
**OPERATING AGREEMENT
OF
WOOLARD ENTERPRISES TRUST
An Irrevocable, Spendthrift Trust**

**OPERATING AGREEMENT
OF
WOOLARD ENTERPRISES TRUST
TABLE OF CONTENTS**

Article One - Definitions and Interpretation		5
Section 1.01	Definitions.....	5
Section 1.02	Interpretation.....	9
 Article Two - Organizational Matters		 11
Section 2.01	Company Formation	11
Section 2.02	Company’s Name.....	11
Section 2.03	Company’s Purpose	11
Section 2.04	Company’s Principal Office and Location of Records	12
Section 2.05	Company’s Term	12
Section 2.06	Allocating Profit and Loss	12
Section 2.07	Investors’ Capital Contributions	12
Section 2.08	Taxation on Investor’s Interests.....	12
 Article Three - Investor Interests		 12
Section 3.01	Investors’ Interests in the Company	12
Section 3.02	Schedule of Investors	12
Section 3.03	Investment Interests Certification	13
Section 3.04	Valuing Company and Investment Interests	13
Section 3.05	Transferability of Investment Interest.....	13
 Article Four - Capitalization		 13
Section 4.01	Initial Capital Contributions	13
Section 4.02	Mandatory Additional Capital Contributions Prohibited.....	13
Section 4.03	No Mandatory Loans	13
 Article Five - Distributions		 14
Section 5.01	Distributions to Investor	14
Section 5.02	No Unlawful Distributions.....	14
Section 5.03	In-Kind Distributions	14
Section 5.04	No Interest or Demand Rights	14
Section 5.05	Proceeds from Capital Transactions	14
Section 5.06	Return of Distribution	14
 Article Six - Company Management.....		 14
Section 6.01	Management by Owner and/or Managers.....	14

Section 6.02	Appointing Managers.....	15
Section 6.03	No Employment Rights Conferred	15
Section 6.04	Manager’s Responsibility to File Necessary Forms	15
Section 6.05	Extent and Scope of Manager’s Services.....	15
Section 6.06	Delegation to Agents and Others	15
Article Seven - Investor Rights and Obligations.....		16
Section 7.01	Limited Liability of Investor.....	16
Section 7.02	Right to Participate in Management	16
Section 7.03	Investors’ Agency Authority.....	16
Section 7.04	Transfer of Company Assets.....	16
Section 7.05	Restrictions on Withdrawal or Dissociation Rights.....	16
Section 7.06	Company Continues after the Investor’s Death	16
Section 7.07	No Partition Rights	16
Article Eight - Investor Voting and Voting Rights		17
Section 8.01	No Right to Participate in Management.....	17
Article Nine - Expulsion of an Investor.....		17
Section 9.01	Expulsion of an Investor	17
Article Ten - Books, Records and Bank Accounts		17
Section 10.01	Books and Records.....	17
Section 10.02	Accounting and Taxable Year.....	18
Section 10.03	Reports.....	18
Section 10.04	Investors' Inspection Rights.....	18
Section 10.05	Bank Accounts and Company Funds.....	18
Article Eleven - Covenants, Representations and Warranties		17
Section 11.01	Investor Representations, Warranties and Acknowledgements.....	17
Section 11.02	Breach by Investors or Assignees	20
Section 11.03	Modification for Legal Events	18
Article Twelve - Transfer of Interests.....		18
Section 12.01	Transferability of Interests	18
Section 12.02	Effect of Improper Transfer	20
Section 12.03	Creditor Rights; Charging Order Sole and Exclusive Remedy	20
Article Thirteen - Right of First Refusal.....		21
Section 13.01	Company and Investors’ Right of First Refusal	21
Section 13.02	Investor Must Name Beneficiary	21

Section 13.03	Company’s Right to Purchase.....	21
Section 13.04	Payment Terms under Priority Right to Purchase.....	22
Section 13.05	Closing on Purchase by the Company or an Investor.	23
Article Fourteen - Dissolution and Liquidation		22
Section 14.01	Dissolution Events	22
Section 14.02	Effect of Dissolution	22
Section 14.03	Liquidation.....	22
Section 14.04	Company Property Sole Source	22
Section 14.05	Cancellation of Certificate of Formation	23
Section 14.06	Survival of Indemnity Rights, Duties, and Obligations	23
Section 14.07	Company Asset Sales During Term of the Company	23
Article Fifteen - Exculpation and Indemnification		23
Section 15.01	Exculpation of Protected Persons	23
Section 15.02	Good-Faith Reliance	23
Section 15.03	Decision-Making Standards.....	23
Section 15.04	Indemnification	25
Section 15.05	Reimbursement	23
Section 15.06	Entitlement to Indemnity	23
Section 15.07	Insurance	23
Section 15.08	Indemnification Obligation Funding.....	24
Section 15.09	Securities Indemnity	26
Section 15.10	Savings Clause	26
Section 15.11	Amendment.....	26
Article Sixteen - Dispute Resolution.....		24
Section 16.01	Resolving Disputes among Investors and within the Company	24
Section 16.02	Mediation/Arbitration of Disputes among Parties	24
Section 16.03	Qualified Appraisals	24
Section 16.04	Prevailing Party Is Entitled to Recover All Reasonable Costs.....	25
Article Seventeen - General Matters		28
Section 17.01	Expenses	28
Section 17.02	Binding Effect.....	28
Section 17.03	Further Assurances.....	28
Section 17.04	No Waiver.....	28
Section 17.05	No Duty to Mail Certificate of Formation	29
Section 17.06	Governing Law	29
Section 17.07	Equitable Remedies	29

Section	17.08	Attorney’s Fees	29
Section	17.09	Remedies Cumulative	29
Section	17.10	Notices	29
Section	17.11	Severability	30
Section	17.12	Amendments	30
Section	17.13	Multiple Originals; Validity of Copies	30
Section	17.14	Determination of Fair Market Value.....	30
Section	17.15	Investment in Company	30
Section	17.16	Other Investments.....	31
Section	17.17	Additional Costs.....	31
Section	17.18	Refunds.....	31

**OPERATING AGREEMENT
OF
WOOLARD ENTERPRISES TRUST**

This Operating Agreement (*Agreement*) of Woolard Enterprises Trust, is made and adopted by the Investor to provide for the governance and operations of the Company and the rights and obligations of each Investor regarding the Company. This Agreement is effective on the date the Investor Party checks the box in the web-based submission form and completes by submitting investment. In consideration of the mutual promises in this Agreement, the parties to this Agreement agree to be legally bound by its terms.

**ARTICLE ONE
DEFINITIONS AND INTERPRETATION**

Section 1.01 Definitions

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

(a) Act

Act means the Texas Business Organizations Code, as amended from time to time.

(b) Affiliate

Affiliate means any of the following persons or any person who controls, is controlled by, or is under common control with any of the following persons:

- i.) an Investor;
- ii.) an Investor's Immediate Family member; or
- iii.) a Legal Representative, successor, Assignee, or trust for the benefit of an Investor or the Investor's Immediate Family members.

For purposes of this definition, *control* means the direct or indirect power to direct or cause the direction of the person's management and policies, whether by owning voting securities, partnership, or other ownership interests; by contract; or otherwise.

(c) Agreement

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

(d) Applicable Law

Applicable Law means the Act, the Code, the Securities Act, all pertinent provisions of any agreements with any Governmental Authority and all pertinent provisions of any Governmental Authority's:

- i.) constitutions, treaties, statutes, laws, common law, rules, regulations, decrees, ordinances, codes, proclamations, declarations, or orders;
- ii.) consents or approvals; and
- iii.) orders, decisions, advisory opinions, interpretative opinions, injunctions, judgments, awards, and decrees.

(e) Assignee

Assignee means the recipient of an Interest by assignment.

(f) Capital Contribution

Capital Contribution means the total cash and other consideration contributed and agreed to be contributed to the Company by the Investor. *Additional Capital Contribution* means the total cash and other consideration contributed to the Company by the Investor (including any Additional Investor) other than the initial Capital Contribution. Any reference in this Agreement to the Capital Contribution of a current Investor includes any Capital Contribution previously made by any prior Investor regarding that Investor's Interest. The value of an Investor's Capital Contribution is the amount of cash plus the Fair Market Value of other property contributed to the Company.

(g) Cause

Cause, with respect to any particular Service Provider, has the meaning set forth in any effective employment agreement, or other written contract of engagement entered into between the Company and the Service Provider. If none, *Cause* means any of the following acts by a Service Provider:

- i.) repeatedly failing to substantially perform his or her duties as an employee or other associate of the Company (unless resulting from his or her disability) that, whether committed willfully or negligently, continues un-remedied for more than thirty (30) days after the Company has provided written notice of the failure (failing to meet financial performance expectations is not, by itself, a failure by the Service Provider to substantially perform his or her duties);
- ii.) committing fraud or embezzling;
- iii.) being materially dishonest or breaching a fiduciary duty owed to the Company;
- iv.) committing willful misconduct or gross negligence that injures the Company;
- v.) being convicted of, or pleading guilty or *nolo contendere* to, a felony (or any state-law equivalent) or willfully or materially violating any federal, state, or foreign securities laws;
- vi.) being convicted of any other criminal act or act of material dishonesty, disloyalty, or misconduct that has a material adverse effect on the property, operations, business, or reputation of the Company;
- vii.) using, being under the influence, or possessing illegal drugs on the premises of the Company while performing any duties or responsibilities with the Company; or
- viii.) materially violating any rule or policy of the Company.

If an arbitrator or arbitration tribunal, in binding arbitration conducted by the Investor, conclusively determines the issue of Cause against the Service Provider, any voting attributes of a Service Provider who is also an Investor will be disregarded in the vote to remove the Service Provider.

(h) Code

References to the *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 Code in effect. If a particular provision of the Code is renumbered or a subsequent federal tax law supersedes the 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 Investor's intent as expressed in this Agreement. The same rule applies to Treasury Regulations references.

(i) Company

Company means Woolard Enterprises Trust. This is an irrevocable, spendthrift trust.

(j) Certificate of Formation

Certificate of Formation means the Certificate of Formation filed with the Texas Secretary of State 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.

(k) Default Interest Rate

Default Interest Rate means a per annum rate equal to the lesser of:

- i.) ten percent (10%) plus the prime rate published in The Wall Street Journal on the day the rate is determined (or the most recent day on which The Wall Street Journal was published if the paper is not published on the day the rate is determined); or
- ii.) the maximum rate permitted by applicable law.

(l) Fair Market Value

Fair Market Value is defined in Section 17.14.

(m) Governmental Authority

Governmental Authority means any local, state, federal, or foreign government or its political subdivision; any agency or instrumentality of a government or its political subdivision; or any self-regulated organization or other nongovernmental regulatory authority or quasi-Governmental Authority whose rules, regulations, or orders have the force of law. Governmental Authority also means any arbitrator, arbitration tribunal, or court of competent jurisdiction.

(n) Immediate Family

Immediate Family means any Investor'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, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, and grandchildren-in-law.

(o) Indemnity Losses

Indemnity Losses is defined in Section 15.04.

(p) Interest

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

(q) Investor

Investor means any person designated in this Agreement as an Investor or any person who becomes an Investor under this Agreement.

(r) Legal Representative

With respect to any individual, *Legal Representative* means a person's guardian, conservator, executor, administrator, trustee, or any other person representing a person or the person's estate. With respect to any person, *Legal Representative* means all directors, officers, employees, consultants, financial advisors, counsel, accountants, and other agents of the person.

(s) Investor Joinder

Investor Joinder means the joinder agreement in form and substance attached to this Agreement.

(t) Protected Person

Protected Person means:

- i.) the Investor;
- ii.) the Investor's officer, director, shareholder, partner, investor, controlling Affiliate, employee, agent, or Legal Representative and each of their controlling Affiliates; and
- iii.) each of the Company's Investors, employees, and agents or Legal Representatives.

(u) 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.

(v) Securities Act

Securities Act refers to the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations under it that are in effect at the time.

(w) Services Provider

Services Provider means any contractor, subcontractor, employee, affiliate, representative, agent, or other third-party who provides requested or otherwise contracted-for services on behalf of the Company.

(x) 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.

(y) Third-Party

Third-Party means any person who:

- i.) is not an Investor of the Company;
- ii.) does not directly or indirectly own or have the right to acquire any outstanding Interests; and
- iii.) is not an Affiliate.

With respect to any controversy concerning the Company, *Third-Party* means an individual who is not related to, or subordinate to, a claimant or respondent and has no personal or

financial stake in the resolution of the controversy other than fair and reasonable compensation for services provided to resolve the controversy.

(z) Unprotected Act

Unprotected Act means any act, omission, or forbearance by a Protected Person that:

- i.) with respect to any criminal proceeding, the Protected Person would have reasonable cause to believe was unlawful; or
- ii.) constitutes fraud or willful misconduct.

Section 1.02 Interpretation

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

(a) 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.

(b) 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.

(c) Days and Business Days

In this Agreement, *days*, without further qualification, means calendar days and *business days* means any day other than a Saturday, Sunday, or a day on which national banks are allowed by the Federal Reserve to be closed.

(d) Delivery

Delivery is taken in its ordinary sense and includes:

- i.) personal delivery to a party;
- ii.) 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;
- iii.) facsimile transmission to a party when receipt is confirmed in writing or by electronic transmission back to the sending party; or
- iv.) 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, the effective date is the date the transmission would have normally been received by certified mail if there is evidence of mailing.

(e) Include, Includes, and Including

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.

(f) Words of Obligation and Discretion

Unless otherwise specifically provided in this Agreement or by the context in which used, the word *shall* is used to impose a duty, to command, to direct, or to require. Terms such as *may*, *is authorized to*, *is permitted to*, *is allowed to*, *has the right to*, or any variation or other words of discretion are used to allow, to permit, or to provide the discretion to choose what should be done in a particular situation, without any other requirement. Unless the decision of another party is expressly required by this Agreement, words of permission give the decision-maker the sole and absolute discretion to make the decision required in the context.

(g) Assignment

In this Agreement, *assignment* includes 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:

- i.) any sale, exchange, gift, or any other form of conveyance, assignment, or transfer;
- ii.) 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;
- iii.) a change in the ownership of the Investor that is a corporation, partnership, limited liability company, or other legal entity, including the dissolution of the entity;
- iv.) a change in legal or beneficial ownership or other form of transfer resulting from the death or divorce of the Investor or the death of the spouse of the Investor;
- v.) any transfer or charge under a charging order issued by any court; and
- vi.) 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 Interests in the Company.

(h) References to Transfer, Transferor, and Transferee

In this Agreement, *transfer* includes any direct or indirect sale, transfer, assignment, pledge, encumbrance, hypothecation, or other disposition or attempted disposition. The term includes any involuntary transfer, such as a transfer that occurs by operation of law. If a person enters into a contract, option, or other arrangement or understanding to make a transfer, that contract, option, or other arrangement or understanding will itself be considered a *transfer*. When used as a verb, *transfer* has a correlative meaning. A person who makes a transfer may be referred to as a *transferor*, and a person who receives a transfer may be referred to as a *transferee*.

(i) References to Property or Assets

Any reference in this Agreement to *property* or *assets*, without further qualification, must be construed broadly to include, as to any person, all property of any kind—real or personal, tangible or intangible, legal or equitable—whether now owned or subsequently acquired. The following items are each considered *assets* or *property* of a person: money, stock, accounts receivable, contract rights, franchises, value as a going concern, causes of action, undivided fractional ownership interests, intellectual property rights, and anything of any value that can be made available for or appropriated to the payment of debts.

(j) References to Individuals and Entities

Unless further qualified in the context, any reference in this Agreement to a *person*, *party*, or *individual*, or the use of indefinite pronouns like *anyone*, *everyone*, *someone*, or *no one* must

be construed broadly to include any individual, trust, estate, partnership, association, company, corporation, or other entity or non-entity capable of having legal rights and duties. *Person*, without further qualification, has the same broad meaning as defined in Code Section 7701(a)(1) and includes any individual, trust, estate, partnership, association, company, or corporation. The Company and its successors and assigns and the Investor or Assignee and their successors, assigns, heirs, and personal representatives are all considered *persons* for purposes of this Agreement. *Natural person* is used to distinguish a human being from a *juridical person*, such as a trust, estate, partnership, association, company, or corporation.

(k) Internal References

Unless the context otherwise requires:

- i.) reference to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement;
- ii.) reference to an agreement, instrument or other document means the agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by its provisions; and
- iii.) reference to a statute means the statute as amended from time to time and includes any successor legislation to it and any regulations promulgated under it.

The Exhibits referred to in this Agreement must be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim in this Agreement.

(l) No Presumption against Drafting Party

This Agreement is to be construed without giving force to any presumption or rule requiring construction or interpretation against the drafting Party. No Party may claim that an ambiguity in this Agreement should be construed against any other Party or that there was any coercion, duress (economic or otherwise), negligent misrepresentation, or fraud (including fraud in the inducement) affecting the validity or enforcement of this Agreement.

**ARTICLE TWO
ORGANIZATIONAL MATTERS**

Section 2.01 Company Formation

The Company filed as a business as a DBA under the laws of the State of Texas on August 29, 2020. Woolard Enterprises ownership was transferred to Woolard Enterprises Trust on or about February 10, 2021.

Section 2.02 Company's Name

The Company's name is Woolard Enterprises Trust. The Managers may change the name of the Company, subject to the terms of this Agreement and Applicable Law.

Section 2.03 Company's Purpose

The Company's purpose is to engage in any lawful act or activity for which limited liability companies may be formed under the Act and all activities necessary or incidental to that purpose. The Company has all the powers necessary or convenient to carry out its purposes, including the powers granted by the Act.

Section 2.04 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 362 Westphalian Drive, Celina, Texas 75009.

Section 2.05 Company's Term

The Company's duration is perpetual. The Company began on the date of filing online with the Collin County Clerk and will continue until terminated or dissolved as provided in this Agreement.

Section 2.06 Allocating Profit and Loss

The Company shall allocate all net profits and losses for each calendar year of the Company to the Investors *pro rata* in accordance with the Investors' respective Interests during the period the profits and losses accrue. For purposes of this Section, *profits and losses* include every item of income, deduction, depreciation, gain, loss, and credit for the calendar year related solely to the invested stocks and stock dividends received from Al Karmal Stock Exchange Ltd. or other stock broker in Iraq as determined by the Company.

Section 2.07 Investors' Capital Contributions

The Investors have made a Capital Contribution to the Company. The Investors may make voluntary Capital Contributions to the Company until such time as the Company ceases to accept further contributions or until such time as a substantial rate change on the value of the Iraqi dinar.

Section 2.08 Taxation on Investor's Interests

The Investors shall elect to have the Investment Interests received by the Investors in exchange for the capital contributions discussed in Section 2.07, immediately above, subjected to taxation upon issuance pursuant to Section 83(b) of the Code.

ARTICLE THREE INVESTOR INTERESTS

Section 3.01 Investors' Interests in the Company

The Investors' interests in the Company are represented by Investor Interests. The Company shall divide one hundred percent (100%) less a ten percent (10%) fee of the entire possible equity which consists only of stock dividends and/or sale of stocks owned by the Company into the total number of blocks distributed with blocks of equity for purchase by the Investors at a rate of One Hundred and 00/100 dollars (\$100.00) per each individual block. Not all blocks require payment. Blocks may be gifted to investors as Company decides. An additional processing fee may be charged at the discretion of Company and fees may be different due to geographical location.

Section 3.02 Schedule of Investors

The Company shall maintain a schedule of all Investors and the percentage and type of Investor Interests held by them (*Schedule of Investors*). The Company shall update the Schedule of Investors upon the issuance or transfer of any Investor Interests to any new or existing Investor.

Section 3.03 Investor Interests Certification

The Company may issue certificates to the Investors representing the Investor Interest held by each Investor. If the Company issues certificates representing an Investor's Investment Interest in accordance with this Section, then in addition to any other disclosure, legend, or information

required by Applicable Law, all certificates representing issued and outstanding Investor Interests must include a Securities Law Disclosure substantially in the following form:

THE INVESTOR INTEREST REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE OPERATING AGREEMENT AMONG THE COMPANY AND ITS INVESTORS, A COPY OF WHICH IS ON FILE AT THE COMPANY'S PRINCIPAL OFFICE. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THE INVESTOR INTEREST REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE OPERATING AGREEMENT.

THE INVESTOR INTEREST REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE DISPOSED OF EXCEPT UNDER A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS OR UNDER AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT.

Section 3.04 Valuing Company and Investor Interests

For all purposes of this Agreement, the value of the Company as an entity shall be the value of dividend returns on investment and/or sale of actual stocks owned by the company and funds have been converted into US dollars and the value of the Investment Interests shall be the value paid by each individual Investor for all equity blocks comprising each Investor's individual Investment Interest.

Section 3.05 Transferability of Investor Interest

The transferability of each Investor's Investor Interest is restricted by Article Twelve.

ARTICLE FOUR CAPITALIZATION

Section 4.01 Initial Capital Contributions

As their initial Capital Contributions to the Company, the Investors have contributed all of their right, title, and interest in and to the property described on the Schedule of Investors. The Investors agree that the property described on the Schedule of Investors has the Fair Market Value (net of liabilities assumed or taken subject to or by the Company) listed opposite the described property.

Section 4.02 Mandatory Additional Capital Contributions Prohibited

The Company has no authority to require additional Capital Contributions.

Section 4.03 No Mandatory Loans

The Company has no authority to require any Investor to make loans of additional capital to the Company.

ARTICLE FIVE DISTRIBUTIONS

Section 5.01 Distributions to Investor

Subject to Section 5.02, the Managers may determine the amounts and timing of distributions to the Investors.

Section 5.02 No Unlawful Distributions

Despite any provision to the contrary in this Agreement, the Company must not make any distribution that would violate any contract or agreement to which the Company is then a party or any law, rule, regulation, order, or directive of any Governmental Authority then applicable to the Company.

Section 5.03 In-Kind Distributions

The Managers may make in-kind distributions to the Investors in the form of securities or other non-cash property held by the Company.

Section 5.04 No Interest or Demand Rights

All distributions will be made under this Article or as listed elsewhere in the agreement. Except as specifically set forth in this Article, the Investors may not demand distributions. If an Investor does not withdraw all or any portion of the Investor's share of any cash distribution, the Investor will not receive any interest on the un-withdrawn amount.

Section 5.05 Proceeds from Capital Transactions

Except as otherwise provided in this Agreement, before making any distribution to the Investors, proceeds of any capital transaction will be applied to:

- i.) A fee of 10% to cover all expenses and further investments of Company as well as possible profits for owners and/or managers of the Company. Foreign investors shall pay an additional 2% for a total of 12%.

Section 5.06 Return of Distribution

Any distribution made to the Investors will be considered to comply with Applicable Law if the distribution is made from available assets of the Company. If an arbitrator or arbitration tribunal finds that a distribution violates Applicable Law, the Investors must return that distribution.

ARTICLE SIX COMPANY MANAGEMENT

Section 6.01 Management by Owner and/or Managers

The Company is managed by the Owner or managers as appointed under Section 6.02. The Owner and/or Managers shall manage and administer the Company's property and perform all other duties prescribed for a Manager by the Act. The Managers may take all actions necessary, useful, or appropriate for the ordinary management and conduct of the Company's business. The Managers have the exclusive authority to manage the operations and affairs of the Company, subject in all cases to the requirements of Applicable Law.

Section 6.02 Appointing Managers

Any person (including any Investor) may be appointed as Manager. Andy J. Woolard (owner) is appointed as Manager of the Company. Additional Managers may be appointed in the future at any time by the Company and any then-serving Manager or Managers.

Section 6.03 No Employment Rights Conferred

Nothing in this Agreement confers upon any Manager any right to employment or continuation of employment with the Company. If a Manager is or becomes an at-will employee of the Company, nothing in this Agreement interferes in any way with the right of the Company to terminate the Manager's at-will employment at any time. Nothing in this Agreement creates any employment agreement with any Manager.

Section 6.04 Manager's Responsibility to File Necessary Forms

The Managers shall take all action necessary to assure prompt and timely filing of any amendments to the Certificate of Formation according to this Agreement and all required state and federal tax returns, reports, and forms.

Section 6.05 Extent and Scope of Manager's Services

The Managers shall adequately promote the interest of the Company and the Investors and shall commit the necessary time and effort to do so. The Managers are not required to devote full-time hours to Company business.

Any other amendments must be made in accordance with Section 17.12.

Section 6.06 Delegation to Agents and Others

The Managers may employ agents, employees, accountants, attorneys, consultants, and other persons necessary or appropriate to carry out the business and affairs of the Company, whether or not the person or persons are Affiliates or are employed by an Affiliate.

The Managers may direct the Company to pay reasonable expenses such as fees, costs, salaries, wages, and other compensation as the Managers determine to be appropriate as a Company expense. These expenses may include payment or reimbursement for all fees, costs, and expenses incurred in the Company's formation and organization.

The Managers may delegate management functions to any corporation, partnership, limited liability company, or other entity qualified to manage the property and to conduct the business activities of the Company. Delegation of management powers does not relieve a Manager from personal liability for management decisions and operations of the Company. Any delegation of authority is to be considered in compensating a Manager for services to the Company.

ARTICLE SEVEN INVESTOR RIGHTS AND OBLIGATIONS

Section 7.01 Limited Liability of Investor

Except as required by Applicable Law, an Investor's status as an Investor does not personally obligate the Investor for any debt, obligation, or liability of the Company whether arising in contract, tort, or otherwise.

No Investor will be required to contribute capital to the Company for the payment of any losses or for any other purposes. No Investor will be responsible or obligated to any Third-Party for any debts or liabilities of the Company.

Section 7.02 Right to Participate in Management

Except as expressly provided in this Agreement, the Investors may not participate in the management and operation of the Company's business and investment activities or bind the Company to any obligation or liability whatsoever. The Investors may exercise any power authorized by the Act that the Investors may exercise without being considered to be taking part in the control of the Company's business.

Section 7.03 Investors' Agency Authority

The Investors do not have the right or authority to bind the Company in contracts and other dealings with Third-Parties as provided in Article Eight. The Investors may not make any representation concerning the Company that is likely to have an adverse material impact on the Company's business or reputation.

Section 7.04 Transfer of Company Assets

The Investors may transfer legal or beneficial title to Company property to the extent permitted by the laws of the State of Texas relating to the winding up of the Company in the absence of a qualified Manager. Any Investor who acts in that capacity may do so only after first submitting an affidavit of facts stating the conditions under which the Investor serves. Any affidavit prepared according to this provision must be kept with the Company records.

Section 7.05 Restrictions on Withdrawal or Dissociation Rights

An Investor does not dissociate, withdraw, or otherwise cease to be an Investor because of the Investor's bankruptcy or because of any event specified in the Act.

Section 7.06 Company Continues after the Investor's Death

An Investor's death will not cause the Company to dissolve.

Section 7.07 No Partition Rights

Title to the Company's assets is vested solely in the Company and not owned by any Investor. Each Investor, individually and on behalf of the Investor's successors and assigns, expressly waives any right to have any Company property partitioned.

**ARTICLE EIGHT
INVESTOR VOTING AND VOTING RIGHTS**

Section 8.01 No Right to Participate in Management

As referenced in Section 7.02 of this Agreement, the Investors may not participate in the management of the Company in any manner or respect. Rather, the Managers of the Company, at their sole, exclusive, and absolute discretion, shall manager all aspects of the Company and the administration of the Company's business affairs and operations.

ARTICLE NINE

EXPULSION OF AN INVESTOR

Section 9.01 Expulsion

An Investor may be expelled from the Company if that Investor:

- i.) has willfully violated any provision of this Agreement;
- ii.) committed fraud, theft, or acted with gross negligence against the Company or one or more Investors of the Company; or
- iii.) engaged in wrongful conduct that adversely and materially affects the business or operation of the Company.

Such an Investor shall be considered a Defaulting Investor and the Company, or other Investors, may also exercise any one (1) or more of the remedies provided for in Section 10.01 of this Agreement, generally. The Company may offset any damages to the Company, or the other Investors, caused by the misconduct of the expelled Investor against any amounts distributable or otherwise payable by the Company to the expelled Investor.

**ARTICLE TEN
BOOKS, RECORDS, AND BANK ACCOUNTS**

Section 10.01 Books and Records

The Managers shall keep books of account regarding the operation of the Company at the principal office of the Company or at any other place the Managers determine. The Managers shall keep the following records:

- i.) a current list of the full names and last known addresses of each past and present Manager and Investor;
- ii.) a copy of the Certificate of Formation or any other business formation document(s) (and any amendments) and copies of any powers of attorney under which any certificate has been signed;
- iii.) copies of the Company's federal, state, and local income tax returns and any reports for the three (3) most recent Taxable Years;

- iv.) copies of this Agreement (and any amendments);
- v.) copies of any financial statements of the Company for the three (3) most recent Taxable Years; and
- vi.) any other documents required by Applicable Law.

Section 10.02 Accounting and Taxable Year

The Company's Taxable Year is the calendar year. The Managers will determine the Company's accounting method and the Company will file tax returns using that accounting method. The Managers may adjust the Company's accounting methodology without providing notice to the Investors in order to comply with the Code then in effect. The Managers are responsible for all accounting matters of the Company.

Section 10.03 Reports

Within a reasonable time after each Taxable Year ends, the Managers shall provide the information required to prepare and file individual tax returns to the Investors. The Managers shall prepare these financial statements at the Company's expense.

Section 10.04 Investors' Inspection Rights

Upon reasonable notice from an Investor, the Company shall—and shall cause its Managers, officers, and employees to—provide reasonable access to each Investor and its Legal Representatives to Company Information during normal business hours if:

- i.) the Investor or its Legal Representative requests the Company Information for a stated purpose that is material to the Investor's interest as an Investor;
- ii.) the Investor makes a written demand received by the Company, specifically describing the Company Information requested and the stated purpose; and
- iii.) the Company Information requested is directly connected to the Investor's purpose.

Within ten (10) days after receiving a written demand for Company Information, the Company shall inform the Investor in writing whether the Company agrees to provide the demanded Company Information to the Investor and when the Company will provide the information or whether the Company declines to provide any demanded Company Information and the Company's reason for declining.

Section 10.05 Bank Accounts and Company Funds

The Managers shall deposit all cash receipts in the Company's or owners depository accounts. All accounts used by or on behalf of the Company are the Company's property, and will be received, held, and disbursed by the Managers for the purposes specified in this Agreement.

ARTICLE ELEVEN COVENANTS, REPRESENTATIONS, AND WARRANTIES

Section 11.01 Investor Representations, Warranties and Acknowledgements

By signing and delivering this Agreement or an Investor Joinder, each Investor warrants to the Company and acknowledges the following.

(a) No Fraudulent Transfer

The Investor is not entering into this Agreement with the actual or constructive intent to hinder, delay, or defraud its present or future creditors and is receiving reasonably equivalent value and fair consideration for the Investor's Capital Contribution.

(b) Clear Title to Capital Contribution

The Investor's Capital Contribution has been contributed, transferred, assigned, and conveyed to the Company free and clear of any liens or other obligations other than those existing on this date and disclosed in writing to the Investors.

(c) Limited Transferability

The transferability of the Investor's Investment Interest is severely limited.

(d) Adverse Impact on Fair Market Value

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 Investment Interests.

(e) No Reliance on Investor Representations

The Investor's decision to acquire Investment Interest has been made by the Investor independent of any other Investor and independent of any statements or opinions as to the advisability of the purchase or as to the business, operations, assets, liabilities, results of operations, financial condition, and prospects of the Company that may have been made or given by any other Investor or by any agent or employee of any other Investor.

(f) Experience in Financial and Business Matters

The Investor has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and of making an informed decision.

(g) Economic and Financial Risk

The Investor bears the economic risk of investment for an indefinite period as the Investment Interests are not 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.

(h) Due Authorization

If this Agreement is executed or joined on behalf of a partnership, trust, corporation or other entity, the person signing or joining this agreement on behalf of the Investor has been duly authorized to sign and deliver this Agreement and all other documents and instruments signed and delivered on behalf of the Investor in connection with this Agreement and to consummate the transactions contemplated by this Agreement.

(i) No Legal Violations

The Investor's signing, delivery, and performance of this Agreement does not contravene or result in a default in any material respect under any law or regulation applicable to the Investor.

(j) No Conflicts

The signing and delivery of this Agreement does not, and the consummation of the transactions contemplated by this Agreement will not, violate any material contractual restriction or commitment of any kind or character to which the Investor is a party or by which the Investor is bound.

(k) No Required Consents

The signing, delivery, and performance of this Agreement does not require the Investor to obtain any consent or approval that has not already been obtained.

(l) Binding Agreement

This Agreement is valid, binding, and enforceable against the Investor in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws of general applicability relating to or affecting creditors' rights or general equity principles, regardless of whether considered at law or in equity.

Further, the Company's financial success may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Given the global nature of the Company's industry, geopolitical risks, including changing legal regulations in a number of nations, acts of war, or changes to government budgets, could also impact the Company's business. Such changing conditions could adversely affect the Investors' Investment Interests and the Company's revenue and profitability.

Still further, the Company's business operations are significantly dependent on the Company's management, particularly upon Andy Woolard, as the trustee of Woolard Enterprises Trust, and the loss of this individual could have a material and adverse effect on the Company and the Investor's Investment Interests. The Company cannot and does not guarantee that the Company's management will not commit errors in judgment regarding the Company or the Company's business affairs and operations.

Finally, the Company operates within a highly regulated industry and the Company's business is subject to extensive regulation at all levels of government. Such regulation is expected to increase in its scope and complexity and there can be no assurance that existing and future regulations will not have an adverse effect on the Company and its ability to operate its business and achieve profitability. All Investors warrant and represent that, by reason of each individual Investor's extensive business and financial experience in the Company's industry, or the business or financial experience of each individual Investor's professional advisors who are unaffiliated with, and who are not compensated, by the Company or any of the Company's affiliates, either directly or indirectly, if any, each individual Investor has the capacity to evaluate the risks of investing in the Company and to protect said Investor's own interests in connection with the Investors' investment and Investment Interest. All Investors understand and agree they are investing in the company and are not investing directly into any stocks or securities of any kind.

These representations, warranties, and acknowledgments do not replace, diminish, or otherwise adversely affect any Investor's representations and warranties made by it in any agreement by any Investor to join or otherwise acquire an interest in the Company, as applicable.

Section 11.02 Breach by Investors or Assignees

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

Section 11.03 Modification for Legal Events

If any arbitrator or arbitration tribunal of competent jurisdiction determines that any provision or any part of a provision set forth in Article Twelve is unenforceable because of its duration or

geographic scope, the arbitrator or arbitration tribunal has the power to modify the unenforceable provision instead of severing it from this Agreement in its entirety. The modification may be by rewriting the offending provision, by deleting all or a portion of the offending provision, by adding additional language to Article Twelve, or by making other modifications as it determines necessary to carry out the Parties' intent to the maximum extent permitted by Applicable Law. All Parties to this Agreement expressly agree that this Agreement, as modified by the arbitrator or arbitration tribunal, is binding upon and enforceable against each of them.

ARTICLE TWELVE TRANSFER OF INTERESTS

Section 12.01 Transferability of Interests

The Investors may not transfer their Interests under any circumstances, with the sole exception contemplated and described in Section 13.03.

Section 12.02 Effect of Improper Transfer

Any attempted transfer of an Interest or the admission of an Additional Investor in violation of this Article is null and void *ab initio*. No such transfer or admission may be recorded on the Company's books and the purported transferee or Investor in any such transfer will not be treated (and, in the case of a transfer, the purported transferor will continue to be treated) as the owner of such Interest for all purposes of this Agreement. If the ownership of Interest(s) is in doubt, or if there is reasonable doubt as to who may receive a distribution attributable to such Interest(s), the Managers may accumulate the amounts to be distributed until this issue is finally determined and resolved.

Section 12.03 Creditor Rights; Charging Order Sole and Exclusive Remedy

If a creditor obtains a judgment by an arbitrator, arbitration tribunal, or a court of competent jurisdiction against an Investor, the arbitrator, arbitration tribunal, or the court may charge the Investor'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 Act.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC" OR "COMMISSION") NOR ANY STATE SECURITIES ADMINISTRATOR HAS APPROVED OR DISAPPROVED THE SECURITIES OFFERED HEREIN NOR HAS THE COMMISSION OR ANY STATE SECURITIES ADMINISTRATOR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURES CONTAINED IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OR THE MERITS OF AN INVESTMENT IN THE SECURITIES OFFERED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE 1933 ACT, OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION UNDER SUCH LAWS. SUCH EXEMPTIONS IMPOSE SUBSTANTIAL RESTRICTIONS ON THE SUBSEQUENT TRANSFER OF SECURITIES SUCH THAT AN INVESTOR HEREIN MAY NOT SUBSEQUENTLY RESELL THE SECURITIES OFFERED HEREIN UNLESS THE SECURITIES ARE SUBSEQUENTLY REGISTERED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR AN EXEMPTION

FROM SUCH REGISTRATION IS AVAILABLE. SEE “RISK FACTORS,” “SUITABILITY STANDARDS” AND “PLACEMENT OF THE OFFERING.”

ARTICLE THIRTEEN RIGHT OF FIRST REFUSAL

Section 13.01 Company and Investors’ Right of First Refusal

No Investor any Investment Interest. The provisions of this Article Thirteen shall apply to all of the following situations: (a) an Investor’s divorce whereby the Investor does not retain the entirety of the Investor’s Investment Interest in the Company; (b) the death of an Investor; and (c) the permanent disability of an Investor, as decided and declared by the Investor’s primary physician and concurred by a second physician chosen by the Company in the Company’s sole and absolute discretion.

Section 13.02 Investor Must Name Beneficiary

All Investors of the Company must designate a beneficiary intended to receive any distributions which would ordinarily be distributed to said Investor in anticipation of said Investor’s death or permanent disability. Said beneficiary shall be entitled only to receive any distributions which said Investor would have received if not for the death or permanent disability of said Investor. Upon any Investor’s death or permanent disability, the Company shall notify the Investor’s beneficiary of the beneficiary’s right to receive the distributions incurred with relation to said Investor’s Investment Interest within the Company. Similar to any Investor of the Company, any such Investor’s designated beneficiary shall not be entitled to participate in the management of the Company or Company’s business affairs or operations under any circumstance whatsoever. Failure to assign beneficiary reverts any investment returns over to Company with no claim rights of any other individual.

Section 13.03 Company’s Right to Purchase

In the event any Investor or beneficiary desires to sell or transfer all or a portion of said Investor’s Investment Interest, the Company has the first right to purchase all or any portion of the Investment Interest according to the terms of said Investor’s original purchase, specifically including said Investor’s original purchase price of the equity blocks comprising said Investor’s Investment Interest. Under no circumstance shall any Investor be allowed to sell or otherwise transfer all or a portion of said Investor’s Investment Interest to any party other than the Company.

Section 13.04 Payment Terms under Priority Right to Purchase

If the Company exercises the priority right to purchase an Investment Interest as provided above, then the Company shall pay the selling Investor an amount equivalent to the capital contribution first contributed by the selling Investor to acquire the equity blocks comprising the Investment Interest.

Section 13.05 Closing on Purchase by the Company or an Investor

Any purchase of an Investment Interest under this Section will close at the Company's principal office within forty-five (45) days from the date that the Company exercises its priority right to purchase an Investment Interest.

ARTICLE FOURTEEN DISSOLUTION AND LIQUIDATION

Section 14.01 Dissolution Events

The Company will be dissolved only if an event described in this Section occurs.

(a) Dissolution by the Managers

The Company may sell all stocks and shares owned and distribute funds per this agreement.

(b) Judicial Dissolution

The Company will be dissolved upon the entry of a decree of judicial dissolution by an arbitrator, arbitration tribunal, or a court of competent jurisdiction.

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

Section 14.02 Effect of Dissolution

Dissolution of the Company will be effective on the day on which the event described in Section 14.01 occurs, but the Company will not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 14.03, and the Company's Certificate of Formation or other legal formation documents has been cancelled as provided in Section 14.05.

Section 14.03 Liquidation

After dissolving the Company, Company must distribute all funds from sales of stocks to Investors. Any further Company assets are available to Company for disposal as it chooses and no portion of assets other than stocks, shares or dividends shall be disbursed to any Investor.

Section 14.04 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 Investors will be satisfied only to the extent that the Company has adequate assets.

Section 14.05 Cancellation of Certificate of Formation

Upon completing the distribution of the Company's assets as provided in Section 14.03, the Company will be terminated and the Managers shall cause the cancellation of the Certificate of Formation in the State of Texas (if so filed) and of all qualifications and registrations of the Company as a foreign limited liability company in any other jurisdictions, and shall take any other actions necessary to terminate the Company.

Section 14.06 Survival of Indemnity Rights, Duties, and Obligations

For purposes of Article Fifteen, including the Investors' right to indemnification under Section 15.04, the Company's dissolution, liquidation, winding up, or termination for any reason will not

release any Party from any loss that, at the time of the dissolution, liquidation, winding up, or termination, had already accrued to any other Party or which may accrue because of any act or omission occurring before the dissolution, liquidation, winding up, or termination.

Section 14.07 Company Asset Sales During Term of the Company

The sale of Company assets shall in no way benefit any Investor and Company has power to make any and all decisions with regard to sale of such assets except as determined in this agreement.

ARTICLE FIFTEEN EXCULPATION AND INDEMNIFICATION

Section 15.01 Exculpation of Protected Persons

No Protected Person is liable to the Company or any other Protected Person for any loss, damage, or claim incurred because of any action taken or not taken by the Protected Person in good-faith reliance on the provisions of this Agreement.

Section 15.02 Good-Faith Reliance

A Protected Person is fully protected if the Protected Person relies in good faith on the Company's records or on information, opinions, reports, or statements of the following Persons or groups:

- i.) a Manager;
- ii.) one or more employees of the Company;
- iii.) any attorney, independent accountant, appraiser, or other expert or professional employed or engaged by or on behalf of the Company; or
- iv.) any other person selected in good faith by or on behalf of the Company, in each case as to matters that the relying person reasonably believes to be within the other person's area of professional expertise.

The information, opinions, reports, or statements referred to above include financial statements; information, opinions, reports, or statements as to the value or amount of the Company's assets, liabilities, income, or losses; and any facts pertinent to the existence and amount of assets from which distributions might properly be paid.

In no way does this provision limit any person's right to rely on information as provided in the Act. Any act, omission, or forbearance by a Protected Person on the advice of the Company's counsel must be conclusively presumed to have been in good faith.

Section 15.03 Decision-Making Standards

When this Agreement permits or requires a Protected Person to make a decision (including discretionary decisions and other grants of similar authority or latitude), the Protected Person is entitled to consider only the interests and factors as the Protected Person chooses, including its own interests, subject only to Section 15.02. When this Agreement permits or requires a Protected Person to make a good-faith decision, the Protected Person shall act under this express standard and is not subject to any other standard imposed by this Agreement or any Applicable Law.

Section 15.04 Indemnification

The Company shall indemnify, hold harmless, defend, pay, and reimburse any Protected Person against all losses, claims, damages, judgments, fines, or liabilities, including reasonable legal fees or other expenses incurred in their investigation or defense, that arise in connection with any actual or alleged act, omission, or forbearance performed or omitted on behalf of the Company or the Investors in connection with the Company's business. If the act or omission is not an Unprotected Act, the Company shall also reimburse any amounts expended in settling any claims (collectively, *Indemnity Losses*) to which the Protected Person may become subject because:

- i.) of any act or omission or alleged act or omission on behalf of the Company, or the Investors;
- ii.) the Protected Person is or was acting in connection with the Company's business as a partner, investor, stockholder, controlling Affiliate, manager, director, officer, employee, or agent of the Company; the Investors; or any of their respective controlling Affiliates; or
- iii.) the Protected Person is or was serving at the Company's request as a partner, investor, manager, director, officer, employee, or agent of any person including the Company.

A Protected Person's conduct will be determined under a final, non-appealable order of an arbitrator or arbitration tribunal of competent jurisdiction. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the Protected Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that the conduct was unlawful or constituted fraud or willful misconduct.

The indemnity provided by this Article extends to the full extent permitted by the Act as it now exists or may later be amended, substituted, or replaced, but only if the amendment, substitution, or replacement permits the Company to provide broader indemnification rights than those the Act permits.

Section 15.05 Reimbursement

The Company shall promptly reimburse and may provide advancements to each Protected Person for reasonable legal or other expenses incurred in connection with investigating, preparing to defend, or defending any claim, lawsuit, or other proceeding relating to any Indemnity Losses for which such Protected Person may be indemnified under Section 15.04. If it is finally judicially determined that the Protected Person is not entitled to the indemnification provided by Section 15.04, the Protected Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

Section 15.06 Entitlement to Indemnity

The indemnification provided by Section 15.04 does not exclude any other indemnification rights under any separate agreement or otherwise. Section 15.04 will continue to protect each Protected Person regardless of whether the Protected Person remains in the position or capacity under which the Protected Person became entitled to indemnification under Section 15.04 and will inure to the benefit of the Protected Person's executors, administrators, legatees, and distributees.

Section 15.07 Insurance

To the extent available on commercially reasonable terms, the Managers may purchase, at the Company's expense, insurance to cover Indemnity Losses covered by these indemnification provisions and to cover Indemnity Losses for any Protected Person's breach or alleged breach of the Protected Person's duties. The Managers will determine the coverage amounts and the deductibles. A decision not to purchase insurance will not affect a Protected Person's right to indemnification (including the right to be reimbursed, advanced expenses, or indemnified for Indemnity Losses under any other provisions of this Agreement) under this Agreement. A Protected Person that recovers any amount for any Indemnity Losses from any insurance coverage shall reimburse the Company for any amount previously received from the Company for those Indemnity Losses.

Section 15.08 Indemnification Obligation Funding

Despite anything in this Agreement to the contrary, any indemnity by the Company relating to Section 15.04 will be provided out of, and to the extent of, the Company's assets. No Investor will have any personal liability or will be required to make Capital Contributions to help satisfy the indemnity, unless the Investor otherwise agrees in writing.

Section 15.09 Securities Indemnity

Each Investor agrees to hold the Company harmless from all expenses, liabilities, and damages (including reasonable attorney's fees) arising from a disposition of Interest in any manner that violates the Securities Act, any applicable state securities law, or this Agreement. This indemnification includes the Company's Investors, Managers, Investor principals, organizers, and controlling persons (as defined in the Securities Act), and any persons affiliated with any of them or with the distribution of the Interest.

Section 15.10 Savings Clause

Article Fifteen survives the Company's dissolution, liquidation, winding up, and termination. If Article Fifteen or any portion of it is invalidated on any ground by any arbitrator or arbitration tribunal of competent jurisdiction, the Company shall indemnify and hold harmless each Protected Person under any applicable portion of this Article that was not invalidated and to the full extent permitted by Applicable Law. To the extent possible, Article Fifteen supersedes any Texas law to the contrary.

Section 15.11 Amendment

Article Fifteen is a contract between the Company and, collectively, each Protected Person who serves in that capacity at any time while Article Fifteen is in effect. The Company and each Protected Person intend to be legally bound under this contract. No amendment, modification, or repeal of Article Fifteen that adversely affects a Protected Person's indemnification rights for Indemnity Losses incurred or relating to a state of facts existing before the amendment, modification, or repeal will apply without the Protected Person's prior written consent.

ARTICLE SIXTEEN DISPUTE RESOLUTION

This Article supersedes any rules governing mediation or arbitration under the law of Texas or any other jurisdiction.

Section 16.01 Resolving Disputes among Investors and within the Company

The Investors and Managers shall use the procedure outlined in this Article to resolve any dispute, contest, or claim that may result among any of the Investors or between one or more of the Investors and Managers and the Company that may relate to this Agreement. The purpose of the alternative dispute resolution procedures in this Article is to resolve all disputes, contests, and claims without litigation.

Section 16.02 Mediation/Arbitration of Disputes among Parties

In any dispute over or in any way related to the provisions of this Agreement and in all other disputes among the parties, (the “Disputing Parties”) (including issues of enforceability, termination, and arbitrability), the dispute shall:

- i.) Be promptly negotiated in good faith between the Disputing Parties.
- ii.) In the event that negotiation fails or upon the expiration of one (1) month of the event(s) giving rise to the dispute, whichever is sooner, the dispute shall then be submitted to non-binding mediation. The Disputing Party shall apply to the American Arbitration Association for a mediator, with the mediation to take place in Houston, Harris County, Texas.
- iii.) In the event mediation fails to resolve all of the issues between or among the Disputing Parties, or if mediation is not held within two (2) months of the event(s) giving rise to the dispute, then the matter or any remaining matters shall be submitted to final, non-appealable, binding arbitration. The arbitration shall be held by the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The place of arbitration shall be Collin County, Texas. The arbitration will be conducted in English. The arbitrator may issue any preliminary, injunctive, and/or equitable relief. Nothing in this Section will serve to restrict the ability to apply for emergency relief. Any Party may, after failure of the negotiation and mediation procedures above, commence arbitration of the dispute by sending a written request for arbitration to all other Disputing Parties. The request shall state the nature of the dispute to be resolved by arbitration, and arbitration shall be commenced as soon as practical after such Parties receive a copy of the written request. Parties may not bring suit regarding any disputes, controversies, or claims subject to this Section of this Agreement in any venue other than an arbitration pursuant to this Section of the Agreement, except in order to enforce this Section or enforce an arbitral award made pursuant to this Section. In the event that a Party attempts to bring an action in violation of this Section, Parties agree that the other Party will be entitled to the arbitrator or judge entering an injunction to enjoin such unauthorized action. All Parties shall initially share the cost of arbitration, but the prevailing Party or Parties shall be awarded attorney’s fees, costs, and other expenses of arbitration. All arbitration decisions shall be final, binding, and conclusive on all the Parties to

arbitration, and legal judgment may be entered based upon such decision in accordance with applicable law in any court having jurisdiction to do so. The Parties agree that the arbitral award shall be recognized by any applicable courts pursuant to all applicable statutes, conventions, and treaties.

Section 16.03 Qualified Appraisals

If a Qualified Appraisal of the value of an Investor's Investment Interest is required in order to resolve a dispute, each of the Parties to the dispute may choose a Qualified Appraiser to provide a valuation. In the alternative, the Parties may agree to select one Qualified Appraiser. The mediator or arbitrator will determine what extent the Qualified Appraisal will be used in resolving any dispute.

Section 16.04 Prevailing Party Is Entitled to Recover All Reasonable Costs

The prevailing Party in any dispute between any Investor or Manager and the Company or between the Investors themselves is entitled to recover from the losing Party all reasonable costs incurred, including any attorney's fees and any costs of mediation, arbitration, court fees, appraisals, and expert witnesses.

ARTICLE SEVENTEEN GENERAL MATTERS

Section 17.01 Expenses

Except as otherwise expressly provided in this Agreement, the Company must pay all expenses (including fees and disbursements of counsel, financial advisors, and accountants) incurred in preparing and executing this Agreement, making any amendment or waiver to it, and completing the transactions contemplated by it.

Section 17.02 Binding Effect

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

Section 17.03 Further Assurances

In connection with this Agreement and the transactions contemplated by it, the Company, the Managers, and the Investors agree to provide further assurances if requested by the Company or any other Investor. These further assurances include the signing and delivering any additional documents, instruments, conveyances, and other assurances or taking any further actions necessary to carry out the provisions of or transactions contemplated by this Agreement.

Section 17.04 No Waiver

Any Investor's failure to insist upon strict performance of any provision or obligation of this Agreement for any period is not a waiver of that Investor's right to demand strict performance 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 of any other obligation.

Section 17.05 No Duty to Mail Certificate of Formation

The Managers do not have an obligation to deliver or mail copies of the Certificate of Formation or any amendments to the Investors unless required to do so by the Act.

Section 17.06 Governing Law

The affairs of the Company and the conduct of its business are governed by the provisions of this Agreement to the extent such provisions are not in conflict with non-waivable provisions of Applicable Law or the Certificate of Formation. This Agreement is governed, construed, and administered according to the laws of Texas, as from time to time amended, and any applicable federal law. No effect is given to any choice-of-law or conflict-of-law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the law of any jurisdiction other than those of the State of Texas.

Section 17.07 Equitable Remedies

Each Party to this Agreement acknowledges that its breach, or threatened breach, of any of its obligations under this Agreement would give rise to irreparable harm to the other Parties and monetary damages would not be an adequate remedy. Therefore, each Party to this Agreement agrees that if any Party breaches or threatens to breach any of its obligations, each of the other Parties to this Agreement will be entitled to equitable relief, including temporary restraining orders, injunctions, specific performance, and any other equitable relief available from a court of competent jurisdiction (without any requirement to post bond). These equitable remedies are in addition to all other rights and remedies that may be available with respect to the breach.

Section 17.08 Attorney's Fees

If any Party to this Agreement institutes any legal cause of action—including arbitration—against another Party arising out of or relating to this Agreement, the prevailing Party will be entitled to the costs incurred in conducting the cause of action, including reasonable attorney's fees, expenses, and court costs.

Section 17.09 Remedies Cumulative

Except to the extent this Agreement expressly provides otherwise, the rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law, in equity, or otherwise.

Section 17.10 Notices

Unless otherwise stated, all notices, requests, consents, claims, demands, waivers, and other communications called for under this Agreement must be in writing and will be deemed to have been given:

- i.) when delivered by hand (with written confirmation of receipt);
- ii.) when received by the addressee if sent by a nationally recognized overnight courier (return receipt requested);
- iii.) on the date sent by facsimile or email as a PDF document (with confirmation of transmission) if sent during recipient's normal business hours, and on the next business day if sent after normal business hours of the recipient; or

- iv.) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

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.

The written notice must be sent to the respective Parties at the Party's last known address (or at the address a Party has specified in a notice given in accordance with this Section). Each Investor shall notify the Company in writing within five (5) days of any change to the Investor's address.

Section 17.11 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 an arbitrator or arbitration tribunal 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.

Section 17.12 Amendments

Except as provided in Section 6.13, no provision of this Agreement may be amended or modified except by a written instrument executed by the Investors.

Section 17.13 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 any Manager certifies to be a true copy to the same effect as if it were an original.

Section 17.14 Determination of Fair Market Value

The *Fair Market Value* of any asset is the purchase price that a willing buyer, having reasonable knowledge of relevant facts, would pay a willing seller for that asset in an arm's length transaction on any date, without time constraints and without being under any compulsion to buy or sell. Fair Market Value is a good-faith determination made by the Investors based on factors the Investors, in their reasonable business judgment, consider relevant.

With respect to any other transfer of an Investor's Interest to the Company under this Agreement, the Fair Market Value will be the amount agreed upon by the Company and the transferring Investor. If the Company and the transferring Investor are unable to agree about the Fair Market Value, they shall attempt to agree upon an appraiser and, if an appraiser is agreed upon in writing, the value as determined by that appraiser will be final and binding. If the Company and the transferring Investor are unable to agree about the Fair Market Value or an appraiser within thirty (30) days from the date of the notice or other triggering event for the sale, the Investors shall choose a Qualified Appraiser, and the value as determined by a Qualified Appraisal by that Qualified Appraiser will be final and binding, with the fees and costs of such Qualified Appraiser to be paid by or deducted from the amount payable to the transferring Investor.

Section 17.15 Investment in Company

Investor agrees they are not making a purchase of any stocks, shares, or other commodities that sell on any stock exchange platform. Investors are purchasing units of value in the company whose goal is to maximize return after Company invests in said stocks, shares or other commodities.

Section 17.16 Other Investments

Company may choose to withhold up to 5% of Investor distribution for other investment purposes as determined by Company. Any further investment shall bear the same distribution of proceeds as described in this agreement for dividends and/or sales of stocks.

Section 17.17 Additional Costs

Investor agrees to pay an additional processing and bookkeeping fee of fifteen dollars (\$15.00) per block investment. Investor understand this fee will not be invested by Company for any return on investment. Investor agrees no refund of additional fee should Investor request any refunds. Foreign investors outside the United States and Canada shall pay a fee of twenty five (\$25) per block investment. Company may increase or decrease this fee at any time without investor approval by changing this agreement for any new blocks sold. Blocks previously purchased may never incur any additional fees.

Effective December 13, 2020, any newly joined investor shall pay an annual maintenance fee of \$25.00. Amount to be paid on initial investment and then each anniversary of each investment. Failure to pay annual maintenance fee will reduce block count prior to rate change in the Iraqi dinar or deducted from the following dividend payment if occurs after a rate change in the Iraqi dinar.

Section 17.18 Refunds

Investor understands there are no refunds of blocks prior to any significant change in the value of the Iraqi dinar as investments are sent to the trading account in Iraq immediately after receipt from investor. Company may sell blocks for investor to other investors or back to company for 80% (eighty percent) of cost, but may not get a refund of any additional fees paid such as annual maintenance fee or processing and bookkeeping fees. Investor must give time for Company to sell said blocks to other investors and no specific time frame is required.

Any refund requested after a significant change in the value of the Iraqi dinar will be refunded on initial investment of actual blocks purchased. After any significant change in the value of Iraqi dinar, a refund or cashing out will consist of 50% of actual per block value by dividing Net Asset Value in the Iraqi trading account by total number of blocks distributed and multiplied by the number of blocks in your account. This must be for one hundred percent (100%) of your account. Partial account withdrawals are not allowed at any time.