



Operating Agreement of:

A Delaware limited liability company
-sample-

THIS OPERATING AGREEMENT (this "Agreement") of _____, a Delaware limited liability company (the "Company"), dated effective as of _____, 20____, is by _____, as the initial member of the Company (the "Initial Member"). Capitalized terms used in this Agreement shall have the meanings ascribed thereto in **Schedule 1** or in this Agreement.

ARTICLE 1
ORGANIZATION, AND LENDER REQUIREMENTS

1.1. Organization. The Company was created by the execution and filing of the Certificate under the Act. The Members hereby organize the Company and agree to conduct the Company's business and affairs consistent with this Agreement, the Act and the Certificate. The Members shall from time to time contribute such Property to the Company as is agreed upon by the Company and the Members. _____, who is hereby designated as an "authorized person" within the meaning of the Act, has executed and caused to be filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, the powers of such person as an "authorized person" (if not also a Member of the Company) ceased, and the Member or Members thereupon each became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Act. Any Member or employee of NorthStar Real Estate Services, LLC, a Utah limited liability company ("NorthStar") may execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in _____ and in any other jurisdiction in which the Company may wish to conduct business.

1.2 Powers and Purposes. The Company shall have all powers provided for in the Act. The sole purpose of this Company shall be the ownership, operation, management and maintenance of the Real Property and this Company shall be restricted and/or required, and hereby covenants and agrees, as follows:

- A. Not to engage in any business or activity other than the ownership, operation and maintenance of the Real Property, and activities ancillary thereto;
- B. Not to acquire or own any material assets other than (i) the Real Property, and (ii) such incidental personal property as may be necessary or appropriate for the operation of the Real Property;
- C. Not to incur any debt other than (i) the indebtedness held by the "Holders" (as defined below) secured by the Real Property ("Mortgage Indebtedness"), and (ii) liabilities incurred by this Company in the ordinary course of business relating to the ownership and operation of the Real Property;
- D. Not to merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, while the Mortgage Indebtedness is outstanding without in each case the consent of any and all holders of the Mortgage Indebtedness ("Holders");

E. To preserve its existence as an entity duly organized and validly existing under the laws of Delaware and, without the prior written consent of the Holders, not to amend, modify, terminate or fail to comply with the provisions of the "Organizational Documents" (as defined below) of this Company, as the same may be further amended or supplemented, if such amendment, modification, termination or failure to comply would materially adversely affect the ability of this Company to perform its obligations hereunder, under the note or under the other loan documents (collectively "Loan Documents") which relate to and/or evidence the Mortgage Indebtedness. This Company further covenants and agrees that it will not change its name, identity, the state under which it is registered and/or organized or its principal place of business (if different than the state of organization) without Holders' express written consent which shall not be unreasonably withheld. For purposes of this provision, the "Organizational Documents" of this Company shall mean all documents evidencing and/or relating to the formation of this limited liability company and the continued existence and good standing of this limited liability company;

F. Not own any subsidiary or make any investment in, any person or entity without the consent of the Holders.

1.3 No Personal Liability. The Company is a Delaware limited liability company and not a sole proprietorship, or a general or limited partnership. Except as otherwise expressly required by the Act, no Member shall have personal liability for any debts, obligations or liabilities of the Company solely as a result of being a Member.

1.4 Separate Identity. This Company shall be further restricted and/or required, and further covenants and agrees, as follows: (a) to maintain books and records separate from any other person or entity; (b) to maintain its accounts separate from any other person or entity; (c) not to commingle assets with those of any other entity; (d) to conduct its own business in its own name; (e) to maintain financial statements separate from any other person or entity; (f) to pay its own liabilities out of its own funds; (g) to observe all limited liability company formalities; (h) to maintain an arm's-length relationship with its Members and any affiliates; (i) to pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations; (j) not to guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others; (k) not to acquire obligations or securities of its Members;

(l) to allocate fairly and reasonably any overhead for shared office space; (m) to use separate stationery, invoices, and checks; (n) not to pledge its assets for the benefit of any other entity or make any loans or advances to any entity; (o) to hold itself out as a separate entity; (p) to correct any known misunderstanding regarding its separate identity; and (q) to maintain adequate capital in light of its contemplated business operations.

1.5 Continuation. To the maximum extent permitted by law, upon the occurrence of any event which will terminate this Company (as may be provided in the Organizational Documents of this Company), a vote of the majority of the remaining Members shall be sufficient to continue the life of this Company. In the event a majority vote to continue the life of this Company is not obtained, no asset of this Company that is collateral or that secures the Mortgage Indebtedness may be sold, transferred, conveyed, liquidated or otherwise disposed of (except as permitted under the Loan Documents) without the consent of the Holders. The Holders may continue to exercise all of their rights under the Loan Documents and shall be entitled to retain the collateral until the Mortgage Indebtedness has been paid in full or otherwise discharged.

ARTICLE 2 MANAGEMENT

2.1 Management by Members. The business and affairs of the Company shall be managed by the Members as provided in this Agreement and the Act. The Members will each devote to the Company such time and attention as in the judgment of the Members is reasonably necessary to manage and operate the affairs of the Company in good faith and in a manner the Members reasonably believe to be in the best interests of the Company, with the care an ordinarily prudent Person in a like position would exercise under similar circumstances.

2.2 Compensation and Reimbursement. Except as may otherwise be expressly authorized by a Majority of the Members, the Members will not receive any management fee or other compensation or reimbursement from the Company for the management of the Company.

2.3 Indemnification. Subject to this Section 2.3, the Company shall indemnify to the fullest extent permitted by the Delaware Limited Liability Company Act any person or entity who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he, she or it is or was a Member, Officer or Manager of the Company. Such indemnity shall cover claims arising from any Member's actions or inactions taken or omitted in furtherance of the business or affairs of the Company, but shall not eliminate or limit a Member's liability for willful misconduct and gross negligence.

2.4 Ministerial Acts by Members as Agents. The signature of any Member as authorized by a Majority of the Members shall be sufficient to acquire and convey title to any Company Property or to execute any promissory note, security agreement, trust deed, mortgage or other instrument of hypothecation, or any other agreement, contract or document binding on the Company, and a copy of this Agreement and any authorizing resolution or consent under Section 3.4 may be shown to the appropriate parties in order to confirm the same.

2.5 Authority of Members to Act. Except as authority may be delegated from time to time as set forth in a written consent, all actions of the Company shall require approval of the Members. The Members may from time to time by resolution appoint officers of the Company and/or its divisions and define their duties, which duties may be modified from time to time by further resolution of the Members. The Initial Member hereby creates and establishes the office of "Authorized Representative" of the Company, and hereby appoints _____ to serve in such office. Among other duties of the Authorized Representative, which may be defined or modified from time to time by the Members, the Authorized Representative shall have the authority (subject to Section 1.2 of this Agreement) to enter into and perform, on behalf of the Company the Mortgage Indebtedness and all Loan Documents and other documents, agreements, certificates, or financing statements contemplated thereby or related thereto, together with all co-ownership agreements, service agreements, assignments, or other similar documents, agreements, certificates or instruments related to the Company's ownership, operation, management and maintenance of the Real Property (including all amendments thereto), all without any further act, vote or approval of any Member or other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Members to enter into other agreements on behalf of the Company. The Members hereby consent to the Company appointing another person or entity to take actions and execute documents on behalf of the Company by means of a Power of Attorney or other similar instrument evidencing such appointment, so long as the instrument is executed by or on behalf of the Company with the approval of the Members, which approval may be evidenced by the signature of the Members on the instrument itself. The Members hereby specifically consent to an appointment of NorthStar, or an entity controlled by NorthStar, to act on behalf of the Company by an instrument evidencing that intention signed by the Members or the Authorized Representative on behalf of the Company. Each Member further consents to any other Member appointing an attorney-in-fact to act on behalf of such other Member in such other Member's capacity as Member of the Company.

ARTICLE 3
VOTING RIGHTS; MEETINGS OF MEMBERS

3.1 Voting Rights. Except as otherwise provided in Section 7.2 following certain Transfers, each Member entitled to vote may exercise by vote or consent that number of votes equal to his, her or its Percentage Interest multiplied by 100.

3.2 Approval of Members. With respect to any action or transaction that requires the approval of the Members under the Act or this Agreement, the Members shall first use their reasonable best efforts to reach consensus approval of such action or transaction, but such action or transaction (other than actions and transactions described in Section 3.3) ultimately may be authorized upon the affirmative vote of a Majority of the Members unless the Act or this Agreement expressly imposes a higher standard for approval by the Members, in which case the specified approval of the Members shall be required for such action or transaction.

3.3 Matters Requiring Unanimous Approval. Notwithstanding anything in this Agreement to the contrary, the unanimous consent of all of the Members of the Company shall be required to: (a) file, or consent to the filing of, a bankruptcy or insolvency petition or otherwise institute insolvency proceedings; (b) dissolve, liquidate, consolidate, merge, or sell all or substantially all of the assets of this limited liability company; (c) engage in any other business activity; or (d) amend the Organizational Documents of this Company.

3.4 Meetings and Written Consents of Members. The following rules shall govern meetings and action by written consent of the Members:

A. Any Member may call a meeting of the Members upon at least 15 days' prior notice to all Members stating the time, place and, briefly, the purpose of the meeting. The place specified in any such notice shall be any place designated by the Members as the location for meetings of the Members or, if no such designation has been made, the principal executive office of the Company. The attendance of a Member at a meeting shall constitute a waiver of objection to lack of notice or defective notice of the meeting, unless the Member objects at the beginning of the meeting to holding the meeting or transacting business at the meeting.

B. There shall be no quorum requirement for any meeting of Members but any action that requires a vote of Members shall be approved at a meeting only upon receiving the requisite vote of the Members (or proxy holders) present. Action not within the purposes described in a meeting notice may nonetheless be taken at the meeting provided that such action is approved at the meeting by the requisite vote of the Members (or proxy holders) present.

C. A waiver of notice by a Member, given either before or after a meeting, shall be equivalent to the giving of notice of the meeting to such Member.

D. Any Member that has an interest in the outcome of a matter submitted to the Members for a vote may vote and have such vote counted upon such matter.

E. A Member may by a written proxy signed by the Member or by a duly authorized attorney-in-fact authorize any Person to act for such Member with respect to any matter in which the Member is entitled to participate, whether the same be waiving notice of any meeting, voting, participating at a meeting or executing any written consent. Any such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after the expiration of 12 months from the date thereof unless otherwise provided in the proxy. The appearance of a Member in Person at a meeting shall void any outstanding proxy for so long as such Member is in attendance.

F. The record date for purposes of determining the Members entitled to notice of, or to vote at, a meeting shall be the Business Day prior to the date on which notice of the meeting is mailed or otherwise delivered. The record date for determining Members entitled to take action without a meeting shall be the date the first Member (or proxy holder) signs the written consent.

G. Members may participate in or conduct meetings through telephonic or other means of communication by which all Members participating may simultaneously communicate with each other. Participation in a meeting by any such means shall constitute presence in Person at such meeting.

H. Members may take any action without a meeting by a written consent describing the action taken and signed by such Members (or proxy holders) then entitled to vote as are sufficient to approve such action. Any such consent shall be delivered to the Company for inclusion in the Company records. Action by written consent shall be effective when the necessary Members (or proxy holders) have signed the consent, unless the consent specifies a different effective date.

ARTICLE 4 CONFLICTS OF INTEREST

4.1 Duty of Loyalty. Subject to the provisions contained in Section 1.2, each Member may engage in other business activities and may pursue business opportunities competitive with the business and operations of the Company without presenting any such opportunity to the Company or the other Members, and the Company and each Member hereby waives any right or claim to participate therein. Notwithstanding the foregoing, however, unless otherwise expressly approved or ratified by a Majority of the Members, each Member shall account to the Company and hold as trustee for the Company any benefit or any profits derived by such Member from any transaction connected with the formation, conduct or winding up of the Company or from any use of Company Property by such Member, including, without limitation, any information developed for the Company or any opportunity offered to the Company.

4.2 Loans and Other Transactions with Company. Subject to the provisions contained in Section 1.2, the Company may borrow money or transact other business with a Member with the approval of a Majority of the Members. The rights and obligations of a Member that lends money to or transacts business with the Company shall be the same as those of a Person that is not a Member, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member has a direct or indirect interest in the transaction if the transaction is expressly permitted by this Agreement or is approved or ratified as provided in this Agreement or in the Act.

ARTICLE 5 CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

5.1 Initial Capital Contributions. The Members will make the contributions to the Company set forth for each Member on **Schedule 2**. No Member will be required to contribute any additional amount to the Company or loan funds to the Company without the agreement of all Members. The value of the initial contributions by the Members, the initial Capital Accounts of the Members, and the percentage interests of the Members are as set forth in Schedule 2. Unless otherwise agreed by all the Members, subsequent contributions or distributions shall not result in a change in a Member's Percentage Interest.

5.2 Capital Accounts. A separate capital account ("Capital Account") shall be maintained for each Member in accordance with the capital accounting rules of Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code") and the income tax regulations thereunder (the "Regulations") including particularly Reg. § 1.704-1(b)(2)(iv).

5.3 Withdrawals. No Member shall have the right to withdraw any part of its Capital Account or receive any distribution of capital except upon the agreement of all Members.

5.4 No Interest on Capital. No interest shall be paid on any capital contributed to the Company.

ARTICLE 6 DISTRIBUTIONS

6.1 Net Cash Flow. Unless a Majority of the Members agree otherwise, all net cash flow of the Company in excess of cash needs and reserves shall be distributed by the Company at least annually. Net cash flow shall be distributed to the Members in accordance with their Percentage Interests. Net cash flow shall mean (i) all cash received by the Company from Company operations for a fiscal period, including, without limitation, income from invested reserves, but not including capital contributions by the Members; minus (ii) all cash disbursed in such period in the ordinary course of the business of the Company, including, without limitation, (a) all operating expenses of the Company, (b) debt service on debt obligations of the Company, and (c) reserves established during such period by the Members. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to the Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

6.2 Tax Allocations. Net profits and losses of the Company, and each item of Company income, gain, loss, deduction or credit (including items required to be separately stated pursuant to Section 703(a)(1) of the Code) shall be allocated between the Members in accordance with their Percentage Interests.

6.3 Minimum Gain. To the extent that the Company has “nonrecourse deductions,” as determined pursuant to Section 1.704-1(b)(iv) of the Regulations, such nonrecourse deductions, to the maximum extent permitted by such Regulations, shall be allocated among the Members in accordance with their Percentage Interests.

ARTICLE 7 TRANSFER OF INTERESTS

7.1 Membership Agreement. No Transfer of an Interest (other than to a party to this Agreement) shall be permitted, and no purported Transfer shall be effective (i) unless approved by the unanimous consent of the Members and (ii) until the transferee has executed a Supplemental Signature Page in substantially the form of Exhibit A hereto agreeing to be bound by all terms and conditions of this Agreement and is admitted to the Company as a Member of the Company. All parties agree that upon execution and acceptance of such an agreement, the transferee shall be admitted to the Company as a Member of the Company and shall have the rights and obligations of a Member under this Agreement, all without any further action by any Person.

7.2 Effect of Purported Transfer. Any purported Transfer in violation of Section 7.1 shall, to the fullest extent permitted by law, be null and void. Thus, the Member making the purported Transfer will retain the right to vote and the right to receive distributions. Additionally, if applicable, a Member making the purported Transfer shall continue to report the portion of income or loss allocated by the Company to the Member in accordance with the provisions of the Code then in effect.

ARTICLE 8 DISSOLUTION AND WINDING UP

8.1 Dissolution Events. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following (each, a “Dissolution Event”):

- A. The sale of all or substantially all of the Company Property other than in the ordinary course of business as determined by a Majority of the Members;
- B. The vote of the Majority of the Members to dissolve, wind up and liquidate the Company;
- C. The termination of the legal existence of the last remaining Member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining Member of the Company in the Company unless the Company is continued with out dissolution in a manner permitted by this Agreement or the Act; or
- D. The entry of a decree of judicial dissolution under Section 18-802 of the Act.

Notwithstanding anything in the Act to the contrary, to the maximum extent permitted by law, the Dissolution Events are the exclusive events that may cause the Company to dissolve. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not, in and of itself, cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any interest in the Company shall be subject to all of the restrictions hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member. Each Member waives any right it may have to agree in writing to dissolve the Company upon the Bankruptcy of any Member (or all the Members) or the occurrence of an event that causes any Member to cease to be a Member of the Company.

Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company or that causes a Member to cease to be a Member of the Company (other than upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Article 7), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining Member of the Company or the Member in the Company.

8.2 Winding Up. Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, satisfying the claims of its creditors and Members and liquidating or distributing its assets to the extent necessary therefor. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the orderly winding up of the Company's business and affairs. A Majority of the Members shall oversee the winding up and dissolution of the Company, provide a full accounting of the Company's liabilities and Property, cause the Company Property to be distributed in kind or to be liquidated as promptly as is consistent with obtaining the fair value thereof, and shall cause any net proceeds therefrom and any remaining Property to be applied and distributed in the following order:

- A. First, to the satisfaction (whether by payment or the making of reasonable provision for payment thereof) of all of the Company's debts and liabilities to creditors other than Members;
- B. Second, to the satisfaction (whether by payment or the making of reasonable provision for payment thereof) of all of the Company's debts and liabilities to Members, including, without limitation, any loan to the Company by a Member;

C. Third, to the Members in accordance with positive Capital Account balances after giving effect to all contributions, distributions and allocations for all periods.

A Member that performs more than *de minimis* services in completing the winding up and termination of the Company pursuant to this Article 8 shall be entitled to receive reasonable compensation for the services performed.

8.3 Establishment of Trust or Reserves. Upon approval of a Majority of the Members, a pro rata portion of the distributions that would otherwise be made pursuant to this Article 8 may be:

A. Distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company and paying any contingent, conditional or unmatured liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, upon approval of a Majority of the Members in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 8.2; or

B. Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company; provided that such withheld amounts shall be distributed to the Members as soon as practicable.

BOOKS, RECORDS AND ACCOUNTINGS

9.1 Books and Records. The Company shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

A. A current list of the full name and last known business, residence or mailing address of each Member, both past and present;

B. A copy of the Certificate, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

C. Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;

D. Copies of this Agreement and all amendments hereto, copies of any writings permitted or required under the Act, and copies of any financial statements of the Company for the three most recent years;

E. Minutes of every meeting of the Members and any consents obtained from Members for actions taken without a meeting; and

F. To the extent not contained in this Agreement, a statement that describes (i) the amount of cash and a description and statement of the agreed value of other Property or consideration contributed by each Member or that each Member has agreed to contribute in the future, (ii) the times at which or events on the occurrence of which any additional contributions agreed to be made by each Member, if any, are to be made and (iii) if agreed upon, the time at which or the events upon which the Company is to be dissolved and its affairs wound up.

9.2 Reports. Within 90 days after the end of each fiscal year of the Company, the Company shall furnish to each Member an annual report consisting of at least the following to the extent applicable:

- A. A copy of the Company's federal income tax return for that fiscal year;
- B. Profit and loss statements;
- C. A balance sheet showing the Company's financial position as of the end of that fiscal year; and
- D. Any additional information that the Members may require for the preparation of their individual federal and state income tax returns.

In addition, if the Company indemnifies or advances expenses to a Member in connection with a proceeding by or in the right of the Company, the Company shall report the indemnification or advance in writing to the Members.

9.3 Rights of Members; Inspection. Each Member, shall have the right to receive the reports and information required to be provided by the Act, the Certificate or this Agreement. Upon reasonable request, each Member, and any authorized representative of any Member, shall have the right, during ordinary business hours, to inspect and copy, at the requesting Member's expense, the books and records that the Company is required to maintain and keep by the Act, the Certificate or this Agreement.

ARTICLE 10 ADOPTION AND AMENDMENT

This Agreement and the Certificate may be amended, restated or modified from time to time by a Majority of the Members then entitled to vote, consent to or otherwise decide any matter submitted to the Members, as determined pursuant to this Agreement; *provided* that any amendment that would change Sections 2.1 or 3.3, change a required voting percentage for approval of any matter or a Member's voting rights, or alter the interest of one or more Members in profits, losses, similar items or any Company distribution shall require the affirmative vote of all Members then entitled to vote. No Member shall have any vested rights in this Agreement that may not be modified from time to time through an amendment to this Agreement.

ARTICLE 11 MISCELLANEOUS

11.1 Application of Delaware Law. This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of State of Delaware, and specifically the Act, without regard to choice of law rules.

11.2 Construction. Whenever required by the context in this Agreement, the singular number shall include the plural and vice versa, and any gender shall include the masculine, feminine and neuter genders.

11.3 Counterparts; Facsimiles. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Facsimile signatures of the parties on this Agreement or any amendment of this Agreement shall be deemed original signatures, and each Member or other party shall forward the original signed version of such document promptly following facsimile transmission.

11.4 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to effectuate the purposes of this Agreement or comply with any laws, rules or regulations applicable to the Company.

11.5 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

11.6 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the parties and, to the extent permitted by this Agreement, their respective heirs, legal representatives and permitted successors and assigns.

11.7 Notices and Consents, etc. Any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if delivered Personally to the party or to an executive officer of the party to which the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's address, as shown in the records of the Company.

11.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

11.9 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

11.10 Entire Agreement. The Certificate, this Agreement and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the date first set forth above.

INITIAL MEMBER:

By: _____

EXHIBIT A
to Operating Agreement of _____

Supplemental Signature Page

This Supplemental Signature Page to the Operating Agreement dated as of _____, 20____, of _____, a Delaware limited liability company (the "Company"), by the Members of the Company (as amended from time to time, the "Agreement"), is executed, delivered and accepted as of the date set forth below.

The undersigned agrees to be bound by the terms of the Agreement and to be admitted to the Company as a Member of the Company.

Dated: _____, _____.

MEMBER:

Accepted by:

_____,
a Delaware limited liability company

By: _____
Its: _____

SCHEDULE 1
to Operating Agreement of _____

DEFINITIONS

The following terms used in the foregoing Agreement shall have the following meanings (unless otherwise expressly provided therein):

“**Act**” shall mean the Delaware Limited Liability Company Act.

“**Agreement**” shall mean this Operating Agreement of the Company, as amended from time to time.

“**Bankruptcy**” means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of “Bankruptcy” is intended to replace and shall supersede and replace the definition of “Bankruptcy” set forth in Sections 18-101(1) and 18-304 of the Act.

“**Business Day**” shall mean any day other than Saturday, Sunday or any legal holiday on which banks in Wilmington, Delaware are closed.

“**Certificate**” shall mean the Certificate of Formation of the Company as filed with the Secretary of State of the State of Delaware on _____, as amended or restated from time to time.

“**Company**” shall mean the Delaware limited liability company governed by this Agreement.

“**Company Property**” shall mean any Property owned by the Company

“**Dissolution Event**” shall mean any of the events described in Section 8 as causing a dissolution of the Company.

“**Entity**” shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or other association or any foreign trust or foreign business organization.

“**Initial Member**” shall have the meaning set forth in the first paragraph of this Agreement.

“**Interests**” shall mean a Member's equity interests in the Company together with the attending rights thereto.

“**Majority of the Members**” shall mean, at any time, the Member or Members (including any proxy holder acting on behalf of a Member) holding more than 50 percent of the votes held by Members then entitled to vote, consent to or otherwise decide any matter submitted to the Members.

“**Member**” or “**Members**” shall mean the Initial Member of the Company, and includes any Person admitted as an additional Member of the Company or a substitute Member of the Company pursuant to the provisions of this Agreement, each in its capacity as a Member of the Company, for so long as such Person is a Member of the Company.

“**Percentage Interest**” shall mean the percentage interest for each Member set forth in Schedule 2 unless and until adjusted by agreement of all of the Members then entitled to vote or, in respect of any Member, reduced or increased by reason of any Transfer permitted under this Agreement.

“Person” shall mean any natural person or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of each such Person where the context so permits.

“Property” shall mean any property, real or Personal, tangible or intangible, including cash and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

“Real Property” shall mean the residential apartment complex located in the City of _____, State of _____ and known as _____.

“Transfer” shall mean with respect to any interest in the Company, as a noun, any voluntary or involuntary assignment, sale or other transfer or disposition of such interest (which shall include, without limitation and notwithstanding any provision of the Act otherwise to the contrary, a pledge, or the granting of a security interest, lien or other encumbrance in or against, any interest in the Company) and, as a verb, voluntarily or involuntarily to assign, sell or otherwise transfer or dispose of such interest.

SCHEDULE 2
to Operating Agreement of _____

CONTRIBUTIONS, ETC.

Initial Member	Initial Capital Contribution	Initial Capital Account	Initial Percentage Interest	Initial Number of Votes
_____	As set forth on the Company's books and records	As set forth on the Company's books and records	100%	100