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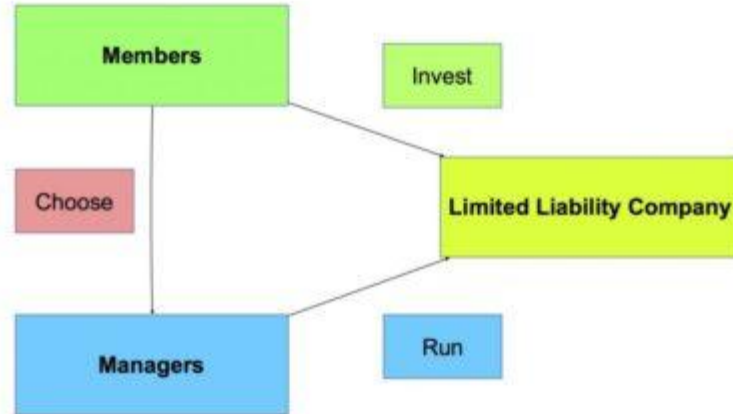
Single Entity

Owner

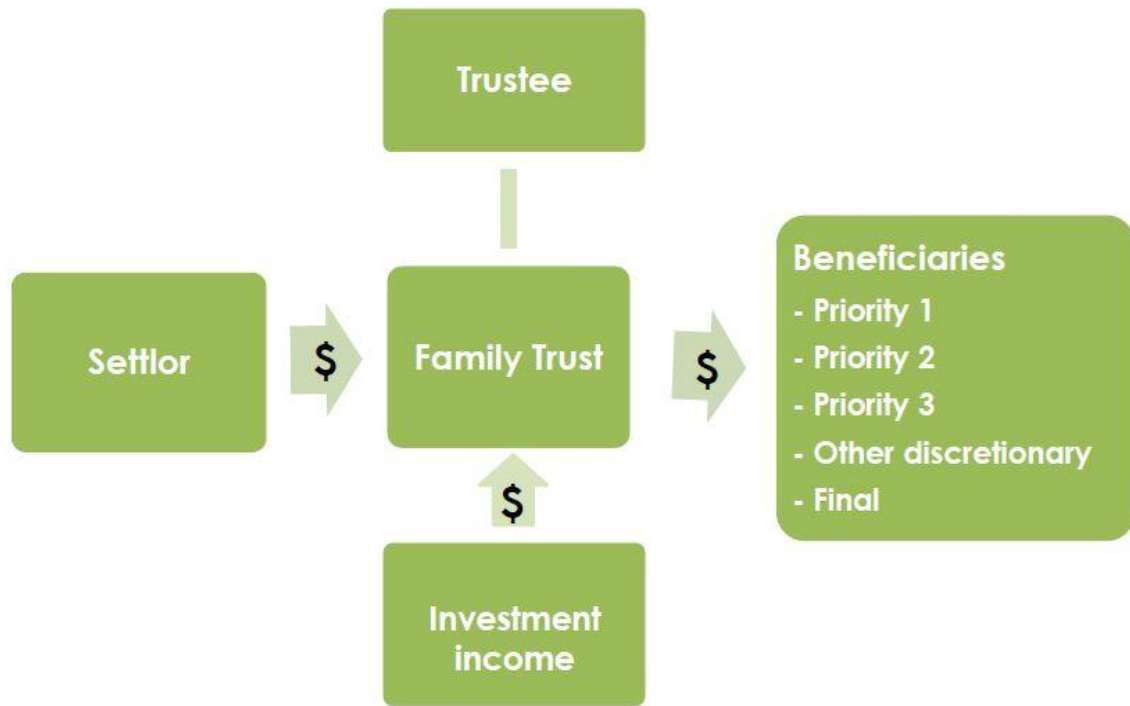
Option:

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Limited Liability Company (LLC) Structure



Single Entity
Owner
Option:





Intestate Succession

If you die with:	here's what happens:
children but no spouse	children inherit everything
spouse but no descendants or parents	spouse inherits everything
spouse and one child or descendants of one child	spouse inherits 1/2 of your intestate real estate child or descendants inherit 1/2 of your intestate real estate
spouse and two+ children, or descendants of those children	spouse inherits 1/3 of your intestate real estate children or descendants inherit 2/3 of your intestate real estate
spouse and parents, no children or descendants	spouse inherits 1/2 of your intestate real estate parents inherit 1/2 of your intestate real estate
parents but no spouse or descendants	parents inherit everything
siblings but no spouse, descendants, or parents	siblings inherit everything

The Sample Family Case Study

Ruby and Denise Sample met forester Sam Cook at a forestry workshop hosted by their electric co-op, REC, Inc.. Neither of them was familiar with forestry but they were encouraged to attend by their neighbor after seeing an American Tree Farm Certification sign in the neighbor's yard. They asked Sam to visit their property to help them identify opportunities with the property and provide them with guidance on setting goals and meeting them. Sam arrives at their family property, sits with family members and spends some time talking about the history of the property. He asks for a deed or ownership documents, map or survey of the land. They also discuss any prior management activities that were done prior to seeking information from him. At the conclusion of this discussion Sam asks permission to walk or ride the land with Ruby and Denise. As they rode along the road going through the property Ruby and Denise shared about their family's land.

Their father and mother, William and Mary, purchased the forty (40) acres of land in 1946 and built the family home on it. The house was modest but enough for their growing family. William and Mary Sample had five children: William, Jr., Ruby, Denise, Robert, and George, who passed away as an infant. To provide for their family, William and Mary grew vegetables and tobacco that they would use and sell. They also had a few cows and chickens. When their kids were older, William and Mary offered to give each of them two (2) acres of land on which they could live and raise their own families. William, Jr. Ruby, and Denise took them up on their offer. Robert was never fond of the farm life and moved away after college.

In 1976 Mary passed away. William passed away five years later. William, Jr. continued to work on the farm until his death in 2009. Then Ruby and Denise rented most of the 34 acres of land to their neighbor, Mr. Biggs, who farmed it raising mainly soybeans and tobacco. The house remained vacant, but their cousin recently approached them asking to rent it.

Throughout the years, the Sample family would be approached by timber buyers and sell some timber off the land as it provided some money to pay for property taxes and some other things the family needed. They've never had a forest management plan or any plan for that matter. Their father and older brother, William, Jr. mainly managed the land.

Sam pointed out some tips for potential management objectives. He shared:

"I do not see fire lines around the property. I noticed the cows were or had been grazing off the land and getting into the creek running along the north end of the property. We need to look at fencing options to help this issue. From what I could tell you have been cutting the larger trees and trying to let the small trees catch up. This is not a good successful path for the family so I recommend we look at developing a plan that would allow good sustainable forest management.

INSTRUCTIONS FOR FILING
LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION

- Item 1 Enter the complete company name, which must include a limited liability company ending required by N.C.G.S. §55D-20 (Limited Liability Company, L.L.C., Ltd. Liability Co., Limited Liability Co., or Ltd. Liability Company).
- Item 2 Enter the name and address of each person who executes the articles of organization and whether they are executing them in the capacity of a member or of an organizer or both by checking the applicable boxes. Unless the articles of organization provide otherwise, each person executing the articles of organization in the capacity of a member of the limited liability company becomes a member at the time that the filing by the Secretary of State of the articles of organization of the limited liability company becomes effective. (See N.C.G.S. § 57D-3-01)
- Item 3 Enter the name of the registered agent. The registered agent must be either an individual who resides in North Carolina; a domestic business corporation, nonprofit corporation, or limited liability company whose business office is identical with the registered office; or a foreign corporation, nonprofit corporation or limited liability company authorized to transact business or conduct affairs in North Carolina whose business office is identical with the registered office.
- Item 4 Enter the complete street address of the registered office and the county in which it is located.
- Item 5 Enter the complete mailing address of the registered office only if mail is not delivered to the street address shown in Item 4 or if the registered agent prefers to have mail delivered to a P.O. Box or Drawer.
- Item 6 Select item “a” if the limited liability company has a principal office. Enter the telephone number and the complete street address of the principal office and the county in which it is located. If mail is not delivered to the street address of the principal office or if you prefer to receive mail at a P.O. Box or Drawer, enter the complete mailing address of the principal office.
Select item “b” if the limited liability company does not have a principal office.
- Item 7 N.C.G.S. §57D-2-21(b) states that the articles of organization may contain any provision not inconsistent with law, including any matter that under Chapter 57D is permitted to be set forth in a limited liability company’s operating agreement. The name and address of each of the initial members of the limited liability company may be stated as an attachment. Unless the articles of organization provide otherwise, each person who is named in the articles of organization as a member of the limited liability company becomes a member at the time that the filing by the Secretary of State of the articles of organization of the limited liability company becomes effective. (See N.C.G.S. § 57D-3-01)
- Item 8 **(Optional):** This field is being provided in order to assist business entities in identifying its company officials and complying with Federal banking regulations.
- Item 9 **(Optional):** The Department offers a free voluntary notification system for which you may choose to participate. If you would like to receive this free service, please provide a business e-mail address in the space provided. Your participation will not result in your e-mail address being viewable on our website. Participation will help us to prevent business identity theft in the event an unauthorized person submits a fraudulent document for filing in the name of the business entity.
- Item 10 The document will be effective on the date and at the time of filing, unless a delayed date or an effective time (on the day of filing) is specified. If a delayed effective date is specified without a time, the document will be effective at 11:59:59 p.m. Raleigh, North Carolina time on the day specified. If a delayed effective date is specified, the document will be effective on the day and at the time specified. A delayed effective date may be specified up to and including the 90th day after the day of filing.

Date and Execution

Enter the date the document was executed. In the blanks provided enter:

- The name of the entity executing the Articles of Organization; if an individual, leave blank.
- The signature of the member and/or organizer or representative of the organizing entity.
- The name of the member and/or organizer or name of the above-signed representative.
- The title of the individual or entity executing the Articles of Organization (i.e. Organizer, Member or both)
- The document may, but need not, contain an acknowledgment, verification, or proof.

ATTENTION: Limited liability companies wishing to render a professional service as defined in N.C.G.S. §55B-2(6) must contact the appropriate North Carolina licensing board to determine whether compliance with additional licensing requirements may be mandated by law. Such limited liability companies should consult N.C.G.S. §57D-2-02 for further details.

State of North Carolina
Department of the Secretary of State

Limited Liability Company
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: _____
(See Item 1 of the Instructions for appropriate entity designation)
2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both by checking all applicable boxes.) **Note: This document must be signed by all persons listed.**

Name	Business Address	Capacity
_____	_____	<input type="checkbox"/> Member <input type="checkbox"/> Organizer
_____	_____	<input type="checkbox"/> Member <input type="checkbox"/> Organizer
_____	_____	<input type="checkbox"/> Member <input type="checkbox"/> Organizer
3. The name of the initial registered agent is: _____
4. The street address and county of the initial registered agent office of the limited liability company is:
Number and Street _____
City _____ State: NC Zip Code: _____ County: _____
5. The mailing address, if different from the street address, of the initial registered agent office is:
Number and Street _____
City _____ State: NC Zip Code: _____ County: _____
6. Principal office information: (Select either a or b.)
 - a. The limited liability company has a principal office.
The principal office telephone number: _____
The street address and county of the principal office of the limited liability company is:
Number and Street: _____
City: _____ State: _____ Zip Code: _____ County: _____

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

b. The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. **(Optional):** Listing of Company Officials (See instructions on the importance of listing the company officials in the creation document.

Name	Title	Business Address

9. **(Optional):** Please provide a business e-mail address: _____
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

10. These articles will be effective upon filing, unless a future date is specified:

This is the _____ day of _____, 20____.

Signature

Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Signature

Type and Print Name and Title

Type and Print Name and Title

NOTE:

1. Filing fee is \$125. This document must be filed with the Secretary of State.

OPERATING AGREEMENT FOR MEMBER-MANAGED LIMITED LIABILITY COMPANY

I. PRELIMINARY PROVISIONS

(1) *Effective Date:* This operating agreement of _____ effective _____, is adopted by the members whose signatures appear at the end of this agreement (the "Agreement").

(2) *Formation:* This limited liability company (LLC) was formed by filing Articles of Organization, a Certificate of Formation or a similar organizational document with the LLC filing office of the state of _____ on _____. A copy of this organizational document has been placed in the LLC's records book.

(3) *Name:* The formal name of this LLC is as stated above. However, this LLC may do business under a different name by complying with the state's fictitious or assumed business name statutes and procedures.

(4) *Registered Office and Agent:* The registered office of this LLC and the registered agent at this address are as follows:

The registered office and agent may be changed from time to time as the members may see fit, by filing a change of registered agent or office form with the state LLC filing office. It will not be necessary to amend this provision of the operating agreement if and when such a change is made.

(5) *Business Purposes:* The specific business purposes and activities contemplated by the founders of this LLC at the time of initial signing of this agreement consist of the following:

It is understood that the foregoing statement of purposes shall not serve as a limitation on the powers or abilities of this LLC, which shall be permitted to engage in any and all lawful business activities. If this LLC intends to engage in business activities outside the state of its formation that require the qualification of the LLC in other states, it shall obtain such qualification before engaging in such out-of-state activities.

(6) *Duration of LLC:* The duration of this LLC shall be _____. Further, this LLC shall terminate when a proposal to dissolve the LLC is adopted by the membership of this LLC or when this LLC is otherwise terminated in accordance with law.

II. MEMBERSHIP PROVISIONS

(1) *Non-liability of Members:* No member of this LLC shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims made against it.

(2) *Reimbursement for Organizational Costs:* Members shall be reimbursed by the LLC for organizational expenses paid by the members. The LLC shall be authorized to elect to deduct organizational expenses and start-up expenditures ratably over a period of time as permitted by the Internal Revenue Code and as may be advised by the LLC's tax advisor.

(3) *Management:* This LLC shall be managed exclusively by all of its members

(4) *Members' Percentage Interests:* A member's percentage interest in this LLC shall be computed as a fraction, the numerator of which is the total of a member's capital account and the denominator of which is the total of all capital accounts of all members. This fraction shall be expressed in this agreement as a percentage, which shall be called each member's "percentage interest" in this LLC.

(5) *Membership Voting*: Except as otherwise may be required by the Articles of Organization, Certificate of Formation or a similar organizational document, other provisions of this operating agreement, or under the laws of this state, each member shall vote on any matter submitted to the membership for approval in proportion to the member's percentage interest in this LLC. Further, unless defined otherwise for a particular provision of this operating agreement, the phrase "majority of members" means the vote of members whose combined votes equal more than 50% of the votes of all members in this LLC.

(6) *Compensation*: Members shall not be paid as members of the LLC for performing any duties associated with such membership, including management of the LLC. Members may be paid, however, for any services rendered in any other capacity for the LLC, whether as officers, employees, independent contractors or otherwise.

(7) *Members' Meetings*: The LLC shall not provide for regular members' meetings. However, any member may call a meeting by communicating his or her wish to schedule a meeting to all other members. Such notification may be in person or in writing, or by telephone, facsimile machine, or other form of electronic communication reasonably expected to be received by a member, and the other members shall then agree, either personally, in writing, or by telephone, facsimile machine or other form of electronic communication to the member calling the meeting, to meet at a mutually acceptable time and place. Notice of the business to be transacted at the meeting need not be given to members by the member calling the meeting, and any business may be discussed and conducted at the meeting. If all members cannot attend a meeting, it shall be postponed to a date and time when all members can attend, unless all members who do not attend have agreed in writing to the holding of the meeting without them. If a meeting is postponed, and the postponed meeting cannot be held either because all members do not attend the postponed meeting or the non-attending members have not signed a written consent to allow the postponed meeting to be held without them, a second postponed meeting may be held at a date and time announced at the first postponed meeting. The date and time of the second postponed meeting shall also be communicated to any members not attending the first postponed meeting. The second postponed meeting may be held without the attendance of all members as long as a majority of the percentage interests of the membership of this LLC is in attendance at the second postponed meeting. Written notice of the decisions or approvals made at this second postponed meeting shall be mailed or delivered to each non-attending member promptly after the holding of the second postponed meeting. Written minutes of the discussions and proposals presented at a members' meeting, and the votes taken and matters approved at such meeting, shall be taken by one of the members or a person designated at the meeting. A copy of the minutes of the meeting shall be placed in the LLC's records book after the meeting.

(8) *Membership Certificates*: This LLC shall be authorized to obtain and issue certificates representing or certifying membership interests in this LLC. Each certificate shall show the name of the LLC, the name of the member, and state that the person named is a member of the LLC and is entitled to all the rights granted members of the LLC under the Articles of Organization, Certificate of Formation or a similar organizational document, this operating agreement and provisions of law. Each membership certificate shall be consecutively numbered and signed by one or more officers of this LLC. The certificates shall include any additional information considered appropriate for inclusion by the members on membership certificates. In addition to the above information, all membership certificates shall bear a prominent legend on their face or reverse side stating, summarizing or referring to any transfer restrictions that apply to memberships in this LLC under the Articles of Organization, Certificate of Formation or a similar organizational document and/or this operating agreement, and the address where a member may obtain a copy of these restrictions upon request from this LLC. The records book of this LLC shall contain a list of the names and addresses of all persons to whom certificates have been issued, show the date of issuance of each certificate, and record the date of all cancellations or transfers of membership certificates.

(9) *Other Business by Members*: Each member shall agree not to own an interest in, manage or work for another business, enterprise or endeavor, if such ownership or activities would compete with this LLC's business goals, mission, profitability or productivity, or would diminish or impair the member's ability to provide maximum effort and performance in managing the business of this LLC.

III. TAX AND FINANCIAL PROVISIONS

(1) *Tax Classification of LLC*: The members of this LLC intend that this LLC be initially classified as a _____ for federal and, if applicable, state income tax purposes. It is understood that all members may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832,

Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.

(2) *Tax Year and Accounting Method:* The tax year of this LLC shall be _____. The LLC shall use the _____ method of accounting. Both the tax year and the accounting period of the LLC may be changed with the consent of all members if the LLC qualifies for such change, and may be effected by the filing of appropriate forms with the IRS and state tax authorities.

(3) *Tax Matters Partner:* If this LLC is required under Internal Revenue Code provisions or regulations, it shall designate from among its members a "tax matters partner" in accordance with Internal Revenue Code Section 6231 (a) (7) and corresponding regulations, who will fulfill this role by being the spokesperson for the LLC in dealings with the IRS as required under the Internal Revenue Code and Regulations, and who will report to the members on the progress and outcome of these dealings.

(4) *Annual Income Tax Returns and Reports:* Within 60 days after the end of each tax year of the LLC, a copy of the LLC's state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to each member of the LLC, together with any additional information and forms necessary for each member to complete his or her individual state and federal income tax returns. If this LLC is classified as a partnership for income tax purposes, this additional information shall include a federal (and, if applicable, state) Form K-1 (Form 1065 - Partner's Share of Income, Credits, Deductions) or equivalent income tax reporting form. This additional information shall also include a financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.

(5) *Bank Accounts:* The LLC shall designate one or more banks or other institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment and other such accounts as are reasonable and necessary for its business and investments. One or more members of the LLC shall be designated with the consent of all members to deposit and withdraw funds of the LLC, and to direct the investment of funds from, into and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of any members of the LLC.

(6) *Title to Assets:* All personal and real property of this LLC shall be held in the name of the LLC, not in the names of individual members.

IV. CAPITAL PROVISIONS

(1) *Capital Contributions by Members:* Members shall make the following contributions of cash, property or services as shown next to each member's name below. Unless otherwise noted, cash and property described below shall be paid or delivered to the LLC on or by _____. The fair market values of items of property or services as agreed between the LLC and the contributing member are also shown below. The percentage interest in the LLC that each member shall receive in return for his or her capital contribution is also indicated for each member.

<u>NAME & ADDRESS</u>	<u>CONTRIBUTION</u>	<u>% INTEREST IN LLC</u>
(1) _____ _____ _____	_____	_____
(2) _____ _____ _____	_____	_____

(3) _____

(2) *Additional Contributions by Members:* The members may agree, from time to time by unanimous vote, to require the payment of additional capital contributions by the members, on or by a mutually agreeable date.

(3) *Failure to Make Contributions:* If a member fails to make a required capital contribution within the time agreed for a member's contribution, the remaining members may, by unanimous vote, agree to reschedule the time for payment of the capital contribution by the late-paying member, setting any additional repayment terms, such as a late payment penalty, rate of interest to be applied to the unpaid balance, or other monetary amount to be paid by the delinquent member, as the remaining members decide. Alternatively, the remaining members may, by unanimous vote, agree to cancel the membership of the delinquent member, provided any prior partial payments of capital made by the delinquent member are refunded promptly by the LLC to the member after the decision is made to terminate the membership of the delinquent member.

(4) *No Interest on Capital Contributions:* No interest shall be paid on funds or property contributed as capital to this LLC, or on funds reflected in the capital accounts of the members.

(5) *Capital Account Bookkeeping:* A capital account shall be set up and maintained on the books of the LLC for each member. It shall reflect each member's capital contribution to the LLC, increased by each member's share of profits in the LLC, decreased by each member's share of losses and expenses of the LLC, and adjusted as required in accordance with applicable provisions of the Internal Revenue Code and corresponding income tax regulations.

(6) *Consent to Capital Contribution Withdrawals and Distributions:* Members shall not be allowed to withdraw any part of their capital contributions or to receive distributions, whether in property or cash, except as otherwise allowed by this agreement and, in any case, only if such withdrawal is made with the written consent of all members.

(7) *Allocations of Profits and Losses:* No member shall be given priority or preference with respect to other members in obtaining a return of capital contributions, distributions or allocations of the income, gains, losses, deductions, credits or other items of the LLC. The profits and losses of the LLC, and all items of its income, gain, loss, deduction and credit shall be allocated to members according to each member's percentage interest in this LLC.

(8) *Allocation and Distribution of Cash to Members:* Cash from LLC business operations, as well as cash from a sale or other disposition of LLC capital assets, may be distributed from time to time to members in accordance with each member's percentage interest in the LLC, as may be decided by _____ of the members.

(9) *Allocation of Noncash Distributions:* If proceeds consist of property other than cash, the members shall decide the value of the property and allocate such value among the members in accordance with each member's percentage interest in the LLC. If such noncash proceeds are later reduced to cash, such cash may be distributed among the members as otherwise provided in this agreement.

(10) *Allocation and Distribution of Liquidation Proceeds:* Regardless of any other provision in this agreement, if there is a distribution in liquidation of this LLC, or when any member's interest is liquidated, all items of income and loss shall be allocated to the members' capital accounts, and all appropriate credits and deductions shall then be made to these capital accounts before any final distribution is made. A final distribution shall be made to members only to the extent of, and in proportion to, any positive balance in each member's capital account.

V. MEMBERSHIP WITHDRAWAL AND TRANSFER PROVISIONS

(1) *Withdrawal of Members:* A member may withdraw from this LLC by giving written notice to all other members at least _____ days before the date the withdrawal is to be effective.

(2) Restrictions on the Transfer of Membership: A member shall not transfer his or her membership in the LLC unless all non-transferring members in the LLC first agree to approve the admission of the transferee into this LLC. Further, no member may encumber a part or all of his or her membership in the LLC by mortgage, pledge, granting of a security interest, lien or otherwise, unless the encumbrance has first been approved in writing by all other members of the LLC. Notwithstanding the above provision, any member shall be allowed to assign an economic interest in his or her membership to another person without the approval of the other members. Such an assignment shall not include a transfer of the member's voting or management rights in this LLC, and the assignee shall not become a member of the LLC.

VI. DISSOLUTION PROVISIONS

(1) Events That Trigger Dissolution of the LLC: The following events shall trigger dissolution of the LLC, except as provided:

- (a) the death, permanent incapacity, bankruptcy, retirement, resignation or expulsion of a member, except that within _____ of the happening of any of these events, all remaining members of the LLC may vote to continue the legal existence of the LLC, in which case the LLC shall not dissolve;
- (b) the expiration of the term of existence of the LLC if such term is specified in the Articles of Organization, Certificate of Formation or a similar organizational document, or this operating agreement;
- (c) the written agreement of all members to dissolve the LLC;
- (d) entry of a decree of dissolution of the LLC under state law.

VII. GENERAL PROVISIONS

(1) Officers: The LLC may designate one or more officers, such as a President, Vice President, Secretary and Treasurer. Persons who fill these positions need not be members of the LLC. Such positions may be compensated or non-compensated according to the nature and extent of the services rendered for the LLC as a part of the duties of each office. Ministerial services only as a part of any officer position will normally not be compensated, such as the performance of officer duties specified in this agreement, but any officer may be reimbursed by the LLC for out-of-pocket expenses paid by the officer in carrying out the duties of his or her office.

(2) Records: The LLC shall keep at its principal business address a copy of all proceedings of membership meetings, as well as books of account of the LLC's financial transactions. A list of the names and addresses of the current membership of the LLC also shall be maintained at this address, with notations on any transfers of members' interests to nonmembers or persons being admitted into membership in the LLC.

Copies of the LLC's Articles of Organization, Certificate of Formation or a similar organizational document, a signed copy of this operating agreement, and the LLC's tax returns for the preceding three tax years shall be kept at the principal business address of the LLC. A statement also shall be kept at this address containing any of the following information that is applicable to this LLC:

- the amount of cash or a description and value of property contributed or agreed to be contributed as capital to the LLC by each member;
- a schedule showing when any additional capital contributions are to be made by members to this LLC;
- a statement or schedule, if appropriate, showing the rights of members to receive distributions representing a return of part or all of members' capital contributions; and
- a description of, or date when, the legal existence of the LLC will terminate under provisions in the LLC's Articles of Organization, Certificate of Formation or a similar organizational document, or this operating agreement.

If one or more of the above items is included or listed in this operating agreement, it will be sufficient to keep a copy of this agreement at the principal business address of the LLC without having to prepare and keep a separate record of such item or items at this address. Any member may inspect any and all records maintained by the LLC upon reasonable notice to the LLC. Copying of the LLC's records by members is allowed, but copying costs shall be paid for by the requesting member.

(3) *All Necessary Acts:* The members and officers of this LLC are authorized to perform all acts necessary to perfect the organization of this LLC and to carry out its business operations expeditiously and efficiently. The Secretary of the LLC, or other officers, or all members of the LLC, may certify to other businesses, financial institutions and individuals as to the authority of one or more members or officers of this LLC to transact specific items of business on behalf of the LLC.

(4) *Indemnification:* The LLC shall indemnify the Member and those authorized officers, agents, and employees of the LLC identified in writing by the Member as entitled to being indemnified under this section for all costs, losses, liabilities and damages paid or accrued by the Member (as the Member or officer, agent, or employee) or any such office, agent, or employee in connection with the business of the LLC, except to the extent prohibited by the laws of the state that governs this Agreement. In addition, the LLC may advance costs of defense of any proceeding to the Member or any such officer, agent, or employee upon receipt by the LLC of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the LLC.

(5) *Mediation and Arbitration of Disputes Among Members:* In any dispute over the provisions of this operating agreement and in other disputes among the members, if the members cannot resolve the dispute to their mutual satisfaction, the matter shall be submitted to mediation. The terms and procedure for mediation shall be arranged by the parties to the dispute. If good-faith mediation of a dispute proves impossible or if an agreed-upon mediation outcome cannot be obtained by the members who are parties to the dispute, the dispute may be submitted to arbitration in accordance with the rules of the American Arbitration Association. Any party may commence arbitration of the dispute by sending a written request for arbitration to all other parties to the dispute. The request shall state the nature of the dispute to be resolved by arbitration, and, if all parties to the dispute agree to arbitration, arbitration shall be commenced as soon as practical after such parties receive a copy of the written request. All parties shall initially share the cost of arbitration, but the prevailing party or parties may be awarded attorney fees, costs and other expenses of arbitration. All arbitration decisions shall be final, binding and conclusive on all the parties to arbitration, and legal judgment may be entered based upon such decision in accordance with applicable law in any court having jurisdiction to do so.

(6) *Governing Law:* This Agreement shall be governed by, and interpreted and enforced in accordance with, the substantive laws of the State in which the LLC was formed, without reference to the conflicts of law rules of that or any other jurisdiction.

(7) *Entire Agreement:* This operating agreement represents the entire agreement among the members of this LLC, and it shall not be amended, modified or replaced except by a written instrument executed by all the parties to this agreement who are current members of this LLC as well as any and all additional parties who became members of this LLC after the adoption of this agreement. This agreement replaces and supersedes all prior written and oral agreements among any and all members of this LLC.

(8) *Severability:* If any provision of this agreement is determined by a court or arbitrator to be invalid, unenforceable or otherwise ineffective, that provision shall be severed from the rest of this agreement, and the remaining provisions shall remain in effect and enforceable.

VIII. SIGNATURES OF MEMBERS

Execution of Agreement: In witness whereof, the members of this LLC sign and adopt this agreement as the operating agreement of this LLC.

Date: _____

Signature: _____

Printed Name: _____, Member

Date: _____

Signature: _____

Printed Name: _____, Member

Date: _____

Signature: _____

Printed Name: _____, Member

Ward Cleaver Lifetime Trust

Article 1

By executing this instrument on this ____ day of _____
Ward Cleaver intends to and hereby creates a revocable lifetime trust. This trust shall be referred to as the Ward Cleaver Lifetime Trust.

Clause 1: Parties to this Trust

Ward Cleaver is the Settler/Creator of this trust.

The Beneficiaries of this trust are:

Ward Cleaver (for his life only);

June Cleaver (upon the death of Ward Cleaver for her life only);

Wallace Cleaver (remainder interest in the trust corpus upon the deaths of Ward and June Cleaver);

Theodore Cleaver (remainder interest in the trust corpus upon the deaths of Ward and June Cleaver).

The Trustee of this trust is Ward Cleaver. The successor Trustees are Wallace and Theodore Cleaver, pursuant to provisions in Article 1. Professor L J. Grouchfield is the Protector of the Trust, and successor Trustee.

Clause 2 Corpus of the Ward Cleaver Lifetime Trust

The trust corpus of the Ward Cleaver Lifetime Trust shall be 1000 shares of common stock of Software Designers Inc. the fair market value thereof on the date of execution exceeds \$40,000 which by these presents are hereby transferred to Ward Cleaver in trust for the purposes set out in this instrument. It is intended that the trust corpus be supplemented by the residuary estate under the will of Ward Cleaver.¹ This trust shall be

¹ Alternatively: The corpus of this trust is the residuary estate of Ward Cleaver.

governed by the version of Uniform Testamentary Additions to Trusts Acts in force in the jurisdiction.

Clause 3 Revocability of the Trust

This trust shall be revocable according to the terms set out in Article 2, Clause 4.

Article 2

Clause 1 Beneficial interest in this trust during the life of Ward Cleaver

During the lifetime of Ward Cleaver, Ward Cleaver as trustee or the successor trustees, Wallace and Theodore Cleaver or Professor L. J. Grouchfield, will hold, administer, and distribute all property that constitutes the income and/or corpus of this trust for the benefit of Ward Cleaver according to the terms hereafter expressed. The income that is generated by trust corpus received by the trustee shall be paid over to Ward Cleaver at the discretion of the trustee to the extent necessary in the trustee's judgment for the health, education, support, comfort, welfare and happiness of Ward Cleaver, and for the purpose of maintaining Ward Cleaver's accustomed standard of living. Any income not so distributed according to the provisions above shall be added to the principal.

Nevertheless, if the income from this trust is insufficient to provide for the health, education, support, comfort, welfare and happiness, the trustee shall at the trustee's discretion pay over to Ward Cleaver as much of the corpus of this trust as is reasonably necessary for Ward Cleaver's health, education, support, comfort, welfare or happiness and to maintain his accustomed standard of living.

Ward Cleaver may at any time have paid to him from the trust principal up to 5% of the trust corpus each year without reference to financial need for any purpose.

Clause 2 Removal of Ward Cleaver as trustee

If Ward Cleaver becomes incompetent to serve, the successor trustees, Wallace and Theodore Cleaver, shall immediately be constituted as trustees. A judgment of incompetence shall be made only after consultation between the successor trustees, medical professionals and Professor L. J. Grouchfield who must conclude that Ward Cleaver is unable to administer this trust due to physical or mental disability. If they so conclude, application should be made to place Ward Cleaver under a conservatorship pursuant to governing state law. Upon an application for a conservatorship pending judgment of incompetence pursuant to the process set out above, the successor trustees shall become interim trustees may distribute trust property for the purpose of paying to Ward Cleaver so much of the income and principal of the trust estate as is necessary for Ward Cleaver's health, education, support, comfort, welfare or happiness and to maintain his accustomed standard of living. Should a conservatorship of Ward Cleaver be so ordered, the successor trustees shall hold their position permanently.

Clause 3 Powers of Successor Trustees

If Ward Cleaver becomes incapable of giving informed consent for health care decisions, the settler, Ward Cleaver, hereby grants to the successor trustees the full power and authority to make health care decisions on the settler's behalf, including the right to consent, refuse to consent, withdraw consent to any health care treatment, service, or procedure to maintain, diagnose or treat Ward Cleaver's physical or mental conditions, and to receive and consent to the release of medical information. The successor trustee shall rely on any durable power of attorney for health care or similar document relating to health care decisions that has been executed by the settler when carrying out specific health care decisions relating to the settler. If no such durable power of attorney has been executed, the powers enumerated in this provision shall be given full force and effect.

Clause 4 Revocability of this trust in the lifetime of Ward Cleaver

Ward Cleaver may at any time revoke this trust agreement in whole or in part by written document signed by Ward Cleaver and delivered to Professor Grouchfield or to one or both of the named successor trustee/s.

The power of Ward Cleaver to revoke or amend this trust is personal to him, and no guardian, conservator or other person shall exercise these powers.

Article 3

Clause 1 Beneficial interests in trust after the death of Ward Cleaver

At the death of the Settler, Ward Cleaver, beneficial interest in the trust shall pass as follows:

To my wife, June Cleaver, should she survive me, in the following manner: I direct that my trustee pay over the income of the Trust to June in quarterly installments directly to her, and not in any circumstances to her creditors or her assigns.

Further, I direct that my trustee no less than one time each year make inquiry to determine whether the income interest above limited to June is sufficient for June Cleaver's health, education, support, comfort, welfare or happiness and to maintain his accustomed standard of living so long as she lives outside of a medical facility or nursing home. Should the trustee determine additional sums be necessary for her, I direct my trustee to pay over required sums to June Cleaver or her conservator.

In determining whether such additional sums are required, I vest in my trustee absolute discretion. If either of my sons, Wally and the Beaver, however, believe that additional sums are required for the aforementioned purposes, that is, June Cleaver's health, education, support, comfort, welfare or happiness and to maintain his accustomed standard of living, my trustee shall be required to pay such sum directly to June or her conservator and not to creditors or assigns. If it is required to preserve under state law the supplemental nature of this trust under prevailing Medicare/Medicaid benefits, funds derived from my estate shall be held in a separate account, but nevertheless subject to the terms of the paragraph.

Clause 2 Beneficial Interest after the death of June Cleaver

Upon the death of my wife June Cleaver, or upon a written renunciation by June or her conservator of her interest in the trust tendered to the trustee at any time, the trust property shall be distributed in equal shares to my children Wallace and Theodore Cleaver.²

Provided that if either of both of my sons should predecease June and leave issue who survive June, then the share which would have passed to the deceased son or sons shall pass to the issue of my son or sons per stirpes. If either of my sons predecease June without leaving issue which survive June, then the share which would have passed the deceased son or his issue shall pass to the surviving son or his issue if his issue survives June.

Nevertheless, if any distributee under this clause is under the age of 25 at the time the trust property that under the terms of the trust abovementioned should pass to that distributee, the share of all distribute shall remain in the hands of the trustee. The trustee at his discretion may pay in quarterly installments directly to the distributee such sums as advisable for the comfortable support, health, maintenance and education of the distributee. Professor L. J. Grouchfield shall be constituted as trustee under such trust or trusts.

If, at the death of my wife June no issue shall survive her, the corpus shall pass to the Cornell Lab of Ornithology, Ithaca, New York.

² Alternatively: Upon the death of my wife June, or upon a written renunciation by June or her conservator of her interest in the trust tendered to the trustee at any time, the trust property shall be distributed to my issue as June shall appoint by will or inter vivos writing.

In default of appointment, the corpus shall be distributed to my children Wallace and Theodore Cleaver if they survive to the death of June or her renunciation of her interest in the trust as provided above.




Resources

Standing on a Lot of Love, Part 1: [Link](#)

North Carolina Forest Service “Managing Your Forest: [LINK](#)

USDA New Farmers: [LINK](#)

5 Steps to Assistance with NRCS: [LINK](#)

2018 Farm Bill: [LINK](#)

Links to Every State NRCS: [Link](#)

American Forest Foundation: [LINK](#)