Alison:

>> is the Service-Specific Revenues & Expenses for years 2022-2024 based on 40 or 70 beds? Please have this information as soon as possible, thanks!

The first two years (2022 & 2023) are based on Phase I (40 beds) and the third year (2024) is based on the addition of Phase II (total of 70 beds).

Best wishes,

Tom
Alison:

>> Please let me know that you agree or disagree with our findings

I agree with your findings, and have updated our “need map” accordingly.

Best wishes,

Tom
15-Mile Service Area for Branson 65616 CON RCF/ALF Need Analysis

Branson ALF: 564 need - 343 supply = 221 unmet bed need
From: Dorge, Alison
To: "Tom Piper"
Subject: RE: #5798 RS: Country Bluff Executive Senior Living
Date: Thursday, July 30, 2020 12:51:41 PM
Attachments: #5798 RS Population.xlsx

Tom,
We reviewed the population-based need calculation presented in the CON application for #5798 RS and the population we arrived at is 22,588 (attached). Per 19 CSR 60-50.430(4)(C): Column J- the % of the zip code area in the radius is estimated to the nearest 10%, not 5%. Our ALF/RCF bed numbers within the 15 mile radius matched, however, the occupancy data used for this application review cycle is 1st quarter 2020. Therefore we calculated a bed need of 221 ALF/RCF beds in the 15 mile radius.

Please let me know that you agree or disagree with our findings or if you have any questions, thanks!

From: Dorge, Alison
Sent: Wednesday, July 22, 2020 12:18 PM
To: 'Tom Piper' <macquest@mac.com>
Subject: #5798 RS: Country Bluff Executive Senior Living
Importance: High

Tom,
I am in the process of reviewing the CON application for Country Bluff Executive Senior Living. Some additional information is needed.

- Explain the methods and/or assumptions used to calculate the $146,000 of interest during construction.
- Can you provide documentation stating Rick & Mary Key assigns the property to Key Executive Living, LLC?
- Explain the relationship of Rick & Mary Key to the proposed owner, Key Executive Living, LLC.
- Would any of the 70 beds be dually licensed for DMH (Dept. Mental Health) residents?
- When will phase 2 of construction begin? Will all 70 RCF beds be licensed by June 12, 2021?
- Divider II, #1 states 44 beds would be constructed in phase 1 and 26 beds in phase 2, however, in attachment 5h it states and shows phase 1 is 40 beds and phase 2 is 30 beds, which is correct?
- Divider IV, #1 states new construction costs would be $115.79 per SF, however the proposed project budget shows it would be $178 ($177.51) per SF, please explain.
- Divider IV, #3 and the letter from Branson Bank both state this would be an assisted living facility, should they both say residential care facility?

*The population, number of beds and need calculation have not been verified by staff. If there is a discrepancy, we will notify you.
Alison:

In response to your review of the CON application for Country Bluff Executive Senior Living, the following additional information is provided:

• Explain the methods and/or assumptions used to calculate the $146,000 of interest during construction.

   This is an assumption calculated by our local bank.

• Can you provide documentation stating Rick & Mary Key assigns the property to Key Executive Living, LLC?

   Yes we can provide this documentation, I have reached out to our Lawyer and his office is has provided these documents (see attached).

• Explain the relationship of Rick & Mary Key to the proposed owner, Key Executive Living, LLC.

   Rich and Mary Key own the LLC and will be the operators of Country Bluff Executive Senior Living along with their children.

• Would any of the 70 beds be dually licensed for DMH (Dept. Mental Health) residents?

   It is not the intention to dual license at this time.

• When will phase 2 of construction begin? Will all 70 RCF beds be licensed by June 12, 2021?

   Phase 2 will began tentatively 12 months after phase one is completed. This is subject to change depending on the build time.

• Divider II, #1 states 44 beds would be constructed in phase 1 and 26 beds in phase 2, however, in attachment 5h it states and shows phase 1 is 40 beds and phase 2 is 30 beds, which is correct?

   We are going to do 40 beds in phase 1 and 30 beds in phase 2.

• Divider IV, #1 states new construction costs would be $115.79 per SF, however the proposed project budget shows it would be $178 ($177.51) per SF, please explain.

   $177.51 is correct ($115.79 is an error). We are interviewing a second contractor and or trying to negotiate the best cost projection, hoping for a much lower amount.
Divider IV, #3 and the letter from Branson Bank both state this would be an assisted living facility, should they both say residential care facility?

Yes, they should both say Residential Care Facility.

Thank you for this opportunity to clarify various information in our application. Please let us know if you need additional information.

Best wishes,

Tom
The Operating Agreement
of
Key Executive Living, LLC

A Missouri Limited Liability Company

Employer Identification Number 85-1145071
# Key Executive Living, LLC
## Table of Contents

### Article One
- Section 1.01
- Section 1.02
- Section 1.03
- Section 1.04
- Section 1.05
- Section 1.06
- Section 1.07
- Section 1.08
- Section 1.09

#### Company Formation
- The Limited Liability Company
- The Company’s Name
- Tax Classification as a Partnership
- Company’s Purpose and Scope
- Purpose of Company Restrictions
- The Company’s Principal Office and Location of Records
- Registered Agent and Registered Office
- The Company’s Term
- Venue

### Article Two
- Section 2.01
- Section 2.02
- Section 2.03
- Section 2.04
- Section 2.05
- Section 2.06

#### Tax Matters
- Tax Classification
- Company Representative
- Election under Code Section 6221(b)
- Consistent Treatment
- Adjustment in Future Tax Years
- Tax Elections

### Article Three
- Section 3.01
- Section 3.02

#### Membership Interests
- Membership Interest in the Company
- Valuing Membership Interests in the Company

### Article Four
- Section 4.01
- Section 4.02
- Section 4.03
- Section 4.04
- Section 4.05
- Section 4.06
- Section 4.07
- Section 4.08
- Section 4.09
- Section 4.10
- Section 4.11

#### Capital Contributions and Capital Accounts
- Initial Capital Contributions
- Voluntary Additional Capital Contributions
- Mandatory Additional Capital Contributions Prohibited
- Establishing and Maintaining Capital Accounts
- Adjustment for Company’s Constructive Termination
- Revaluation Adjustment
- No Interest or Return of Capital
- Power to Modify Capital Account Provisions
- Certain Property Considered to Be Loans
- Negative Capital Accounts
- Assignment of Capital Account

### Article Five
- Section 5.01
- Section 5.02

#### Allocations and Distributions
- Allocating Profit and Loss
- Distributions to Members
Article Six
Section 6.01
Section 6.02
Section 6.03
Section 6.04
Section 6.05
Section 6.06
Section 6.07
Section 6.08
Section 6.09
Section 6.10
Section 6.11

Company Management
Management by Members........................................9
Day-to-Day Management.........................................9
Appointing Officers.................................................9
Signing Documents................................................10
Managing Member as Agent......................................10
No Authority of Individual Members.........................10
Non-Liability of Members for Acts, Omissions, or
Forbearances in Their Managerial Capacity................10
Limitations on Rights and Powers................................10
Powers.......................................................................11
Authorization to Sign Certain Instruments....................11
Affidavit of Member or Member Principal Authority........12

Article Seven
Section 7.01
Section 7.02
Section 7.03
Section 7.04
Section 7.05
Section 7.06
Section 7.07
Section 7.08
Section 7.09

The Members
Members' Names and Addresses................................12
Limited Liability of Members....................................12
Restrictions on Members' Withdrawal Rights................13
Restrictions on Assignees' Withdrawal Rights..............13
No Right to Cause Dissolution..................................13
Partition Waiver.....................................................14
Member Expulsion..................................................14
Voting.....................................................................14
Access to Information..............................................14

Article Eight
Section 8.01
Section 8.02
Section 8.03
Section 8.04
Section 8.05
Section 8.06
Section 8.07
Section 8.08
Section 8.09

Meetings and Notice
Special Meetings....................................................15
Meeting Notice......................................................15
Waiving Meeting Notice..........................................15
Voting by Proxy.....................................................15
Action by Consent................................................16
Quorum..................................................................16
Presence................................................................16
Conduct of Meetings...............................................16
Approval or Consent of Members...............................16

Article Nine
Section 9.01
Section 9.02
Section 9.03
Section 9.04

Books, Records, and Bank Accounts.........................16
Books and Records................................................16
Accounting and Taxable Year...................................17
Reports..................................................................17
Bank Accounts and Company Funds.........................17

Article Ten
Section 10.01

Admitting Additional Members.................................17
Admission by Unanimous Consent of Members; Prerequisites17

Operating Agreement of Key Executive Living, LLC

ii
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.02</td>
<td>Capital Contributions and Fair Market Value</td>
<td>17</td>
</tr>
<tr>
<td>10.03</td>
<td>Admissions Must Not Violate This Article</td>
<td>18</td>
</tr>
<tr>
<td><strong>Article Eleven</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.01</td>
<td>Transfer of Membership Interests by a Member</td>
<td>18</td>
</tr>
<tr>
<td>11.02</td>
<td>Transfer Restrictions</td>
<td>18</td>
</tr>
<tr>
<td>11.03</td>
<td>Transfer of Interest</td>
<td>18</td>
</tr>
<tr>
<td>11.04</td>
<td>Additional Transfer Restrictions</td>
<td>20</td>
</tr>
<tr>
<td>11.05</td>
<td>Transferee Treated as an Assignee until Admitted as a Substitute Member</td>
<td>20</td>
</tr>
<tr>
<td>11.06</td>
<td>Conditions Required to Become a Substitute Member</td>
<td>20</td>
</tr>
<tr>
<td>11.07</td>
<td>Assignee’s Rights and Limitations</td>
<td>21</td>
</tr>
<tr>
<td>11.08</td>
<td>Permitted Transfers</td>
<td>21</td>
</tr>
<tr>
<td>11.09</td>
<td>Amending Operating Agreement and Articles of Organization</td>
<td>21</td>
</tr>
<tr>
<td>11.10</td>
<td>Member Disability</td>
<td>22</td>
</tr>
<tr>
<td>11.11</td>
<td>Death of a Member</td>
<td>22</td>
</tr>
<tr>
<td>11.12</td>
<td>Voting Rights of Transferred Interests</td>
<td>22</td>
</tr>
<tr>
<td>11.13</td>
<td>Non-Recognition of an Unauthorized Transfer or Assignment;</td>
<td>22</td>
</tr>
<tr>
<td>11.14</td>
<td>Accumulation of Amounts to Be Distributed</td>
<td>22</td>
</tr>
<tr>
<td>11.15</td>
<td>Creditor Rights; Charging Order Sole Exclusive Remedy</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Company’s Unilateral Purchase Option for Interest Acquired</td>
<td></td>
</tr>
<tr>
<td></td>
<td>without Consent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assignee or Charging Order Holder Assumes Tax Liability</td>
<td>25</td>
</tr>
<tr>
<td><strong>Article Twelve</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.01</td>
<td>Dissolution and Termination</td>
<td>25</td>
</tr>
<tr>
<td>12.02</td>
<td>Dissolving the Company</td>
<td>25</td>
</tr>
<tr>
<td>12.03</td>
<td>Liquidating the Company</td>
<td>26</td>
</tr>
<tr>
<td>12.04</td>
<td>Company Property Sole Source</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Company Asset Sales during Term of the Company</td>
<td>27</td>
</tr>
<tr>
<td><strong>Article Thirteen</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.01</td>
<td>General Matters</td>
<td>27</td>
</tr>
<tr>
<td>13.02</td>
<td>Successors and Assigns</td>
<td>27</td>
</tr>
<tr>
<td>13.03</td>
<td>No Waiver</td>
<td>27</td>
</tr>
<tr>
<td>13.04</td>
<td>Definitions</td>
<td>27</td>
</tr>
<tr>
<td>13.05</td>
<td>Changing the Company’s Situs</td>
<td>34</td>
</tr>
<tr>
<td>13.06</td>
<td>No Duty to Mail Articles of Organization</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>General Matters</td>
<td>34</td>
</tr>
</tbody>
</table>
Securities Law Disclosure

The Membership Interests or percentages of ownership of Key Executive Living, LLC (Company) have not been and will not be registered under the Securities Act of 1933, as amended (Securities Act); under any other federal securities laws; or under the securities laws of any state. The Membership Interests or percentages of ownership are offered and sold without registration based on exemptions from the registration requirement of the Securities Act and laws and regulations enacted by the Securities and Exchange Commission.

The Company will not be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and will not file reports, proxy statements, or other information with the Securities and Exchange Commission or with any state securities commission.

The Limited Liability Company Membership Interests of the Company may not be offered for sale, sold, pledged, or otherwise transferred unless registered or qualified under applicable securities laws, or unless exempted from registration or qualification. Counsel for the owner of the Interest must appropriately register or qualify that Interest or establish any applicable exemption from registration or qualification; this opinion of counsel must be reasonably satisfactory to the Company.

No Member may register any Interest in the Company under any federal or state securities law without the express written consent of all Members.

The Members understand that some of the restrictions inherent in this form of business, and specifically set forth in this Agreement, may have an adverse impact on the fair market value of the Membership Interests if a Member attempts to sell or borrow against the Membership Interest in the Company.
Member Acknowledgment

By signing this Agreement, each Member agrees to the following provisions.

Exempt from Registration

Investment in the Member’s Interest (Interest) in the Company involves a high degree of risk and is suitable only for sophisticated investors. Interests are being offered in reliance upon one or more exemptions from registration under the Securities Act, and any Securities Act of Missouri.

Member’s Personal Investment

The Member is purchasing the Interest for the Member’s own investment and with no intent to distribute or resell to any other person.

Transferability Restrictions

By this Agreement, the Company has disclosed to the Members and each Member acknowledges that the transferability of the Interest is severely limited. Each Member will bear the economic risk of investment for an indefinite period, as the Membership Interests have not been registered under the Securities Act or any state securities laws and cannot be offered or sold unless subsequently registered or unless an exemption from registration is available.

Registration or Opinion of Counsel before Transfer

In addition to other prohibitions and restrictions on transfer under this Agreement, the Interest will not be sold publicly without registration under the Securities Act and any applicable state securities law. Before any public sale, the selling Member must first obtain opinion of counsel that registration is not required in connection with any transaction; this opinion must be satisfactory to the Company. In no event may any Interest be sold within 12 months of original issue to that Member.

Member’s Principal Address

This Agreement notes each Member’s principal address. Each Member shall notify the Company in writing within five days of any change to this address.

Access to Facts

Each Member has had and continues to have access to all material facts regarding the Interest and is satisfied as to the advisability of making this investment.

No Commission or Remuneration

No commission or other payment may be paid to any person in connection with the offer or sale of any Interest.
No Right to Registration

No Member may require the Company to register any Interest under federal or state securities laws at any time, or to join in any future registration.

Hold Harmless

Each Member agrees to hold the Company and its Members, Member Principals, Organizers, controlling Persons (as defined in the Securities Act), and any persons affiliated with any of them or with the distribution of the Interest, harmless from all expenses, liabilities, and damages (including reasonable attorneys’ fees) arising from a disposition of the Interest in any manner that violates the Securities Act, any applicable state securities law, or this Agreement.
Key Executive Living, LLC
a Missouri Limited Liability Company

Article One
Company Formation

Section 1.01 The Limited Liability Company
This Agreement, dated May 22, 2020, forms and establishes a limited liability company under the laws of the State of Missouri, and specifically under the Missouri Limited Liability Company Act. The Company becomes effective upon filing Articles of Organization as required by the State of Missouri. The Members and their percentages of ownership are identified in the schedule attached to this Agreement as Schedule A.

This Agreement sets forth the rights, duties, obligations, and responsibilities of the Members regarding the Company.

In consideration of the mutual promises, obligations, and agreements set forth in this Agreement, the parties to this Agreement agree to be legally bound by its terms.

Section 1.02 The Company’s Name
The Company’s name is Key Executive Living, LLC. The Members may change the name of the Company or operate the Company under different names. The Company has registered the fictitious name of County Bluff Executive Living and will be doing business under that name.

Section 1.03 Tax Classification as a Partnership
The Members intend to establish an entity that is subject to taxation as a partnership. Notwithstanding the foregoing, this classification may be changed at any time in the discretion of the Members.

Section 1.04 Company’s Purpose and Scope
The Company is organized to conduct any lawful purpose permitted under the Act.

In order to accomplish these purposes, the Company may:

  own, acquire, manage, develop, operate, buy, sell, exchange, finance, refinance, and otherwise deal with real, personal, tangible, and intangible property, and any type of business, as the Members determine from time to time to be in the best interests of the Company; and

  conduct any lawful business and investment activity permitted under the laws of Missouri and in any other jurisdiction in which the Company may have a business or investment interest in order to accomplish these objectives.

The Company may engage in any other activities that are related or incidental to these purposes, as the Members may determine with sole and absolute discretion.

Operating Agreement of Key Executive Living, LLC
Section 1.05 Purpose of Company Restrictions

Capital is material to the business and investment objectives of the Company and its federal tax status. An unauthorized transfer of a Member’s Interest could create a substantial hardship to the Company, jeopardize its capital base, and adversely affect its tax structure. As a result, certain restrictions expressed in this Agreement attach to and affect the ownership and transfer of Membership Interests. These restrictions are not intended to penalize, but are intended to protect and preserve the existing trust-based relationships, the Company’s capital, and the Company’s financial ability to continue to operate.

Section 1.06 The Company’s Principal Office and Location of Records

The street address of the principal office in the United States where the Company maintains its records is:

150 Country Bluff Dr.
Branson, Missouri 65616

or where the Members otherwise determine. The records maintained by the Company must include all records that the law requires the Company to maintain. The Company must maintain a records office in any jurisdiction that requires a records office and the Company must maintain all records required by applicable law at each records office.

Section 1.07 Registered Agent and Registered Office

The Company’s initial registered agent is Nicolas D. Grimwood, and the Company’s initial registered office is located at:

168 S. Payne Stewart Dr., Ste. 150
Branson, Missouri 65616

Section 1.08 The Company’s Term

The Company’s duration is perpetual. The Company begins on the date the Articles of Organization are filed with the Secretary of State of Missouri and continues until terminated or dissolved by this Agreement.

Section 1.09 Venue

Venue for any dispute arising under this Operating Agreement or any disputes among any Members or the Company will be in the county of the Company’s Registered Office.

Article Two
Tax Matters

Section 2.01 Tax Classification

Unless the Members elect not to be treated as a partnership for federal income tax purposes, the federal income tax basis of a Member’s Membership Interest and all other matters relating to the distributive share and taxation of items of income, gain, loss, deduction, depreciation, and credit will be as established by Internal Revenue Code Subchapter K.
But if the Company has only one Member, or for any reason may not be taxed as a partnership, the majority of the Members may classify the Company as a corporation, sole proprietorship, disregarded entity, or any other type of entity that the Company Representative determines to be most advantageous to the Company and its Members.

Section 2.02 Company Representative

The majority of the Members must designate a representative with a substantial presence in the United States to serve as the Company representative within the meaning of Code Section 6223 (Company Representative). The Company Representative has the sole authority to act on behalf of the Company in connection with Internal Revenue Service audits and adjustments.

(a) Legal and Accounting Costs for Tax Matters

The Company must pay all legal and accounting costs associated with any Internal Revenue Service proceeding regarding the Company’s tax returns.

(b) Obligations and Discretion as to Tax Matters

The Company Representative shall notify all of the Members upon receipt of any notice regarding any examination by any federal, state, or local authority about the Company’s tax compliance. The Company Representative may:

- determine whether to contest any proceedings, how to pursue any proceedings, and whether and on what terms to settle any dispute with the Internal Revenue Service;
- select the forum for any tax disputes involving the Company; and
- extend the statute of limitations for assessing tax deficiencies against the Members with respect to adjustments to the Company’s federal, state, local, or foreign tax returns.

(c) Company Representative to Preserve Tax Classification

Unless the Members elect not to be treated as a partnership for federal income tax purposes, the Company Representative shall take all reasonable steps necessary to classify the Company as a partnership for tax purposes under the Code and Treasury Regulations. The Company Representative shall prepare and file any forms necessary or appropriate to classify the Company as a partnership for tax purposes under the laws of any jurisdiction in which the Company transacts business.

Any time after the date of this Agreement, if the Company has only one Member or for any other reason may not be taxed as a partnership, the Company Representative may classify the Company as a corporation, sole proprietorship, disregarded entity, or any other type of entity that the Company Representative determines to be most advantageous to the Company and the Member.

Section 2.03 Election under Code Section 6221(b)

The Company may elect for Code Section 6221(b) to apply for any taxable year that the Company meets the requirements to elect out of Company-level treatment under Code Section 6221(b). The election must be made with a timely filed return for that taxable year. The election must include

Operating Agreement of Key Executive Living, LLC

3
the name and taxpayer identification number of each Member. The Company must notify each Member of the election in the manner prescribed by the Secretary of Treasury.

Section 2.04 Consistent Treatment

Each Member shall, on the Member’s income tax return, treat each item of income, gain, loss, deduction, or credit attributable to the Company in a manner consistent with the treatment of the income, gain, loss, deduction, or credit on the Company income tax return.

Section 2.05 Adjustment in Future Tax Years

If any tax proceeding results in adjustment in the amount of any item of income, gain, loss, deduction, or credit of the Company—or any Member’s distributive share thereof—for a prior year, the Company may take corrective action. If the Company elects to apply Code Section 6226 within 45 days from the date of the notice of final partnership adjustment, the Company may issue the statement described in Code Section 6226(a)(2) to the Internal Revenue Service and to each Member that held an interest in the year in question. The statement must describe the Member’s share of any adjustment to income, gain, loss, deduction, or credit (as determined in the notice of final partnership adjustment issued by the Internal Revenue Service). Upon receipt of the statement, each Member must take the adjustments described on the statement into account as provided in Code Section 6226(b).

Alternatively, the Company may require each Member that held an interest in the Company during the prior year to file an amended tax return reporting the Member’s distributive share of the tax adjustments and to pay any taxes resulting from the adjustment in accordance with Code Section 6225(c). Each Member must submit the amended return and pay all related taxes not later than 270 days from the date on which the notice of a proposed partnership adjustment is mailed to the Company.

This Section and the Member’s obligations under Section 2.04 survive the Company’s termination, dissolution, liquidation, and winding up and the Member’s withdrawal from the Company or transfer of its Membership Interest.

Section 2.06 Tax Elections

A majority of the Members may make any applicable or available tax elections on behalf of the Company, but any decision to change the tax classification of the Company from partnership to corporation, or from corporation to partnership, requires approval by the majority vote of the Members.

Article Three
Membership Interests

Section 3.01 Membership Interest in the Company

Each Member’s Initial Membership Interest is the percentage interest in the attached Schedule A. Membership Interests will be adjusted from time to time to account for non pro rata Additional Capital Contributions and non pro rata distributions to Members. If non pro rata contributions or distributions are made, each Member’s Membership Interest will then be determined by dividing
the Capital Account of each Member by the aggregate of the then-existing Capital Accounts, after adjusting the Members' Capital Accounts to reflect the fair market value of the contributed property.

To determine the respective voting rights of the Members, adjustments to Membership Interests of the Members resulting from Additional Contributions or Distributions will be effective the first day of the month immediately following the contribution or distribution date.

The Company shall maintain a correct record of all Members and their Membership Interests together with amended and revised schedules of ownership caused by changes in the Members and changes in Membership Interests.

Section 3.02 Valuing Membership Interests in the Company

For all purposes, the value of the Company as an entity and of Membership Interests will be their respective fair market values. Any dispute, contest, or issue of fair market value will be resolved by a written Qualified Appraisal by a Qualified Appraiser selected by the Members.

Article Four
Capital Contributions and Capital Accounts

Section 4.01 Initial Capital Contributions

As their Initial Capital Contributions to the Company, the Members shall contribute all of their right, title, and interest in and to the property described in Schedule A. The Members agree that the property described in Schedule A has the fair market value (net of liabilities assumed or taken subject to or by the Company) listed opposite the scheduled property.

Each Member’s Capital Account will be credited with an initial contribution equal to the fair market value as specified in Schedule A.

Section 4.02 Voluntary Additional Capital Contributions

The Members may make Additional Capital Contributions to the Company. Any Additional Capital Contribution must be made pro rata according to the Member’s Membership Interest, unless otherwise agreed by the unanimous consent of the Members. Consent does not need to be in writing, and will be presumed to have been obtained unless there is clear and convincing evidence to the contrary.

The fair market value of any property other than cash or publicly traded securities to be contributed as an Additional Capital Contribution will be as agreed upon by the contributing Member and a majority in interest of the Members at the time of contribution. Alternatively, a disinterested appraiser selected by the Members may determine the fair market value of any contributed property.

Section 4.03 Mandatory Additional Capital Contributions Prohibited

The Company has no authority to require Additional Capital Contributions.
Section 4.04 Establishing and Maintaining Capital Accounts

A Capital Account will be established for each Member and will be maintained at all times during the existence of the Company in compliance with the Internal Revenue Code and applicable Treasury Regulations. Each Capital Account will be maintained according to the following provisions.

(a) Credits to Member’s Interest

Each Member’s Interest will be credited with the fair market value of the Member’s contribution of cash or other property, the Member’s distributive share of profits, and the amount of any Company liabilities that are assumed by the Member.

(b) Debits to Member’s Interest

Each Member’s Capital Account will be debited the amount of cash and the fair market value of any property distributed to the Member under this Agreement, the Member’s share of losses, and the amount of any liabilities of the Member that are secured by any property contributed by the Member to the Company.

(c) Assumption of Liability

An assumption of unsecured liability by the Company will be treated as a distribution of money to the Member, and the Company shall adjust the Member’s Capital Account accordingly. Assumption of an unsecured liability of the Company by a Member will be treated as a cash contribution to the Company. The amount of any liability assumed under this provision will be determined according to Internal Revenue Code Section 752(c).

(d) Adjustments for Non-Cash Distributions

If assets of the Company other than cash are distributed to a Member, the Company shall adjust the Capital Accounts of the Members to reflect the hypothetical book gain or loss that would have been realized by the Company if the distributed assets had been sold at fair market value in a cash sale in order to reflect unrealized gain or loss.

(e) Adjusting the Fair Market Value on Transfer of Membership Interest

If an existing or new Member acquires an Interest, the Company shall adjust the Capital Accounts of the Members to reflect fair market value of all properties held by the Company.

Section 4.05 Adjustment for Company’s Constructive Termination

If the Company is constructively terminated under Internal Revenue Code Section 708, the Company shall adjust the Members’ Capital Accounts to reflect fair market value of all properties held by the Company as required by Treasury Regulation Section 1.704-1(b)(2)(iv)(b).
Section 4.06 Revaluation Adjustment

The Company shall adjust the Members’ Capital Accounts to reflect any revaluation of Company property (including intangible assets such as goodwill) under this Section.

(a) Adjustment Based on Fair Market Value

Any revaluation adjustment to a Member’s Capital Account will be based on the fair market value of Company property on the date of the adjustment under Code Section 7701(g).

(b) Adjustment for Unrealized Items

The Company shall adjust the Members’ Capital Accounts to reflect the manner in which any unrealized income, gain, loss, or deduction inherent in the Company’s property (to the extent that it has not been previously reflected in the Members’ Capital Accounts) would be allocated among all the Members if there were a taxable disposition of this property for fair market value on the date of adjustment.

Section 4.07 No Interest or Return of Capital

Despite any other provision of this Agreement, no Member is entitled to any interest on its Capital Account or Membership Interest or on the Member’s Capital Contribution. No Member may demand or receive the return of all or any portion of the Member’s Capital Account, Membership Interest, or Capital Contribution.

Section 4.08 Power to Modify Capital Account Provisions

If, in the Members’ reasonable judgment, the modification is not likely to have a material effect on the amounts distributable to any Member under this Agreement, the Members may modify the manner in which the Capital Accounts are computed in order to comply with Treasury Regulation Section 1.704-1(b). The Members shall make any necessary or appropriate adjustments to maintain equality between the Members’ Capital Accounts and the amount of Company Capital reflected on the Company’s balance sheet, as computed for book purposes under Treasury Regulation Section 1.704-1(b)(2)(iv)(g), relating to adjustments to book value.

Section 4.09 Certain Property Considered to Be Loans

If for any reason the Company would otherwise be deemed an investment company within the meaning of Internal Revenue Code Section 351, the Members intend to comply with the requirements of Internal Revenue Code Section 721(b), so that contributions of property to the Company will not cause recognition of any gain or loss to any Member. Accordingly, if any contribution of property would cause the recognition of gain or loss to any Member under Internal Revenue Code Section 721(b), then that property will be considered to have been loaned to the Company. Any loan will bear interest at the minimum interest rate required under Internal Revenue Code Section 7872. The Company shall return any property loaned to the Company under this provision to its lender within 90 days of the lender’s demand.
Section 4.10  Negative Capital Accounts

If the Company or a Member’s Membership Interest is liquidated, no Member will be required to restore a deficit in his or her Capital Account.

Section 4.11  Assignment of Capital Account

Except as otherwise required by the Internal Revenue Code or Treasury Regulations, if any Membership Interest is assigned under this Agreement, the Assignee will succeed to the Capital Account of the Assignor to the extent that it relates to the assigned Membership Interest. If the assignment of an interest in the Company causes a termination of the Company under Internal Revenue Code Section 708(b)(1)(B), the Capital Account that carries over to the Assignee will be adjusted according to Treasury Regulation Section 1.704-1(b)(2)(iv)(e).

Article Five

Allocations and Distributions

Section 5.01  Allocating Profit and Loss

All items of income, gain, loss, deduction, and credit, whether resulting from the Company’s operations or in connection with its dissolution, must be allocated to the Members for federal, state, and local income tax purposes. The allocation is in proportion to their respective Membership Interests.

The Members, by unanimous agreement, may enter into agreements providing for the special allocation of items of income, gain, loss, depreciation, deduction, or credit.

Despite any other provision to the contrary in this Agreement, each item of income, gain, loss, deduction, and credit must be allocated for federal income tax purposes among the Members under Internal Revenue Code Section 704(b) and 704(c), and conform with Sections 1.704-1(b)(2)(iv)(f), 1.704(b)(4)(i), 1.704-3(e), or their successor provisions of the Code and Regulations.

The Members have the authority to change the allocation provision of this Section if the Company’s legal counsel advises the Company that this change is required under the Internal Revenue Code based on the manner in which the Members have agreed to bear losses and to share profits and distributions under this Agreement.

Section 5.02  Distributions to Members

The Company’s primary intent is to retain Company funds in amounts determined in the Members’ sole and absolute discretion to meet the reasonable needs of the business or investments of the Company and other needs as provided in this Agreement. No Member may demand distributions of any Company funds or assets.

When making any distributions of funds or other Company assets, the Company shall satisfy those distributions as follows.

(a)  Cash Distributions

The Company may make distributions of Company cash to the Members on a pro rata or non pro rata basis as the Members, in their discretion, determine.
Distributions may only be made from the cash reserves that exceed the reasonable working reserves of the Company as determined in the Members’ sole discretion.

Subject to this Agreement and applicable law, cash distributions will first come from operations cash as permitted under this Agreement, then from cash from the liquidation of the Company under this Agreement.

(b) In-Kind Distributions

The Members, in their sole and absolute discretion, may make in-kind distributions of Company property to the Members. Before any in-kind distribution is made, the difference between the established fair market value and the book value of the property to be distributed must be adjusted by a credit or charge, as appropriate, to the Members’ Interests. Upon the distribution of this property, the adjusted value will be charged to the Interests of the Members receiving these distributions.

(c) No Interest

If a Member does not withdraw all or any portion of the Member’s share of any cash distribution made under Subsection (a), the Member may not receive any interest on the unwithdrawn amount nor on any additional Membership Interest unless all Members agree.

Article Six
Company Management

Section 6.01 Management by Members

The Members will manage the Company. The Members may manage the Company by majority, or may appoint one or more Managing Members from their number to represent the Members in managing the Company. For purposes of this Agreement, the Members acting by majority to manage the Company or the Managing Members will be referred to collectively as the Managing Member, whether one or more.

The Managing Member must act in good faith, with the care that an ordinarily prudent person in a similar position would exercise under similar circumstances, and in a manner each Managing Member reasonably believes to be in the best interests of the Company.

Section 6.02 Day-to-Day Management

The Managing Member may take all actions necessary, useful, or appropriate for the ordinary management and conduct of the Company’s business. Subject to the restrictions in Section 6.08, the Managing Member may exercise all powers of the Company and do anything that is not reserved by the Members as specified in the Articles of Organization, in this Agreement, or in the Act.

Section 6.03 Appointing Officers

If authorized by a majority of the Members, the Managing Member may appoint officers and define their function and authority. An Officer may, but need not, be a Member or Managing Member.
Any appointment and assignment of function or authority must be in writing and kept with the Company records.

Section 6.04 Signing Documents

The Managing Member may sign any instruments, contracts, agreements, or other documents for the acquisition, encumbrance, or disposition of the Company’s property.

Section 6.05 Managing Member as Agent

Unless specifically prohibited by the Articles of Organization, each Managing Member serves as an agent of the Company to conduct business on behalf of the Company. As agent, the Managing Member may bind the Company unless the Managing Member’s action violates the terms of the Articles of Organization, this Agreement, or the Act, or unless third parties dealing with the Managing Member reasonably believe that the Managing Member does not have authority to act.

Section 6.06 No Authority of Individual Members

No individual Member is an agent of the Company, and no Member other than a Managing Member may make any contracts, enter into any transactions, or make any commitments on the Company’s behalf.

Section 6.07 Non-Liability of Members for Acts, Omissions, or Forbearances in Their Managerial Capacity

To the extent permitted by Missouri law, all Members are released from liability for damages and other monetary relief because of any act, omission, or forbearance in managing the Company. This release does not protect any Member from being required by a court to purchase the Membership Interest of another Member who successfully contends that the Member committed actionable oppressive acts to the prejudice of the other Member. No amendment or repeal of this provision affects any liability or alleged liability of any Member for acts, omissions, or forbearances that occurred before the amendment or repeal.

Section 6.08 Limitations on Rights and Powers

Unless authorized by the unanimous written agreement of the Members, a Member, Managing Member, or any other Officer of the Company may not:

enter into any agreement, contract, commitment, or obligation on behalf of the Company obligating any Member to find additional capital, to make or guarantee a loan, or to increase a Member’s personal liability either to the Company or to third parties;

receive or permit any Member to receive any fee or rebate, or to participate in any reciprocal business arrangements that would conflict or compete with the Company’s business or otherwise contradict this Agreement;

materially alter the Company’s business or deviate from any approved business plan of the Company;

permit the Company’s funds to be commingled with the funds of any other person;
act in any way that contradicts this Agreement;
act in any way that would make it impossible to carry on the business of the Company;
confess a judgment against the Company;
possess property or assign rights in specific property for other than a Company purpose; or
admit any person as a Member, except as otherwise provided in this Agreement.

Section 6.09 Powers
In pursuing its lawful purposes, the Company may do all things that limited liability companies are permitted to do under the Act.

Section 6.10 Authorization to Sign Certain Instruments
Regarding all obligations, powers, and responsibilities under this Agreement, the Managing Member may sign and deliver any notes and other evidence of indebtedness, contracts, agreements, assignments, deeds, leases, loan agreements, mortgages, and other security instruments and agreements in any form on behalf of the Company as the Managing Member determines to be proper.
Section 6.11 Affidavit of Member or Member Principal Authority

Any third party dealing with the Company may rely on a notarized writing signed by a Managing Member stating the Managing Member’s authority to act for the Company. The Managing Member may use the following as an example of a valid writing:

Sample Written Statement of Authority
of
Key Executive Living, LLC

On my oath and under penalty of perjury, I swear that I am a Managing Member authorized to act on behalf of Key Executive Living, LLC, a Missouri Limited Liability Company. I certify that I have the authority to act for and bind Key Executive Living, LLC in business transactions for which this affidavit is given as affirmation of my authority.

Richard J. Key, Member

Sworn and subscribed before me the undersigned authority, by Richard J. Key on ____________, 20_____.

Notary Public

This example may be modified to reflect the Managing Member’s fiduciary duty.

Article Seven
The Members

Section 7.01 Members’ Names and Addresses

The Company shall maintain an updated list of all past and present Members of the Company, and their last known mailing addresses. The list must be kept as part of the Company records.

Section 7.02 Limited Liability of Members

Except under Article Four, no Member will be required to contribute capital to the Company for the payment of any losses or for any other purposes, and no Member will be responsible or obligated to any third party for any debts or liabilities of the Company in excess of the amount of:

- that Member’s unpaid required contributions to the Company’s capital;
- unrecovered contributions to the Company’s capital; and
- that Member’s share of any undistributed Company profits.
Section 7.03 Restrictions on Members’ Withdrawal Rights

No Member may withdraw from the Company or receive a return of any contributions to the Company until the Company is terminated and its affairs wound up according to the Securities Act and this Agreement. Any Member who does any of the following has breached this Agreement:

- attempt to withdraw from the Company;
- interfere in the management of the Company affairs;
- engage in conduct that results in the Company losing its tax status as a Company;
- engage in conduct that discredits the Company;
- own a Membership Interest that becomes subject to a charging order, attachment, garnishment, or similar legal proceedings;
- breach any confidentiality provisions of this Agreement;
- bring any legal action against the Company to force the dissolution of the Company, to force any distribution of Company assets, or to appoint a receiver; or
- fail to discharge a legal duty to the Company.

Any Member who breaches this Agreement is liable to the Company for damages caused by the breach, including attorney’s fees and expenses of litigation. The Company may offset damages against any distributions or return of capital to the Member who has breached this Agreement.

Section 7.04 Restrictions on Assignees’ Withdrawal Rights

No Assignee has the right to receive a return of any contributions (whether the contributions were made by the Assignee or by an Assignor) until the Company is terminated and its affairs wound up according to the Act and this Agreement. Any Assignee who does any of the following will be considered to have breached this Agreement:

- interfere in the management of the Company affairs;
- engage in conduct that results in the Company losing its tax status as a Company;
- engage in conduct that discredits the Company;
- breach any confidentiality provisions of this Agreement;
- bring any legal action against the Company to force the dissolution of the Company, to force any distribution of Company assets, or to appoint a receiver; or
- fail to discharge a legal duty to the Company.

Any Assignee who breaches this Agreement is liable to the Company for damages caused by the breach. The Company may offset damages against any distributions or return of capital to the Assignee who has breached this Agreement.

Section 7.05 No Right to Cause Dissolution

No Member may cause the dissolution and winding up of the Company by court decree or otherwise.
Section 7.06 Partition Waiver

Each Member, individually and on behalf of the Member’s successors and assigns, expressly waives any right to have any Company property partitioned.

Section 7.07 Member Expulsion

The Company may only expel a Member for violating this Agreement or for failing to make the Capital Contributions as required in Article Four. A Member may only be expelled on the unanimous consent of all Members, excluding the Member to be expelled.

An expelled Member loses all rights as a Member of the Company, and the expelled Member’s Interests are converted to that of an Assignee.

Section 7.08 Voting

Members may only vote on the following matters:

- removing a Managing Member;
- electing a successor Managing Member;
- terminating and dissolving the Company;
- amending this Agreement; and
- any matter requiring the vote of the Members as set out elsewhere in this Agreement or in the Act.

Members may vote by written consent, with or without a formal meeting. Assignees may not vote.

Section 7.09 Access to Information

Subject to the provisions of this Section, each Member is entitled to all information regarding the Company under the circumstances and subject to the conditions stated in this Agreement and the Act. Assignees have no right to information regarding the Company.

All Members and any Assignees who obtain any information are subject to the confidentiality provisions of this Section.

(a) Confidential Information

The Members acknowledge that they may receive confidential information regarding the Company, the release of which may be damaging to the Company or to persons with whom it does business. Each Member shall hold in strict confidence any information regarding the Company that is confidential, and may not disclose it to any person other than another Member, except for disclosures:

- compelled by law (but the Managing Member must notify the Manager promptly of any request for that information before disclosing it, if practicable);
- to a Member’s advisors or representatives, but only if they have agreed to be bound by the provisions of this Section; or
that the Member also has received from a source independent of the Company that the Member reasonably believes was obtained without breach of any obligation of confidentiality.

(b) Enforcement through Specific Performance

The Members acknowledge that disclosure of confidential information may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the provisions of this Section may be enforced by specific performance.

Article Eight
Meetings and Notice

Section 8.01 Special Meetings

Special meetings of the Members may only be called by a majority in interest of the Members. Special meetings of the Members may only be called upon delivery to the Members of notice of a special meeting of the Members given according to this Agreement.

Section 8.02 Meeting Notice

The Company shall deliver notice to each Member of record entitled to vote at the meeting at the address as appears in the Company records at least two but no more than 30 days before the meeting date. The notice must state the date, time, and place of any meeting of the Members and a description of the meeting’s purpose.

Section 8.03 Waiving Meeting Notice

A Member may waive notice of any meeting, before or after the date and time of the meeting as stated in the notice, by delivering a signed waiver to the Company to include in the minutes. If a Member attends any meeting in person or by proxy, the Member waives objection to lack of notice or to defective notice of the meeting, unless the Member objects to holding the meeting or transacting business at the meeting. The Member waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 8.04 Voting by Proxy

The Members may appoint a proxy to vote or otherwise act for the Members under a written appointment form signed by the Member, or the person’s attorney in fact. A proxy appointment is effective when received by the secretary or other Officer or agent of the Company authorized to tabulate votes. A fiduciary’s general proxy is given the same effect as the general proxy of any other Member. A proxy appointment is valid for 11 months unless otherwise specifically stated in the appointment form, or unless the authorization is revoked by the Member who issued the proxy.
Section 8.05  Action by Consent

Any Action required or permitted to be taken at a meeting of the Members may be taken without a meeting if the action is taken by all the Members entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken. These consents, in the aggregate, must be signed by all of the Members entitled to vote on the action and delivered to the Company to be included in the minutes.

Section 8.06  Quorum

For any meeting of the Members, a quorum requires the presence of Members holding at least two-thirds of the Membership Interests.

Section 8.07  Presence

Any Member may participate in any meeting through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Any Member participating in this way will be considered present in person at the meeting.

Section 8.08  Conduct of Meetings

At any meeting of the Members, the Members appoint a person to act as secretary of the meeting. The secretary of the meeting shall prepare minutes of the meeting, to be kept with the Company records.

Section 8.09  Approval or Consent of Members

Unless provided otherwise by the Securities Act or this Agreement, any action of the Members requires a vote or written consent of a majority of the Members in favor of the action.

Article Nine

Books, Records, and Bank Accounts

Section 9.01  Books and Records

The Company shall keep books of account regarding the operation of the Company at the principal office of the Company, or at any other place the Members determine. All Members and their duly authorized representatives will have access to the books at all reasonable times. The Company shall keep the following records:

- a current list of the full name and last known address of each Member;
- a copy of the Articles of Organization (together with any amendments) and copies of any powers of attorney under which any certificate has been signed;
- copies of the Company’s federal, state, and local income tax returns and any reports for the three most recent years;
- copies of this Agreement (together with any amendments);
- copies of any financial statements of the Company for the three most recent years; and
any other documents required by law.

Section 9.02 Accounting and Taxable Year
The Company shall keep books of account consistent with any method authorized or required by the Internal Revenue Code and as determined by the Members. The Company shall close and balance the books at the end of each Company year. The Company’s Taxable Year is the period authorized or required by the Internal Revenue Code, and as determined by the Members.

Section 9.03 Reports
Within a reasonable time after the end of each Taxable Year, the Company shall provide all Members with the information necessary to prepare and file their respective tax returns. The Company shall prepare all financial statements at the Company’s expense.

Section 9.04 Bank Accounts and Company Funds
The Company shall deposit all cash receipts in the Company’s depository accounts. All accounts used by or on behalf of the Company are property of the Company, and will be received, held, and disbursed by the Manager for the purposes specified in this Agreement. The Members must not commingle Company funds with any other funds.

Article Ten
Admitting Additional Members

Section 10.01 Admission by Unanimous Consent of Members; Prerequisites
Additional Members may only be added after the unanimous consent of the Members. Before being admitted as a Member, a prospective Member must first:

provide evidence satisfactory to the Company that admission of the prospective Member will not violate any applicable securities law, cause a termination of the Company under applicable provisions of the Code, or alter the status of any tax election made by the Company;

pay all reasonable expenses connected with admission as a Member, including professional fees incurred in obtaining opinions or valuations; and

agree to be bound by all of the terms of this Agreement by signing the Agreement.

Section 10.02 Capital Contributions and Fair Market Value
Other than contributions of cash or publicly traded securities, the fair market value of any property to be contributed by an additional Member as the initial Capital Contribution will be determined as agreed upon by the additional Member and the holders of a majority of the Membership Interests before the contribution is made. In the alternative, the Managing Member will appoint a disinterested appraiser to determine the value of the property to be contributed.

The Members may adopt and revise rules, conventions, and procedures as the Members determine to be appropriate regarding the admission of Members to reflect the Membership Interest at the end of the year in accordance with the intentions of the Members.
Section 10.03 Admissions Must Not Violate This Article
Any attempt to admit an additional Member that violates this Article will be null and void.

Article Eleven
Transfer of Membership Interests by a Member

Section 11.01 Transfer Restrictions
Except as provided in this Article, no Member may transfer any Membership Interest either voluntarily or involuntarily by any means without the unanimous written consent of all Members. The Members are not required to consent to any attempted transfer and will not be subject to any liability for withholding consent.

Any attempted transfer of a Membership Interest or the admission of a Substitute Member in violation of this Article is null and void.

Section 11.02 Transfer of Interest
No Member may transfer any Membership Interest without first offering in writing to sell the Interest to the Company and to all other Members as provided in this Section.

(a) Notice
A Member who intends to transfer a Membership Interest must first give notice of the intent to transfer to the Company and to all other Members. Any notice of intent to transfer must include the following information.

(1) Writing Explaining Terms of Offer
If the Member received a written offer, a copy of that written offer must be attached to the notice. If the Member received only an oral offer, a written explanation of the oral offer must be attached to the notice.

The written explanation must completely detail the purchase price and payment terms.

(2) Certification of Genuine Offer
The Managing Member shall certify in the written notice that the offer is genuine to the best of the Managing Member’s knowledge.

(b) Company’s Priority Right to Purchase
The Company has the first right to purchase all or any portion of the Membership Interest according to the terms of any written notice of an offer except as the Company may elect to modify the terms under Section 11.02(d) below. The Company may exercise this first right to purchase by giving written notice of the Company’s intent to purchase to the selling Member within 90 days of receiving the written notice of the offer.
(c) Other Members’ Priority Right to Purchase

If the Company does not provide written notice of an intent to purchase the Membership Interest within 90 days of receiving the written notice of the offer or if the Company provides written notice of an intent not to purchase the Membership Interest, any Member may purchase any portion of the Membership Interest according to the terms of the offer except as the Member may elect to modify the terms under Section 11.02(d) below. A Member may exercise this right to purchase by giving notice of intent to purchase to the selling Member within 120 days of receiving the written notice of the offer.

If more than one Member exercises the right to purchase the same Membership Interest, each Member may purchase a pro rata share of the Membership Interest in proportion to each Member’s respective Membership Interest in the Company before the offer of sale.

(d) Payment Terms under Company’s or Members’ Priority Right to Purchase

If the Company or a Member exercises the priority right to purchase a Membership Interest as provided above, then the Company or purchasing Member may, at the buyer’s discretion, pay the purchase price either:

- according to the payment terms specified in the written notice of the offer provided by the selling Member, or
- by delivering an unsecured promissory note made by the buyer for the purchase price.

If the buyer chooses to pay the purchase price according to a promissory note, the note will bear a market rate of interest on the unpaid balance of principal. The principal amount of the note will be payable in 10 equal annual payments of principal and amortized interest. The first payment will be due on the first anniversary of the note. Subsequent payments will be due on each anniversary date until the note is paid in full. The note must provide for a 60-day right to cure after notice of any default on any payment before acceleration of the unpaid balance of principal and interest. The buyer may prepay the note in whole or in part at any time without penalty.

(e) Closing on Purchase by the Company or a Member

The closing of any purchase of a Membership Interest under this Section will occur at the Company’s principal office within 150 days from the date of the notice of intent to sell.

(f) Transfer to Third Party after Non-Exercise of Priority Right

If neither the Company nor any Member exercises their respective priority right to purchase the Membership Interest, the selling Member may transfer its Membership Interest to the party that made the original offer for the purchase price and on the terms in the original offer.
The closing on any transfer to a third party under this Section must occur within 60 days from the earlier of:

the expiration of the Company’s and the other Members’ priority rights to purchase; and

the date on which the Company and all other Members have provided written notice of their intent not to exercise their respective priority rights to purchase.

If the Membership Interest is not sold to the prospective purchaser within the specified time, the Company and the other Members will again be offered an opportunity to exercise their respective priority rights to purchase the Membership Interest under Section 11.02(b) and Section 11.02(c) above.

Section 11.03 Additional Transfer Restrictions

If any proposed transfer of Membership Interests or addition of a Substitute Member will terminate the Company under either Internal Revenue Code Section 708(b) or the Act, then the transfer is prohibited unless the Members specifically approve the transfer. If not approved by the Members, the attempted transfer will be disregarded and void ab initio.

But the Members may not approve any transfer or addition of a Substitute Member that violates any applicable federal or state securities law.

Section 11.04 Transferee Treated as an Assignee until Admitted as a Substitute Member

The transferee of a Membership Interest will hold the interest only as an Assignee until the transferee satisfies all the requirements of Section 11.05 to become a Substitute Member. As an Assignee, the transferee will have only those rights in Section 11.06.

Section 11.05 Conditions Required to Become a Substitute Member

An Assignee will not become a Substitute Member and will not have any rights as a Member until all of the conditions, consents, and procedures in this Section have been fully satisfied.

(a) Members’ Consent

All Members, other than the assigning Member, must consent in writing to the admission of the Assignee as a Substitute Member.

(b) Executing All Other Agreements

The assigning Member and the Assignee shall sign, acknowledge, and deliver instruments of transfer and assignments to the Company, in the form and substance satisfactory to the Company. These instruments include the written acceptance and adoption by the Assignee of this Agreement.

(c) Reasonable Transfer Fee

An Assignee shall pay a reasonable transfer fee to the Company. The Company may establish the transfer fee amount on a case-by-case basis.
(d) **Effective Date of Admission as Substitute Member**

The effective date of an admission as a Substitute Member is the date on which all the remaining Members vote to accept the Assignee as a Substitute Member under this Agreement.

**Section 11.06 Assignee’s Rights and Limitations**

An Assignee is entitled to receive distributions from the Company to the same extent that the transferring Member would receive distributions under this Agreement. Until the effective date that an Assignee is admitted as a Substitute Member, both the Company and the Members will treat the Assignor of the transferred Membership Interest as the absolute owner of the transferred Membership Interest except regarding any Member distributions made that are attributable to the transferred Membership Interest.

An Assignee has substantially fewer rights than a Member. Assignees only hold a right to receive economic benefits when distributed from the Company in respect to the assigned Membership Interest. Other limitations on Assignees’ rights include:

- access only to those Company records and information specifically authorized for the Assignees under the Act;
- no right to vote in any Company matters; and
- no other legal or economic rights.

**Section 11.07 Permitted Transfers**

A Member may only transfer a Membership Interest without any other Member’s consent to a trust for his or her benefit, to his or her spouse, to a trust for the benefit of his or her spouse, to his or her immediate family, or to a trust for the benefit of his or her immediate family, so long as the proposed transfer does not:

- cause the Company to terminate for federal income tax purposes;
- result in any event of default as to any secured or unsecured obligation of the Company;
- cause a reassessment of any real property owned by the Company; or
- cause other adverse material impact to the Company.

The transferee of a Membership Interest transfer permitted by this Section will be admitted as a Substitute Member without the necessity of compliance with Section 11.05, but the Company may require the transferee to accept this Agreement in writing.

**Section 11.08 Amending Operating Agreement and Articles of Organization**

If required by law, upon the admission of a new Member, the Company shall amend the Operating Agreement or the Articles of Organization to reflect any substitution of Members.

(a) **Substitute Member Acceptance upon Amendment**

Until the Operating Agreement or Articles of Organization are amended under this Section, an Assignee will not become a Substitute Member.
(b) Assessing Fees

If a Substitute Member’s entry into the Company requires an amendment, the Company may assess any fees, costs, or other expenses of any required amendment against that Substitute Member.

Section 11.09 Member Disability

The agent of a disabled Member acting under a durable power of attorney or the Legal Representative of a disabled Member may exercise all of the Member’s rights and voting authority, and is entitled to receive distributions of cash or other property from the Company on behalf of the Member, but only if the agent or Legal Representative is a person or entity specifically listed as a permitted transferee in Section 11.07. If more than one agent or Legal Representative is entitled to act for a disabled Member, the Company will designate in writing which agent or Legal Representative may act on behalf of the disabled Member.

Section 11.10 Death of a Member

Except for transfers to those persons or entities specifically listed as permitted transferees in Section 11.07, any Membership Interest that is transferred because of a Member’s death will be an Assignee interest.

A transferee of any transfer under this Section will be bound by all of the terms of this Agreement.

Section 11.11 Voting Rights of Transferred Interests

A Member who transfers a Membership Interest to an Assignee will continue to hold all voting rights associated with the assigned Interest until the Assignee of the transferred Interest satisfies all of the requirements to become a Substitute Member under Section 11.05.

In the case of an Assignee who holds an Interest received because of the death of a Member, the voting rights associated with the transferred Interest will be suspended and disregarded for purposes of calculating votes until the Assignee of the transferred Interest satisfies all of the requirements to become a Substitute Member under Section 11.05.

Section 11.12 Non-Recognition of an Unauthorized Transfer or Assignment; Accumulation of Amounts to Be Distributed

The Company is not required to recognize the purported Interest of any transferee or Assignee who alleges to have received any Interest other than by an authorized transfer or Assignment under this Agreement. If the ownership of a Membership Interest is in doubt, or if there is reasonable doubt as to who is entitled to a distribution attributable to an Interest, the Managing Member may accumulate the amounts to be distributed until this issue is finally determined and resolved. The Managing Member shall credit any accumulated amounts to the Capital Account associated with the Interest.

Section 11.13 Creditor Rights; Charging Order Sole Exclusive Remedy

If a creditor obtains a judgment by a court of competent jurisdiction against any Member or Assignee, the court may charge the Member or Assignee’s Interest with payment of the unsatisfied amount of the judgment from distributions attributable to the affected Interest, but only to the
extent permitted by the Securities Act. To the extent any interest is charged with satisfaction of a judgment, the judgment creditor will receive no more than the rights of an Assignee; the creditor will not be admitted as a Member of the Company.

The charging order is the exclusive remedy by which a judgment creditor of a Member or an Assignee of a Membership Interest may obtain any satisfaction from the Company toward any judgment against the Member or Assignee. This Section does not deprive any Member or Assignee of rights under any exemption laws available to the Member or Assignee.

**Section 11.14 Company’s Unilateral Purchase Option for Interest Acquired without Consent**

The Company will have the unilateral option to purchase any Interest acquired by any transferee under this Section. For purposes of establishing the value of the Interest under this provision, the Interest will be considered the Interest of an Assignee.

**(a) Circumstances Triggering Purchase Option**

Any of the following circumstances will trigger the Company’s unilateral right to purchase a transferee’s Interest. Collectively these events are referred to as *triggering events*.

Any individual, entity, organization, or agency obtains a Member’s Interest, whether inclusive or exclusive of voting rights, because of:

- any valid court order that the Company is required by law to recognize;
- being subject to a lawful charging order by a court of competent jurisdiction;
- a levy, voluntary or involuntary bankruptcy proceeding, or other transfer of a Membership Interest, with voting rights, that the Company has not approved but that the Company is required by law to recognize; or
- any decree of divorce or equitable division of property that transfers a Membership Interest in the Company.

If the Company’s unilateral purchase option is exercised, the Company will purchase the affected Interest of the transferee for the fair market value of the Interest, valued as the Interest of an Assignee.

If the Interest is transferred subject to a divorce decree or equitable division of property, the Company’s unilateral option as to the transferred Interest will be suspended for a period of 90 days, and the divorcing Member will have all of the rights of the Company in this Section. If the divorcing Member fails to initiate exercise of the option within the 90-day period, the Company’s unilateral option right will be restored.
(b) Terms and Conditions of Exercisable Purchase Option

If the Company elects to exercise its unilateral purchase option, the following terms and conditions will apply to the transaction.

(1) Written Notice of Intent to Purchase

The Company will provide written notice to the Assignee or transferee within 90 days of the triggering event that the Company intends to purchase the Interest. If the Company does not provide written notice within 90 days of the triggering event, the Company’s unilateral purchase option will lapse.

(2) Exercise of Option and Date of Valuation

If the Company provides written notice of its intent to exercise its purchase option, then the Company may exercise the option within 180 days from the first day of the month following the month in which the Company provided the notice.

The valuation date for the Interest to be purchased will be the first day of the month following the month in which notice is delivered.

(3) Written Appraisal Requirement

Unless the Company and the transferee or Assignee agree otherwise, the fair market value of any Interest subject to the Company’s purchase option will be determined by Qualified Appraisal performed by a Qualified Appraiser selected by the Company. The Qualified Appraiser must be qualified to perform business appraisals and to value limited liability company or partnership interests.

(4) Acceptance or Rejection of Valuation

If the transferee objects to the appraiser’s valuation report, the transferee must deliver written notice of the objection to the Managing Member within 30 days from the date the transferee is provided with written notice of the valuation report. If the transferee does not object in writing within the required period, the report will be considered accepted as written.

If the transferee objects to the valuation report, closing of the sale will be postponed for a reasonable time until the valuation of the Interest is resolved.

(5) No Voting Rights during Purchase-Option Period

Until the closing, the transferee will not be allowed to exercise any vote attributable to the Interest that is subject to the purchase option. The transferee will be entitled to all items of income, deduction, gain, or loss from the Interest. The transferee of the Interest will be an Assignee unless all conditions have been satisfied for the
transferee to become a Substitute Member as described in Section 11.05.

(6) Location and Date of Closing

Closing of any sale under this Section will occur at the principal office of the Company within 45 days of the date on which the valuation report is accepted by the transferee or the date on which the valuation of the Interest is otherwise resolved.

(7) Payment of Terms upon Exercise of Option

In order to prevent unduly burdening the Company’s resources, the Company may unilaterally elect to pay any purchase-money obligation in 30 equal annual installments. If the remaining term of the Company is less than 30 years, the Company may make equal annual installments over the remaining term of the Company. Interest on any unpaid principal amount will be determined at market rates determined as of the closing date and, at the option of the Company, may be adjusted annually as of the first day of each Taxable Year.

In determining whether the remaining term of the Company is less than 30 years, the Company may assume that any option to extend the Company term will be exercised by the Members. If the option to continue is not exercised, then the balance will become due immediately upon dissolution of the Company.

The first installment of principal and interest will be due on the first day of the Taxable Year following the closing date. Subsequent annual installments will be due on the first day of each subsequent Taxable Year until the entire obligation is fully paid. The Company may prepay any part of any purchase-money obligation at any time without premium or penalty.

Section 11.15 Assignee or Charging Order Holder Assumes Tax Liability

The Assignee of a Membership Interest and any person who acquires a charging order against a Membership Interest shall report income, gains, losses, deductions, and credits regarding the interest for the period in which the Assignee Interest is held or for the period the charging order is outstanding.

Article Twelve
Dissolution and Termination

Section 12.01 Dissolving the Company

The Company will be dissolved only if an event described in this Section occurs.
(a) Date Designated by the Members

The Company will be dissolved on a date designated by the Members.

(b) Judicial Dissolution

The Company will be dissolved upon the entry of a decree of judicial dissolution by a court of competent jurisdiction.

After dissolution, the Company shall conduct only activities necessary to wind up its affairs.

Section 12.02 Liquidating the Company Property

After dissolving the Company, the Managing Member, shall liquidate the Company property; apply and distribute the proceeds from the liquidation of the property under this Agreement; and cause the cancellation of the Company’s Articles of Organization.

(a) Creditor Payment and Provision for Reserves

First, the proceeds from the liquidated property will be applied toward or paid to any non-Member creditor of the Company in the order of payment required by applicable law. After paying liabilities owed to non-Member creditors, the Managing Member shall set up a reserve of assets as the Managing Member determines is reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company.

(1) Creating an Escrow Account

The Managing Member may, but need not, pay over any reserves for contingent liabilities to a bank to hold in escrow for later payment.

(2) Distributing Reserves

The Managing Member shall distribute any remaining reserves after the Managing Member is reasonably satisfied that any liabilities have been adequately resolved. The remaining reserves will be distributed to the Members or their assigns in the order of priority for Member distributions set forth in this Agreement.

(b) Distributing Property after Paying Liabilities and Establishing Reserves

After paying liabilities and establishing reserves, the Managing Member shall satisfy any debts owed to Members with any remaining net assets of the Company, and then distribute any remaining assets to the Members in proportion to their positive Capital Account balances.

(c) Non-Cash Assets

If any part of the net assets distributable to the Members consists of notes, accounts receivable, or other non-cash assets, the Managing Member may take whatever steps it considers to be appropriate to convert the assets into cash or any other form to facilitate distribution. If any in-kind assets of the Company are to be distributed,
those assets will be distributed using their fair market value at the distribution date, as determined by the Managing Member.

Section 12.03  Company Property Sole Source

Company property is the sole source for the payment of any debts or liabilities owed by the Company. Any return of Capital Contributions or liquidation amounts to the Members or Assignees (or both if the Company has Members and Assignees) will be satisfied only to the extent that the Company has adequate assets. If the Company does not have adequate assets to return the Capital Contributions, neither the Members nor Assignees will have any recourse against the Company or any other Members or Assignees, except to the extent that other Members may have outstanding debts or obligations owing to the Company.

Section 12.04  Company Asset Sales during Term of the Company

The sale of Company assets during the term of the Company does not constitute liquidation, dissolution, or termination of the Company as defined under this Article. The Company may reinvest the sale proceeds in other assets consistent with the business purposes for the Company. Further, the Members may participate in any real property exchange as defined in Code Section 1031 if the exchange fulfills the business purposes of the Company.

Article Thirteen
General Matters

Section 13.01  Successors and Assigns

Subject to the restrictions on transfer in this Agreement, this Agreement binds and inures to the benefit of the Members, and to their respective successors, personal representatives, heirs, and assigns.

Section 13.02  No Waiver

Any Member’s failure to insist upon strict performance of any provision or obligation of this Agreement, irrespective of the length of time for which the failure continues, is not a waiver of that Member’s right to demand strict compliance in the future. An express or implied consent to or waiver of any breach or default in the performance of any obligations under this Agreement is not a consent to or waiver of any other breach or default in the performance of the same or any other obligation.

Section 13.03  Definitions

For purposes of this Agreement, the following terms have the following meanings.

(a)  Act

Act means the Missouri Limited Liability Company Act, as amended from time to time.
(b) **Additional Member**

*Additional Member* means a Member who is admitted to the Company after this Agreement is signed, but who is not a Substitute Member.

(c) **Additional Capital Contribution**

See *Capital Contribution*.

(d) **Affiliated Person**

*Affiliated Person* means a Member, a member of an individual Member’s Immediate Family, a Legal Representative, successor, Assignee, or trust for the benefit of a Member and members of the Immediate Families of the individual Member, and any corporation or other legal entity of which a majority of the voting interest is owned by any one or more Affiliated Persons.

(e) **Agreement**

*Agreement* means this Operating Agreement, as amended from time to time.

(f) **Articles of Organization**

*Articles of Organization* means the Articles of Organization filed with the Secretary of State of Missouri as required by the Act, or any other similar instrument required to be filed by the laws of any other state in which the Company intends to conduct business.

(g) **Assignee**

*Assignee* means the recipient of a Membership Interest by *Assignment*.

(h) **Assignment**

*Assignment* means any method—direct or indirect, voluntary or involuntary—by which the legal or beneficial ownership of any interest in the Company is transferred or changed, including:

- any sale, exchange, gift, or any other form of conveyance, assignment, or transfer;
- a change in the beneficial interests of any trust or estate that holds any interest in the Company and a distribution from any trust or estate;
- a change in the ownership of any Member or Assignee that is a corporation, partnership, limited liability company, or other legal entity, including the dissolution of the entity;
- a change in legal or beneficial ownership or other form of transfer resulting from the death or divorce of any Member or Assignee or the death of the spouse of any Member or Assignee;
- any transfer or charge under a charging order issued by any court; and
any levy, foreclosure, or similar seizure associated with the exercise of a creditor’s rights in connection with a mortgage, pledge, encumbrance, or security interest.

Assignment does not include any mortgage, pledge, or similar voluntary encumbrance or grant of a security interest in any Interest in the Company.

(i) Bankrupt

Bankrupt means filing a petition in voluntary bankruptcy, an assignment taken voluntarily or involuntarily by a Member for the benefit of creditors, or other action under any federal or state law for the benefit of an insolvent party. Bankrupt does not include filing a petition of involuntary bankruptcy against a Member if the petition is dismissed within 45 days from the filing date, nor does it include the issuance of a charging order against a Member’s Interest if the charging order is removed within 10 days of being served.

(j) Capital Account

Capital Account means the account established and maintained for each Member under Section 4.04 and under Treasury Regulation Section 1.704-1(b)(2)(iv), as amended from time to time.

(k) Capital Contribution

Capital Contribution means the total cash and other consideration contributed and agreed to be contributed to the Company by each Member. Each Initial Capital Contribution is shown in Schedule A, attached and incorporated into this Agreement. Additional Capital Contribution means the total cash and other consideration contributed to the Company by each Member other than the Initial Capital Contribution. Any reference in this Agreement to the Capital Contribution of a current Member includes any Capital Contribution previously made by any prior Member regarding that Member’s Interest. The value of a Member’s Capital Contribution is the amount of cash plus the fair market value of other property contributed to the Company.

(l) Cash-Flow Earnings

Cash-Flow Earnings means the net income, including capital gains income, realized by the Company for the Taxable Year, reduced or increased according to the following guidelines.

(1) Net Income Reductions

Net income will be reduced by the actual payment of items that are not deductible by the Company for federal income tax purposes, including nondeductible travel and entertainment expenses, charitable contributions, nondeductible interest payments, the payment of debt principal and interest, the acquisition of depreciable property during the Taxable Year to the extent that the cost is not fully deductible in the year of acquisition, and any other payment
that represents an actual decrease in the cash available to the
Company.

(2) Net Income Increases

Net income will be increased by the amount expended for intangible
expenses for federal income tax purposes. Intangible expenses
include depreciation, depletion, and amortization costs reported as
deductions for federal income tax purposes, but do not include
depreciation reported as an expense that is deductible under Internal
Revenue Code Section 179.

(3) Treatment of Gain on Asset Sale

The gain from the sale of a Company asset will be included in
determining the Company’s net income for distribution purposes to
the extent of payments of the gain amount actually received by the
Company for the Taxable Year. Deferred payments of gain under
an installment sale or other deferred payment arrangement will be
considered income in the year a payment is actually received.

The computation of Cash-Flow Earnings does not include income from a
partnership, trust, limited liability company, or other organization classified by
federal tax law as a pass-through entity to the extent that distributions of income
from the pass-through entity are not actually received during the Taxable Year or
within 60 days after the close of the Taxable Year. Subsequent distributions to the
Company from a pass-through entity that are attributable to income realized and
reported for a prior year will increase the Cash-Flow Earnings for distribution
purposes.

Cash-Flow Earnings determined for distribution purposes do not include reasonable
reserves. Reserves are amounts needed for working capital, debt service, deferred
maintenance, and for anticipated capital improvements.

Cash-Flow Earnings take into account the obligation of the Company to the
payment obligations of interest to Members who have advanced funds to the
Company as loans and the payment of any guaranteed payment obligations of the
Company. The distribution of earnings may be deferred for a reasonable time to
the extent that the Company does not have available cash to satisfy the distribution
amount. The term available cash indicates the actual cash of the Company in
checking accounts, money market funds, and 90-day Treasury Bills.

(m) Charity

Charity includes any organization of a type described in Internal Revenue Code
Sections 170(c), 2055(a), and 2522(a).

(n) Charitable Trusts

Charitable Trust includes any charitable remainder trust created under Internal
Revenue Code Section 664 or any charitable income trust created under Treasury
Regulations Section 1.170A-6(c); Treasury Regulations Section 25.2522(c); or Treasury Regulations Section 20.2055-2(e).

(o) Company

*Company* means Key Executive Living, LLC, a Missouri Limited Liability Company.

(p) Delivery

*Delivery* means:

- personal delivery to a party;
- mailing by certified United States mail to the last known address of the party to whom delivery is made, with return receipt requested to the party making delivery;
- facsimile transmission to a party when receipt is confirmed in writing or by electronic transmission back to the sending party; or
- electronic mail transmission to a party when receipt is confirmed in writing or by electronic mail transmission back to the sending party.

The effective date of delivery is the date of personal delivery or the date of the return receipt, if received by the sending party. If no return receipt is provided, then the effective date will be the date the transmission would have normally been received by certified mail if there is evidence of mailing.

(q) Disability

*Disability* of a Member means that any one of the following has occurred:

- the Member has been declared incompetent, incapacitated, or otherwise legally unable to effectively manage his or her property or financial affairs by a court of competent jurisdiction;
- the Member’s incapacity has been certified in writing by two licensed physicians, one of whom is the Member’s personal physician, after examining the Member;
- the Member has disappeared or is absent for unexplained reasons, causing the Member to be unable to manage his or her property or financial affairs effectively; or
- the Member is being detained under duress or under law, causing the Member to be unable to manage his or her property or financial affairs effectively.

A Member’s disappearance, absence, or detention under duress may be established by an affidavit of any other Member. The affidavit must describe the circumstances of the individual’s disappearance, absence, or detention. Any third party dealing in good faith with the Company may rely upon the affidavit.
Upon regaining capacity, a formerly incapacitated Member will have all the rights, power, and authority originally granted to the Member by this Agreement.

(r) **Immediate Family**

*Immediate Family* means any Member’s spouse (but not a spouse who is legally separated from the person under a decree of divorce or separate maintenance), parents, parents-in-law, descendants (including descendants by adoption), brothers, sisters, brothers-in-law, sisters-in-law, and grandchildren-in-law.

(s) **Including and Includes**

In this Agreement, the words *include*, *includes*, and *including* mean *include* without limitation, *includes* without limitation, and *including* without limitation, respectively. *Include*, *includes*, and *including* are words of illustration and enlargement, not words of limitation or exclusivity.

(t) **Independent Person**

*Independent Person* means an individual who is not related to or subordinate to a claimant or respondent of any controversy concerning the Company, is not a Member of the Company, and has no financial stake in the resolution of the controversy other than fair and reasonable compensation for services provided to resolve the controversy.

(u) **Initial Capital Contribution**

*See Capital Contribution.*

(v) **Internal Revenue Code**

References to the *Internal Revenue Code* or to its provisions are to the Internal Revenue Code of 1986, as amended from time to time, and any corresponding Treasury Regulations. References to the *Treasury Regulations* are to the Treasury Regulations under the Internal Revenue Code in effect. If a particular provision of the Internal Revenue Code is renumbered or a subsequent federal tax law supersedes the Internal Revenue Code, any reference is to the renumbered provision or to the corresponding provision of the subsequent law, unless the result would be clearly contrary to the Members’ intent as expressed in this Agreement. The same rule applies to Treasury Regulations references.

(w) **Legal Representative or Personal Representative**

The terms *Legal Representative* and *Personal Representative* mean a person’s guardian, conservator, executor, administrator, Trustee, or any other person or entity personally representing a person or the person’s estate.

(x) **Majority in Interest; 85% in Interest of the Members**

*Majority in Interest* means that 51 or more votes out of 100 votes that may be cast will determine the matter subject to the vote.

*85% in interest of the Members* means that at least 85 votes out of the total 100 votes that may be cast will determine the matter subject to the vote.
(y) Managing Member

Managing Member means the Members who are responsible for managing the business of the Company, or one or more Member Principals who have been appointed by the Members to manage the Company.

(z) Market Rate of Interest or Market Rate

The terms market rate of interest and market rate mean the rate of interest identified as the prime rate by the Wall Street Journal in its “Money Rates” column; or, if two or more rates are reported as the prime rate, the average of the two or more. If Internal Revenue Code Sections 483 and 1274A apply to this transaction, the minimum rate of interest of the purchase money obligation will be fixed at the rate of interest then required by those Sections.

(aa) Member

Member means any person or legal entity designated in this Agreement as a Member or any person or legal entity who becomes a Member under this Agreement.

(bb) Members

The term Members means all of the Members of the Company.

(cc) Member Principal

The term Member Principal refers to a Member who has been appointed by the Members to represent the Company in operational management.

(dd) Membership Interest

Membership Interest means the ownership interest and rights of a Member in the Company, including the Member's right to a distributive share of the profits and losses, the distributions, and the property of the Company and the right to consent or approve Company actions. All Membership Interests are subject to the restrictions on transfer imposed by this Agreement. Each Member's Interest is personal property and no Member will acquire any interest in any of the assets of the Company.

Each holder of a Membership Interest will have the right to vote the holder's proportionate interest in the Company regarding all matters that Members have a right to vote on under this Agreement or by law.

Example: A Member with a Membership Interest of 35.5% will have a 35.5% ownership interest in the Company, and will have 35.5 votes out of 100 votes that may be cast on matters that require the consent or affirmative action of the Members.

Membership Interests may be adjusted from time to time under Article Three.

(ee) Person

Person has the same broad meaning as defined in Internal Revenue Code Section 7701(a)(1). The term specifically includes the Company; its successors and
assigns; each Member or Assignee, and their successors, assigns, heirs, and personal representatives. The phrase each other person identifies any individual, corporation, partnership, limited liability company, trust, or other party whose interest may be affected, adversely or otherwise, by the resolution of any dispute, contest, or claim.

(ff) Property

Property means all Company property and rights as described in Schedule A and any property—real or personal, tangible or intangible—otherwise acquired by the Company.

(gg) Qualified Appraiser and Qualified Appraisal

A Qualified Appraiser means an appraiser who is a Member of the American Society of Appraisers, Business Valuations Division and accredited to perform business appraisals or valuations by this organization; or, alternatively, a certified public accountant accredited in business valuation by the American Institute of Certified Public Accountants. A Qualified Appraisal means any appraisal performed by a Qualified Appraiser.

(hh) Securities Act

Securities Act refers to the Securities Act of 1933, as amended.

(ii) Substitute Member

Substitute Member means any person not previously a Member who acquires a Membership Interest and is admitted as a Substitute Member according to the terms of Section 11.05 of this Agreement.

(jj) Taxable Year

Taxable Year means the calendar year or any other accounting period selected by the Manager. Taxable Year is synonymous with fiscal year for all purposes of this Agreement.

Section 13.04 Changing the Company’s Situs

The Company’s situs may be changed only by the unanimous written consent of all of the Members.

Section 13.05 No Duty to Mail Articles of Organization

The Company does not have an obligation to deliver or mail copies of the Articles of Organization or any amendments to the Members unless required to do so by the Act.

Section 13.06 General Matters

The following general provisions and rules of construction apply to this Agreement:

(a) Multiple Originals; Validity of Copies

This Agreement may be signed in any number of counterparts, each of which will be deemed an original.
Any person may rely on a copy of this Agreement that the Managing Member certifies to be a true copy to the same effect as if it were an original.

(b) Singular and Plural; Gender

Unless the context requires otherwise, words denoting the singular may be construed as plural and words of the plural may be construed as denoting the singular. Words of one gender may be construed as denoting another gender as is appropriate within the context. The word or, when used in a list of more than two items, may function as both a conjunction and a disjunction as the context requires or permits.

(c) Headings of Articles, Sections, and Subsections

The headings of Articles, Sections, and Subsections used within this Agreement are included solely for the reader’s convenience and reference. They have no significance in the interpretation or construction of this Agreement.

(d) Governing Law

This Agreement is governed, construed, and administered according to the laws of Missouri, as from time to time amended, except as to trust property required by law to be governed by the laws of another jurisdiction, and unless the situs of administration is changed under Section 13.04.

(e) Notices

Unless otherwise stated, whenever this Agreement calls for notice, the notice must be in writing and must be personally delivered with proof of delivery, or mailed postage prepaid by certified mail, return receipt requested, to the last known address of the party requiring notice. Notice is effective on the date personally delivered or on the date of the return receipt. If a party giving notice does not receive the return receipt but has proof that he or she mailed the notice, notice will be effective on the date it would normally have been received by certified mail. If notice is required to be given to a minor or incapacitated individual, notice must be given to the minor or incapacitated individual’s parent or Legal Representative.

(f) Severability

The invalidity or unenforceability of any provision of this Agreement does not affect the validity or enforceability of any other provision of this Agreement. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this Agreement are to be construed as if the invalid provision had never been included in this Agreement.

(g) Acceptance

Each Manager and Member has reviewed this Agreement, accepts all its provisions, and agrees to be bound by all the terms, conditions, and restrictions contained in this Agreement.
Signed:
MEMBERS:

______________________________
Richard J. Key

______________________________
Mary L. Key
Schedule A

The Initial Members and Their Contributions to the LLC

<table>
<thead>
<tr>
<th>Member's Name</th>
<th>Initial Capital Contribution</th>
<th>% Interest</th>
<th>Voting or Non-Voting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard J. Key</td>
<td>Cash: $ 500</td>
<td>50%</td>
<td>Voting</td>
</tr>
<tr>
<td>Mary L. Key</td>
<td>Cash: $ 500</td>
<td>50%</td>
<td>Voting</td>
</tr>
</tbody>
</table>

Date: May 22, 2020

Richard J. Key, Member

Mary L. Key, Member

[To keep Membership Interests up to date for voting and distribution purposes, this Schedule or a copy of it must be prepared and signed by the Members each time an additional contribution is made to the LLC, and each time a transfer of a Membership Interest is made between or among Members. Each revised Schedule must be attached to this Agreement and available for inspection by each Member.]