surety, guarantor or endorser for, guarantee or assume one or more obligations of, provide collateral for, and transact other business with, the LLC and, subject to applicable law, shall have the same rights and obligations with respect to any such matter as a Person who is not a Member.

**Section 2.7** Company Property. No real or other property of the LLC shall be deemed to be owned by any Member individually but shall be owned by and title shall be vested solely in the LLC.

**Section 2.8** No Term To Existence. The LLC's existence shall commence on the date of the filing of the Article of Organization with the appropriate state office and, thereafter, the LLC's existence shall be perpetual without term.

**Section 2.9** Accounting Period. The close of the LLC's year for financial statement and federal income tax purposes shall be as determined by the Members.

**ARTICLE III**

**MEMBERS**

**Section 3.1** Members. The name, initial capital contribution, LLC Units and LLC Unit Percentage of the Members are set forth in the below table, which shall be amended from time to time to reflect the admission of new Members.

|  |  |  |
| --- | --- | --- |
| **Member Name** | **Initial Capital Contribution** | LLC Units % |
| Real Estate Prospective Solutions (REPS) LLC | $390,000 | 37.142 |
| Real Estate Ideal Solutions (REPS) LLC | $220,000 | 20.952 |
| FATIMA HASSAD | $220,000 | 20.952 |
| Amr Mahmoud Salem | $110,000 | 10.476 |
| Mohammed Elkordi | $110,00 | 10.476 |
|  |  |  |
| Total | $1,050,000 | 100.0000% |

**Section 3.3** Admission of New Members. New members may be admitted to the LLC by an affirmative Supermajority vote in interest of LLC members.

**Section 3.4** No Liability of Members. All debts, obligations and liabilities of the LLC, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the LLC, and no member shall be obligated personally for any such debt, obligation or liability of the LLC solely by reason of being a member. This section does not prevent an LLC member, should he or she so choose, from separately agreeing to guaranty or otherwise become liable for a debt which is also one of the LLC.

**Section 3.5** Access to Books and Records of LLC. Each LLC member shall have the right to inspect the books and records of the LLC during normal business hours after the giving of reasonable notice of this intent to the LLC custodian of said documents and information; however, each member gaining access to the books and records of the LLC shall hold this information confidential and only use LLC information for the furtherance of LLC business and interests or for making investment decisions regarding the member's LLC interest. Upon withdrawal or departure as a member of an LLC, a member shall deliver all LLC books and records in his or her possession to the remaining LLC members or managers.

**Section 3.6** Actions by the Members; Meetings; Quorum.

1. The LLC members may take any action at a meeting in person, by proxy, or without a meeting by written resolution in accordance with Section 3.6(d). Meetings of LLC members may be conducted in person or by telephone conference. A voting proxy given by an LLC Member to another person must be in writing.
2. Voting. Each LLC member shall be entitled to vote upon all matters for which LLC members have the right to vote. All LLC member votes shall be tallied by interest under which each member shall be entitled to one vote for each LLC Unit possessed (for example, a member possessing 150 LLC Units shall be entitled to 150 votes upon any matter submitted to the LLC Members for a vote). Each vote per LLC Unit shall carry the same weight and have the same value, for voting purposes, as every other LLC Unit. Should state law create statutory situations where LLC member votes are to be taken on a one vote per member basis, votes per member (as opposed to per LLC Unit interest) shall be limited to those specific circumstances under which state law requires such a vote.
3. Unless another percentage is given elsewhere in this operating agreement or by state law, all LLC member votes on any matter shall require an affirmative vote in interest by LLC members of LLC Unit in excess of 50% of the outstanding total to pass or approve the motion, resolution, or otherwise take action by the LLC members. For example, if there are 1000 LLC Units outstanding, a vote of 501 LLC Units in favor of a resolution is required for its passage unless the resolution involves a matter for which this operating agreement or state law requires a higher percentage.
4. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting if Members with the percentage of votes (per LLC units) sufficient to approve the action pursuant to the terms of this Agreement resolve thereto in writing and the writing or writings are filed with the LLC records of actions taken by Members. In no instance where action is authorized by written resolution shall it be required that a meeting of Members be called or notice be given; however, upon passage, a copy of the action taken by written resolution of the members shall be sent promptly to all LLC members.
5. Meetings of Members may be called by any LLC member, or members, collectively holding 25% or more of the outstanding LLC Units upon seven (7) days written notice to the other LLC members. Notice of a meeting called for hereunder may be made by standard U.S. mail, electronic mail, or facsimile transmission and shall contain the time, place, and purpose of such meeting. A quorum for any action to be taken at a meeting of LLC members shall be LLC members present (in person, via telephone, or by proxy) holding more than 50% of the LLC Units. Any Member may through a written instrument waive the right to receive prior notice of a meeting of the Members as described herein. Notwithstanding any other provision of this Agreement, the following actions shall require a Supermajority vote in interest of the LLC members:
6. any merger, consolidation or other business combination;
7. dissolution of the LLC (unless Texas law requires another percentage);
8. filing of a petition or commencing other proceedings seeking reorganization; liquidation, arrangement or other similar relief under any federal or state law relating to bankruptcy or insolvency;
9. the amendment or modification of any provision of this Agreement;
10. the issuance of additional LLC Units (other than those issued pursuant to the founding of the LLC as set forth in Section 3.1 of this operating agreement) to any Member or other party including any other individual, trust, estate, corporation, partnership, limited liability company or any other incorporated or unincorporated entity ("Person") permitted to be a member of a limited liability company under the Act;
11. the removal of any Member;

viii. the decision to appoint managers for the LLC under Article IV hereof.

**Section 3.7** Power to Bind the LLC. No LLC member or group of members acting in their individual capacity separate and apart from action as LLC members pursuant to this operating agreement shall have any authority to bind the LLC to any third party with respect to any matter.

**Section 3.8** Members who are not individuals. Each Member who is an artificial entity or otherwise not an individual hereby represents and warrants to the LLC and each Member that such Member is: (a) duly incorporated or formed (as the case may be), (b) validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and (c) has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

**Section 3.9** Tax Matters Partner. The role of President or a designated delegate is hereby designated as the LLC's "Tax Matters Partner" under Section 6231(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), and shall have all the powers and responsibilities of such position as provided in the Code and the Treasury Regulations thereunder. The LLC members may remove or replace the Tax Matters Partner by a vote of the majority in interest.

**ARTICLE IV**

**MANAGEMENT**

**Section 4.1** Management of the LLC. The following individuals have been elected to the Company’s Management in the following Capacities:

* **Mahmoud M Khader**, Manager of ISOTOPE REAL ESTATE LLC, as **PRESIDENT**
* **Shihab Ahmad,** Manager, as **VICE PRESIDENT**

**Section 4.2** Management Election. All or a portion of management powers may, by Supermajority Vote in interest of LLC Members be delegated to a President, and, or other elected Managers.

1. Management elections to be carried out every 2 years.

**Section 4.3** Fiduciary Duty. All Managers, and Managing Members, of the Company must exercise their management authority as fiduciaries with respect to the Company.

**Section 4.4** Powers of Managers.

1. The Operational Affairs of the Company shall be controlled exclusively by the President and or other elected managers. Individual Members shall not have direct authority over such matters.
2. Operation Affairs. This is defined to encompass general management and administrative duties pertaining to the Company. It shall include, but not limited to:
   1. Full responsibility of company’s bank account
   2. Signatory rights on behalf of the company in relation to all contracts
   3. Appoint other managing companies and individuals for projects at fee
   4. Manage and arrange for meeting the company’s local and federal tax obligations
   5. Annual budget preparation
   6. Provide Members with a forecast for investment opportunities for informational purposes
   7. Retain and or disburse profits Members.
   8. Provide Members with required company accounting information, including, but not limited to: financial statements, and tax forms.
3. Limitations.
   1. For investment transaction decisions above $400,000, the President or his designated delegate is required to secure an electronic Member resolution approving such transaction. Each member is to vote on the resolution within one week of issuance, or a “yes” vote is assumed. This applies for outgoing and incoming investment transactions.
   2. For investment transaction decisions below $400,000, the President or his designated delegate is required to inform Members of such transactions within one week of investment. This applies for outgoing and incoming investment transactions.
4. The duties to be distributed to the roles above as following:

* **President**
  + Full signatory authority to conduct business including, but shall not be limited to, the execution of deeds, transfers, assignments, contracts, obligations, certificates, and other instruments of whatever nature entered by this LLC.
  + Full signatory authority to the Company’s Bank Accounts
  + All President’s and management roles and responsibilities, **except**:
    - Tax Matters Partner
    - Company’s Financial Statements Preparation
    - Manage and arrange for meeting the company’s local and federal tax obligations
* **Vice President**
  + Tax Matters Partner
  + Full signatory authority to the Company’s Bank Accounts
  + Company’s Accounting obligation coordination in relation to:
    - Company’s Financial Statement Preparation
    - Manage and arrange for meeting the company’s local and federal tax obligations
    - Members tax form preparation and distribution
  + Any operational activities as delegated by the President via electronic communication.

**Section 4.5** Management Fees. Elected Presidents and Managers are entitled to 8% of each project net profit as a management fee. Distribution of the fee between the elected managers as following:

* **President:** 5/8
* **Vice President:** 3/8

**ARTICLE VI**

**ALLOCATIONS AND DISTRIBUTIONS**

**Section 6.1** Allocations to Capital Accounts. Except as may be required by the Internal Revenue Code (Title 26 of the United States Code) or the Treasury Regulations (Title 26 of the Code of Federal Regulations) or this Operating Agreement, net profits, net losses, and other items of income, gain, loss, deduction and credit of the LLC shall be allocated among the Members ratably in proportion to each Member's LLC Unit Percentage. For example, if a Member has an LLC Unit Percentage of 10%, he or she shall be allocated 10% of all profits or losses (and other allocation items) for any given tax year.

1. Notwithstanding the foregoing, no item of loss or deduction of the LLC shall be allocated to a Member to the extent such allocation would result in a negative balance in such Member's capital account if other Members then have positive balances in their capital accounts. Such loss or deduction shall be allocated first among the Members with positive balances in their capital accounts in proportion to (and to the extent of) such positive balances and thereafter to Members in accordance with their Unit Percentages.

**Section 6.2** Tax Allocations. In the case of any special tax allocations allowed under the Internal Revenue Code or Treasury Regulations, the method of allocation and formula determined by the Tax Matters Partner shall be followed so long as it complies with state law, the Internal Revenue Code, the Treasury Regulations, and fairly treats each Member. The method of tax allocation selected by the Tax Matters Partner shall be presumed to be "fair to all the members" and any Member or party challenging said allocation on these grounds shall bear the burden of proof.

**Section 6.3** Distributions. The LLC President, by resolution issued pursuant to this agreement, may make distributions to the Members from time to time in amounts if deems appropriate. However, no distribution shall be declared or made if, after giving it effect, the LLC would not be able to pay its debts as they become due in the usual course of business, or the LLC's total assets would be less than the sum of its total liabilities.

1. Unless approved by a Supermajority vote, the LLC President may distribute up-to 100% of the annual profits to the Members, subject to LLC debt obligations as described earlier.

**Section 6.4** Family Partnership Savings Provision. Notwithstanding anything in this Operating Agreement to the contrary, should any provision of this Operating Agreement, or any act of the parties, result in violation of the family partnership provisions of Internal Revenue Code Sec. 704(e) (as amended) or the regulations and cases there under, the Members may amend this Agreement, or take any other actions reasonably necessary to prevent or correct such violation.

**ARTICLE VII**

**TRANSFERS OF UNITS; WITHDRAWAL, DEATH, REMOVAL OF MEMBER**

**Section 7.1** Transfer of LLC Units. No Member shall have the right to sell, convey, assign, transfer, pledge, grant a security interest in or otherwise dispose of all or any part of its LLC Units other than as follows:

1. Only upon the following conditions may an LLC Member assign, pledge or grant a security interest in its LLC Units: (a) the assignment, pledge or security interest shall not entitle the assignee, pledgee or security interest holder to participate in the management and affairs of the LLC, to become a Member, nor to vote the Member's LLC Units and (b) such assignee, pledgee, or security interest holder is only entitled to receive the distributions the Member would otherwise be entitled to absent the assignment, pledge, or security interest.
2. To another LLC Member. Members may freely sell, convey or otherwise transfer their LLC Units to another Member without prior approval of the LLC Members.
3. To other LLCs which they are controlling members of. Members may freely sell, convey or otherwise transfer their LLC Units to LLCs which they are controlling members of without prior approval of the LLC members.
4. To non−LLC Members. Subject to other provisions in this section, no Member shall be entitled to sell, convey or otherwise transfer its LLC Units to a non−LLC Member without a prior affirmative Supermajority vote in interest of LLC Members. Prior to the vote of LLC Members upon a proposed sale, the Member seeking authorization of the sale or transfer of its LLC Units shall provide all other LLC Members with written documents detailing the exact terms of the proposed sale.
5. Creditors and spouses of Member. Creditors of a member cannot vote a member's LLC units nor in any way assume ownership or management rights of a member in the LLC. At most, a creditor of a member is entitled to seek a court order attaching distributions made by the LLC on account of the member's LLC membership interest. A spouse or former spouse of a member stands in the same position as a creditor of a member under this agreement.

**Section 7.2** Withdrawal Of Member.

1. Members shall have the unilateral right to resign or withdraw at any time from the LLC.
2. A Member is required to give thirty (30) days written notice to each of the other LLC Members to initiate a withdrawal. In this notice, the withdrawing Member shall state an effective date for his or her withdraw and said date must be at least thirty (30) days after delivery of notice to all other LLC members and be the last day of a month (i.e., the 30th or the 31st). Upon receipt of said notice, the LLC Members shall promptly take any vote required under this agreement for withdrawal of a Member and, if the vote is in a sufficient affirmative percentage as called for under this agreement, the remaining LLC members shall cause a reasonably prompt preparation of financial statements for the LLC as of the effective date of withdrawal for said Member.
3. Upon withdrawal, the withdrawing Member shall receive, in exchange for his or her LLC Units, the Withdrawal Compensation Amount to be paid within 1 year of the effective date of the Member's withdrawal.
4. The "Withdrawal Compensation Amount" is defined herein as 100% of the withdrawing member's capital amount.
5. Should the LLC fail to perform upon its obligation under this section to make payments when due, in addition to any other remedies possessed,
   1. Unless due to insufficient cash flow from Operations to cover the “Withdrawal Compensation Amount”,
   2. the LLC shall not be liable to the withdrawing Member for any interest upon the amount of any deficiency.omputed from the date that said deficient payment was due under this agreement, and cash flow from operations become sufficient to meet required payments
6. Any withdrawing LLC member possessing a negative capital account upon the effective date of withdrawal shall have a duty to repay the negative balance of his or her capital account to the LLC upon withdrawal.
7. Upon withdrawal, the withdrawing Member shall have no continuing obligations to the LLC other than pursuant to state law, this Agreement or other applicable laws or such obligations as expressly assumed by such Members.
8. A withdrawing Member shall retain the right to vote as an LLC member up until the effective date of his or her withdrawal, at which time, the withdrawing Member's LLC Units shall be considered transferred back to the LLC and the person who has withdrawn shall no longer be considered a member of the LLC. If a withdrawing Member was also a "manager" of the LLC, the withdrawing Member shall resign as a manager immediately upon giving notice of to the other LLC members of his or her intent to withdraw.

**Section 7.3** Death Of Member.

1. Upon the death of a Member, the remaining LLC members shall cause a prompt preparation of financial statements for the LLC as of the end of the month in which the Member died which shall be the effective date of death for the deceased Member for accounting purposes under this agreement. For purposes of this section, if LLC Units are titled in the name of a revocable trust, the trustee of said revocable trust shall be treated as the Member.
2. The estate of the deceased Member (or his revocable trust if the LLC Units were so titled) shall receive, in exchange for his or her LLC Units, the Death Compensation Amount to be paid within 2 years of the effective date of the Member's death. The payments shall be made in two equal installments payable at the annual anniversary of the effective date of death with no interest being due nor owing upon the outstanding amount.
3. The "Death Compensation Amount" is defined herein as an amount agreed upon between a majority in interest of the remaining LLC members and the estate of the deceased Member (or his or her revocable trust should the LLC Units been titled in its name) as the fair market value of the deceased Member's LLC Units. Should the parties be unable to agree upon a value for the deceased Member's LLC Units, they shall file a declaratory judgment petition with a court having jurisdiction where the LLC's principal place of business is located and ask the court determine the fair market value of the deceased Member's LLC Units should the enterprise be sold on the open market, between a willing buyer and a willing seller, in a commercially reasonable manner upon the effective date of death.
4. Upon death, the estate of the deceased Member (or his or her revocable trust, as the case may be) shall have no continuing obligations to the LLC other than pursuant to state law, this Agreement or other applicable laws or such obligations as expressly assumed by said Member.

**ARTICLE VIII**

**DISSOLUTION OF THE COMPANY**

**Section 8.1** Dissolution. The LLC shall be dissolved upon the occurrence of the following event (hereinafter, a "Liquidation Event"): A Supermajority vote in interest of Members to dissolve the LLC. Despite any provision of state law to the contrary, no other event including (but not limited to) the withdrawal, removal, death, insolvency, liquidation, dissolution, expulsion, bankruptcy, or physical or mental incapacity of a Member shall cause the existence of the LLC to terminate or dissolve.

**Section 8.2** Liquidation.

1. Should a Liquidation Event occur, the LLC shall then be liquidated, and its affairs shall be wound up including preparation of final financial statements and an accounting by (or at the direction of) the LLC Members. All proceeds from the liquidation shall be distributed in accordance with state law, and all LLC Units shall, thereafter, be canceled. Distributions to the Members shall be made in accordance, and proportion, with the Members' relative Capital Account balances.
2. Final distributions to Members shall not be made until all liabilities have been satisfied and any contingent claims against the LLC have been resolved.
3. Upon the completion of the liquidation and distribution of the LLC's assets, the LLC shall be terminated, and the Managers shall cause the Company to execute and file a certificate of cancellation in accordance with state law.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first above written as Members:

| **Member** | **Signature** |
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| REAL ESTATE Prospective Solutions LLC a Texas Limited Liability Company | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Mahmoud M Khader mmkhader@isotopehomes.com |
| REAL ESTATE Ideal Solutions LLC a Texas Limited Liability Company | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Mahmoud M Khader mmkhader@isotopehomes.com |
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