

STATE OF MISSISSIPPI

7/05/07 4:50:42 SS  
BK 562 PG 683  
DESOTO COUNTY, MS  
W.E. DAVIS, CH CLERK

COUNTY OF DESOTO

**WARRANTY DEED**

FOR AND IN CONSIDERATION of the sum of TEN DOLLARS (\$10.00) cash in hand paid and other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged, **WOODBIDGE DEVELOPMENT, LLC, a Mississippi Limited Liability Corporation**, as Grantor, does hereby sell, convey and warrant unto **ADAMS HOMES, LLC, an Alabama Limited Liability Company**, as Grantee, the following described property situated in Desoto County, Mississippi, to-wit:

**Lots 1, 2, 3 and Lots 6-91, inclusive, WoodRidge Subdivision, in Section 28, Township 1 South, Range 7 West, Southaven, DeSoto County, Mississippi, as per Plat thereof recorded in Plat Book 103, Page 26, in the office of the Chancery Clerk of DeSoto County, Mississippi.**

THIS CONVEYANCE is subject to any and all recorded restrictive covenants, rights of way, easements and the prior reservations of any oil, gas and other minerals.

IT IS AGREED and understood that the taxes for the current year have been pro-rated as of this date on an estimated basis. When said taxes are actually determined, if the pro-ration as of this date is incorrect, then the Grantor agrees to pay to the Grantee, or its assigns, any deficit on an actual pro-ration, and likewise, the Grantee agrees to pay to the Grantor, or its assigns, any amount overpaid by it.

WITNESS THE SIGNATURE of the above company by its MEMBER after being duly authorized so to execute and deliver the same, this the 5<sup>th</sup> day of JULY, 2007.

**WOODBIDGE DEVELOPMENT, LLC**

BY: 

ITS: **MEMBER**

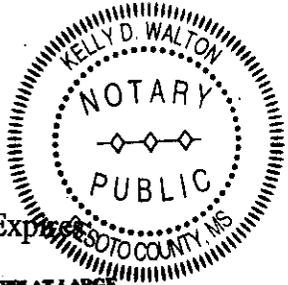
Return To: Prestige Title, Inc.  
2112 Bienville Blvd, Ste. K-1  
Ocean Springs, MS 39564  
228-872-3778  
File #: 06-07-31.OS AHSH

*gaw*

STATE OF MISSISSIPPI

COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 5<sup>th</sup> day of JULY, 2007, within my jurisdiction, the within named ROY R. HOLMES, who acknowledged that he is a MEMBER of WOODBRIDGE DEVELOPMENT, LLC and that for and on behalf of the said company, and as its act and deed he executed and delivered the above and foregoing instrument, after first having been duly authorized by said company so to do.



*Kelly D. Walton*  
NOTARY PUBLIC

My Commission Expires

NOTARY PUBLIC STATE OF MISSISSIPPI AT LARGE  
MY COMMISSION EXPIRES: Oct 25, 2009  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

GRANTOR:  
260 Getwell Rd  
Nesbit, MS 38651  
901-568-4672

GRANTEE:  
3000 Gulf Breeze Parkway  
Gulf Breeze, FL 32561  
850-934-0470

PREPARED BY AND RETURN TO:

Prestige Title, Inc  
2112 Bienville Blvd, Suite K-1  
Ocean Springs, MS 39564

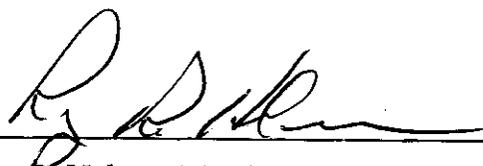
PHONE  
228-872-3778

Our File # 06-07-31.OS AHSB

RESOLUTION

At a regularly held meeting on July 5, 2007, the Members of WOODBRIDGE DEVELOPMENT, L.L.C. hereby authorized the following Resolution.

RESOLVED, that the contract entered into by and between WOODBRIDGE DEVELOPMENT, LLC AND ADAMS HOMES, L.L.C., and /or assigns, dated April 25<sup>th</sup>, 2007 for the purchase of Lots 1, 2, 3 and 6-91 Woodridge Subdivision, is hereby ratified and that ROY R HOLMES, Member of WOODBRIDGE DEVELOPMENT, L.L.C., is hereby authorized to sign any and all documents, including, but not limited to Warranty Deeds, Settlement Statements, etc. to consummate said transaction on behalf of said Limited Liability Company.

  
\_\_\_\_\_  
Roy R. Holmes, Member

**WOODBIDGE DEVELOPMENT, LLC**

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT is made effective by the undersigned as of this 23 day of February, 2006.

**ARTICLE I  
MEMBERS**

*Section 1. Annual Meeting.* The annual meeting of the Members of this limited liability company (the "Company"), for the purposes of considering proposals laid before such meeting, and transacting such other business as may properly be brought before such meeting, shall be held at the principal office of the Company in DeSoto County, State of Mississippi, or at such other place, either within or without the State of Mississippi, as may be designated by the members, and specified in the notice of such meeting. Each such meeting shall be held on the first Monday of each April, if not a legal holiday, and, if a legal holiday, then on the next succeeding business day.

*Section 2. Special Meetings.* Special meetings of the Members of the Company may be held on any day, when called by the Members who hold at least twenty-five percent (25%) of all units or shares outstanding and entitled to vote thereat. Said Members shall forthwith cause notice to be given to all members entitled to notice of the upcoming meeting. The meeting must be held on a date not less than ten (10), nor more than sixty (60), days after the receipt of such request, as the Members may fix.

If notice is not given within twenty (20) days after the delivery or mailing of the request, the person or persons calling the meeting may fix the time of the meeting and give notice thereof in the manner provided by law or by this Operating Agreement, or may cause such notice to be given by any designated representative. Each special meeting shall be called to convene between 8:00 a.m. and 6:00 p.m., and shall be held at the principal office of the Company.

*Section 3. Notice of Meetings.* Not less than ten (10), nor more than sixty (60), days before the date fixed for a meeting of Members, written notice stating the time and place of the meeting (and, in the case of a special meeting, the purpose of such meeting) shall be given to each Member entitled to vote thereat. Such meeting shall be held within the State of Mississippi at such time and place as is specified in the notice thereof.

*Section 4. Quorum and adjournments.* Except as may be otherwise provided by law or by the Certificate of Formation, the holders of a majority of the voting power of the Company shall constitute the quorum necessary for the meeting to occur.

*Section 5. Voting; Action by Members Without a Meeting.* Unless otherwise provided in the Agreement or under the provisions of the Mississippi Limited Liability Company Act, any action to be taken by Members may be effected by a majority vote of Members based on the Members' stated percentage of interest in the Company at a meeting thereof. Any decision or action of the Members in their capacity as such requiring a vote of the Members under the terms

of this Agreement or the Limited Liability Company Act may be taken without a meeting of Members, provided that all Members must sign a written instrument evidencing such action.

## ARTICLE II MANAGEMENT

*Section 1. Number.* There shall be no manager to manage all affairs of the Company. The Members shall manage the Company.

## ARTICLE III INDEMNIFICATION

*Section 1. Third party actions.* The Company shall indemnify any Member who is or was a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including all appeals, by reason of the fact that he or she is or was a Member, Managing Member or employee of the Company, or is or was serving at the request of the Company as a director, trustee, officer or employee of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against any and all expenses (including reasonable attorneys' fees), judgments, decrees, fines, penalties and amounts paid in settlement, which were actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which he or she reasonably believed to be in, or at least not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or at least not opposed to, the best interests of the company, and to the extent permitted by Section 79-29-110 of the Mississippi Code (1972).

*Section 2. Derivative actions.* The Company shall indemnify any Member who is or was a party, or who is threatened to be made a party, to any threatened, pending or completed action or suit, including all appeals, by or on behalf of the Company in order to procure a judgment in its favor by reason of the fact that he or she is or was a Member of the Company or is or was serving at the request of the Company, against any and all expenses (including reasonable attorneys' fees) which were actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit, so long as he or she acted in good faith and in a manner which he or she reasonably believed to be in, or at least not opposed to, the best interests of the Company; except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Company unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper.

*Section 3. Rights after successful defense.* To the extent that a Member has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

*Section 4. Other determination of rights.* Except in a situation governed by Section 3, any indemnification under Section 1 or 2 (unless ordered by a court) shall be made by the Company only as authorized in a specific case upon a determination that indemnification of the Member is proper under the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 or 2. Such determination shall be made by a majority vote of Members, or if such vote is unobtainable, by legal counsel (compensated by the Company) in a written opinion.

*Section 5. Advances of expenses.* Expenses of each person indemnified hereunder, which were incurred in defending against a civil, criminal, administrative or investigative action, suit or proceeding (including all appeals), or threat thereof, may be paid by the Company in advance of the final disposition of such action, suit or proceeding, if authorized by the Members following receipt of a written promise by or on behalf of the Member to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Company.

*Section 6. Nonexclusiveness.* The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law, but shall be governed by Section 79-29-110 of the Mississippi Code (1972).

*Section 7. Purchase of insurance.* The Company may purchase and maintain insurance on behalf of any person who is a Member of the Company, or who is or was serving at the request of the Company against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Article or of the laws of the State of Mississippi.

*Section 8. Limitation of Liability.* The Company's Members shall only be liable to the Company or its Members for financial benefit to which the Member is not entitled; intentional infliction of harm on Company or its Members; intentional violation of criminal law, violation of Article XII of this Agreement or a violation of Section 79-29-606 of the Mississippi Limited Liability Company Act.

#### ARTICLE IV CERTIFICATE FOR UNITS OR SHARES

*Section 1. Form of certificates.* Each holder of units or shares shall be entitled to one or more certificates, signed by the Members of the Company, which shall certify the number of units or shares held by him or her in the Company. However, no certificate for units or shares shall be issued until they are fully paid.

*Section 2. Transfer of units or shares.* Subject to the laws of the State of Mississippi and the terms of this Agreement, units or shares of the Company shall be transferable upon the books

of the Company by the holders thereof, upon surrender and cancellation of certificate(s) for a like number of units or shares, with duly executed assignment and power of transfer endorsed thereon or attached thereto, and with such proof of the authenticity of the signatures to such assignment and power of transfer as the Company or its agents may reasonably require. The transferee or assignee of any Member's interest shall have no right to participate in the management of the business and affairs of the Company or to become a Member unless the Members, other than the transferring or assigning Members, unanimously approve, in writing, the transfer or assignment to the transferee or assignee.

*Section 3. Lost, stolen or destroyed certificates.* The Company may issue a new certificate for units or shares in place of any certificate previously issued by it and alleged to have been lost, stolen or destroyed. The Members may, in their discretion, require the owner or the owner's legal representative to give the Company a bond containing such terms as the Members may require to protect the Company or any person injured by the execution and delivery of a new certificate.

## ARTICLE V FORMATION

*Section 1. Name.* The name of the Company is Woodbridge Development, LLC.

*Section 2. Business.* This Company is to be formed to engage in any lawful act, business or activity for which the Company may be formed under the laws of the State of Mississippi. Such activities shall include, but not be limited to, the power and authority

- (A) To manage, sell, develop, improve, operate and dispose of any Company property;
- (B) To pay all appropriate Company expenses and spend the capital and revenues of the Company;
- (C) To employ persons and firms in connection with the business of the Company, including, but not limited to attorneys and accountants;
- (D) To employ affiliates of the Members, provided that such employment must be on terms not less favorable to the Company than those offered by unaffiliated persons for comparable services in the same area;
- (E) To acquire, lease and sell real or personal property in connection with the operation of the Company business;
- (F) To enter into agreements of partnership, joint venture or other similar arrangements with other persons or firms as necessary or appropriate to accomplish the purposes of the Company;
- (G) To borrow money on a secured or unsecured basis from individuals, banks or other lending institutions to finance the Company business, meet Company obligations or provide the Company with working capital, and to execute such

promissory notes and security instruments as may reasonably be required by a lender;

- (H) To loan money to the Company, provided that the interest rate on such loan shall be not greater than that which would be charged by an unaffiliated lending institution;
- (I) To sue and be sued, complain, defend, settle and/or compromise with respect to any claim in favor of or against the Company, in the name of and on behalf of the Company;
- (J) To make application for necessary permits and licenses with all appropriate agencies;
- (K) To execute, acknowledge and deliver any and all instruments to effectuate any of the foregoing powers and any other powers granted to a limited liability company under the laws of the State of Mississippi or the provisions of this Agreement; and
- (L) To take such other actions as may be deemed by the Members to be necessary or appropriate in connection with the foregoing.

*Section 3. Term.* The term of this Company commenced on the date its Certificate of Formation was filed with the Mississippi Secretary of State, and shall continue unless dissolved by the Members, or as otherwise set forth herein.

*Section 4. Registered Agent.* The Company's registered agent for service shall be Roy R. Holmes, whose address is 260 Getwell Road, Nesbit, MS 38651.

*Section 5. Place of business.* The Company's principal place of business is 260 Getwell Road, Nesbit, MS 38651, DeSoto County, State of Mississippi.

*Section 6. Time Devoted to Company; Other Ventures.* Members shall be required to devote only so much of their time to the business of the Company as they in their judgment determine the conduct of the Company's business reasonably requires. Members may engage in business ventures and activities of any nature and description independently or with others, whether or not in competition with the business of the Company, and neither the Company nor any of its Members shall have any rights in such ventures and activities by reason of their interests in the Company, provided that such competition is not in violation of Article XII of this Agreement.

## ARTICLE VI CAPITAL CONTRIBUTIONS AND MEMBERSHIP CAPITAL INTERESTS

*Section 1. Membership Interests.* The Members' interest in capital and profits or losses and of the Company received thereof ("Company capital interest", also referred to herein as "Membership interest") is set forth opposite his respective name and address on Exhibit "A" attached hereto and made a part hereof.

*Section 2. Voluntary Contributions.* No Member shall be permitted to voluntarily contribute additional amounts to the capital of the Company without the prior written consent of all Members or except as may be allowed or required pursuant to the provisions of Section 3 hereinbelow.

*Section 3. Additional Contributions.* Subject to the provisions of Section 4 hereof, no Member shall at any time be required to make any additional contribution of capital to the Company. However, if a majority vote of the Members based on the Members' stated percentage of interest in the Company at a meeting thereof determines that additional contributions to the capital of the Company are necessary in order to meet the capital requirements of the Company, or are reasonably required for the current Company expenses, including the payment of Company debts or obligations, such additional capital or current contributions shall be made as hereinafter set forth in this Section. Notwithstanding the majority vote by the Members, a Member shall be required to make additional contributions to the Company if same is necessary to prevent a material default of a Company obligation, a non-consensual lien being placed on Company property, the levy or execution by any third party on Company property or a breach of a Company contractual obligation.

*Section 3.1.* Additional contributions shall be made in cash, or if agreed to in writing by all Members in property at a value so agreed upon by all the Members.

*Section 3.2.* Unless otherwise agreed in writing by all Members, such additional capital contributions shall be made by the Members in accordance with their respective percentage interests.

*Section 3.3.* In the event a Member shall fail to make any additional capital contributions required pursuant to the terms of Sections 3 - 3.3 or any portion of said additional capital contributions, within 30 days after the date upon which such additional capital contribution is due, the remaining Members shall have the rights to make such additional capital contributions in the place and stead of the Member who fails to make his additional or required additional capital contribution, and the membership interest of each Member thereafter shall be adjusted to reflect the actual contribution made by each Member.

*Section 4. Loans from Members.* Any loan made by a Member to the Company shall not increase his membership interest in the Company, and shall be evidenced by a promissory note signed by the Company. Any such loans outstanding shall be repaid prior to draws or distributions of cash to the Members.

*Section 5. Capital Not Returnable.* No portion of the contributions of any Member to the capital of the Company may be withdrawn at any time prior to dissolution without the prior consent of all Members unless such withdrawals is pro rata by all Members in accordance with the membership interest of each, and except as provided in this Article.

*Section 6. No Interest on Capital.* No Member shall be entitled to receive interest on his contribution to the capital of the Company unless otherwise agreed in writing by Members.

*Section 7. Original Investment-Return of Investment.* The distribution of profits and losses of the Company shall be according to the percentage of membership interest of a Member

at the time of such distribution. In the event of dissolution of the Company, distribution of Company assets shall be according to membership interest percentages and shall not be according to capital contributions of the Members, subject to any increases or decreases in the relative membership interest of a Member as a result of "excess additional contributions" made by a Member pursuant to the provisions of Section 3.

After payment of all indebtednesses of the Company and to any Member who has made a loan to the Company pursuant to Section 4, or to any other creditor, distribution to Members shall be made on the basis of their membership interest.

*Section 8. Profits and losses.* The net profits and the net losses of the Company shall be shared by the Members in proportion to their respective membership interest percentages in the Company. The terms "net profits" and "net losses" shall mean, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with the Internal Revenue Code of 1986 (the "Code"), as amended, with the goal that the Company is treated for tax purposes as a partnership under the Code.

*Section 9. Cash flow.* The "cash flow of the Company" for each fiscal year or other period shall be equal to the net profits or net losses of the Company for such year or period, determined in accordance with Section 8 above, plus:

- (A) depreciation and other noncash charges deducted in determining such net profits or net losses;
- (B) the net cash proceeds resulting from any refinancing of Company property or the sale of any Company property received during such year or period, and minus:
- (C) principal payments made during such year or period on Company loans;
- (D) any other cash expenditures made during such year or period which have not been deducted in determining the net profits or net losses of the Company for such year or period; and
- (E) any amount determined by the Members to be required to maintain sufficient working capital and/or a reserve for repairs and/or replacements.

The cash flow of the Company shall be determined for each fiscal year and, as so determined, shall, in proportion to their respective interests in the Company, be distributed to the Members as often as determined by the Members, but not less often than annually.

*Section 10. Fiscal year.* The fiscal year of the Company shall be the calendar year.

*Section 11. Allocation of Tax Items.* All Company tax items, including income, gain, loss, deductions or credit, shall be allocated among the Members in proportion to their ownership interests as set forth in Article VI, Sections 1 and 7. As used in this Agreement, the terms "income", "gain", "loss", "deductions", and "credit" shall have the meanings as determined for Federal income tax purposes.

**ARTICLE VII  
RESTRICTIONS ON MEMBER'S TRANSFERABILITY**

*Section 1. New members.* A new Member may be admitted into the Company only if: (i) all the other Members approve of such admission; and (ii) said new Member executes such instruments as the other Members determine are necessary or desirable to effect such admission and to confirm the agreement of the person or entity being admitted to be bound by all of the covenants, terms and conditions of this Agreement then in effect. Said new Member shall receive a capital interest and an interest in the net profits and net losses and cash flow of the Company in an amount to be determined by all the other Members at the time of said admission.

*Section 2. Withdrawal from the company.* The Company shall have no obligation to purchase some or all of the Company's interest held by a Member. No Member may partially or completely withdraw from the Company, except as provided in Article VIII, Section 1.

*Section 3. Restrictions on transfer and encumbrance; right of first refusal.* Except as otherwise specifically permitted pursuant to the further provisions of this Agreement, each of the Members agrees that he or she will not, without the prior written consent of all Members, transfer, assign, sell, give, pledge, hypothecate or otherwise encumber his or her interest in the Company ("Interest"), and any attempt to do any of the foregoing without such prior written consent shall be null and void and of no effect.

In the event of a proposed sale or other disposition for value to an outside party of all or any portion of his or her Interest by any Member (the "Seller"), whether voluntary or involuntary, advance written notice thereof shall be given by certified mail, return receipt requested, to the Company, specifying the name of the prospective purchaser or transferee, the extent of the interest proposed to be sold or otherwise disposed of (the "Offered Interest"), and the price and all other terms and conditions of the proposed transaction.

For a period of twenty (20) days after its receipt of such said notice, the Company shall have the first right and option to purchase the entire Offered Interest on the same terms as are set forth in the notice. The Company may purchase the Offered Interest utilizing such assets, lines of credit or other sources of funds as may be obtained for such purpose. Thereafter, the Offered Interest so purchased by the Company shall be retired; and all further allocations and distributions of the Company to the Members shall be in the proportion which the interest of each remaining Member bears to the interests of all remaining Members after retirement of the Offered Interest.

In the event the Company shall not elect to purchase the Offered Interest, the Seller shall have the right, for an additional period of thirty (30) days (not exceeding a total of sixty (60) days from the date of the Seller's notice to the Company), to sell or otherwise dispose of the Offered Interest to the proposed purchaser or transferee (the "Purchaser") upon the same terms and conditions and for the same price as were set forth in the Seller's notice to the Company. If such transaction with the Member is not consummated within the maximum sixty (60) day period specified above, the Company's right to purchase the Offered Interest shall once again be reinstated as set forth herein, and the Seller shall not have the right to sell the Offered Interest to

a Purchaser until the Seller has once again complied with all provisions of this Article VIII, Section 3.

If a sale or other disposition to an outside party is effected in compliance with the provisions of this Article VIII, Section 3, the Members shall be deemed to have approved of the Purchaser's admission into the Company.

*Section 4. Cash flow distribution.* Following the death of a Member, or the entry of an Order by a court of competent jurisdiction adjudicating him incompetent to manage his person or his estate, the estate of the deceased Member shall be entitled to receive the deceased Member's proportionate share of the cash flow of the Company for that part of the Company's fiscal year that elapsed prior to the deceased Member's death or the incompetent Member's adjudication of incompetence.

*Section 5. Purchase and sale of company interest.* The Company may purchase, and the deceased or incompetent Member's estate shall sell (if requested by the Company), the deceased or incompetent Member's Interest for the price determined by the Members or their representatives. If the Members or their representatives are unable to agree on a price, the provisions of Article XVI shall apply. If any memberships are jointly owned by more than one (1) person and one (1) or more of the joint owners become(s) deceased or declared incompetent, the surviving joint owners will not be required to sell any portion of the joint interest to the company provided that such joint owners of the interest retain One Hundred (100%) percent of the joint interest after such death(s) or declarations of incompetence.

## ARTICLE VIII DISSOLUTION AND TERMINATION

*Section 1. Termination of the company.* The Company shall be terminated and dissolved upon:

- (A) the written consent of all Members;
- (B) the vote of all holding an interest in the Company;
- (C) the expiration of the term of the Company;
- (D) the death, retirement or resignation of a Member, if a majority of the remaining Members do not vote to continue the business of the Company. A Member may dissociate voluntarily from the Company upon three months' written notice to the Company and each of the Members. Such dissociation shall be subject to any contractual agreements between the Member and the Company; or
- (E) the entry of a decree of judicial dissolution under Section 79-29-802 of the Mississippi Limited Liability Act.

Upon the termination of the Company as herein provided, a full and general accounting shall be taken of the Company's business, and the affairs of the Company shall be wound up. Any net profits or net losses earned or incurred since the previous accounting shall be allocated

among the Members. The Members shall wind up and liquidate the Company by selling the Company's assets and distributing the net proceeds therefrom, in cash, after the payment of all Company liabilities (including expenses and fees incurred in connection with the sale of assets and liquidation), to the Members in proportion to the positive balances in their capital accounts.

*Section 2. Recourse of Members.* Subject to matters addressed in Article III, Section 8, each Member shall look solely to the assets of the Company for all distributions to which the Member is entitled and shall have no recourse, upon dissolution or otherwise, to any other Member.

*Section 3. No Right to Property.* No Member shall have any right to demand or receive any distribution from the Company in any form other than cash, upon dissolution or otherwise.

*Section 4. Continuing governance.* In the event of a dissolution of the Company, the business affairs of the Company shall continue to be governed by the terms of this Agreement during the winding up of the Company's business and affairs.

*Section 5. Winding Up Affairs of the Company.* Upon dissolution of the Company for any reason, the Members shall commence to wind up the affairs of the Company and liquidate its assets. The Members shall have the full right and unlimited discretion to determine the timing and manner for the liquidation and winding up consistent with law, and shall have all the powers and duties with respect to such winding up as are provided in the Mississippi Limited Liability Company Act.

## ARTICLE IX RECORDS AND INFORMATION

*Section 1. Records to be kept.* The Company shall keep at its principal place of business the following records:

- (A) a current list of the full name and last known address of each Member;
- (B) a copy of the Certificate of Formation and all certificates of amendment and restatement thereof, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;
- (C) copies of any then effective limited liability company agreement which sets forth;
  1. the amount of cash and a description and statement of the agreed value of the other property or services contributed by each Member and which each Member has agreed to contribute;
  2. times at which or events on the happening of which any additional contributions agreed to be made by each Member are to be made;
  3. any events upon the happening of which the Limited Liability Company is to be dissolved and its affairs wound up.

- (D) any other records required to be kept by Section 79-29-107 of the Mississippi Code (1972), or any other applicable Mississippi Statute.

*Section 2. Inspection.* The records specified herein are subject to inspection and copying at the reasonable request, and at the expense of any Members during ordinary business hours.

## ARTICLE X DISSOCIATION

*Section 1. Events of dissociation.* A person ceases to be a Member of the Company upon the occurrence of one or more of the following events;

- (A) the Member withdraws by voluntary act from the Company;
- (B) the Member ceases to be a Member of the Company as provided by Section 79-29-702 of the Mississippi Code (1972);
- (C) the Member is removed as a Member in accordance with the Certificate of Formation or this Agreement;
- (D) the Member
  1. makes an assignment for the benefit of creditors;
  2. files a voluntary petition in bankruptcy;
  3. is adjudicated a bankrupt or insolvent;
  4. files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation;
  5. files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of the nature described herein, or seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Members properties;

(E) the Member fails to make timely payment of an additional capital contribution to the Company if same is necessary to prevent a material default of a Company obligation, a non-consensual lien being placed on Company property, the levy or execution by any third party on Company property or a breach of a Company contractual obligation under Section 3.

*Section 2. Method for dissociation.* The actual dissociation of a Member following an event of dissociation shall be conducted in accordance with Section 79-29-307 of the Mississippi Code (1972), or other applicable Mississippi Statute.

## ARTICLE XI ARBITRATION

*Section 1. Arbitration.* In the event that the Members are unable to agree on any matter upon which the Members are required to agree or consent to under the terms of this Agreement, any Member may submit such matter to arbitration, which arbitration shall be binding upon the Members and the Company. Such arbitration shall be conducted under the commercial arbitration rules of the American Arbitration Association as then in effect in DeSoto County, Mississippi. If any Member refuses to cooperate with arbitration, such refusal shall be considered an Impasse and be subject to the provisions of Article XV.

## ARTICLE XII BUSINESS OPPORTUNITIES

The Members shall have a fiduciary duty to the Company and all other Members to offer Business Opportunities to the Company. "Business Opportunity" or "Business Opportunities" shall be defined as \_\_\_\_\_

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If a Member receives information or an offer of any Business Opportunity, such Member shall provide reasonable and timely notice of same to the other Members, to enable the Company to act thereon. If the Company declines the Business Opportunity or fails to formally consider the same within a reasonable time, the Member(s) may accept the Business Opportunity individually, or in any capacity with one or more other entities.

## ARTICLE XIII AMENDMENTS

*Section 1. Vote for amendments.* This Operating Agreement may be amended, or a new operating agreement may be adopted, by the affirmative vote of a majority of all the Members.

## ARTICLE XIV MISCELLANEOUS

### *Section 1. Miscellaneous Provisions.*

- (A) **Notice.** Any notice to a Member required or permitted by this Agreement shall be delivered personally or by first-class mail or overnight carrier to the address set forth in Exhibit "B". Such notice will be deemed effective upon delivery.
- (B) **Captions.** The captions used in this Agreement are for convenience only, and shall not have any force or effect in construing any provision of this Agreement.
- (C) **Severability.** Any provision of this Agreement held to violate any law shall be deemed void, and all remaining provisions shall remain in full force and effect.

- (D) Entire Agreement. This Agreement constitutes the entire Agreement of the parties and supersedes any prior written or oral agreements. This Agreement may be amended only with the written consent of all Members.
- (E) Governing Law. This Agreement shall be governed by the laws of the State of Mississippi.
- (F) Counterparts. This Agreement may be executed in multiple counterparts.

#### **ARTICLE XV IMPASSE BUY-SELL BETWEEN MEMBERS**

(A) At any time and from time to time the Members shall each have the rights of purchase and sale provided by this Article XV to be exercised by delivering a notice (the "Election Notice") to the other Member(s). The Member giving the Election Notice as provided herein is referred to as the "Electing Member" and the Member(s) receiving the Election Notice is referred to as the "Noticed Member(s)."

(B) At the desire of a Member, this Buy-Sell procedure may be invoked by the giving of a written Election Notice signed by the Member giving notice to the other Member(s). Such Election Notice shall state that it is being given pursuant to this Article XV and shall state an amount which the Electing Member is willing to either sell its Membership Interests or buy the Membership Interests of the Noticed Member(s).

(C) An Election Notice shall constitute an irrevocable offer by the Electing Member either to (i) purchase all, but not less than all, of the Membership Interests of the Noticed Member(s), or (ii) sell all, but not less than all, of its Membership Interests to the Noticed Member(s). The price at which the Membership Interests of either Member is purchased or sold under this Article (the "Buy-Sell Price") shall be the price set forth in the Election Notice.

(D) For a period (the "Election Period") ending at 11:59 p.m. (local time at the Company's principal office) on the 60<sup>th</sup> day following receipt of the Election Notice, the Noticed Member(s) shall have the right to elect to purchase all of the Membership Interests of the Electing for the Buy-Sell Price. If there is more than one Notice Member wishing to purchase the Electing Member's Membership Interest, then each Notice Member shall have the right to elect to purchase his pro-rata share of the Electing Member's Membership Interest. If the Noticed Member(s) does not elect to make such purchase, the Electing Member shall be obligated to purchase the Membership Interests of the Noticed Member(s) for the Buy-Sell Price.

(E) The closing of the purchase and sale of the selling Member's Membership Interests pursuant to this Article XV shall occur on a date and time mutually agreeable to the Members which shall not be later than the 60<sup>th</sup> day following the last day of the Election Period. At the Closing, the purchasing Member(s) shall pay to the selling Member(s), in immediately available federal funds, the purchase price and the selling Member(s) shall endorse any certificates representing the sold Membership Interest over to the purchasing Member(s) and execute any necessary documents to effectuate the transfer on the Company's books and records.

(F) If a Member is required to sell any Membership Interest pursuant to the terms of this Article XV (such Membership Interests being "Impasse Interests") and on the Closing Date is unable or unwilling to produce the Impasse Interests or documents satisfactory to the Company or the remaining Members, as the case may be, conveying the Impasse Interests free and clear of all liens, claims and encumbrances, then the Person or Persons having the right to purchase the Impasse Interests may, at his, its or their option, deposit the purchase price then due and payable with a bank or trust company or the Company's independent public accountant to be held in trust for the selling Member(s) until he complies with the terms of this Operating Agreement. Upon deposit of the purchase price aforesaid and receipt of written notice thereof, the selling Member(s) shall have no further rights in the Impasse Interests and the Company agrees to register the transfer of the Impasse Interests on its books and records of the transferee, as the transferee having made such deposit.

(G) In the event that at the closing, the purchasing Member(s) shall fail to pay to the selling Member(s), in immediately available federal funds, the purchase price for such selling Units, the selling Member(s) shall then have the option to purchase all, but not less than all, of the purchasing Members' Units for 50% of the Buy-Sell Price. The selling Member(s) shall exercise said option by notifying the purchasing Member(s) within five (5) days of the original closing date. The closing of the purchase pursuant to an exercise of such option shall occur on a date and time mutually agreeable to the Member(s) which shall not be later than 30 days of the exercise of said option.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement on the day and year first above written.

MEMBER

  
\_\_\_\_\_  
ROY R. HOLMES

**EXHIBIT "A"**

**CAPITAL INTEREST OF THE MEMBERS**

Roy R. Holmes

100%

**EXHIBIT "B"**

**ADDRESS OF MEMBERS**

Roy R. Holmes  
260 Getwell Road  
Nesbit, MS 38651