**LLC OPERATING AGREEMENT**

**OF**

**[PROPERTY ADDRESS]**

This Operating Agreement (the “Agreement”) of [PROPERTY ADDRESS], a California nonprofit Limited Liability Company (the “Company”), is entered into by and between the Company and [JUNIOR PARTNER], a California nonprofit public benefit corporation and the sole member of the Company (the “Member”), effective as of [DATE] (the “Effective Date”).

# RECITALS:

WHEREAS, the Member formed the Company as a nonprofit Limited Liability Company in pursuant to and in accordance with the California Revised Uniform Limited Liability Company Act, as amended from time to time (the “Act”).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Organization. On [DATE LLC FORMED], the Company was formed by the actions of the organizer, as a California nonprofit limited liability company by the filing of Articles of Organization with the Secretary of State of California (as amended from time to time, the “Articles”).
2. Name. The name of the Company is [PROPERTY ADDRESS] LLC.
3. Purpose. The Company is exclusively organized and operated to acquire, hold, and manage the property commonly known as [PROPERTY ADDRESS] in the [COUNTY] and to further the exempt purpose(s), as specified in §214 of the California Revenue and Taxation Code (the “RTC”), of its Member within the meaning of §501(c)(3) of the Internal Revenue Code and §214 of the RTC.
4. Registered Office; Registered Agent; Principal Office. The registered office of the Company in the state of California will be the initial office designated in the Articles or such other office (which need not be a place of business of the Company) as the Member may designate from time to time in the manner provided by law. The registered agent of the Company for service of process in the State of California will be the initial registered agent designated in the Articles, or such other person as the Member may designate from time to time in the manner provided by law. The principal office of the Company will be at such location as the Member may designate from time to time.
5. Term. The term of the Company shall be perpetual unless and until the Company is dissolved and terminated in accordance with this Agreement.
6. Fiscal Year. The fiscal year of the Company for the financial statement and federal income tax purposed will end on December 31st unless otherwise determined by the Member.
7. Sole Member. The sole member of the Company is [JUNIOR PARTNER]. [JUNIOR PARTNER] is exempt under §501(c)(3) of the Internal Revenue Code, §23701d of the California Revenue and Taxation Code, and within the meaning of §214 of the RTC.
8. Liability to Third Parties. To the fullest extent permitted under the Act, the Member and each Officer (irrespective of the capacity in which it, he or she acts) shall not be liable for any debts, obligations or liabilities of the Company, whether arising in tort, contract or otherwise, solely by reason of being a member or officer, respectively, of the Company.
9. Member Managed. Management of the Company is vested in the Member. The Member shall have exclusive and complete authority and discretion to manage the operations and affairs of the Company and to make all decisions regarding the business of the Company.
10. Transfer of Membership Interest. Direct or indirect transfer of any membership interest to a transferee other than a §501(c)(3) organization or governmental unit or instrumentality is prohibited.
11. Election of Officers; Delegation of Authority. The Member may, from time to time, designate one or more individuals to be Officers of the Company with such titles as the Member may assign to such individuals, including, without limitation, a Chairman, a President, one or more Vice Presidents, a Secretary and a Treasurer to act in the name of the Company with such authority as may be delegated to such officers by the Member (each such designated person, an “Officer”). These positions will be held ex officio by the person who holds them at the Member (such that when the person holding that position at the Member changes, it automatically changes at the Company). Officers so designated will have such authority and perform such duties as the Member may from time to time delegate to them. Any number of Officer positions may be held by the same individual. Any Officer may resign as such at any time by providing written notice to the Company. Any Officer may be removed as such, either with or without cause, by the Member, in their sole discretion. Any vacancy occurring in any Officer position of the Company may be filled by the Member. The Officers of the Company will have the authority, acting individually, to bind the Company. Subject to the control of the Member, the President will have the general powers and duties of management usually vested in the office of president and chief executive officer of corporations, and will have such other powers and duties as may be prescribed by the Member. The Secretary will, subject to the control of the Member, prepare and keep the minutes of the proceedings of the Company in books provided for that purpose, see that all notices are duly given in accordance with the provisions of the Act, be custodian of the Company records, and will have the general powers and duties usually vested in the office of secretary of corporations, and will have such other powers and duties as may be prescribed by the Member. The Treasurer, which may also be known as the “Chief Financial Officer”, will, subject to the control of the Member, be responsible of the overall care and custody of the funds and finances of the Company, and the Treasurer shall in general perform all duties incident to the office of treasurer of a corporation, and will have such other powers and duties as may be prescribed by the Member.
12. Indemnification. To the fullest extent permitted under the Act, the Member, each Officer and their respective affiliates, shareholders, members, managers, directors, officers, partners, employees, agents and representatives (each an “Indemnitee”) shall be entitled to indemnification and advancement of expenses from the Company for and against any loss, damage, claim or expense (including attorneys’ fees) whatsoever incurred by such party relating to or arising out of any act or omission or alleged acts or omissions, performed or omitted by such party on behalf of the Company; provided, however, in each case (i) the Indemnitee acted in good faith and in a manner such Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal proceeding, had no reasonable cause to believe such Indemnitee’s conduct was unlawful, and (ii) the Indemnitee’s conduct did not constitute gross negligence or willful or wanton misconduct; and provided further that any indemnity under this section shall be provided out of and to the extent of Company assets only, and no Member, Officer or any other person shall have any personal liability on account thereof.
13. No Private Inurement or Private Benefit. No part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its Officers or other private persons. However, the Company shall be authorized and empowered to pay reasonable compensation for services rendered to it or on its behalf, pay reimbursements for expenses incurred on its behalf, and make payments and distributions in furtherance of the purposes, and other purposes set forth in the Company’s Articles and/or this Operating Agreement, as amended from time to time. The Company may not distribute any assets to members who cease to be organizations described in Section 501(c)(3) or governmental units or instrumentalities.
14. Dissolution. At such time as deemed appropriate by the Member, the Company will dissolve and its affairs be wound up as detailed in [ARTICLE NUMBER] of the Articles.
15. Amendments. Amendments to this Agreement may be made in accordance with [ARTICLE NUMBER] of the Articles.
16. Prohibitions. The Company is prohibited from merging with, or converting into, a for-profit entity.
17. Tax Treatment. As long as the Company has only one owner for U.S. federal income tax purposes, it is the intention of the Company and the Member that the Company be treated as a disregarded entity for U.S. federal and all relevant state income tax purposes and neither the Company nor the Member shall take any action or make any election which is inconsistent with such tax treatment. As long as the Company has only one owner for U.S. federal income tax purposes, all provisions of this Agreement are to be construed as to preserve the Company’s tax status as a disregarded entity for U.S. federal and all relevant state income tax purposes.
18. Miscellaneous.
    1. Governing Law. This Agreement shall be governed by the internal laws of the State of California.
    2. Severability. In the event that any provision of this Agreement shall be adjudicated to be invalid, illegal or unenforceable, such provision shall survive to the extent it is not so declared, and the validity, legality and enforceability of the other provisions of this Agreement shall not in any way be affected or impaired by such judgment, except only as to the extent such action would substantially impair the benefits to any party of the remaining provisions of this Agreement.
    3. No Third Party Beneficiaries. Nothing in this Agreement, either express or implied, is intended to or shall confer upon any person other than the parties hereto, and their respective successors and permitted assigns, any rights, benefits, or remedies of any nature whatsoever under or by reason of this Agreement.
    4. Enforcement of Rights. The Member will expeditiously and vigorously enforce all of its rights in the Company and will pursue all legal and equitable remedies to protect its interests in the Company.
    5. Representation. All of the Company’s organizing document provisions are consistent with the Act, and are enforceable at law and in equity.
    6. Execution. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

# MEMBER:

[JUNIOR PARTNER]

By: Name: [TREASURER NAME]

Title: Treasurer & Authorized Person

# COMPANY:

[PROPERTY ADDRESS], LLC

By: [JUNIOR PARTNER]

Its: Sole Member

By: Name: [TREASURER NAME]

Title: Treasurer & Authorized Person