

## **TRANSFER OF A MEMBERSHIP INTEREST (FOR AN LLC)**

This is a part of that certain Operating Agreement of \_\_\_\_\_ LLC made [date] and is incorporated therein by reference as if fully set forth therein.

No Membership Interest shall be transferred voluntarily or involuntarily by sale, assignment, gift, pledge, exchange or other disposition, except as provided herein below.

### **1. Permitted Transfers to Related Parties:**

Each Member's Membership Interest may be transferred during the Member's lifetime or by testamentary or intestate transfer to any related party of the Member, provided, however, that no further transfer of such Membership Interests shall be made by such transferee except back to the Member who originally owned it or to a related party of such Member who originally owned it, or except in accordance with the provisions made herein below; and provided further that whenever the Company shall have an option or a duty to repurchase the Membership Interest of any Member, such option or duty shall include all Membership Interests transferred by any such Member to a related party. A related party shall mean a spouse, issue, spouse's issue, or ancestor of the Member, except that any spouse living separate and apart from the other spouse, with the intention by either to cease their matrimonial relationship, is not a related party, and provided further, that a trust for the sole benefit of one or more persons who is a related party shall be treated as a related party.

Upon the death or incapacity of a Member, the legal representative of such Member shall have the right to become a Member upon written notice to the Company within ninety (90) days after the appointment of such Member's legal representative, but not later than one hundred eighty (180) days after the death or certified incapacity of such Member, and upon such successor executing this Operating Agreement or an amendment hereto and such other documents as the Managers may request. If such right is not exercised, the legal representative of the deceased or incapacitated Member shall have the same rights, subject to the same limitations, as such Member would have had to assign or transfer his interest pursuant to this Transfer.

### **2. Voluntary Transfers to Non-Related Parties:**

No Membership Interest shall be transferred voluntarily by sale, assignment, gift, pledge, exchange or other disposition, except as provided in Paragraph 1 of this Transfer, or with the prior written approval of the Managers. The Members acknowledge that any transfer of a Membership Interest may involve considerations of laws and regulations, including, but not limited to, laws and regulations governing limited liability companies as business organizations, taxation of the Company as a partnership, and treatment of Membership Interests and transfers of such interests as securities, the effect of which on the Company and its Members may vary depending on the circumstances, all of which cannot be anticipated at this time. Therefore, the Members agree that the Managers may approve or disapprove, or set conditions on approval, of the transfer of any Membership Interest as the Managers, in their sole and complete discretion, may decide, provided, however, that the Managers may not approve any transfer that will violate any Federal or applicable state securities law or that would adversely affect the Company from being taxed as a partnership for Federal income tax purposes. Any attempted transfer without the Managers' express written approval shall be void.