

**REGULATIONS
OF
[COMPANY NAME]**

These Regulations of **[Company Name]** (the “Regulations”) dated as of the ___ day of _____, 2009 are adopted, executed and agreed to, for good and valuable consideration by the Members (as defined below).

ARTICLE I – DEFINED TERMS

1.01 As used in these Regulations, the following terms shall have the following respective meanings:

A. “Act” means the Texas Limited Liability Company Act and any successor statute, as amended from time to time.

B. “Affiliate” means any other entity in which the Members own a majority of the voting interests (whether by stock or ownership interests) in such other entity.

C. “Articles” means the Articles of Organization filed with the Secretary of State by which **[Company Name]** is organized as a limited liability company under and pursuant to the Act.

D. "Bankrupt Member" means, except to the extent a Required Interest consents otherwise, any Member that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the Member a reorganization, arrangement, composition, readjustment, liquidation dissolution, or similar relief under any present or future statute, law or regulation; (v) files an answer or other pleading admitting or failing to deny, or to contest, the material allegations of the petition filed against the Member in a proceeding of the type described in sub clauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of any trustee, receiver, or liquidator of the Member's or all or any substantial part of the Member's properties; or (b) against which a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation dissolution, or similar relief under any present or future statute, law or regulation has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the Member's consent or acquiescence, a trustee, receiver, or liquidator of the Member or all or any substantial part of the Member's properties has been appointed and 90 days have expired without the appointment having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

E. “Business Day” means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Texas are closed.

F. “Capital Contribution” means any contribution by a Member to the capital of the Company.

G. “Code” means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

H. “Company” means [**Company Name**], a Texas limited liability company.

I. “Default Interest Rate” means a rate per annum equal to the lesser of (a) five percent (5.0%) plus a varying rate per annum that is equal to the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal, which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, which adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

J. “Dispose,” “Disposing,” or “Disposition” means a sale, assignment, transfer exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

K. “General Interest Rate” means a rate per annum equal to a fixed rate of interest as of the applicable date equal to the sum of one percent (1%) plus the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal, which is also the base rate on corporate loans at large United States money center commercial banks, with such rate not to be less than seven percent (7%) per annum nor greater than ten percent (10%) per annum.

L. “Member” means any Person executing these Regulations as of the Date of these Regulations as a Member or hereafter admitted to the Company as a Member as provided in these Regulations, but does not include any Person who has ceased to be a Member in the Company.

M. “Membership Interest” means the interest of a Member in the Company, including without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent and approve.

N. “Person” includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity (as defined in Article 1.02(A)(4) of the Act).

O. “Regulations” has the meaning given that term in the introductory paragraph.

P. “Required Interest” means one or more Members having among them more than fifty-one percent (51%) of the Sharing Ration of all Members.

Q. “Sharing Ration” with respect to any Member means a fraction (expressed as a percentage), the numerator of which is that Member’s Capital Contribution and the denominator of which is the sum of the Capital Contributions of all Members.

R. “TBCA” means the Texas Business Corporation Act and any successor statute as amended from time to time.

1.02 Other Definitions. The definitions contained in other Sections of these Regulations shall apply throughout these Regulations unless otherwise specified.

1.03 Construction. All pronouns and any variations thereof used in these Regulations shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the context requires. All references to Sections refer to sections of these Regulations, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes.

ARTICLE II – ORGANIZATION

2.01 FORMATION. The Company has been organized as a Texas limited liability company for the filing of Articles under and pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of Texas.

2.02 NAME. The name of the Company is **[Company Name]** and all Company business must be conducted in that name or such other names that comply with applicable law as a Required Interest may select from time to time.

2.03 REGISTERED OFFICE; REGISTERED AGENT; PRINCIPAL OFFICE IN THE UNITED STATES; OTHER OFFICES. The registered office of the Company required by the Act to be maintained in the State of Texas shall be the office of the initial registered agent named in the Articles or other such office (which need not be a place of business of the Company) as a Required Interest may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Texas shall be the initial registered agent named in the Articles or such other Person or Persons as a Required Interest may designate from time to time in the manner provided by law. The principle office of the Company in the United States shall be at such place as the Required Interest may designate from time to time, which need not be in the State of Texas, and the Company shall maintain records there as required by Article 2.22 of the Act. The Company may have such other offices as a Required Interest may designate from time to time.

2.04 PURPOSES. The purposes of the Company are those set forth in the Articles.

2.05 TERM. The Company commenced on the date the Secretary of State of Texas issued a certificate of organization for the Company and shall continue in existence perpetually.

2.06 NO STATE LAW PARTNERSHIP. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venture of any other Member, for any purposes other than federal and state tax purposes, and these Regulations may not be construed to suggest otherwise.

ARTICLE III - MEMBERS

3.01 ADMISSION OF INITIAL MEMBERS. The initial Members of the Company are the Persons executing these Regulations as of the date of these Regulations as Members, each of which is admitted to the Company as a Member contemporaneously with the execution by such Person of these Regulations.

3.02 NEW OR ADDITIONAL MEMBERS.

A. After the formation of this Company, a person becomes a new Member:

(1) in the case of a person acquiring a Membership Interest directly from the Company; in compliance with the provisions of these Regulations governing admission of new Members;

(2) in the case of an assignee of a Membership Interest, as provided in these Regulations.

B. Additional Persons may be admitted to the Company as Members and Membership Interests may be created and issued to those Persons and to existing Members at the direction of a Required Interest on such terms and conditions as a Required Interest may determine at the time of admission. The terms of admission must specify the Sharing Ratios applicable thereto and may provide for the creation of different classes or groups of Members and having different rights, powers, and duties. A Required Interest shall reflect the creation of any new class or group in an amendment to these Regulations indicating the different rights, powers, and duties. Any such admission also must comply with the requirements described elsewhere in these Regulations and is effective only after the new Member has executed and delivered to the Company a document including the new Member's notice address and its' consent to be bound by these Regulations. The provisions of this section shall not apply to Dispositions of Membership Interests.

3.03 LIABILITIES TO THIRD PARTIES. Except as otherwise expressly agreed in writing, no Member shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.04 WITHDRAWAL. A Member does not have the right or power to withdraw from the Company as a Member.

3.05 CLASSES. There shall be one class of Members.

3.06 PLACE AND MANNER OF MEETING. All meetings of the Members shall be held at such time and place, within or without the State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except when a Person

participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.07 CONDUCT OF MEETING. All meetings of the Members shall be presided over by the Chairman of the meeting, who shall be a Member (or representative thereof) designated by a Required Interest. The chairman of any meeting shall determine the order of business and the procedure at the meeting.

3.08 ANNUAL MEETING. The annual meeting of the Company for the transaction of all business which may come before the meeting shall be held on the second Monday in June in each year (if not a legal holiday and, if a legal holiday, then on the next business day following) at the hour specified in the notice of the meeting. If the annual meeting is not held on the date above specified, a Required Interest shall cause a special meeting of the Members in lieu thereof to be held as soon thereafter as convenient, and any business transacted at that meeting shall be as valid as if at the annual meeting. Failure to hold the annual meeting at the designated time shall not work dissolution of the Company.

3.09 SPECIAL MEETINGS. Special meetings of the Company may be called at any time by the President or by the holders of at least ten percent (10%) of the Membership Interest entitled to be voted at such meeting. Special meetings of Members may also be called by the Secretary upon the written request of the holders of at least ten percent (10%) of the Membership Interest entitled to be voted at such meeting. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted upon thereat.

3.10 VOTING LISTS. The officer or agent having charge of the records reflecting the Membership Interest of each Member shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the address of and percentage of Membership Interest of each Member, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company, and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original records reflecting the Membership Interest of each Member, shall be *prima facie* evidence as to the Members entitled to examine such list or records or to vote at any meeting of the Company.

Failure to comply with the requirements of this Article shall not affect the validity of any action taken at such meeting.

3.11 NOTICE. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting either personally or by mail, by or at the direction of the Managing Member to each Member entitled to vote at the meeting, provided that such notice may be waived. If mailed, such notice shall be deemed to be delivered when deposited in the United State mail addressed to the Member at his address as it appears on the records of the Company, with postage thereon prepaid.

3.12 QUORUM OF MEMBERS. Unless otherwise provided in the Articles, the holders of a Required Interest entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the Members. The vote of the holders of a Required Interest (that is, Members having among them more than 51% of the Sharing Ratio of all Members), and thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Articles, or these Regulations.

3.13 VOTING OF MEMBERSHIP INTEREST. Each outstanding one percent (1%) of Membership Interest shall be entitled to one vote on each matter submitted to a vote at a meeting of Members; and each fraction of one percent (1%) of Membership Interest shall be entitled to such fractional vote on each matter submitted to a vote at a meeting of Members.

A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.14 ACTION WITHOUT MEETING. Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken shall be signed by the holder of holders of Membership Interests having not less than the minimum of votes that would be necessary to take such action at a meeting in which the holders of all Membership Interests, entitled to vote on the action were present and voted. Every written consent, pursuant to this section shall be signed, dated and delivered in the manner required by, and shall become effective at the time and remain effective for the period specified by the Act. A telegram, telex, cablegram, or similar transmission by a Member, or a photographic, photo static, facsimile, or similar reproduction of a writing signed by a Member, shall be regarded as signed by the Member for purposes of this section Prompt notice of the taking of any action by Members without a meeting by less than unanimous consent shall be given to those Members who did not consent in writing to the action.

For purposes of this section, the taking of an action includes amending these Regulations or creating, under provisions of these Regulations, a class of Membership Interest that was not outstanding.

3.15 GENERAL RESTRICTIONS ON DISPOSITION OF MEMBERSHIP INTERESTS

A. RESTRICTIONS ON DISPOSITION. No Member shall, directly or indirectly, make a disposition of all or any part of the Membership Interest now owned or hereafter acquired, except as provided in these Regulations or without first obtaining the written consent of the Company and the other Members.

B. DISPOSITION WITHOUT COMPLIANCE. Any Disposition made by a Member of that Member's Membership Interest, except in the manner specified in these

Regulations and in compliance with all the terms of these Regulations, shall be null and void, and the Company shall not recognize nor give effect to that Disposition on its books and records or recognize the Person to whom the Disposition has been made as the legal or beneficial holder of Company Interest so transferred unless all of the Members and the Company in any particular instance consent in writing to the waiver of any or all of the applicable requirements.

C. OPTION UPON DISPOSITION

(1) OFFER TO SELL. If a Member (the “Selling Member”) during his lifetime proposes to make or allow any Disposition of all or any part of the Membership Interest now owned or hereafter acquired by that Member (the “Option Membership Interest”) to any party, the Selling Member shall give written notice of his intention (the “Offer to Sell”) to the Company and the other Members (“Continuing Members”). The Offer to Sell, in addition to containing an offer to sell the Option Membership Interest to the Company and to the Continuing Members in accordance with the terms of these Regulations, must contain the following:

(a) That portion of the Option Membership Interest to be disposed;

(b) The name, business and residence address of the proposed transferee;

(c) A copy of the written offer or proposed contract from the proposed transferee which shall include the amount, type, and fair market value of the consideration to be received for the Option Membership Interest and the other terms of the proposed transfer. It is agreed that only bona fide offers, in writing, from a third party providing (i) cash down payment of at least 20% of the total purchase price of the Option Membership Interest, (ii) that the proposed transferee shall execute a counterpart of these Regulations, and (iii) that the Membership Interest which may be acquired by such proposed transferee shall be bound by the terms and provisions of these Regulations, shall constitute a sufficient offer to trigger the options provided in this section. In the event such provisions are not contained in such written offer, the Selling Member shall continue to own the Option Membership Interest subject to the terms and provisions of these Regulations.

The foregoing requirement to provide an Offer to Sell to the Company and the Continuing Members shall not apply to a transfer required by the occurrence of Event of Purchase (as hereinafter described).

(2) COMPANY’S RIGHT OF PURCHASE. For thirty (30) days after receipt of the Offer to Sell (the “First Period”), the Company shall have the right, but not the obligation, to purchase all or any portion of the Option Membership Interest. If the Company elects to purchase any portion of the Option Membership Interest, the Company shall, prior to the end of the First Period, give notice of its election to purchase to the Selling Member and the Continuing Members. Such notice shall state the portion of the Option Membership Interest the Company is electing to purchase. Failure to give such notice before the end of the First Period shall be deemed an election by the Company not to purchase any of the Option Membership Interest.

(3) CONTINUING MEMBERS' RIGHT OF PURCHASE. If the Company does not exercise its option under Subsection (2) above during the First Period with respect to all of the Option Membership Interest, each Continuing Member shall have the right, but shall not be obligated for a period of fifteen (15) days after the expiration of the First Period (the "Second Period"), to purchase that portion of the Option Membership Interest not purchased by the Company which bears the same ratio to the total Option Membership Interest offered but not purchased by the Company as the Continuing Member's Sharing Ratio bears to the Sharing Ratio of all the Continuing Members electing to make the purchase, or that portion that has been agreed to by all continuing Members. If any Continuing Member elects to purchase any portion of the Option Membership Interest, such Continuing Member shall, prior to the end of the Second Period, give notice of his election to purchase to the Selling Member, the Company and the other Continuing Members. Such notice shall state the portion of the Option Membership Interest the Continuing Member is electing to purchase. Failure to give such notice before the end of the Second Period shall be deemed an election by such Continuing Members not to purchase any Option Membership Interest.

(4) MANNER OF EXERCISE. The final determination of the portion of Option Membership Interest to be purchased by the Company and the Continuing Member in accordance with their election to purchase shall be made by the Company, but if more than one of the Continuing Members are purchasers, the determination shall instead be made by the certified public accountant regularly employed by the Company. After the determination has been made, the Company, on its behalf and on behalf of the Continuing Members who elect to purchase Option Membership Interest shall, within sixty (60) days after the date of receipt of the Offer to Sell by the Company (the "Third Period"), give notice to exercise to the Selling Member.

(5) SELLING MEMBER'S RIGHT TO SELL; ADMISSION; EXPENSES. Unless the Company and the Continuing Members elect to purchase all the Option Membership Interest within the periods provided above, (i) the Selling Member shall not be required to sell any of the Option Membership Interest to the Company and the Continuing Members, (ii) neither the Company nor the Continuing Members shall have any obligation to purchase any of the Option Membership Interest, and (iii) the Selling Member shall, for a period of thirty (30) days following the expiration of the Third Period (the "Fourth Period"), have the right to transfer all of the Option Membership Interest to the transferee named in the Offer to Sell on the terms stated therein. Any Option Membership Interest not transferred during the Fourth Period and any Option Membership Interest later reacquired by the Selling Member shall be subject to the provisions and conditions of these Regulations as if no Offer to Sell had been made. A Person to whom a Membership Interest is transferred has the right to be admitted to the Company as a Member with the Sharing Ratio so transferred to such Person, if the Member making such transfer grants the transferee the right to be so admitted and a Required Interest admits such Person as Member. The Company may not recognize for any purpose any purported disposition of all or part of a Membership Interest unless and until the other applicable provisions of this Section have been satisfied and the Company has received a document executed by both the Member effecting the Disposition and the Person to which the Membership Interest or part thereof is Disposed, which document (i) includes the notice address of any Person to be admitted to the Company as a Members and its agreement to be bound by the provisions of these Regulations in respect of the Membership Interest or part thereof being obtained, (ii)

setting forth the Sharing Ratios after the Disposition of the Member effecting the Disposition and the Person to which the Membership Interest or part thereof is Disposed (which together must total the Sharing Ratio of the Member effecting the Disposition before the Disposition), and (iii) containing a representation and warranty that the Disposition was made in accordance with all applicable laws and regulations. Each disposition and, if applicable, admission complying with the provisions of this Section is effective as of the first day of the calendar month immediately succeeding the month in which the requirements of this Section have been met.

The Member effecting a Disposition and any Person admitted to the Company in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred by the Company) on or before the tenth day after the receipt by that Person of the Company's invoice for the amount due. If the payment is not made by the date due, the Person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

(6) TERMS OF PURCHASE

(a) PURCHASE PRICE. The purchase price of each of the Membership Interest purchased by the Company or the Continuing Members pursuant to the terms of this Section 3.15 shall be the lesser of (i) the price to be paid by the proposed transferee as described in the Offer to Sell, or (ii) the Purchase Price determined under Section 3.15E(1).

(b) METHOD OF PAYMENT. The method of payment of the purchase price of the Option Membership Interest may be individually determined by agreement between the Selling Member and each of the purchasers of the Option Membership Interest. If no such agreement is made, the price of the Option Membership Interest shall either be paid in cash at the closing, or, if elected by the particular purchaser of the Option Membership Interest, upon (i) the terms of payment specified in the Offer to Sell, or (ii) the terms of payment specified in Section 3.15F hereof.

(c) CLOSING. The closing of any transaction contemplated by this Section shall occur in accordance with Section 3.15H hereof.

(7) OCCURRENCE OF AN EVENT OF PURCHASE. If an Event of Purchase occurs prior to the consummation of the purchase of the Option Membership Interest by the Company or the Continuing Members under Section 3.15C, the Selling Member's Option Membership Interest shall instead be subject to sale and purchase under Section 3.15D.

D. PURCHASE AND SALE. Upon the occurrence of an Event of Purchase (hereinafter defined), the Member with respect to whom the Event of Purchase has occurred or his or her estate (the "Selling Member") shall be obligated to sell and transfer to the Company and/or the Continuing Members, and the Company and/or the Continuing Members shall either be obligated to purchase or shall have the option to purchase, all of the Selling Member's Interest for the Purchase Price and upon the terms hereinafter set forth.

(1) EVENTS OF PURCHASE. For purposes of these Regulations, the events described below triggering the mandatory purchase of the option to purchase a Member's Membership Interest in the Company shall be referred to as "Events of Purchase"

(a) MANDATORY COMPANY PURCHASE. A Member shall be required to sell all of his Membership Interest to the Continuing Members, and the Continuing Members shall be required to purchase all of the Member's Membership Interest upon the occurrence of either of the following Events of Purchase:

(i) DEATH. The death of a Member.

(ii) DISABILITY. The total disability of the Member, as determined pursuant to Section hereof for a continuous period of six (6) months; provided however, if the required disability period under the terms and conditions for total disability buy-out insurance insuring a Member listed on Exhibit A (if such policy shall be in force at the time disability occurs) is longer than six (6) months, then the continuous disability period shall be extended to equal the disability period under such insurance, but not beyond twenty-four (24) months.

(b) OPTION TO PURCHASE. A Member is required to offer to sell all his Membership Interest to the Company and to the Continuing Members, and the Company (followed by the Continuing Members) will have the option to purchase all of the Membership Interest upon the occurrence of any of the following Events of Purchase:

(i) BANKRUPTCY. A Member becomes a Bankrupt Member.

(ii) TERMINATION OF MARITAL RELATIONSHIP. The failure of a Member to exercise his purchase option pursuant to Section 3.15C(1) hereof upon the termination of his marital relationship.

If an Event of Purchase described in this Section 3.15D occurs, the Company and Continuing Members shall have the right (but shall not be obligated) to purchase and the Selling Member shall be required to sell all or any portion of the Company Interest in the order and within the time specified in Section 3.15C hereof as if an Offer to Sell had been received by the Company on the date the Company had actual written notice of the Event of Purchase; provided the Purchase Price Per Share shall be determined pursuant to Section 3.15E(1) and the terms of payment shall be those specified in Section 3.15F hereof.

(3) DISABILITY PURCHASE

(a) DETERMINATION OF DISABILITY. For purposes of these Regulations, a Member is totally disabled when he is unable to continue his normal duties of employment by reason of medically determined physical or mental impairment. If the Members and Company cannot mutually agree if a Member is totally disabled for the purpose of these Regulations, then the determination of total disability shall be made by two physicians, one designated by the Company and the other by the Member who is alleged to be disabled. If the two physicians cannot agree if the Member is disabled within the meaning of this subsection

within thirty (30) days after appointment of the first physician, they shall appoint a third physician and the opinion of the majority shall be final, binding and conclusive. Notwithstanding the foregoing, a Member shall be considered totally disabled for the purposes of these Regulations if the Member meets the terms and conditions for total disability buy-out insurance insuring that Member listed in Exhibit A, if the policy or policies shall be in force at the time disability occurs.

(b) DEATH OF DISABLED MEMBER PRIOR TO EXPIRATION OF DISABILITY. If the disabled Member dies before the Closing Date of the disability purchase, then the Company shall purchase the disabled Member's Membership Interest pursuant to Section 3.15D hereof.

(c) DEATH OF DISABLED MEMBER DURING PURCHASE PERIOD. In the event the disabled Member dies before the Closing Date of the disability purchase but before the full Purchase Price has been paid in cash, the Company shall apply the proceeds of any life insurance policy listed in Exhibit A insuring the life of the Disabled Member received by the Company, to the payment of the remaining installments due on the Purchase Price.

(4) TERMINATION OF MARITAL RELATIONSHIP.

(a) MEMBER'S OPTION. If the marital relationship of a Member is terminated by the death of the Member's spouse, or by divorce and the Member does not succeed to his or her spouse's community interest, if any, in the Membership Interest outright, the Member shall have, for a period of 180 days following the termination of the marital relationship, the option to purchase all the Member's spouse's interest in the Membership Interest, and the Member's spouse, or the legal representative of the Member's spouse shall be obligated to sell the Membership Interest (or the interest of the Member's spouse therein) to the Member on the Member's exercise of his option. The price for the Membership Interest and the terms of purchase shall be agreed to between the Member and the Member's spouse or his representatives, provided the price shall not exceed the Purchase Price determined pursuant to Section 3.15E(1) hereof and the terms shall not be more favorable to the Member's spouse or his representatives than those terms provided in Section 3.15F hereof.

(b) OPTION TO PURCHASE. If the Member does not exercise his purchase option within the period provided by Subsection 3.15D(4)(a) above, the Company and then the Continuing Members shall have the option to purchase and the Member's spouse or the estate of the Member's spouse shall be obligated to sell all Membership Interest (or the interest in any Membership Interest, if any) owned by the Member's spouse pursuant to the terms of these Regulations as if an Offer to Sell had been received by the Company on the 181st day after the death or divorce. For purposes of this Section 3.15D(4)(b), the price per share shall be the Purchase Price determined pursuant to Section 3.15E(1) and the method of payment shall be in accordance with 3.15F hereof.

E. PURCHASE PRICE. For the purposes of these Regulations, the purchase price of the Membership Interest (the "Purchase Price") shall be deemed in the following manner:

(1) **FORMULA PURCHASE PRICE.** The Purchase Price of the Membership Interest shall be the “fair market value” of the Membership Interest as hereinafter determined. Within fifteen (15) days after the occurrence of the event precipitating the need for the Purchase Price, each party will select a “Qualified Appraiser” (as defined below). As soon as reasonably possible following their appointment, in any event within thirty (30) days after the date the second Qualified Appraiser is appointed, the Qualified Appraisers selected by the parties shall each make an independent determination of the fair market value of the Membership Interest and shall deliver a written report of their determination (including reasonable detail supporting such determination) to each of the applicable parties. If the higher of the two (2) fair market determinations is not more than one hundred ten percent (110%) of the lower determination, then the average of the two (2) determinations shall be used as the fair market value of the Membership Interest and shall be conclusive and binding on the applicable parties. If the higher determination is more than one hundred ten percent (110%) of the lower determination, then the Qualified Appraisers selected by the parties shall select a third Qualified Appraiser within ten (10) days after the date each of the parties has received the determination of both Qualified Appraisers, or if they cannot agree upon a third Qualified Appraiser within such ten (10) day period, either party may elect to have the third Qualified Appraiser appointed by the [entity]. As soon as reasonably possible following his appointment, in any event within thirty (30) days after the date the third Qualified Appraiser is appointed, the third Qualified Appraiser shall make his determination of the fair market value of the Membership Interest; and the average of such third determination with the nearest to the third determination of the determinations by the first and second Qualified Appraisers shall be the fair market value of the Membership Interest for purposes hereof and shall be conclusive and binding on the respective parties. Each of the parties involved in the particular transaction shall cooperate in good faith and use all reasonable diligence to ensure that the fair market value of the Membership Interest is finally determined within sixty (60) days after the appointment of the first Qualified Appraiser to be appointed. Each party shall be responsible for the fees of the Qualified Appraiser appointed by such party and the parties jointly shall be responsible for the fees, if any, of the third Qualified Appraiser. As used herein, “Qualified Appraiser” means an individual who (i) is on a list of appraisers promulgated by the [entity], or (ii) has been actively and continuously engaged in appraising [type of business] for a period of at least five (5) years in Houston, Texas.

Notwithstanding the above, nothing shall preclude the parties from agreeing upon a single Qualified Appraiser to independently determine the fair market value of the Membership Interest; however, such a determination shall not be conclusive and binding on the parties. Rather, the parties may utilize the determination of a single Qualified Appraiser to facilitate an agreement as to a Purchase Price, or to reject the determination and proceed in the manner described above.

(2) **COMPUTATION OF TIME PERIODS.** The Company or a Member shall not be prevented from exercising a right to purchase Membership Interest under these Regulations solely because the Purchase Price has not been determined to before the right to purchase the Membership Interest expires. Accordingly, if the Purchase Price is being determined under Section 3.15E(1) above, any time period limiting the right of the Company or a Member to purchase a Membership Interest shall not commence until the determination of the Purchase Price has been made.

(3) VALUATION DATE. The “Valuation Date” shall be the last day of the month immediately preceding the date of the Event of Purchase or the date of a purchase under Section 3.15C(1) hereof; provided, however, that should the Event of Purchase be the total disability of a Member, the Valuation Date for purposes of a disability purchase shall be the last day of the month immediately preceding the date upon which total disability first occurs.

F. TERMS. Except as otherwise specifically provided herein, the Purchase Price for the Membership Interest shall be paid to the Selling Member or the selling spouse of a Member, as the case may be, either in cash at closing, or, at the option of the purchaser(s) twenty percent (20%) of the Purchase Price may be paid in cash at closing, and the balance of the Purchase Price may be paid in accordance with the terms of a Promissory Note (herein so called) delivered on the Closing Date providing for:

(1) PRINCIPAL INSTALLMENTS. Equal monthly installments of principal and interest over a period of five (5) years.

(2) INTEREST. Interest on the unpaid balance at a rate which shall from month to month (as of the first business day of each month) be equal to the General Interest Rate.

(3) SECURITY. The purchased Membership Interest shall be held as collateral for the payment of the unpaid balance of the Promissory Note pursuant to a Security Agreement (herein so called) to be executed by the purchaser(s). The Membership Interest so pledged will be a first and prior lien on such Membership Interest (unless pledged in connection with a loan made to the Company). The Promissory Note of the Company, if any, shall not be guaranteed by any of the Continuing Members.

(4) APPLICATION OF INSURANCE PROCEEDS. Notwithstanding the foregoing provisions of this Section 3.15F(4), if the Company receives the proceeds of disability buy-out or life insurance listed in Exhibit A annexed hereto, the insurance proceeds so received shall be applied forthwith to the payment of the Purchase Price payable by the Company. The Company and the Members acknowledge that certain disability buy-out insurance policies listed on Exhibit A may not be payable under the terms of the contract until the expiration of waiting periods imposed by the contracts have expired. Upon receipt of the proceeds of any such disability buy-out insurance policy scheduled in Exhibit A, those proceeds shall be applied within thirty (30) days of receipt against the Purchase Price remaining outstanding. Any proceeds from life or disability buy-out insurance policies in excess of the Purchase Price received by the Company shall be the sole property of the Company.

G. OFFSET OF MEMBER OBLIGATIONS TO COMPANY. Notwithstanding any other provisions of these Regulations, the Company or any Continuing Member shall have the option to offset the amount of any obligation due or owing the Company by the Selling Member against any amounts due and owing under these Regulations by the Company to the Selling Member. Each Member, by executing these Regulations, hereby grants to the Company a security interest in his Membership Interest to secure all obligations of that Member to the Company, whether now existing or incurred hereafter. The security interest

granted hereunder to the Company by the Members shall be subject to and construed in accordance with the provisions of the Uniform Commercial Code of the State of Texas.

H. PLACE AND DATE OF CLOSING. Unless otherwise agreed by the parties, the closing of the sale and purchase of Membership Interest hereunder shall take place at the principal location of the Company on the Closing Date (herein so called) which shall be designated by the Company, and shall be no more than forty-five (45) days following the last to occur: (i) an Event of Purchase; (ii) the Company's delivery to the Selling Member of the notice of exercise of the option to purchase in accordance with Section 3.15C(2) hereof; or (iii) upon the determination of the Purchase Price pursuant to Section 3.15E(1). The Selling Member's rights as a Member of the Company, including the right to receive notice of meetings and to vote at those meetings shall terminate on the tender of the Purchase Price (including, if applicable, the cash down payment and the Promissory Note) on the Closing Date regardless of whether the Selling Member's certificates evidencing his Membership Interest have been delivered to the Company for transfer.

I. TRANSFER OF COMPANY INTEREST. Upon delivery at closing of the Purchase Price in accordance with Section 3.15H, certificates representing the Membership Interest purchase shall be delivered by the Selling Member to the Company or Continuing Member as the case may be executed in blank or accompanied by duly executed stock powers to be conveyed to the purchaser thereof, all of which shall be conveyed free and clear of all liens, claims, encumbrances, and equities of every kind, except any primary lender of the Company which has required the pledge of all stock in the Company. The Selling Member further agrees to execute and deliver all other instruments and documents which the Company or any Purchaser requests to more effectively convey or transfer the Company so purchased. After the purchased Membership Interest has been transferred to the purchasers thereof, all certificates representing Membership Interest purchased with Promissory Notes shall, if applicable, be titled in the name of the purchaser and delivered by the Company to the Selling Member to be held as collateral security for payment of any Promissory Notes in accordance with the terms and provisions of any Security Agreement.

J. ENDORSEMENT ON CERTIFICATES. Certificates representing Membership Interest of the Company subject to these Regulations shall bear the following legend (as well as reference to such legend on the face of the certificates):

“THE SALE, TRANSFER, ASSIGNMENT, PLEDGE, OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS IMPOSED BY A CERTAIN COMPANY AGREEMENT DATED _____, THE AGREEMENT PROVIDES FOR CERTAIN OBLIGATIONS TO SELL AND PURCHASE THE MEMBERSHIP INTEREST EVIDENCED BY THIS CERTIFICATE. THE COMPANY WILL FURNISH A COPY OF THE COMPANY AGREEMENT TO THE HOLDER OF THIS CERTIFICATE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL LOCATION OR REGISTERED OFFICE.

K. INSURANCE.

(1) PURCHASE BY COMPANY. Except as provided below, the Company may, but shall not be required to, apply for, purchase, and maintain policies of life and disability buy-out insurance on the Members in order to be able to perform its obligations hereunder. All incidents of ownership, right, options, benefits, and privileges conferred by such policy or allowed by the issuing insurance company shall be reserved to the Company. No insurance company which may issue to the Company a policy of life or disability buy-out insurance on a Member shall be a party to these Regulations, nor shall any insurance company be bound to inquire into, nor shall it be chargeable with, notice of any provisions hereof. Notwithstanding any provision in these Regulations to the contrary, the signature by the Company, by any Managing Member thereof, shall be full and sufficient authority to any insurance company to take or permit any action in connection therewith. The policies covered by and subject to these Regulations shall be listed in Exhibit A annexed hereto. The parties acknowledge that the Company may purchase insurance on the life of any one or more of its Members without making the insurance subject to the terms of these Regulations.

(2) DUTY OF MEMBER. Each Member agrees to submit to all medical examinations that are reasonably necessary for the procurement of both life and disability buy-out insurance on him by the Membership.

(3) DISPOSITION OF INSURANCE POLICIES. During the term of these Regulations, all life and disability buy-out insurance policies owned by the Company on the Selling Member and listed in Exhibit A shall be continued in full force and effect subject to the terms of these Regulations from the date hereof, up to and including the period that the Selling Member's Membership Interest is being purchased. After the Purchase Price has been paid in cash, the Company may dispose of or deal with the policy or policies of insurance on the Selling Member in any manner it desires; provided, however, if the Company elects to allow the policy to lapse, the Company shall give the Selling Member thirty (30) days' written notice of its election to allow the policy to lapse and the Selling Member shall have for a period of thirty (30) days after receipt of such notice the right to acquire the policy from the Company for the fair market value of the policy as determined as of the date of the transfer of the policy. For purposes of these Regulations, the fair market value shall equal:

- (a) The interpolated terminal reserve of the policy and any paid-up additions as of the date of transfer, plus
- (b) Any dividends or dividend accumulations credited to the policy, plus
- (c) The unearned portion of the premium paid beyond the date of the transfer, less
- (d) Any indebtedness against the policy plus any loan interest accrued to the date of transfer.

In the event a Member purchases a policy or policies pursuant to Section 3.15K(3), the Company shall execute and deliver the policy or policies and all instruments necessary to convey full title to him. If a Member fails or refuses to purchase the policy or policies within the thirty

(30) day period, the Member shall have no further interest in the policy or policies and the Company shall have the right to dispose of or deal with the policy or policies in any manner it desires for its own account.

ARTICLE IV – CAPITAL CONTRIBUTIONS

4.01 INITIAL CONTRIBUTIONS. Contemporaneously with the execution by such Member of these Regulations, each Member shall make the Capital Contributions described for the Member in Schedule A attached as part of these Regulations.

4.02 SUBSEQUENT CONTRIBUTIONS. Without creating any rights in favor of any third party, each Member shall contribute to the Company, in cash, on or before the date specified as hereinafter described that Member's Sharing Ration of all monies that in the judgment of a Required Interest are necessary to enable the Company to cause the assets of the Company to be properly operated and maintained and to discharge its costs, expenses, obligations and liabilities. A Required Interest shall notify each Member of the need for Capital Contributions pursuant to this Section 6.02 when appropriate, which notice must include a statement in reasonable detail of the proposed uses of the Capital Contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the Capital Contributions must be made. Any subsequent contributions shall be made pro rate in accordance with the Sharing Ratios unless otherwise agreed to by all Members in writing. Upon receipt of the subsequent contributions, adjustments shall be made to the Sharing Ratios.

4.03 FAILURE TO CONTRIBUTE.

A. If a Member does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in these Regulations, the Company may exercise, on notice to that Member (the "Delinquent Member"), one or more of the following remedies:

(1) Taking such action (including without limitation court proceedings) as a Required Interest may deem appropriate to obtain payments by the Delinquent Member of the portion of the Delinquent Member's Capital Contribution that is in default together with interest thereon at the Default Interest Rate from the date that the Capital Contribution was due until the date that it is made, all at the costs and expense of the Delinquent Member;

(2) Permitting the other Members in proportion to their Sharing Ratios or in such other percentages as they may agree (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Contribution that is in default, with the following results:

(a) The sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of these Regulations;

(b) The principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefor by the Lending Member to the Delinquent Member;

(c) The amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member;

(d) All distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal);

(e) The payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership Interest, as more fully set forth in this Section; and

(f) The Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to these Regulations or at law or in equity, to take any action (including, without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member;

(3) Exercising the rights of a secured party under the Uniform Commercial Code of the State of Texas, as more fully set forth in this Section; or

(4) Exercising any other rights and remedies available at law or in equity.

B. Each Member grants to the Company, and to each Lending Member with respect to any loans made by the Lending Member to that Member as a Delinquent Member pursuant to this Section, as security, equally and ratably, for the payment of all Capital Contributions that Member has agreed to make and the payment of all loans and interest accrued on them made by the Lending Members to that Member as a Delinquent Member pursuant to this Section, a security interest in an a general lien on its Membership Interest and the proceeds thereof, all under the Uniform Commercial Code of the State of Texas. On any default in the payment of a Capital Contribution or in the payment of such a loan or interest accrued on it, the Company or the Lending Member, as applicable, is entitled to all the rights and remedies of a secured party under the Uniform Commercial Code of the State of Texas with respect to the security interest granted in this Section. Each Member shall execute and deliver to the Company and the other Members all financing statements and other instruments that the Company or the Lending Member, as applicable, may request to effectuate and carry out the preceding provisions of this Section. At the option of the Company or a Lending Member, these Regulations or a carbon, photographic, or other copy hereof may serve as a financing statement.

4.04 RETURN OF CONTRIBUTIONS. A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital

account or its Capital Contributions. A Capital Contribution that has not been repaid is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

4.05 ADVANCES BY MEMBERS. If the Company does not have sufficient cash to pay its obligations, any Member that may agree to do so with the consent of a Required Interest, may advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.06 CAPITAL ACCOUNTS. A Capital Account shall be established and maintained for each Member. Each such capital account (a) shall be increased by (i) the amount of money contributed by that Member to the Company, (ii) the fair market value of property contributed by that Member to the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Treas. Reg. § 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. § 1.704-1(b)(4)(1), and gain described in Treas. Reg. § 1.704-1(b)(4)(i), and (b) shall be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), (iii) allocations to that Member of expenditures of the Company described in Section 705(a)(2)(B) of the Code, and (iv) allocations of Company loss and deduction (or items thereof), including loss and deduction described in Treas. Reg. § 1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. § 1.704-1(b)(4)(i) or § 1.704-1(b)(4)(iii). The Member's capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. § 1.704-1(b)(2)(iv)(g). A Member that has more than one Membership Interest shall have a single capital account that reflects all its Membership Interests, regardless of the class of Membership Interests owned by that Member and regardless of the time and manner in which those Membership Interests were acquired. On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee in accordance with provisions of Treas. Reg. § 1.704-1(b)(2)(iv)(l).

ARTICLE V - ALLOCATIONS AND DISTRIBUTIONS

7.01 ALLOCATIONS

A. Except as may be required by Section 704(c) of the Code and Treas. Reg. § 1.704-1(b)(2)(iv)(f)(4), all items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members in accordance with their Sharing Ratios.

B. The Sharing Ratio of each of the Members shall be as provided on Exhibit B attached hereto.

C. All items of income, gain, loss, deduction, and credit allowable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest without regard to the results of the Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under Section 706 of the Code and the regulations thereunder.

5.02 DISTRIBUTIONS

A. From time to time (but at least once each calendar quarter) a Required Interest shall determine in their reasonable judgment to what extent, if any, the Company's cash on hand exceeds its current and anticipated needs, including without limitation, for operating expenses, debt service, acquisitions and a reasonable contingency reserve. If such an excess exists, a Required Interest shall cause the Managing Member to distribute to the Members, in accordance with their Sharing Ratios, an amount in cash equal to that excess.

B. From time to time a Required Interest may also cause property of the Company other than cash to be distributed to the Members, which distribution must be made in accordance with their Sharing Ratios and may be subject to existing liabilities and obligations. Immediately prior to such a distribution, the capital accounts of the Members shall be adjusted as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(f).

C. Notwithstanding anything to the contrary in Section 5.02 A and B above, if a Required Interest so elects, distributions of profits, losses, or return of capital may be withheld to accomplish the business purposes of the Company as may be established from time to time.

5.03 RIGHT TO DISTRIBUTION. Subject to the Act, at the time that a Member becomes entitled to receive a distribution, with respect to that distribution, that Member has the status of and is entitled to all remedies available to a creditor of the Company.

5.04 LIMITATION ON DISTRIBUTION. The Company may not make a distribution to its Members to the extent that, immediate after giving effect to the distribution, all liabilities of the Company, other than liabilities to Members with respect to the interests and liabilities for the recourse of the creditors is limited to specified property of this Company, exceed the fair value of the Company's assets, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in this Company's assets only to the extent that the fair market value of that property exceeds that liability.

ARTICLE VI – MANAGEMENT

6.01 MANAGEMENT BY MEMBERS

A. Subject to the provisions of Section 6.02, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, a Required Interest; and (ii) a Required Interest may authorize all decisions and take all actions for the Company not otherwise provided for in these Regulations, including without limitation the following:

(1) Entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(2) Opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(3) Maintaining the assets of the Company in good order;

(4) Collecting sums due the Company;

(5) To the extent that funds of the Company are available therefor, paying debts and obligations of the Company;

(6) Acquiring, utilizing for Company purposes, and Disposing of any asset of the Company;

(7) Borrowing money or otherwise committing the credit of the Company for Company activities and voluntary repayments or extensions of debt;

(8) Selecting, removing, and changing the authority and responsibility of lawyers, accountants and other advisors and consultants;

(9) Obtaining insurance for the Company; and

(10) Determining distributions of the Company cash and other property as provided in Section 5.02.

B. Notwithstanding the provisions of Section 6.01A, a Required Interest shall not cause the Company to do any of the following without complying with the applicable requirements set forth below:

(1) Sell, lease, exchange or otherwise dispose of (other than by way of a pledge, mortgage, deed of trust or trust indenture) all or substantially all of the Company's property and assets (with or without good will), other than in the usual and regular course of the Company's business, without complying with the applicable procedures set forth in the Act and

the TBCA, including without limitation, the requirement in Article 5.10 of the TBCA regarding approval by the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(2) Be a party to (i) a merger, or (ii) an exchange or acquisition of the type described in Article 5.02 of the TBCA, without complying with the applicable procedures set forth in the Act and the TBCA, including, without limitation, the requirement of Article 5.03 of the TBCA regarding approval by the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(3) Amend or restate the Articles, without complying with the applicable procedures set forth in the Act, the TBCA and the Articles.

6.02 ACTIONS BY MEMBERS; DELEGATION OF AUTHORITY AND DUTIES

A. In managing the business and affairs of the Company and exercising its powers, the Members shall act (i) collectively through meetings and written consents consistent as may be provided or limited in other provisions of these Regulations; and (ii) through officers to whom authority and duties have been delegated pursuant to Article VII.

B. The Members may, from time to time, delegate to one or more Members such authority and duties as the Members may deem advisable.

ARTICLE VII – OFFICERS

7.01 NUMBER. The Officers of the Company shall consist of a President, a Secretary, and a Treasurer, and, in addition, such other officers including one or more Vice-Presidents, and assistant officers and agents as may be deemed necessary and elected or appointed by the Members. Any two or more offices may be held by the same person. In its discretion, the Members may leave unfilled any office except those of the President and Secretary.

7.02 ELECTION; TERM; QUALIFICATION. Officers shall be chosen by Members annually at the meeting of the Members. Each officer shall hold office until his successor has been duly chosen and qualified, or until his death, resignation or removal.

7.03 FORMAT. Any officer or agent elected or appointed by the Members may be removed by the Members, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create any contract rights.

7.04 RESIGNATION. Any officer may resign at any time by giving written notice thereof to the Members or to the President or Secretary of the Company. Any such resignation shall take effect at the time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.05 VACANCIES. Any vacancy in any office may be filled by a Required Interest.

7.06 DUTIES. The officers of the Company shall have such powers and duties, except as modified by the Members, as generally pertain to their offices, respectively, in a corporate setting, as well as such powers and duties as from time to time be conferred by the Members and these Regulations.

7.07 PRESIDENT. The President shall be the Chief Executive Officer of the Company, and shall have general direction of the affairs of the Company and general supervision over its several officers, subject however, to the control of the Members. He shall at each Annual Meeting, and from time to time, report to the Members all matters within his knowledge, which, in his opinion, the interest of the Company may require to be brought to their notice; may sign with the Secretary or Assistant Secretary any or all certificates of membership; shall preside at all meetings of Members; shall sign and execute in the name of the Company all contracts or other instruments authorized by a Required Interest, except in cases where the signing and execution thereof shall be expressly delegated or permitted by a Required Interest or by these Regulations to be some other officer or agent of the Company; and in general, shall perform all duties incident to the office of the President, and such other duties as from time to time may be assigned to him by a Required Interest or as are prescribed by these Regulations.

7.08 VICE-PRESIDENTS. At the request of the President, or in his absence or disability, the Vice-Presidents in the order of their election shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. Any action taken by a Vice-President in the performance of the duties of the President shall be conclusive evidence of the absence or inability of the President at the time such action was taken. The Vice-Presidents shall perform such other duties as may, from time to time, be assigned to them by a Required Interest or the President. A Vice-President may also sign with the Secretary or Assistant Secretary, certificates of Membership Interest.

7.09 SECRETARY. The Secretary shall: (a) keep the minutes of all meetings of the Members, in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Regulations or as required by law; (c) be custodian of the books and records of the Company; (d) have general charge of Membership Interest certificate books, transfer books, Membership Interest ledgers and such other books and papers as the Members may direct; and (e) in general, perform all duties and exercise all powers incident to the office of the Secretary and such other duties and powers as the Members or the President from time to time may assign or confer.

7.10 TREASURER. The Treasurer shall: (a) keep complete and accurate records of account, showing accurately at all times the financial condition of the Company; (b) shall be the legal custodian of all monies, notes, securities and other valuable which may from time to time come into the possession of the Company; (c) shall furnish at meetings of Members, or whenever requested, a statement of the financial condition of the Company; and (d) shall perform such other duties as these Regulations may require or a Required Interest may prescribe.

7.11 ASSISTANT OFFICERS. Any Assistant Secretary or Treasurer appointed by the Members shall have the power to perform, and shall perform, all duties incumbent on the Secretary or Treasurer of the Company, respectfully, subject to the general direction of such Officers, and shall perform such other duties as the Regulations may require or a Required Interest may prescribe.

7.12 SALARIES. The salaries and other compensation of the officers shall be fixed from time to time by the Members. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that he is also a Member of the Company.

7.13 BONDS OF OFFICERS. The Members may secure the fidelity of any or all of such officers by bond or otherwise, in such terms and with such surety or sureties, conditions, penalties or securities as shall be required by a Required Interest.

7.14 DELEGATION. A Required Interest may delegate temporarily the powers and duties of any office of the Company, in case of his absence or for any other reason, to any other officer, and may authorize the delegation by any officer of the Company of any of his powers and duties to any agent or employee subject to the general supervision of such officer.

ARTICLE VIII – INDEMNIFICATION

8.01 DEFINED TERMS. For purposes of this Article VIII:

A. “Limited Liability Company” includes any domestic or foreign predecessor entity of the Company in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Company by operation of law and in any other transaction in which the Company assumes the liabilities of the predecessors but does not specifically exclude liabilities that are the subject matter of this Article.

B. “Official” means any Person acting as a Member, Officer or agent or in any other capacity on behalf of the Company.

C. “Expenses” include court costs and attorneys’ fees.

D. “Proceeding” mean any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action or proceeding.

8.02 STANDARD FOR INDEMNIFICATION. The Company shall indemnify a person who was, or is threatened to be made a named defendant or respondent in a Proceeding because the Person is or was an Official of the Company only if determined in accordance with this Article that the Person:

A. Conducted himself in good faith;

B. Reasonably believed that his conduct was in the Company’s best interests;

and

C. In the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

8.03 PROHIBITED INDEMNIFICATION. Except to the extent permitted by this Article, an Official may not be indemnified under any Section of this Article in respect to a Proceeding:

A. In which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's official capacity; or

B. In which the person is found liable to the Company.

8.04 EXTENT OF INDEMNIFICATION. A person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the Proceeding.

8.05 AUTHORIZATION OF INDEMNIFICATION. Authorization of indemnification under any Section of this Article must be made by a Required Interest of the Members in a vote that excludes the Membership Interest held by Members, if any, who are named defendants or respondents in a Proceeding.

8.06 SUCCESSFUL DEFENSE OF PROCEEDING. Except as otherwise provided by law or these Regulations, the Company shall indemnify an Official against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant or respondent because he is or was an Official if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

8.07 ADVANCEMENT OF EXPENSES. Reasonable expenses incurred by an Official who was, or is threatened to be named a defendant or respondent in a Proceeding shall be paid or reimbursed by the Company in advance of the final disposition of the Proceeding, without the authorization specified in this Article, after the Company receives a written affirmation by an Official of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article and a written undertaking, which must be an unlimited general obligation of an Official (and can be accepted without reference to financial ability to make repayment) but need not be secured, made by or on behalf of an Official to repay the amount paid or reimbursed if it is ultimately determined that he has not met the standard or if it is ultimately determined that indemnification of an Official against expenses incurred by him in connection with that Proceeding is prohibited by this Article.

8.08 EXPENSES OF WITNESS. Notwithstanding any other provision of this Article, the Company may pay or reimburse expenses incurred by an Official in connection with his appearance as a witness or respondent in the Proceeding, given that such appearance or participation occurs by reason of his being or having been an Official of the Company.

8.09 CONTINUATION OF INDEMNIFICATION. The indemnification and advance payments provided by this Article shall continue as to a person who has ceased to hold

his position as an Official, officer, employee or agent, or other person described in any Section of this Article, and shall inure to his heirs, executors and administrators.

8.10 LIABILITY INSURANCE. The Company may purchase and maintain 4 insurance or another arrangement on behalf of any person who is or was an Official, officer, employee, or agent of the Company, whether or not the Company would have the power to indemnify him against liability under this Article.

ARTICLE IX – CERTIFICATES AND MEMBERS

9.01 CERTIFICATES. Certificates in the form determined by a Required Interest shall be delivered representing all Membership Interest to which Members are entitled. Such certificates shall be consecutively numbered, and shall be entered in the books of the Company as they are issued. Each certificate shall state on the face thereof the holder's name, the class of membership, the Membership Interest, and such other matters as may be required by the laws of the State of Texas. They shall be signed by an officer of the Company, and may be sealed with the seal of the Company or a facsimile thereof if adopted. The signature of such officer upon the certificates may be a facsimile.

9.02 REPLACEMENT OF LOST OR DESTROYED CERTIFICATE. The Company may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the holder of record thereof, or his duly authorized attorney or legal representative who is claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Company, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate or certificates or his legal representative to give the Company a bond with surety and in form satisfactory to the Company (which bond shall also name the Company's transfer agents and registrars, if any, as obliges) in such sum as it may direct as indemnity against any claim that may be made against the Company or other obligee with respect to the certificate to be lost or destroyed.

9.03 TRANSFER OF MEMBERSHIP INTEREST. Upon surrender to the Company or the transfer agent of the Company of a certificate for Membership Interest duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Company to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

9.04 REGISTERED MEMBERS. The Company shall be entitled to treat the holder of record of any certificate or certificate of Membership Interest of the Company as the owner thereof for all purposes and, accordingly shall not bound to recognize any equitable or other claim to or interest in such Membership Interest or any rights deriving from such Membership Interest on the part of any other person, including (but without limitation) a purchaser, assignee or transferee, unless and until such other person becomes a Member, whether or not the Company shall have either actual or constructive notice of the interest of such person, except as otherwise provided by law.

9.05 PREEMPTIVE RIGHTS. No Member or any other Person shall have any preemptive rights whatsoever.

ARTICLE X – TAXES

10.01 TAX RETURNS. The Tax Matters Partner, as defined in Section 10.03, shall cause to be prepared and filed any necessary federal and state income tax returns for the Company, including making the elections described in Section 10.02. Each Member shall furnish to the Tax Matters Partner all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

10.02 TAX ELECTIONS. The Company shall make the following elections on the appropriate tax returns:

- A. To adopt the calendar year as the Company's fiscal year;
- B. To adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;
- C. If a distribution of Company property as described in Section 734 of the Code occurs or if a transfer of a Membership Interest as described in Section 743 of the Code occurs, on written request of any Member, to elect, pursuant to Section 754 of the Code, to adjust the basis of Company properties;
- D. To elect to amortize the organizational expenses of the Company and the start-up of the Company under Section 195 of the Code ratably over a period of sixty (60) months as permitted by Section 709(b) of the Code; and
- E. Any other election a Required Interest may deem appropriate and in the best interest of the Members.

Neither the Company nor any Member may make an election for the Company to be excluded from the application of Subchapter K of Chapter I of Subtitle A of the Code, or any similar provisions of applicable state law, and no provisions of these Regulations shall be construed to sanction or approve such an election.

10.03 TAX MATTERS PARTNER. The "Tax Matters Partner" shall be a Member that is designated as such by a Required Interest. Any Member who is designated "Tax Matters Partner" shall take such action as may be necessary to cause each other Member to become a "Notice Partner" within the meaning of Section 6223 of the Code. Any Member who is designated "Tax Matters Partner" shall inform each other Member of all significant matters that may come to its attention in its capacity as "Tax Matters Partner" by giving notice thereof on or before the fifth business day after becoming aware thereof and, within that time, shall forward to each other Member copies of all significant written communications it may receive in that capacity. Any Member who is designated "Tax Matters Partner" may not take any action contemplated by Sections 6222 through 6231 of the Code without the consent of a Required Interest, but this sentence does not authorize such Member to take any action left to the determination of an individual Member under Sections 6222 through 6231 of the Code.

ARTICLE XI – NOTICE

11.01 METHOD. Whenever by statute or the Articles or these Regulations, notice is required to be given to any Member, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, postage prepaid, addressed to the Member at the address appearing on the books of the Company, or in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mails.

11.02 WAIVER. Whenever by statute or the Articles or these Regulations, notice is required to be given to any Member, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE XII – DISSOLUTION, LIQUIDATION, AND TERMINATION

12.01 DISSOLUTION. The Company shall dissolve and its affairs shall be wound up on the first to occur:

- A. The written consent of a Required Interest;
- B. Upon the death, retirement, resignation, expulsion, bankruptcy, or dissolution of a Member or the occurrence of any other event which terminates the continued Company of a Member in this Company, unless there are at least two remaining Members and the business of the Company is continued by consent of all remaining Members;
- C. Entry of a decree of judicial dissolution of the Company.

12.02 LIQUIDATION AND TERMINATION. On dissolution of the Membership, a Required Interest shall appoint one or more Members as liquidator. The liquidator shall proceed to diligently wind up the affairs of the Company and make final distributions as provided herein. The cost of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company with all of the power and authority of a Required Interest. The steps to be accomplished by the liquidator are as follows:

- A. As promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed as applicable;

B. The liquidator shall cause any notice required by law to be mailed to each known creditor of and claimant against the Company in the manner described by such law;

C. The liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including all expenses incurred in liquidation and any advances described in Section 4.05) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. All remaining assets of the Company shall be distributed to Members as follows:

(1) The liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(2) With respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income gain, loss and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(3) Company property shall be distributed among Members in accordance with the positive capital account balances of the Members, as determined by taking into account all capital account adjustments for the taxable year for the Company during which the liquidation of the Company occurs (other than those made by reason of this Clause (3)); and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, ninety (90) days after the date of liquidation).

All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities therefore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 9.02. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 9.02 constitutes a complete return to the Member of its Capital Contribution(s) and a complete distribution to the Member of its Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented by their execution of these Regulations. To the extent a Member returns funds to the Company, it has no claim against any other Members for those funds.

12.03 DEFICIENT CAPITAL ACCOUNTS. Notwithstanding anything to the contrary contained in these Regulations, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including such non-cash items such as depreciation), or distributions of money pursuant to these Regulations to all Members in proportion to their respective Sharing Ratios, upon dissolution of the Company such deficit shall

not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

12.04 ARTICLES OF DISSOLUTION. On completion of distribution of Company assets as provided herein, the Company is terminated, and an authorized Member shall file articles of dissolution with the Secretary of State of Texas, cancel any other filings, and take such other actions as may be necessary to terminate the Company. An "authorized Member" shall be a Member or Members appointed by a Required Interest.

ARTICLE XIII – GENERAL PROVISIONS

13.01 BOOKS AND RECORDS

A. The Company shall maintain those books and records as provided by statute and as it may deem necessary or desirable. All books and records provided for by statute shall be open to inspection of the Members from time to time. The Company shall keep and maintain the records at its principal location in the United States and make them available at that location within five days after receipt of a written request as may be specified in the Act.

B. The Company shall maintain its records in written form or in another form capable of conversion into written form in a reasonable time.

C. A Member or an assignee of a Membership Interest, on written request stating the purpose, may examine and copy, in person or by the Member's or assignee's representative, at any reasonable time, for any proper purpose, and at the Member's expense, records required to be kept under this Section and other information regarding the business affairs, and financial condition of the Company as is just and reasonable for the person to examine and copy.

D. On the written request by any Member or an assignee of a Membership Interest made to the person and address designated in these Regulations, the Company shall provide to the requesting Member or assignee without charge true copies of:

(1) The Articles and these Regulations and all amendments and restatements; and

(2) Any tax returns described in the Act.

13.02 AMENDMENT OR MODIFICATION. The powers to alter, amend, or repeal the provisions of these Regulations or to adopt a new Agreement is vested in a Required Interest and delegated to the Managing Member.

13.03 C CHECKS, NOTES, DRAFTS. All checks, notes, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by a designated person which may be appointed by the Managing Member upon approval by a Required Interest. The designated person may be a Member or other Person as may from time to time be designated.

13.04 MANAGEMENT BY MEMBERS. The tax status of the Company will be that of a Texas limited liability Company, and except as allowed by the Internal Revenue Code, as amended from time to time, and any corresponding rules and regulations, it is intended that this Company shall not allow centralization of management, and to the extent possible, these Regulations shall be read and interpreted to prohibit centralization of management.

13.05 HEADINGS. The headings used in these Regulations have been inserted for convenience only and do not constitute matter to be construed in interpretation.

13.06 VALIDITY AND EFFECT. If any portion of these Regulations shall be invalid or inoperable, then, so far as is reasonable and possible:

- A. The remainder of these Regulations shall be considered valid and operable; and
- B. Effect shall be given to the intent manifested by the portion held invalid or inoperable.

13.07 ENTIRE AGREEMENT. These Regulations constitutes the entire agreement of the Members relating to the subject matter and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.08 EFFECT OF WAIVER OR CONSENT. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligation of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

13.09 BINDING EFFECT. Subject to the restrictions on Disposition set forth in these Regulations, these Regulations is binding on an inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

13.10 GOVERNING LAW; SEVERABILITY. THESE REGULATIONS IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAWS RULE OR PRINCIPLE THAT MIGHT REFER TO THE GOVERNANCE OR CONSTRUCTIO OF THESE REGULATIONS TO THE LAW OF ANOTHER JURISDICTION. If any provision of these Regulations, or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of these Regulations and the application of that provision to other Persons and circumstances is not affected thereby and that provision shall be enforced to the greatest extend permitted by law.

13.11 FURTHER ASSURANCES. In connection with these Regulations and the transactions contemplated hereby, each Member shall execute and deliver any additional

documents or instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of these Regulations and those transactions.

13.12 NOTICE TO MEMBERS OF PROVISIONS OF THESE REGULATIONS. By executing these Regulations, each Member acknowledges that it has received notice of (a) all of the provisions of these Regulations, including without limitation, the restrictions on the transfer of Membership Interest set forth in Article III, and (b) all of the provisions of the Articles. Each Member hereby agrees that these Regulations constitutes adequate notice of all such provisions, including without limitation, any notice requirement set forth by law or equity, and each Member hereby waives any requirement that any further notice thereunder be given.

. These Regulations may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

The undersigned, being all the initial Members, as specified in the Articles, hereby certify that the foregoing Agreement was unanimously adopted by the Members, effective the ____ day of _____, 2009, TO WITNESS WHICH we have here unto affixed our signatures.

[name]

Percentage of Membership Interest: __%

[name]

Percentage of Membership Interest __%

SCHEDULE A
CAPITAL CONTRIBUTIONS

[Name] \$ _____

[Name] \$ _____

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EXHIBIT A
LIFE INSURANCE POLICIES

