**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

**FOR**

**Your Company, LLC**

This Company Agreement of this MANAGER MANAGED LIMITED LIABILITY COMPANY organized pursuant to Title 3, Chapter 101 of the Texas Business Organizations code, is entered into and shall become effective as of the (fill in the date).  There will be only one member of this LLC.  100% of the units of this LLC will be purchased by (**Your Custodian Account # xxxxxxxxxxx – Traditional IRA)** an IRA owned by (fill in your name).  There will be 10,000 units.

It is the express intention to create a limited liability company in accordance with the Act, as currently written or subsequently amended or redrafted.  Therefore, all provisions of this document shall be construed consistent with the afore described intent.  Accordingly, in consideration of the conditions contained herein it is agreed as follows:

**ARTICLE I**

**Company Formation**

1.1       **FORMATION**. The Members hereby form a Limited Liability Company (“Company”) subject to the provisions of state law as currently in as of this date. Articles of Organization shall be filed with the Secretary of State of Texas.

1.2       **REGISTERED OFFICE AND AGENT**.  The name and address of the initial Texas registered agent for service of process shall be stated in the Texas LLC Certificate of Formation.

1.3       **TERM**. The Company shall continue for a perpetual period, until such time as:

(a) Members whose capital interest as defined in Article 2.2 exceeds 50 percent vote for dissolution; or

(b) Any event which makes it unlawful for the business of the Company to be carried on by the Members; or

(c) Any other event causing dissolution of this Limited Liability Company under applicable state laws.

1.4       **BUSINESS PURPOSE**. The Company shall conduct any and all lawful business deemed appropriate to execute the company’s objectives.  The company will not engage in any transaction prohibited under Internal Revenue Code Sections 4975 or 408.

1.5       **PRINCIPAL PLACE OF BUSINESS**. The location of the principal place of business of the     Company shall be as stated in the Texas certificate of formation or at a location as the Managers select.

1.6       **THE MEMBERS**. The IRA (**Your Custodian Account # xxxxxxxxxxx – Traditional IRA)**owned by (Your Name) will be the only member of this LLC.   The member is the owner of this LLC.

1.7       **ADMISSION OF ADDITIONAL MEMBERS**.  No additional members may be admitted to the Company.

 **ARTICLE II**

**Capital Contributions**

2.1       **INITIAL CONTRIBUTIONS**. The Member (**Your Custodian Account # xxxxxxxxxxx –  Traditional IRA)** owned by (Your Name) shall contribute to the Company capital and the company shall keep record of the amount of the contributed.

2.2       **ADDITIONAL CONTRIBUTIONS**. The member may make additional contributions to the Company’s capital.

**ARTICLE III**

**Profits, Losses and Distributions**

3.1       **PROFITS/LOSSES**. For financial accounting and tax purposes the Company’s net profits or net losses shall be determined on an annual basis.  The LLC manager will report to the IRA custodian on an annual basis the total value of IRA owned LLC.

3.2       **DISTRIBUTIONS**. The LLC will not make cash distributions, except if it makes distributions directly to the IRA (**Your Custodian Account # xxxxxxxxxxx** **– Traditional IRA)**which is owned by (Your Name), or as required by law.  Any profits not distributed, will remain in the company as retained earnings.

**ARTICLE IV**

**Management**

4.1       **MANAGEMENT OF THE BUSINESS**. This company shall be manager managed.  (Your Name) will be the manager as set forth in the articles of organization filed with the appropriate Texas State agency.

4.2       **MEMBERS**. Members shall not take part in the operation of the Company’s affairs.

4.3       **POWERS OF MANAGERS.**The Manager, will make decisions as to (a) the sale or other disposition of the Company’s assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company’s assets; (d) the employment of persons, firms or corporations for the operation and management of the company’s business. In the exercise of their management powers, the Manager is authorized to execute and deliver (a) all contracts, management contracts and maintenance contracts covering or affecting the Company’s assets; (b) all checks, drafts and other orders for the payment of the Company’s funds; (c) all other instruments of any other kind relating to the Company’s  affairs, whether like or unlike the foregoing.

4.4       **NOMINEE**. Title to the Company’s assets shall be held in the Company’s name or in the   name of any nominee that the Manager may designate. The Manager shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.5       **COMPANY INFORMATION**. Upon request, the Manager shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect all books, records and materials in the Manager’s possession regarding the Company or its activities. The exercise of the rights contained in this article shall be at the requesting Member’s expense.

4.6       **EXCULPATION**. Any act or omission of the Manager, the effect of which may cause or result in loss or damage to the Company or the Member if done in good faith to promote the best interests of the Company, shall not subject the Manager to any liability to the Member.

4.7       **INDEMNIFICATION**. The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action,   suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney’s fees),   judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful.  The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of “no lo Contendere” or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.8       **RECORDS**. The Managers shall cause the Company to keep at its principal place of  business or at another location agreeable by the Members, the following:

(a)  A current list in alphabetical order of the full name and the last known street address of each Member;

(b) A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;

(c)   Copies of the Company’s federal, state and local income tax returns and reports, if any, for the three most recent years;

(d) Copies of any financial statements of the limited liability company for the three most recent years.

**ARTICLE V**

**Manager Compensation**

5.1       **MANAGEMENT FEE**.  No compensation may be paid to the manager of the LLC if the manager is the IRA owner or a disqualified party.

**ARTICLE VI**

**Bookkeeping**

6.1       **BOOKS**. The Managers shall maintain complete and accurate books of account of the Company’s affairs at the Company’s principal place of business or at another location agreeable by the Members. Such books shall be kept on such method of accounting as the Manager shall select. The company’s accounting period shall be the calendar year.

6.2       **MEMBER’S ACCOUNTS**. The Manager shall maintain separate capital and distribution    accounts for each member. Each member’s capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-l(b)(2)(iv) and shall consist of his initial capital contribution increased by:

(a) Any additional capital contribution made by him/her;

(b) Credit balances transferred from his distribution account to his capital account; and decreased by:

(a) Distributions to him/her in reduction of Company capital;

(b) The Member’s share of Company losses if charged to his/her capital account.

6.3       **REPORTS**. The Managers shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such  Member’s distributive share of income and expense for income tax reporting purposes.

**ARTICLE VII**

**Transfers**

7.1       **ASSIGNMENT**. If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of its interest in the Company, Member shall comply with the following procedures:

(a) First make a written offer to sell such interest to the other Member(s) at a price determined in writing. At this point exiting member may not make this intention publicly known.  If such other Members decline or fail to elect such interest within sixty (60) days, the exiting member may advertise its membership interest for sale as it sees fit.

(b) If a member has a buyer of members interest, the other current member(s) have first right of refusal to purchase the exiting members interest for the agreed purchase price.  If there are more than one current remaining members, remaining members may combine funds to purchase the exiting members interest.  Exiting member must show that potential purchaser has full certified funds, or the ability to get full certified funds before the first right of refusal period starts.  Current members have 60 days to buy exiting members interest if they so desire.

(c) Pursuant to the applicable law, current members may unanimously approve the sale of exiting members’ interests to grant full membership benefits and functionality to the new member.  The current remaining members must unanimously approve the sale, or the purchaser or assignee will have no right to participate in the management of the business, affairs of the Company, or member voting rights. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled.  Exiting member must disclose to buyer or assignee if current members will not approve the sale.

 **ARTICLE VIII**

**IRA Specific Rules**

8.1       **SPECIFIC TO IRA**.  Because 100% of the units of this LLC will be owned by an IRA, (**Your Custodian Account # xxxxxxxxxxx – Traditional IRA),**these rules are intended to ensure compliance with IRS regulations.

(a)  If the IRA/LLC manager is the IRA owner or a disqualified party, the manager’s activities are restricted to administrative and investment oversight activities. For example, the manager may sign contracts and checks and may hire contractors or employees but the manager may not physically work on properties the LLC owns.

(b)  Additional LLC unit purchases will not be required.

(c) The LLC manager will report to the IRA custodian on an annual basis the total value of IRA owned LLC.

(d) This LLC may not engage in any transaction that is prohibited under IRC 4975 or otherwise restricted by law.

(e) The LLC will not engage in a transaction that will subject the IRA to UBTI or UDFI unless that tax is reported to the IRA. The IRA owner/manager shall have the responsibility to calculate and determine if any tax is due from the IRA.

(f) The LLC will list the LLC as the owner on all documents (including SS-4 with IRS)

(g) The LLC must be manager managed and NOT “member managed”

(h) The LLC maintains a bank account of funds that cannot be co-mingled with funds of the IRA owner or a disqualified party.

(i) The IRA owner or a disqualified party is prohibited from personally guaranteeing debt on behalf of the IRA/LLC.

(j) The IRA owner is prohibited from personally using or benefiting from the IRA/LLC’s assets.

(Your Name & Signature)                                              (Date)