

OPERATING AGREEMENT FOR REMO MANAGEMENT
LIMITED LIABILITY COMPANY
A Michigan Limited Liability Company

This operating agreement is made on December 1, 1997 among Remo Management, LLC, a Michigan Limited Liability Company (the "Company"); the persons executing this Operating Agreement as members of the Company; and all of those who shall later be admitted as members (individually, "Member," and collectively, "Members"), who agree as follows:

Article 1
Organization

1.1 Formation. The Company has been organized as a Michigan limited liability company pursuant to the Michigan Limited Liability Company Act, 1993 PA 23 (the "Act") by the filing of Articles of Organization ("Articles") with the Department of Commerce of the State of Michigan as required by the Act.

1.2 Name. The name of the Company is the Remo Management, LLC. The Company may also conduct its business under one or more assumed names.

1.3 Purposes. The purpose of the Company is to engage in any activity for which limited liability companies may be formed under the Act, including to own and manage rental properties. The Company shall have all the powers necessary or convenient to effect any purpose for which it is formed, including all powers granted by the Act.

1.4 Duration. The Company shall continue in existence for the period fixed in the Articles for the duration of the Company or until the Company dissolves and its affairs are wound up in accordance with the Act or this Operating Agreement.

1.5 Registered Office and Resident Agent. The Company's Registered Office and Resident Agent shall be as designated in the initial or amended Articles. The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Act. If the Resident Agent resigns, the Company shall promptly appoint a successor.

1.6 Intention for Company. The Members have formed the Company as a limited liability company under the Act. The Members specifically intend and agree that the Company not be a partnership (including a limited partnership) or any other venture, but a limited liability company under and pursuant to the Act. No Member or Manager shall be construed to be a partner in the Company or a partner of any other Member, Manager, or person, and the Articles, this Operating Agreement, and the relationships created by and arising from them shall not be construed to suggest otherwise.

Article 2
Books, Records, and Accounting

2.1 Books and Records. The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Act. Such books and records shall be kept at the Company's Registered Office.

2.2 Fiscal Year; Accounting. The Company's fiscal year shall be the calendar year. The particular accounting methods and principles to be followed by the Company shall be selected by the Managers from time to time.

2.3 Reports. The Managers shall provide to the Members, in the time, manner, and form that the Managers determine, reports concerning the financial condition and results of operation of the Company and the Members' Capital Accounts. Such reports shall be provided at least annually, as soon as practicable after the end of each calendar year, and shall include a statement of each Member's share of profits and other items of income, gain, loss, deduction, and credit.

2.4 Members' Accounts. The Company shall maintain separate Capital Accounts for each Member. Each Member's Capital Account shall reflect the Member's capital contributions and increases for the Member's share of any of the Company's net income or gain. Each Member's Capital Account shall also reflect decreases for distributions made to the Member and the Member's share of any of the Company's losses and deductions.

Article 3
Capital Contributions

3.1 Initial Commitments and Contributions. By executing this Operating Agreement, the initial Members agree to make the capital contributions set forth in attached Exhibit A. The Members' interests in the total capital of the Company (the Members' "Sharing Ratios," adjusted from time to time to reflect changes in the Capital Accounts of the Members and the total capital in the Company) is also set forth in Exhibit A. Any additional Member (other than an assignee of a membership interest who has been admitted as a Member) shall make the capital contribution set forth in an Admission Agreement. No interest shall accrue on any capital contribution and no Member shall have any right to withdraw or to be repaid any capital contribution except as provided in this Operating Agreement.

3.2 Additional Contributions. In addition to the initial capital contributions, the Managers may determine from time to time that additional capital contributions are needed to enable the Company to conduct its business and affairs. After making such a determination, notice of it shall be given to all Members in writing at least 10 business days before the date on which the additional contributions are due. The notice shall describe in reasonable detail the purposes and uses of the additional capital, the amounts of additional capital required, and the date by which payment of the additional capital is due. Each Member shall be obligated to make additional capital contributions to the extent of any unfulfilled commitment. Any Member who has fulfilled the

Member's commitment has the right, but not the obligation, to make any additional capital contributions needed, according to that Member's Sharing Ratio.

3.3 Failure to Contribute. If a Member fails to make a capital contribution when required, the Company may, in addition to pursuing any other rights and remedies the Company may have under the Act or applicable law, take any enforcement action (including the commencement and prosecution of court proceedings) against the Member that the Managers consider appropriate. Moreover, the remaining Members may elect to contribute the required capital themselves, according to their respective Sharing Ratios. The Members who make such contributions shall be entitled to treat these amounts as an extension of credit to the defaulting Member, payable on demand, with interest accruing on the extension at the rate of 9% per annum until paid. This extension of credit shall be secured by the defaulting Member's interest in the Company. Each Member who defaults grants to each Member who may later grant an extension of credit a security interest in the defaulting Member's interest in the Company.

Article 4 Allocations and Distributions

4.1 Allocations. Except as may be required by the Internal Revenue Code of 1986, as amended, or by this Operating Agreement, the Company's net profits, net losses, and other items of income, gain, loss, deduction, and credit shall be allocated among the Members in accordance with each Member's Sharing Ratio.

4.2 Distributions. Distributions may be made only after the Members determine, in their reasonable judgment, that the Company has cash on hand exceeding the Company's current and anticipated needs (including operating expenses, debt service, acquisitions, reserves, and mandatory distributions, if any). All distributions shall be made to the Members in accordance with each Member's Sharing Ratio. Distributions shall be in cash or property, or both, as the Managers determine. No distribution shall be declared or made if, after giving it effect, (a) the Company would not be able to pay its debts as they became due in the usual course of business; or (b) the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the Company were to be dissolved at the time of the distribution, to satisfy on dissolution the preferential rights of other Members that are superior to the rights of the Members receiving the distribution.

Article 5 Disposition of Membership Interests

5.1 General. Every sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other disposition of any membership interest shall be made only in compliance with this Article. No membership interest shall be disposed of if (a) the disposition would cause a termination of the Company under the Internal Revenue Code of 1986, as amended; (b) the disposition would not comply with all applicable state and federal securities laws and regulations; or (c) the assignee of the membership interest fails to provide the Company with the information

and agreements that the Managers may require in connection with such a disposition. Any attempted disposition of a membership interest in violation of this Article is void.

5.2 Permitted Dispositions. Subject to the provisions of this Article, a Member may assign the Member's membership interest in the Company in whole or in part. The assignment of a membership interest does not itself entitle the assignee to participate in the management and affairs of the Company or to become a Member. The assignee is entitled to receive, to the extent assigned, only the distributions to which the assigning Member would otherwise be entitled.

5.3 Admission of Substitute Members. An assignee of a membership interest shall be admitted as a substitute Member and shall be entitled to all the assignor's rights and powers only if the other Members unanimously consent. If admitted, the substitute Member has, to the extent assigned, all of the rights, powers, restrictions, and liabilities of a Member.

Article 6 Meetings of Members

6.1 Voting. All Members shall be entitled to vote on any matter submitted to a vote of the Members. The Members shall have the right to vote on all of the following: (a) the dissolution of the Company pursuant to paragraph 9.1(c) of this Operating Agreement, (b) the merger of the Company, (c) a transaction involving an actual or potential conflict of interest between a Manager and the Company, (d) an amendment to the Articles, and (e) the sale, exchange, lease, or other transfer of all or substantially all of the Company's assets other than in the ordinary course of business.

6.2 Required Vote. Unless a greater vote is required by the Act or the Articles, the affirmative vote or consent of a majority of the Sharing Ratios of all the Members entitled to vote or consent on the matter is required.

6.3 Meetings. An annual meeting of Members for the transaction of such business as may properly come before the meeting shall be held at the time, date, and place that the Managers shall determine. Special meetings of Members for any proper purpose or purposes may be called at any time by the Managers or the holders of at least 10% of the Sharing Ratios of all Members. The Company shall deliver or mail written notice stating the date, time, place, and purpose(s) of any meeting to each Member entitled to vote at the meeting. The notice shall be given not less than 10 or more than 60 days before the meeting date. All meetings of Members shall be presided over by a Chairperson, designated by the Managers from amongst themselves.

6.4 Consent. Any action required or permitted to be taken at an annual or special meeting of the Members may be taken by consent without a meeting, prior notice, or a vote. The consent must be in writing, set forth the action taken, and be signed by the Members having at least the minimum number of votes necessary to authorize or take such an action at a meeting at which all membership interests entitled to vote on the action are present and voting. Every written consent shall also bear the date signifying when each Member signed the consent. Prompt notice of the

taking of action without a meeting by less than unanimous written consent shall be given to all Members who did not consent in writing to the action.

Article 7 Management

7.1 Management Vested with Members. The Company's business and affairs shall be managed by the Members in proportion to their capital contributions as adjusted from time to time to reflect any additional contributions to or withdrawals from the Company's capital made by the Members. Each Member has the power on behalf of the Company to do all things necessary or convenient to carry out the Company's business and affairs, including the power to (a) purchase, lease, or otherwise acquire any real or personal property; (b) sell, convey, mortgage, grant a security interest in, pledge, lease, exchange, or otherwise dispose of or encumber any real or personal property; (c) open one or more depository accounts and make deposits into, write checks against, and make withdrawals against such accounts; (d) borrow money and incur liabilities and other obligations; (e) enter into any and all agreements and execute any and all contracts, documents, and instruments; (f) engage employees and agents, define their respective duties, and establish their compensation or remuneration; (g) establish pension plans, trusts, profit-sharing plans, and other benefit and incentive plans for Company Members, employees, and agents; (h) obtain insurance covering the Company's business and affairs, its property, and the lives and well-being of its Members, employees, and agents; (i) begin, prosecute, or defend any proceeding in the Company's name; and (j) participate with others in partnerships, joint ventures, and other associations and strategic alliances.

7.2 Standard of Care; Liability. Every Member shall discharge his or her duties as a manager in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Member reasonably believes to be in the Company's best interests. A Member shall not be liable for monetary damages to the Company for any breach of management duties except for (a) receipt of a financial benefit to which the Member is not entitled, (b) voting for or assenting to a distribution to Members in violation of this Operating Agreement or the Act, or (c) a knowing violation of the law.

7.3 Reimbursement. Members shall be entitled to reimbursement from the Company for all Company expenses reasonably incurred and paid for by the Member on the Company's behalf.

Article 8 Exculpation of Liability; Indemnification

8.1 Exculpation of Liability. Unless otherwise provided by law or expressly assumed, a person who is a Member or Manager, or both, shall not be liable for the acts, debts, or liabilities of the Company.

8.2 Indemnification. Except as otherwise provided in this Article, the Company shall indemnify any Manager and may indemnify any employee or agent of the Company who was or is

a party, or is threatened to be made a party, to a threatened, pending, or completed action, suit, or proceeding (whether civil, criminal, administrative, or investigative and whether formal or informal), other than an action by or in the right of the Company, where such person is a party because the person is or was a Manager, employee, or agent of the Company. The Company shall indemnify the Manager, employee, or agent against expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, actually and reasonably incurred by that person in connection with the action, suit, or proceeding. The Company shall indemnify the Manager, employee, or agent if the person acted in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that the person reasonably believed to be in the Company's best interests. With respect to a criminal action or proceeding, the person must have had no reasonable cause to believe that his or her conduct was unlawful. To the extent that a Member, employee, or agent of the Company has been successful on the merits or otherwise in defense of an action, suit, or proceeding, or in defense of any claim, issue, or other matter in the action, suit, or proceeding, that person shall be indemnified against actual and reasonable expenses, including attorney fees, he or she incurs in connection with the action, suit, or proceeding and any action, suit, or proceeding brought to enforce this mandatory indemnification. Unless ordered by a court, any indemnification permitted under this Article shall be made by the Company only as the Company authorizes in the specific case after (a) determining that the indemnification is proper under the circumstances because the person to be indemnified has met the applicable standard of conduct and (b) evaluating the reasonableness of the expenses and of the amounts paid in settlement. This determination and evaluation shall be made by a majority vote of the Members who are not parties or threatened to be made parties to the action, suit, or proceeding. However, no indemnification shall be provided to any Manager, employee, or agent of the Company for or in connection with (a) the receipt of a financial benefit to which the person is not entitled; (b) voting for or assenting to a distribution to Members in violation of this Operating Agreement or the Act; (c) a knowing violation of the law; or (d) an action brought by or in the name of the Company.

Article 9

Dissolution and Winding Up; Continuation of Business

9.1 Dissolution. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events: (a) at any time specified in the Articles or this Operating Agreement; (b) on the occurrence of any event specified in the Articles or this Operating Agreement; or (c) on the unanimous consent of all the Members.

9.2 Winding Up. On dissolution, the Company shall cease carrying on its business and affairs and shall begin to wind them up. The Company shall complete the winding up as soon as practicable. On the winding up of the Company, its assets shall be distributed first to creditors, to the extent permitted by law, in order to satisfy Company debts, liabilities, and obligations, and then to Members and former Members. Distributions to Members and former Members shall be made first to satisfy liabilities for distributions and then in accordance with the Members' Sharing Ratios. The proceeds shall be paid to the Members within 90 days after the date of the winding up.

9.3 Continuation of Company after Disassociation. Notwithstanding the death, withdrawal, expulsion, bankruptcy, or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company, the Company's business and affairs shall continue. When any such event occurs, the Company shall purchase and the holder shall sell the disassociating Member's interest in the Company at its book value, determined in accordance with generally accepted accounting principles consistently applied. Such sale and purchase shall be completed within 90 days of any such event.

Article 10 Miscellaneous Provisions

10.1 Terms. Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the person or persons, firm, or corporation may in the context require.

10.2 Article Headings. The article headings contained in this Operating Agreement have been inserted only as a matter of convenience and for reference and in no way shall be construed to define, limit, or describe the scope or intent of any provision of this Operating Agreement.

10.3 Counterparts. This Operating Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which will constitute one and the same.

10.4 Entire Agreement. This Operating Agreement constitutes the entire agreement among the parties and contains all of the agreements between the parties with respect to the subject matter. This Operating Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter.

10.5 Severability. The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions, and this Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

10.6 Amendment. This Operating Agreement may be amended or revoked at any time by a written agreement executed by all of the parties to this Operating Agreement. No change or modification to this Operating Agreement shall be valid unless made in writing and signed by all the parties to this Operating Agreement.

10.7 Notices. Any notice permitted or required under this Operating Agreement shall be conveyed to the party at the address reflected in this Operating Agreement and will be deemed to have been given when deposited in the United States mail, postage paid, or when delivered in person, by courier, or by facsimile transmission.

10.8 Binding Effect. Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement shall be binding on and shall inure to the benefit of the parties and their respective distributees, heirs, successors, and assigns.

10.9 Governing Law. This Operating Agreement has been executed and delivered in the State of Michigan and shall be governed by, construed, and enforced in accordance with the laws of the State of Michigan.

The parties have executed this Operating Agreement on the dates set below their names, to be effective on the date listed on the first page of this Operating Agreement.

THE COMPANY

By: Jeffrey F. Reaume

Jeffrey F. Reaume

Its: Member

December 1, 1997

MEMBERS:

Claudette S. Reaume

Claudette S. Reaume

December 1, 1997

Jeffrey F. Reaume

Jeffrey F. Reaume

December 1, 1997

EXHIBIT A

Member	Initial Capital Interest in		Capital
	Commitment	Contribution	
<u>Jeffrey F. Reaume</u>	<u>50%</u>	<u>\$ NA</u>	<u>50</u> %
<u>Claudette S. Reaume</u>	<u>50%</u>	<u>\$ NA</u>	<u>50</u> %
<u> </u>	<u> </u>	<u>\$</u>	<u> </u> %
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<u> </u>	<u> </u>	<u>\$</u>	<u> </u> %

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2004, or tax year beginning _____, 2004, and ending _____, 20____.
▶ See separate instructions.

2004

A Principal business activity
Real Estate
B Principal product or service
Resid. Rental
C Business code number
531110

Use the
IRS
label.
Other-
wise,
print
or type.

Name of partnership No., street, and room or suite no. City/town, state, & ZIP code
Remo Management, LLC
16 Hillcrest
Ypsilanti MI 48197

D Employer ID Number
38-3388099
E Date business started
12/01/97
F Total assets (see page 14 of instructions)
\$ 238,992

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return
H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ _____
I Number of Schedules K-1. Attach one for each person who was a partner at any time during tax year ▶ **2**

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

I N C O M E	1 a Gross receipts or sales	1a		1c	
	b Less returns and allowances	1b		1c	
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
D E D U C T I O N S	6 Net gain (loss) from Form 4797, Part II, line 17			6	
	7 Other income (loss) (attach statement)			7	
	8 Total income (loss). Combine lines 3 through 7			8	0
	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16 a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach statement)			20	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21		
22 Ordinary business income (loss). Subtract line 21 from line 8			22	0	

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

COPY

Signature of general partner or limited liability company member manager

Date

May the IRS discuss this return with the preparer shown below (see Instr)?

☐ Yes ☐ No

Paid
Preparer's
Use Only

Preparer's
signature

Date

03/15/05

Check if
self-employed ☐

Preparer's SSN or PTIN

P00129813

Firm's name (or yours
if self-employed),
address, and ZIP code

Heller & Wetzler, P.C.
2900 Packard, Ste. 3
Ypsilanti, MI 48197

EIN ▶ 38-2690375

Phone no. 734-434-3444

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

U/A 410651

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Form **1065** (2004)