

## **LLC Operating Agreement**

This is a Limited Liability Company Operating Agreement (the "Agreement") made on January 08, 2014. The Members in this agreement are as follows:

Kellie LC Reser  
Jason D Reser

The Members to this Agreement agree to the following:

### **Name:**

This Limited Liability Company will be known as J.K.MAXWELL LTD. CO. (the "LLC" or "Company").

### **The LLC:**

- a) The Members have formed a Limited Liability Company.
- b) The terms and conditions of their LLC will be outlined in this Agreement.
- c) If the Agreement is executed, the LLC Operating Agreement will be in effect on January 24, 2014.
- d) The LLC will only be terminated as outlined in this Agreement.
- e) The LLC's primary place of business will be 1011 Rose Circle, Park Hills, Kentucky, 41011.
- f) The LLC will be governed under the laws of the state of Kentucky.
- g) The LLC's primary purpose is J.K.MAXWELL LTD. CO. is organized to invest in income-producing rental property and to engage in any business permitted under the laws of the state..

### **Registered Office and Agent:**

The Company's initial registered agent shall be Jason Reser, located at 1011 Rose Circle, Park Hills, Kentucky, 41011. The Company's Managers may, in accordance with the voting authority established above, change the principal office, registered office, or registered agent of the Company, or establish additional agents, offices or places of business of the Company from time to time.

### **Contributions:**

The Members will make an initial contribution to the LLC as follows:

Kellie LC Reser : \$100.00 in capital investment

Jason D Reser : \$100.00 in capital investment

Contributions will be submitted no later than January 31, 2014. All capital contributions are final unless all Members give written consent of withdrawal. All contributions will be deposited into a joint capital account.

**Interest:**

The Members' ownership interest in the LLC will be as follows:

Kellie LC Reser : 50%

Jason D Reser : 50%

**Costs:**

The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

**Profits & Losses:**

- a) The Members will share the net profits and losses of the LLC according to the following percentages:  
Kellie LC Reser : 50%  
Jason D Reser : 50%
- b) The Members' profit allocation will be accounted by Jason D Reser according to the above percentages after the costs of the LLC have been paid or calculated according to the above cost percentages.
- c) Profit allocations will be distributed 1 times per year.
- d) Each member must receive 0% of their profit allocation each year from the LLC, although percentages greater than the above listed may be distributed according to a member vote.
- e) The members are allowed to withdraw from their profit allocation at any time.
- f) Not all members will receive enough funds from the LLC to cover their income taxes for total profit allocation by the LLC.

**Members and Managers:**

- a) The liability of the Members is limited according to the Limited Liability statutes for the state of Kentucky.
- b) No Member shall be an agent of any other Member by reason of being a Member of the

Company.

- c) All Members of the LLC, by majority vote of Member interest, will maintain 2 Manager(s) to be reelected every two decades. All Members will vote in each election.
- d) Members that are not elected as Managers shall not have any control or vote in the operation of the Company's affairs and shall have no power to bind the Company.
- e) The Managers' voting authority will be defined by the following unless otherwise stated in the Agreement: All Managers will have an equal vote. No Manager is authorized to act on their own in obtaining contracts, financial, or other obligations binding on the LLC unless there remains only one Manager for the LLC. Decisions will be based on a majority of equal votes.

### **Proxies:**

At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Managers of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

### **Filing of Notices:**

The Managers of the Company shall be responsible for preparation, maintenance, filing and dissemination of all necessary returns, notices, statements, reports, minutes or other information to the Internal Revenue Service, the state of Kentucky, the Members of the Company, and any other appropriate state or federal authorities or agencies. The Managers may delegate this responsibility to a single Manager in accordance with the voting authority established above.

### **Liability of Members and Managers:**

All debts, obligations and liabilities of the LLC, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the LLC, and no Member shall be obligated personally for any such debt, obligation or liability of the LLC solely by reason of being a Member. However, each Member remains personally liable for payment of his, her or its Capital Contribution as set forth in the Act or as otherwise provided in this Agreement. This section does not prevent an LLC Member, should they so choose, from separately agreeing to guaranty or otherwise become liable for a debt which is also of the LLC.

### **Indemnification:**

The Company will indemnify the Members, Managers, and agents for all costs, losses, liabilities and damages paid or accrued by the Member, Manager or agent in connection with the Company's business, to the fullest extent provided or allowed by the laws of Kentucky.

### **Accounting:**

- a) All accounts related to the LLC, including contribution and distribution accounts will be audited upon a majority vote of the Members.
- b) All Members will maintain a joint contribution account. All Members will maintain a joint distribution account. Members will keep accurate and complete books of account for all accounts related to the LLC. Any Member, whether majority or minority, will be allowed to review all books of account at any time they request.
- c) Accounting records will be kept on a cash basis.
- d) All financial records including tax returns and financial statements will be held at the LLC's primary business address and will be accessible to all members.
- e) The fiscal year will be complete on the last day of December of each year. All Members will present their position on the state of the LLC within two weeks of the completion of each fiscal year.
- f) The following Members will be able to sign checks from any joint Member account:

Kellie LC Reser  
Jason D Reser

### **New Members:**

The LLC will amend this agreement to include new Members upon the written and unanimous vote of all Members.

The name of the LLC may be amended if a new Member is added to the LLC upon the written and unanimous vote of all Members.

### **Withdrawal or Death:**

The Members hereby reserve the right to withdraw from the LLC at any time. Should a Member withdraw from the LLC because of choice or death, the remaining Members will have the option to buy out the remaining shares of the LLC. Should the Members agree to buy out the shares, the shares will be bought in equal amounts by all Members. The Members agree to hire an outside firm to assess the value of the remaining shares. The Members will have 60 days to decide if they want to buy the remaining shares together and disperse them equally. If all Members do not agree to buy the shares, individual Members will then have the right to buy the shares individually. If more than one Member requests to buy the remaining shares, the shares will be split equally among those Members wishing to purchase the shares. If all Members agree by unanimous vote, the LLC may choose to allow a non-Member to buy the shares thereby replacing the previous Member.

If no individual Member(s) finalize a purchase agreement by 60 days, the LLC will be dissolved.

The name of the LLC may be amended upon the written and unanimous vote of all Members if a Member is successfully bought out.

**Powers of Legal Representative:**

If a Member who is an individual dies or a court of competent jurisdiction adjudges the Member to be incompetent to manage his or her person or property, the Member's personal representative, administrator, guardian, conservator, trustee or other legal representative shall have all of the rights of an assignee of the Member's interest. If a Member is a corporation, trust, partnership, limited liability company or other entity and is dissolved or terminated, the powers of that Member may be exercised by its legal representative or successor.

**Dissolution:**

Should the LLC be dissolved by unanimous vote or otherwise, the LLC will be liquidated, and the debts will be paid. All remaining funds after debts have been paid will be distributed based on the percentage of ownership interest outlined in this Agreement. An assignment or sale of a Member's interest in the Company does not result in the dissolution of the Company. For the avoidance of doubt, the granting of a lien on any amount of Member interest is not deemed to be an assignment.

**Liquidation:**

Upon dissolution of the Company, the Managers or one of their members that they select shall liquidate the Company's assets and shall do so as promptly as is consistent with obtaining fair value for them, and shall apply and distribute the assets of the Company as follows:

- a) First, to the payment and discharge of all of the Company's debts and liabilities to creditors of the Company other than the Members;
- b) Second, to the payment and discharge of all of the Company's debt and liabilities to creditors of the Company that are Members;
- c) Third, to the Members in accordance with their capital accounts, after giving effect to all contributions, distributions and allocation for all periods.

**Amendments:**

- a) Amendments may be made hereto upon the unanimous and written consent of all Members.
- b) Amendments must be expressly written and have the original signatures of all Members.

**Settling Disputes:**

All Members agree to enter into mediation before filing suit against any other Member or the LLC for any dispute arising from this Agreement or LLC. Members agree to attend one session of mediation before filing suit. If any Member does not attend mediation, or the dispute is not settled after one session of mediation, the Members are free to file suit. Any law suits will be under the jurisdiction of the state of Kentucky.

**Action Without Meeting:**

Any action required or permitted to be taken by the Managers at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Managers.

**No State Law Partnership:**

The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member or Manager be a partner or joint venturer of any other Member or Manager, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

**Choice of Law and Severability:**

This Agreement shall be construed in accordance with the internal law of the state of Kentucky. If any provision of this Agreement shall be contrary to the internal laws of the state of Kentucky or any other applicable law, at the present time or in the future, such provision shall be deemed null and void, but this shall not affect the legality of the remaining provisions of this Agreement. This Agreement shall be deemed to be modified and amended so as to be in compliance with applicable law and this Agreement shall then be construed in such as way as will best serve the intention of the parties at the time of the execution of this Agreement.

**Entire Agreement:**

This Agreement constitutes the entire agreement among the Members regarding the terms and operations of the Company, except for any amendments to this Agreement adopted in accordance with the terms herein. This Agreement supersedes all prior and contemporaneous agreements, statements, understandings, and representations of the parties regarding the terms and operation of the Company, except as provided in the preceding sentence.

This LLC Operating Agreement is executed and agreed to by:

*Jason D Reser*

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Jason D Reser  
jasonreser@gmail.com  
January 08, 2014 at 08:06 pm  
Recorded at IP 74.136.96.202

Scan this code with your  
smartphone to manage  
your LLC Operating  
Agreement online.

