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S corp operating agreement pdf

An enterprise agreement of the S-Gesellschaft, also known as the Company's Statute, provides an overview of how the company is operated and managed. Although the enterprise contract does not have to be submitted to your State Foundation Documents, it is a legally required document. In an enterprise agreement of the S-Company, the managers, the size and the responsibilities of the Board of Directors and the responsibilities of the shareholders should be identified by name. The document will also include details, such as when the Board of Directors meets, the date of the company's annual meeting and the subcommittees of the Board of Directors. Since an S-Company will have a limited number of shareholders, the agreement will include the rules for the purchase and sale of shares. The enterprise agreement is the legal document that dictates how your S company is managed. It must have enough detail to cover any issues or legal conflicts that may arise. For example, the agreement was intended to specify how a stock owner would sell his shares. S Corp often requires shareholders to give the company an initial right to buy outstanding shares. A new, smaller S company might be able to create the document from an existing template available on DenK support sites for small businesses. A larger, more complex company may require professional support from a lawyer familiar with company law to create the document. An S-Company is a qualified company that has decided to be taxed under Subchapter S of the Internal Revenue Code. Enterprise enterprise



agreements, commonly known as articles of association, determine how the company is to be managed. In order to draw up a statute, you must research state law and familiarize yourself with the issues at stake. Enter the official name, registered address and principal place of business of the company. Enter the number of directors the company may appoint and list their terms of office. State law often restricts these two matters, for example by setting a minimum number of directors. Name the officers employed by the society along with their terms of office, and briefly describe their duties. The corporate laws of many states require companies to appoint certain executives, such as a CEO and a CFO. Indicates the types of decisions that many are made by the Board of Directors or the executive officers and which types are only taken by the shareholders may be used. For example, all states require that only shareholders be allowed to vote to dissolve the company. Enter the number of stocks and stock classes that the company is allowed to issue. S-companies may only issue one share class. In accordance with the requirements of the S-Company, the eligibility requirements for companies, you declare that the Company is entitled to sell shares to no more than 100 shareholders. They may also include other requirements of S-companies -- that partnerships and partnerships and e.g. do not acquire any shares in the Company to ensure the Company's compliance. These restrictions do not have to be included in the company's statutes as long as the company complies with them; including it will tend to ensure compliance. Insert a section that lists the frequency and location of general meetings, and specify how many directors or shareholders must be present to form a quorum. The company law of each State requires at least one shareholder meeting per year. Add a section that describes in detail which records the company needs to keep. Include rules for reviewing records. State company law requires companies to keep certain records, such as minutes of shareholder and director meetings. States also require management to provide shareholders with regular access to company documents for inspection approval. Describe in detail how the Company can amend its Articles of Association and Articles of Association. Warnings If your S company is no longer eligible for S-company status at any time -- for example, by adding one too many shareholders -- the IRS will automatically consider the company's tax status in subchapter S and immediately revoke it, even during the middle of a tax year. The larger the business, the more complex the corporate statutes will probably be. To ensure that your statutes are complete and cover all legal bases, you should contact a business lawyer. Tips Delaware is widely thought to provide the most business-friendly corporate law in the United States. A company does not have to plan to do business in Delaware to integrate under Delaware law. An S-Company or S-Corp is a special tax classification of the Internal Revenue Service that provides tax advantages to the shareholders of a company. When registering an S-Corporus with the State, owners must typically submit statutes and statutes similar to the operating contract document filed to register a limited liability company or LLC. These documents set out the structure, functioning and financing of the newly created company. The first step in registering as S-Corp is to file the statutes, which the company does not organize, but provides basic information to the secretary of state. In addition to the basics, such as company name, purpose, address and officer, the statutes allow S-corps to explain how much shares it will issue and what rights it will issue with shares are coming. S-Corps can issue a class of shares, which means that all shares must have the same rights and value. While statutes are required in all states, corporate statutes are not mandatory in all states, but the crucial role that this document plays in the organization and management of the enterprise makes it worthwhile, regardless of whether it is necessary. As the Articles of Association, Articles of Association, Statutes should contain some basic information, such as the company name, office location, and purpose of the company, an example of investing in real estate or selling car parts. In some cases, such as a credit union or cooperatives, a company has members and its roles must be defined in the statutes. One of the key issues that the Articles of Association should address is the composition and rules of the Board of Directors, which regulates the business of the company. The articles of association should state how new members of the Board of Management sit, what qualifications they have as a director, what tasks they have, how long they last and how the board is responsible. Some board members typically serve as officers, and the statutes should clarify those roles, including president, vice president, treasurer, and secretary. Companies can write boards in the Articles of Association, such as the Board of Directors, which makes recommendations to the Board of Directors, the Audit Committee, the Members' Committee, and others. An entity should meet regularly, at least once a year, and the schedule and functions of those meetings should be discussed, including the rules for notifications, participation and how many board members must be present to form a quorum. The circumstances of a company or its business model could change, as could the statutes, which should contain rules for amending the document. LLCs will sometimes design operating agreements that describe how an LLC is managed, as the company's statutes. LLC operating agreements typically provide details about the percentage of members' ownership, voting rights and responsibilities, profit and loss distribution, schedule, and other operational information. LLCs have no board of directors, shares, and several other corporate characteristics. About the author is Terry Lane since 1997 journalist and author. He has covered and worked for members of Congress, helping lawmakers and executives publish op-eds in the Wall Street Journal, National Journal and Politico. He received a Bachelor of Science in Journalism from the University of Florida. Figure 3.11 Enterprise Agreement Operating Agreement Table of Contents Article OF COMPANY Organisation and Name 1 Purpose 1 First Residence Representative and First Main Office 1 Administration: 2 No Payments of Individual Obligations: 2 Ownership 2 Article 2 Articles MEMBERS AND CAPITAL CONTRIBUTIONS 2 Members; Initial Capital Contributions 2 Loans 2 Obligations to other members 4 Liability of members 4 No interest on contributions 5 Withdrawal of capital 5 Articles ACCOUNTING AND RECORDS 5 books and 5 Reports 5 Tax returns 5 Fiscal year 5 Fiscal year 5 Articles MANAGEMENT, RIGHTS, AND DUTIES OF MEMBERS 6 In General 6 Administrative tasks and powers: 6 6 With regard to accounting and records: 6 waiver of division 6 restrictive alliances: 6 Article VOTING 7 Election method; Corporate Meetings 7 General 7 Meetings 7 Unanimous Consent 7 Voting by Proxy 7 Records 8 Article ADDITIONAL MEMBERS 8 Admission 8 Capital Contributions 8 Admission Mechanics 8 Articles DISTRIBUTIONS OTHER THAN AT DISSOLUTION 8 Articles BUY/SELL EVENT 9 Death of a Member 9 Termination of Membership of a Member for any reason 9 Standard 9 Right to Purchase Standard Membership Units 9 Consequences of Violation 10 No Bonding 10 ARTICLE PURCHASE PRICE AND PAYMENT etc. 11 Closing 11 Closing date 11 Payment of the purchase price 12 Delivery of instruments 12 items TRANSFERS; WITHDRAWALS 12 Restrictions on transfers 12 Articles DISSOLUTION AND WINDING UP 13 Liquidation events 13 Liquidation 14 Dissolution notice 14 Articles ALLOCATIONS 14 Gains and losses 14 General 14 Article DEFINITIONS 15 Agreement 15 Capital contributions 15 Company 15 Become effective Date 15 Bankruptcy 15 Managers 15 Members 15 Person 16 Ownership 16 Transfer 16 Articles Other An 16 Lawyers Fees 16 Binding Effect 16 Construction 16 Counterpart Execution 16 Full Agreement 16 Additional Action 16 Applicable Law 16 Headings 17 Foundation by Reference 17 Mediation and Arbitration 17 Mediation 17 Arbitration 17 Amendment to the Agreement 17 Notices 17 Severability 18 Time 18 Variation of Pronomen 18 ii Operating Agreement of Black Gaming, LLC This Operating Agreement is concluded at the time of entry into force and, by and under the persons or entities , the members and the manager, in accordance with the provisions of Chapter 86 of the Nevada Revised Statutes: 1. Article THE COMPANY 1.1. Organization and Name: The name of this Limited Liability Company is Black Gaming, LLC (the Company) or any other name that Members may determine from time to time. The company was founded under the laws of the state of Nevada. Members agree to execute and submit documents in order for this limited liability company to maintain an S-choice for tax purposes and further agree, in accordance with section 1361 of the Code, that the Company and its members must meet the following criteria in order to maintain the company's choice, which includes but is not limited to: (a) The Company may not have more than a hundred (100) members. (b) all members must (i) be non-residents; (ii) trusts or estates that meet the criteria of Section 1361(c), (d) or (e); or (iii) an organization in code section 401(a) or 501(c)(3), which is tax-free under code section 501(a). (c) The company may have only one (1) storage class. (d) The Company and its members shall comply with all other applicable provisions of Sub-Chapter S of the Code, the regulations contained therein and any other IRS decisions, cases, etc. that govern the Company's ability to maintain its S-choice. Members or potential members who meet the criteria set forth in clauses (a) or (b) collectively refer to qualified S Corporation Members or individually qualified S Corporation Members. In addition, certain States may provide for criteria other than those mentioned above, and it is the intention of the Contracting Parties to fulfil those criteria as far as possible for each State in which the undertaking operates. 1.2. Purpose: The character and general nature of the business to be carried out by the Company is to act as a holding company and to operate, manage and conduct games in a hotel casino and hospitality industry, directly or indirectly, on or in the premises known as the Virgin River Hotel and Casino; CasaBlanca Hotel and Casino; and Oasis Resort and Casino in Mesquite, Nevada, or for any other legitimate purpose. 1.3. Initial Resident Agent and Initial Principal Office: The Company's original agent for the service of the process is Black, LoBello & Sparks, whose original address is 6885 W. Charleston Blvd., Las Vegas, Nevada 89117. The address of the office where the company's records are kept is 10777 West Twain, Third Floor, Las Vegas, Nevada 89135 or any other address that the manager can choose from time to time. 1.4. Management: The administrative power lies with the manager's responsibility service. The company's administrator is Robert R. Black, Sr. Following the resignation of Robert R. Black Sr. or any other inability to comply with the manager's obligations and obligations as set forth herein, a successor manager may be appointed by a majority of the members' units, subject to all regulatory approvals. 1.5 No payments of individual obligations: The manager and members use the company's loans and assets solely for the benefit of the Company. No asset of the Company shall be transferred or debited for or against payment of an individual obligation of a Member. 1.6. Property Rights: All real estate and personal property of the Company belongs to the Company as a unit, and no Member has a shareholding in that property in the name or right of the Member, and the shares of each Member in the Company shall be deemed personal property for all purposes. 1.7. The term of the company begins on the cut-off date and has until the liquidation and liquidation of the Company and its business is completed after a liquidation event, as indicated below, whichever occurs first. 2. Articles MEMBERS AND CAPITAL CONTRIBUTIONS 2.1. Members; Initial Capital Contributions: The names, addresses, and initial number of units for each member are specified in Appendix A to this Agreement. The first capital contributions for these shares are made in the execution of Appendix A. 2.2. Loans: Each member may lend or provide money to the company after the approval of the manager. When a member of the company grants a loan or loan, the amount of such a loan is not treated as a capital contribution to the company, but is a debt owed by the company. The amount of such a loan from a member entitled to a loan shall be repaid from the Company's cash and shall bear interest at an agreed interest rate not exceeding 18% per year. No member is obliged to make a loan or advance to the company. 2.3. Additional capital deposit; Standard: The administrator shall immediately notify all members in writing of the additional capital contributions required by the administrator (including, but not limited to, the capital claims required to finance capital calls from companies in which the Company owns), the pro rata (corresponding to the respective share of those members) in such an additional capital contribution that each member must make. Full payment of the required additional capital contribution in cash or immediately available funds is due within thirty (30) days of such termination. Each Member agrees that the increase in its pro rata share of additional capital contributions (as set out in this Section 2.3) is materially material in accordance with the provisions of this Agreement, that any default (as defined here in this document) would cause harm to a member of the Company and other Members, and that the amount of damage caused by such injury would be extremely difficult to calculate. Members therefore agree to the following provisions on additional capital contributions. 2 If a Member does not pay if a Member pays, in whole or in part, a capital contribution required by this Section 2.3 (that Member is referred to as a Defaulting Member, and the amount of such additional capital contribution that that Member does not pay is referred to as the Default Amount of that Member), such default shall constitute a standard of that Member, unless the Administrator has regard such default in its sole and absolute discretion. In the event of a member's default: (A) the administrator shall immediately notify all members of such written notice (B) the default amount of this Member shall incur interest (in favour of non-insolvent members or other persons financing the default amount in accordance with this Section 2.3) from the due date for the additional capital contribution at a rate of 18 (18%) does not exceed it. Percent; and (C) the administrator may exercise one or all of the rights and remedies set out in this Section 2.3: (1) to induce the entity to recover the default amount; plus accrued interest from the defaulting member and/or for the prosecution of all other rights and/or remedies available to him against the defaulting member pursuant to this Agreement, under this Agreement, under law or in equity, and in any event, the defaulting member shall be obliged to compensate the Company and the other Members for all costs and damages incurred by him as a result of such default, including reasonable attorneys' fees and expenses. The Company may result in distributions that the Company would otherwise invest in such a default member being applied against the default amount of that default-prone member and accrued interest. 2. To obtain the consent of one or more non-defaulting members, to increase their respective additional capital contributions (pro rata according to their respective shareholdings or as otherwise agreed under them), or to require additional capital from all non-defaulting members (proportionately in accordance with their respective shareholdings) in accordance with the provisions of this Section 2.3, in both cases in a total amount not exceeding the default amount. If the non-defaulting members finance all or part of the default amount in one of the above-mentioned ways, the defaulting member loses part of his units corresponding to the one and one quarter (1 1/4) of the ratio that the default amount bears to the total capital contribution obligation of the defaulting member, as follows. In order to achieve this, the shareholding of the defaulting member in particular will be increased by one hundred and twenty-five per cent (125%) Reduced. the surplus of the share of the defaulting member, the product of the share of the insolvent member and (y) a fraction whose numerator is the total amount of capital contributions made by the insolvent member at the time of default, and the denominator of which is the total amount of capital contributions made by the default member at the time of default plus the total amount of the default financed by the non-insolvent members. Any part of the units of the defaulting member who is so forfeited by the defaulting member shall be made in proportion to the manner in which they make such contributions, insolvent members who finance the default amount. Without limiting the above, the following example is To illustrate the application of this subsection (2): For example, suppose that a default-aware member who owns a unit property of 12.5 units (out of a total of 100 units) initially contributed USD 250,000, but did not include an additional capital contribution of USD 50,000 in time pursuant to Section 2.3 of the Section. Also assume that the other members have previously contributed the total amount of USD 1,750,000 and contributed an additional USD 400,000, including the default amount of USD 50,000 of the insolvent member. The dilution of the units of the defaulting member is calculated as follows: (a) 1.25 x 12.5 - 12.5 x [250,000 ÷ (250,000 + 50,000)] = 1.25 x 12.5 - 12.5 x [250,000 0.833] = 1.25 x 12.5 - 10.417 € = 1.25 x 2,083 = 2,604 Reduction of the units of the default member (b) 12.5 - 2.604 = 9,896 diluted units of the standard member. 3. A forced redemption by the Company of all shares of such defaulting members or a forced sale to another person(s) acceptable to the manager (including, if the manager determines this, one or more insolvent members) who have agreed to the acquisition of those shares. In both cases, the defaulting member is obliged to transmit his units to the Company or to the Buyer, where applicable. Such a sale or redemption shall be made at a price equal to the total capital contributions of that defaulting member, less one hundred and twenty-five per cent (125%) the default amount (together with accrued interest) of such defaulting member. In the event of a sale of the shares of the defaulting member: (x) the buyer of these shares is obliged to finance outstanding default claims on a pro rata basis; (y) any buyer who is not yet a member will execute a counterpart to the enterprise agreement and subsequently become a member; and (z) this defaulting member is withdrawn from the company as a member and has no economic or other interests in the company. The rights and remedies referred to in this Section 2.3 may, in its sole discretion, be exercised in any order or combination chosen by the Administrator. Failure to exercise an appeal in one case shall not preclude its exercise in another or subsequent case. Any delay in any Member's performance shall not release any other Member from his obligation to make capital contributions under this Agreement. In addition, a delay of a Member, except in the scope of a sale or redemption in accordance with paragraph 3, does not relieve that Member of his obligation to pay his pro rata share of additional capital contributions. necessary after this delay. The provisions of this Section 2.3 (and the obligations of members to make additional capital contributions to the Company under this Directive) Party. 2.4. Obligations to Other Members: In the event that a Member is required by that Member's personal guarantee for one of the Company's obligations, the Other Member shall be obliged to reimburse the Paying Member in proportion to the relative number of units of each Member, and such refund shall be paid within seven (7) days of written request. 2.5. Member's Liability: The liability of each Member shall be limited to the amount of capital contributions that each Member shall make in accordance with the provisions of this Agreement. Except as provided for herein, none of the members has any further personal obligation to contribute money for or in relation to the Company's liabilities or obligations, nor are the members personally liable for any obligations of the Company. 2.6. No Contributions: No Member is entitled to interest on contributions to the Company. 2.7. Capital withdrawal: 2.7.1. Unless otherwise provided in this Agreement, no Member shall request or receive a return of capital contributions or withdraw from the Company until 2.7.1. (a) all liabilities of the Company, with the exception of liabilities to members due to their capital contributions, have been paid or remain the property of the Company sufficient to pay them; and 2.7.1 (b) The vote of the Members in accordance with the section below on the vote. 2.7.2 No Member shall receive interest, salaries or draws in respect of the principal contributions of that Member or for services provided on behalf of the Company or otherwise in the capacity of a Member, unless the Members have agreed this in writing on the basis of a majority vote of the Members. 3. Article ACCOUNTING AND RECORDS 3.1. Books and Records: The Company shall keep a book takeover for the Company, which shall provide a truthful and accurate record of all costs and expenses incurred, all costs incurred, all loans made and received, and all income related to the operation of the Business in accordance with generally accepted accounting procedures (GAAP). Each Member shall, at the Member's sole expense, have the right to review, copy and review the Company's books and records after appropriate notification to the Company during normal business hours, as long as such verification does not unduly affect the Company's business. 3.2. Reports: Within a reasonable period of time after the end of each financial year, the Company shall send each Member a copy of the Company's balance sheet on the last day of that year, as well as a profit or loss account for the for this year, including a statement from which the Income, deduction, credit or loss allocated to federal income tax in accordance with the terms of this Agreement. These statements shall be reviewed by the company's auditors. 3.3. Tax Returns: Upon written request from a Member, the Company shall provide each Member with a copy of each income tax return submitted by the Company, as well as any timetables or other information that any Member may need in connection with that Member's tax affairs. 3.4. Fiscal Year: The company's financial year is the calendar year, unless otherwise accepted with the consent of the members by a majority. As used in this Agreement, a fiscal year includes each sub-fiscal year at the beginning and end of the term of the company. 5.3. Banking: All funds of the Company are deposited in the name of the Company, into such account or accounts with such banks, banks or financial institutions, the majority of which shall be determined from time to time. Withdrawals of funds from company accounts are made on the basis of the signature or signature specified by the administrator. 4. Article MANAGEMENT, RIGHTS AND DUTIES OF MEMBERS 4.1. General: Unless otherwise provided in this Agreement, any determination, decision, approval and action concerning the Company and its business and affairs shall be determined, approved, approved or approved only by the Manager or the Voice of Members in accordance with this Agreement and subject to all applicable gaming laws and regulations. 4.2. Administrative obligations and powers: Subject to the terms and conditions of this Agreement, the management of the Company shall be attributable exclusively to the Administrator, unless otherwise provided herein. 4.3. Accounting and Records Obligations: In addition to the manager's general duties, the manager performs the following duties: 4.3.1. Keep, at the expense of the Company, complete and accurate records of all rights and interests acquired or sold for the Company, all correspondence relating to the Business's business, and records of all declarations, invoices and other instruments , which have been made available to the company in connection with its business activities, which shall remain in the possession and control of the Company for at least five (5) years. 4.3.2. Keep reasonable records and accounts of all transactions and expenses at the Company's expense and to prepare the members at the end of each calendar year, together with all necessary tax return information. 4.3.3. Costs of the company a public audit firm, which the administrator deems desirable in order to maintain company accounts and to prepare bank statements together with all tax returns. Create. 4.3.4. Make any tax choices that the Administrator deems necessary to conduct the Company's business, including the submission of QSSS elections conducted in accordance with Code Section 1361(b)(2). 4.4. Waiver of Division: No Member shall, directly or indirectly, take measures to require the division or valuation of the Company or any of its assets or real estate or to effect the sale of Company Property, and regardless of any provisions of applicable law, each Member (and the legal representatives, successors or assigns of each Member) irrevocably waives any right, shares of the Members or in relation to the assets or characteristics of the Company , unless expressly provided elsewhere in this Agreement. 4.5. Restrictive Agreements: The Administrator and Members are obliged to use only the time and attention necessary for the Company's business activities to fulfil its respective obligations as set out herein. The Or members of the Company or Members may, without accountability to the Company or any of the other Members and without any disclosure or consent, engage 6 other businesses or companies, except for the Company that is in direct competition with the Company or any company or activity that would jeopardize the Manager's or Member's Gaming Authorisation or License, or such activities or business that violate a game law or rules. 5. Article VOTING General: If a vote of the members is required by this agreement for a decision, it shall be approved by a vote of the majority of the members, each member voting according to their respective share ownership. Any Member may delegate or vote on the power of that Member to another Member in accordance with the terms and conditions and for the time provided for in such a written delegation. Unless otherwise stated herein, decisions of the Company shall be taken by the Administrator, unless a voice of the Members is found in this Agreement. 5.1. Voting method; Company meeting. 5.1.1. General. Unless otherwise stated herein, if a vote of the members is required by this Agreement, this Decision shall be approved by the consent of the votes of the member groups. A vote of more than fifty percent (50%) of the units form a majority. 5.1.2. Meetings. The administrator or a member may convene a meeting to approve an act or, as a matter of decision, within the framework of a provision of this Agreement, by providing the administrator and any other member with the notification of the date and purpose of the meeting at least five (5) days before the date of that meeting. A Member may waive the obligation to terminate a meeting by: written waiver of notice before or after that meeting or by participating in such a meeting, unless such participation is for the sole purpose of objecting to the holding of the meeting without the necessary notice. Unless all Members agree in writing or through their participation, the time and place of such a meeting shall take place at their principal place during the Company's normal business hours. 5.1.3. Consent of the members. The managing director or a member may propose that the Company approve an action or decision pursuant to a provision of this Agreement with the written consent of a majority of the members instead of a meeting. The written consent of a Member may be demonstrated by the signature of a Member on a counterpart of the proposal or by a separate document (including fax, telex, telecopy, telegram, etc.) identifying the proposal with appropriate specificity and which states that that member agrees to such a proposal. 5.1.4. Voting by proxy. A member may vote (or execute written consent) by the power of another member. Such an agent must be in writing and indicate the specific meeting or matter to which the Agent applies, or indicate that it applies to all matters (subject to certain reservations, if any) submitted to the Company for approval in accordance with a provision of this Agreement before a specified date (which may not be later than the first anniversary of the issue of this power of attorney). Such a proxy shall be revocable at any time and shall not enter into force at a meeting at which the member acting on that representative shall not enter into force. 7 5.1.5. Records. The Company shall keep permanent records of all acts taken by Members pursuant to any provision of this Agreement, including minutes of all business meetings, copies of all acts taken with the consent of the Members, and copies of all proxies under which one Member votes or acts on behalf of another. 6. Article ADDITIONAL MEMBERS 6.1. Admission. With a majority decision of the existing members at that time, the company may from time to time accept additional members who promote, contribute and bring benefits to the company implemented in accordance with this Agreement. As a rule, additional members are admitted from the first day of each month. 6.2. Capital contributions. When an additional member is admitted, the number of units issued to the additional member shall be Amount determined by the administrator. From time to time, these new members make additional capital contributions on the same basis as other members. 6.3. Approval mechanics. No person may be admitted as an additional member unless that person executes, certifies and supplies such instruments to the undertaking which the manager deems necessary or advisable; Inclusion of this person as an additional member, including, but without limitation, consent of the Nevada Gaming Commission as to the person's ability to become a member of the Company, the written acceptance and acceptance of the terms of this Agreement by that person, and any modification of the Statutes and Attorney's Fees and Costs required by the admission of such Additional Member. Appendix A will also be revised to reflect the inclusion of the additional member. 7. Article DISTRIBUTIONS OTHER AS AT THE RESOLUTION. Subject to all applicable gaming laws and regulations, and unless otherwise stated below, all cash distributions may be paid to Members at the Manager's discretion after the Manager has appropriately determined the amounts necessary to meet the reasonable foreseeable cash requirements and needs of the Business and the Company's activities, in addition to establishing an appropriate reserve for the payment of corporate liabilities and contingencies. The distribution to the members is based on the relative number of units given by the members. 7.1. Distribution during the maintenance of an S-election: The parties acknowledge that the Company intends to be treated as S Corporation, and in accordance with this provision, all of its income for federal tax purposes will be taxable to members in accordance with their pro rata share of the Company's units. (a) If the dividend distributions to members under this Agreement exceed 35 years (35%). At the request of the Company's Chief Financial Officer, each member shall repay the pro rata difference, which is overpaid herein, at the request of the Company's Chief Financial Officer. In the alternative, the Company may deduct such overpayments from any distributions due in the following financial year. 8 (b) The distribution obligation under this Agreement does not include distributions that apply to distributions made on taxes from previous financial years or for other dividends reported for previous years not related to tax-related distributions. (c) The parties acknowledge that the tax brackets of each member may be different and the Company shall not be liable for a tax liability higher than the amount of the distribution. (d) Any adjustment to this distribution shall require the approval of the managing director or the consent of a majority of the member groups. 8. Article BUY/SELL EVENT. A buy/sell event is herein referred to as the occurrence of one of the following involuntary termination of a member or voluntary termination of a member. The voluntary termination of a member includes the voluntary choice of a member to leave the company. Involuntary termination of a includes the death of a Member, loss of a Member's gambling license, divorce of a Member, bankruptcy of a Member or default of a Member under this Agreement, including non-deposit. A member who directly or indirectly causes a buy/sell event is herein referred to as a closing member. The company will continue without dissolution; and the ending member or his or her personal representative ceases to be a member and no longer has the right to participate in the Company's business, profits, losses or distributions, but has only the rights set out below. Each Member grants and grants the Company first and the Other Members the right and the opportunity to purchase all units of a Terminating Member under the following terms and conditions. This right and the option to purchase shall apply from the date on which the Manager becomes aware of the Buy/Sell Event for a period of thirty (30) days on which this right and option expire. This right and this option may be exercised by exercising the exercise within the said period of thirty (30) days. 8.1. Death of a Member. If a member dies and the units of the deceased member are not acquired as indicated below, the personal representative, beneficiaries, heirs or other successors shall take the units and rights of the deceased member subject to the provisions of this Agreement. 8.2. Termination of a Member's Membership for any reason. In the event of voluntary termination or involuntary termination, this Termination Member hereby grants the Company first and the other Members the right to purchase all units of the Ending Member in accordance with the terms of this Agreement. 8.3. Standard. In addition to the remedy referred to in section 2.3 for the delay in a capital deposit and in addition to all other rights and remedies of the Company and the members herein, The Company has the right and the other membership second has the right and the option, and each Member hereby grants the Company the right and the option to take all following measures in the event that a Member (hereinafter also referred to as a Defaulting Member, the other non-defaulting Members are hereinafter referred to as non-defaulting Members) is in default in accordance with the terms of this Agreement. 8.3.1. Right to purchase the shares of the defaulting member. The Company and its members grant and grant the Company the first right to purchase all shares of the defaulting Member in accordance with the following purchase price and payment terms. 9 8.3.2. Consequences of the Notwithstanding laws to the contrary, where a member who fails to act (i) to transfer a unit, (ii) (ii) (iii) withdrawing from the Company or dissolving the Company or (iv) otherwise violating the terms of this Agreement, the Company will continue and this defaulting Member shall be subject to the provisions of this Section 8.3. In this case, the following occurs. 8.3.2.(a) The defaulting Member of Parliament shall immediately cease to be a member entitled to vote and has no further power to act or bind the Company, but shall be treated as a assignee. The units of the defaulting member shall become non-voting units; 8.3.2.(b) The defaulting Member shall be liable to the Company for any damages, without prior accounting, to the Company for any costs and liabilities that may arise to the Company or any Member as a result of such breach; 8.3.2.(c) The Company may, by notifying the defaulting member, decide to acquire the shares of the defaulting member in the Company; 8.3.2.(d) The Company shall treat the defaulting member as if it were a non-approved agent of the shares of the defaulting member and shall distribute to the defaulting member only the amounts to be paid in respect of those shares. After offsetting the amounts owed to the Company by the defaulting Member; 8.3.2.(e) The Company may deduct any distributions that are otherwise payable in respect of these shares in order to satisfy any claims against the defaulting Member; and 8.3.2. (f) The defaulting Member shall have no right to consult the Company's books or records or to obtain any other information about the Company's business activities. 8.4. No binding. Notwithstanding the laws to the contrary, the Company is not obliged to secure the value of the defaulting Member's shares by bond or otherwise if it treats a defaulting member as an unauthorised agent of shares in the Company and chooses to buy its shares; Provided, however, that if a court of competent jurisdiction decides that, in order to continue the Company's business, this value must be so secure, the Company may provide such security, but all members hereby agree that no such court-ordered bond may exceed USD 500.00. If the Company provides such security, the defaulting member has no right to participate in company profits or distributions during the term of the delay and is liable to the Company in the amount of the so-called security together with the costs incurred and is subject to Section 8.3.2(b). 10 9. ARTICLE PURCHASE PRICE AND PAYMENT CONDITIONS 9.1. Purchase of units. When a buy/sell event occurs, the Purchase the total shares owned by the Closing Member for the Price and terms provided herein and sell the End Member. 9.2. Purchase price. Purchase price. otherwise agreed by the other members, the purchase price of the units of the announcing member is the following calculation, as adjusted below: 9.2.1. (a) Purchase Price Calculation. The purchase price of the units of the ending member is determined as follows: The end member and the non-end members or non-end members, if the Company decides not to buy the shares of the ending member, agree a purchase price within thirty (30) days of the choice of the terminating member to sell on the basis of a voluntary termination, or the choice of the company or any other member who, after the occurrence of an involuntary termination, decides to purchase. 9.2.1.(b) If the purchase price and payment terms are not agreed within the timeframe specified in Section 9.2.1. (a) the purchase price for the selling member's shares is the most recent valuation of the units previously determined by the Members, if and only if that valuation is not more than one (1) year from the date of the buy/sell event. 9.2.1.(c) If the valuation referred to in Section 9.2.1(b) is more than one (1) year from the date of the buy/sell event, the administrator shall select a qualified assessor to carry out an assessment of the entity to determine the market value of the shares. The auditor's assessment is binding on all parties and the cost of this assessment is determined by the announcing member. 9.3. Note. Should a Member voluntarily decide to terminate their interest (voluntary termination), the terminating member shall notify in writing the intention of that Member to withdraw from the Company at least forty-five (45) days before the proposed withdrawal date. In the event of involuntary termination of the Member by the Company or the other Members, the date of entry into force of the termination shall be the date of termination. Each member shall receive the signature of his or her spouse, as indicated in Appendix A, within 10 days of the member's implementation of this agreement or marriage, depending on the later date. In the event of a divorce, the date of entry into force is the date on which a divorce proceedings are filed with the court or the date of a real estate settlement agreement, whichever comes first. 9.4. Closure; Payment of the purchase price, etc. 9.4.1. Close. The closure takes place at the company's headquarters or at another location where the company governs. 9.4.2. Closing date. The cut-off date is a date not later than one hundred and twenty (120) days after the purchase price is fixed. 11 9.4.3. Payment of the purchase price. Unless otherwise agreed, the purchase price paid as follows: 20% of the purchase price is paid in cash to the closing date. The balance of the purchase price is shown by a promissory note containing (i) 5 annual instalments of capital and interest; (ii) interest accruing at a rate not exceeding 18% per annum; (iii) payments beginning on the first anniversary of the closing and continuing on each of the next annual anniversary dates of the closing date until full disbursement; (iv) the right to advance payment at any time and without penalty; (v) attorney's fees and costs in the event of late payment; and (vi) the acceleration of all remaining instalments of capital and units in the event that each instalment remains unpaid twenty (20) calendar days after the day on which an instalment is due. 9.4.4. Delivery of instruments. On the cut-off date, the End Member or his/her personal representative shall provide the Company with appropriate duly executed transfer and assignment instruments that assign and transfer good and marketable property to the acquired entities, free from liens or charges or rights of others therein. The ending member or his/her personal representative shall bear the costs (including attorneys' fees) of the Company for such transfer and carry out the other instruments that can reasonably be requested. 10. Article TRANSFERS; BACKGROUND10.1. Restrictions on transfers. No Member may transfer all or part of any entity or any rights thereto without the consent of the Manager and a vote of the Majority of Members as provided for above, subject to all applicable game laws and regulations. Any transfer or attempted transfer by a member that violates the preceding sentence is null and void and has no effect. Each Member acknowledges the adequacy of the restrictions of the transfer imposed by this Agreement for the purposes of the Company and the relationship of the Members. Accordingly, the transfer restrictions contained in this Agreement are expressly enforceable with a bond that may not exceed USD 100.00. Each Member further agrees to hold the Company and any other Member (and the successors and assigns of the other Member) wholly and completely harmless from any costs, liabilities or damages (including, but not limited to, income tax liabilities and any costs for the enforcement of such compensation) incurred by the Company or any of its compensation members as a result of a transfer or attempted transfer in violation of this Agreement. Notwithstanding this limitation of the transfer, each Member may transfer his or her units to a family trustee or other similar controlled by such a transferring member in the sole discretion of the administrator, and only if that transferring member has all the costs and expenses, including attorneys' fees and appropriate compensation, to the in connection with such a transfer. In addition, this trust must be considered a qualified S Corporation member. During the period during which the S-elections are in force for the Company, the Company and any Member shall refrain from taking any action or refrain from taking any action which would result in the termination of an S election. 10.2. Termination of the S-Election. Upon the election of the Manager, the Company may revoke the Company's status as s.r.o. As a Corporation within the meaning of Code Section 1361 or a successor provision. In this case, all language in this Agreement that relates to such an option, but which is not limited to the membership, transfer of units or restrictions of the Company, shall terminate 12 and shall no longer apply. Notwithstanding the foregoing, all other provisions of this Agreement shall remain in full force and effect, including Section 10.1, with the exception of the last two sentences. 11. Article GAMING 11.1. Disposition of interests. Notwithstanding any provision to the contrary expressed or implied in this Agreement, the issuance, sale, assignment, transfer, pledging or other dispositions of units within the Company shall be ineffective unless approved in advance by the Nevada Gaming Commission (Commission). If, at any time, the Commission finds that a member to whom these units belongs is unsuitable for the holding of those units, the Commission shall immediately notify the undertaking accordingly. The Company shall terminate the membership of that Member within ten (10) days from the date on which it receives the Commission's notification and shall return to the unsuitable member the amount of his capital contribution as reflected in the Company's books. (a) receive a share of the distribution of profits or cash or other property or payments after the company has been dissolved, with the exception of a return of capital as requested above, from the date on which the Commission is to comply with the above sentence of the declaration of inadequacy of the Company; (b) exercise, directly or through a trustee or candidate, the right to vote conferred by that interest; (c) participate in the management and affairs of the company; or (d) receive any compensation from the Company for services provided or otherwise provided. The Commission's finding of incompetence of a Member shall be treated as involuntary dismissal in accordance with Article 8. 11.2. Suitability. Notwithstanding the provisions to the contrary reflected in this Agreement, Any member who is requested by the Commission as unsuitable shall return to the company all evidence of ownership of the company. In the event of payment to the member of his capital contribution, the unsuitable member shall not have any direct or indirect indirect 12. Article DISSOLUTION AND LIQUIDATION UP 12.1. Liquidating events. The members agree that the company may not get up before the occurrence of liquidation. If a court of competent jurisdiction finds that the company has dissolved before the event of liquidation occurs, the members agree to continue the company's business without liquidation or liquidation. The company dissolves and begins liquidation and liquidation if one of the following liquidation events occurs: 12.1.1. With the majority of the member groups, the members may terminate the company. 12.1.2 The events of another event which makes it unlawful or impossible to conduct the Company's business activities. 13 12.2. Resolve. After the occurrence of a liquidation event, the Company will continue to handle its affairs in an orderly manner. The Company liquidates its assets and meets the requirements of its creditors and members. No Member may take measures that are incompatible or not necessary with the liquidation of the Company's business and business activities. The liquidator shall be responsible for supervising the liquidation and liquidation of the Company and shall take full account of the Company's liabilities and assets and the assets shall be liquidated as immediately as is compatible with the achievement of the fair value of the assets and the resulting proceeds shall be applied and distributed in the following order, where sufficient : 12.1.1. First, the payment and settlement of all of the Company's debts and liabilities to creditors other than members; 12.1.2 Secondly, the payment and settlement of all the Company's debts and liabilities to its members; and 12.1.3 The balance, if any, for the members in relation to their units. 12.3. Resolution indicator. In the event that a liquidation event occurs or an event occurs that would otherwise lead to the dissolution of the Company, the Company shall notify in writing within 30 days thereafter any member of the Member State and any other party with whom the Company regularly conducts business. 13. Article ALLOCATIONS 13.1 Gains and Losses. Except as stated above, the gains and losses for each financial year shall be shared among the Members in accordance with Section 13.2. 13.2 General. 13.2.1 All items of company income, profit, loss, deduction and any other non-allocations not otherwise provided for shall be allocated in proportion to the relative number of shares of each Member in accordance with the 1366 and 1377 were divided among the members. 13.2.2 Members are aware of the income tax consequences of the and agree to be bound by the terms of this Agreement by reporting their shares in the Company's income and losses for income tax purposes. 13.2.3 Notwithstanding the foregoing, the members agree to the choice permitted by Code Section 1377(a)(2) if the Administrator chooses to make such a choice for the Company. 14. Article DEFINITIONS. The meaning of the capitalized words and phrases used in this Agreement is as follows: 14.1 Agreement means this Operating Agreement, as amended from time to time. 14.2 Organizational Articles are the Company's Articles of Association, originally filed with the Nevada of Secretary of State on August 4, 2006, as amended, amended or otherwise amended from time to time. 14.3 Capital Account means for each Member the capital account credited to that Member's capital requirements. 14.4 Capital Contributions means, in respect of each Member, the monetary amount and the initial fair value of each property contributed to the Company in respect of the shares held by that Member under the terms of this Agreement. 14.5 Company means the limited liability company to which this operating contract applies. 14.6 Taking effect on 31 December 2006 means 23:59, in parallel with the capital contributions expressed in Appendix A. 14.7 Bankruptcy Event, means one of the following measures in respect of a member or company: 14.7.1 Submission of a voluntary application for insolvency or reorganization or acceptance of an agreement under the Bankruptcy Code (as amended now or in the future) or admission , which seeks interim measures there; 14.7.2 a general assignment in favour of creditors; 14.7.3 Consent to the appointment of a recipient for all or a substantial part of that person's assets; 14.7.4 In the event of an involuntary bankruptcy application, the filing of an application for mutual legal assistance; 14.7.5 Entering a court order appointing a recipient or trustee for all or a substantial part of that person's assets without that person's consent; or 14.7.6 The seizure of custody or seizure by a competent court for all or substantially all of that person's assets. 14.8 The manager is the duly elected manager, or if no manager has been appointed in the statutes, the manager is defined as the members who manage in accordance with the votes provided for herein. 14.9 Members are persons and entities who use this Agreement as members of the A member is one of the members. 15 14.10 Person means any individual, company, limited liability company, company, trust company or other entity. Unit. Property means all actual and personal goods acquired by the Company and all improvements, as well as relevant and intangible value. 14.12 Transfer means, as a noun, any voluntary or involuntary transfer, sale, pledging, hypothesis or other disposition and as a verb to be transferred, sold, pledged, impeached or otherwise sold as a verb. 14.13 The unit relates to the shares of a member of the Company and entitles the owner of that company to participate in a particular capital, income, gains, losses, deductions, credits and distributions of the Company pursuant to this Agreement. 15 Articles Miscellaneous 15.1 Legal fees. In the event that a Member or proceedings brought by a Member against another Member or against the Company in order to enforce any provision of



this Agreement for an alleged breach of this Agreement, for a declaration of the rights or obligations under this Agreement, or for any other remedy, the prevailing Party shall be entitled to recover any amounts that a competent court may consider to be reasonable attorneys' fees; and that amount shall be included in any judgment given in such an action or proceeding. 15.2 Binding effect. Except as otherwise provided in this Agreement, any agreement, term and provision of this Agreement shall be binding and for the benefit of the Members and their respective heirs, Legate, legal representatives, successors, transferees and assignees. 15.3 Construction. Any Covenant, clause and provision of this Agreement shall be interpreted simply in accordance with its fair meaning and not solely for or against a Member. 15.4 Counter-execution. The agreement may be carried out in no 'no' parties with the same effect as if all members had signed the same document. All counterparts shall be designed together and form an agreement. 15.5 Complete Agreement. This Agreement constitutes the entire agreement between and between the Members. All negotiations, proposals, amendments and agreements prior to the date of this Agreement will be incorporated into this Agreement and will be replaced hereby. There are no other terms, promises, agreements, declarations or representations, either express or implied, in relation to this Agreement, unless they are signed in writing and by the Members. 15.6 Other measures. Each Member undertakes to carry out all other acts and to execute, acknowledge and transmit any documents relating to the implementation of the provisions of this reasonably necessary, proportionate or desirable. 15.7 Applicable Law. The laws of the State of Nevada govern the validity of this Agreement, the establishment of its terms and conditions and the interpretation of the rights and obligations of the 16 15.8 Headings. Paragraph and other headings contained in this Agreement are for reference only and are not intended to describe, interpret, define or limit the scope, scope or intent of this Agreement or any provision of this Agreement. 15.9 Foundation by reference. Any exhibit, schedule and other annex attached to this Agreement and referred to in this Agreement shall be incorporated into this Agreement by reference. 15.10 Mediation and Arbitration. 15.10.1 Mediation. If a dispute arises or relates to this Agreement or its violation, or if the dispute cannot be resolved through negotiations, Members first agree to attempt in good faith to resolve such dispute through mediation administered by the American Arbitration Association in accordance with its Commercial Mediation Rules before resorting to arbitration unless otherwise agreed by member vote. The fees for the administration of mediation and the mediator fee are paid equally by all members. 15.11 Arbitration. If Members are unable to resolve any controversy or claims arising out of or in connection with this Agreement or any breach of this Agreement through mediation, or if a member of the Mediation is at odds, the controversy or claim will be submitted to the arbitration administered by the American Arbitration Association in accordance with the Commercial Arbitration Rules, with a Las Vegas arbitrator with at least 15 years of experience in the general subject matter of this Agreement. The arbitrator shall enter findings of fact and legal conclusions in order to support his award and the Contracting Parties agree that the review of the Protocol by a court, findings of fact and legal conclusions shall not be appealed. The standard of review for the court must be the same as if the Nevada Supreme Court were reviewing a court's findings and conclusions after a trial. The arbitrator/arbitrator shall be entitled to award to any party whose claims are maintained, sums that the arbitrator (or the majority of them) deems correct and that that party is compensated for the time and costs of the arbitration, including all reasonable attorneys' fees, professional fees and costs incurred. If the arbitration has been requested without reasonable reason, the arbitrator(s) may also seek further damages at the discretion of the Grant. Unless otherwise agreed in writing between, between and among the members, the arbitrator shall assess these costs and costs of the proceedings at the members' sole discretion. 15.12 Amendment to the Agreement. This Agreement may be amended or amended by a vote of a majority of the Members' Units. 15.13 Notices. Any communication, payment, claim or communication that may be made by any provision of these in writing. To the extent provided for in this Agreement to issue, service or deliver a communication, declaration or other instrument, it shall be deemed to have been duly issued, served and served: (i) on the day on which they are personally served and faxed; (ii) on the second working day after the day on which the united States registers or certified mail (return requested), postage paid in advance and faxed; (iii) on the first working day after the day on which United States Express Mail is sent by post, paid in advance or delivered to a commercially responsible night courier who provides services and is faxed between the place of origin and the place of destination; or (iv) on the 17th date on which the fax sender transmits, addressed as follows: If addressed to the Company, to the Company to the address provided in this Agreement, or to the other address that the Company may provide from time to time by notifying Members; if to a member, to that member at the address indicated on Appendix A, or to any other address that that member may provide from time to time by notifying the Company. 15.14 Severability. Any provision of this agreement shall be capable of being separated. If any provision or provision of this Agreement is unlawful or invalid for any reason, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement. 3.15pm time. Time is crucial in view of this agreement. 15.16 Variation of pronouns. All pronouns and variations thereof are considered to be male, feminine or neutered, singular or plural, how the identity of the person or persons may require. .... 18 ..... IN WITNESS

WHEREOF, the members have concluded this operating agreement at the time of entry into force by executing Appendix A or a copy thereof. Exhibition A Member of Black Gaming, LLC Name, Address and Signature of Member & Initial Capital Contribution Name: Black Gaming, LLC By: Robert R. Black, Sr., as Trustee for Robert R. Black Sr. Gaming Properties Trust u/a/d May 24, 2004 Address: 911 North Buffalo Drive, Suite 201 Las Vegas, Nevada 89128 Capital Contribution: Virgin River Shares BB&B Shares 9.903 Social Security/Tax ID: [intentionally omitted] The signature below is a confirmation and representation that the undersigned has received a copy and read Pages 1 through the operating agreement of Black Gaming, LLC and agrees to be bound by its terms and obligations, including any changes. X /s/ Robert R. Black, Sr. STATE OF NEVADA ) ss: COUNTY OF CLARK ) On this December 31, 2006, a notary, Robert R. Black, Sr., appeared in person before me, that he carried out the previous instrument. 19 ..... Member of Black Gaming, LLC Name, address and signature of the Member and Initial Capital Contribution Name: Black Gaming, LLC By: Glenn J. Teixeira Address: 776 Thompson Nipomo, California 93444 Capital Contribution: Virgin River shares Units: 97 Social Security/Tax ID: [intentionally omitted] The signature below is a confirmation and assurance that the undersigned has received a copy and read Pages 1 through the operating agreement of Black Gaming, LLC and agrees to be bound by its terms and obligations, including any changes. X /s/ Glenn J. Teixeira STATE OF NEVADA ) ss: COUNTY OF CLARK ) On this December 31, 2006, a notary, Robert R. Black, appeared in person before me. Sr. who admitted to me that he had executed the preceding instrument. .... 20 ..... Manager of Black Gaming, LLC Name, Address and Signature of Member & Initial Capital Contribution Name: Robert R. Black, Sr. From: Robert R. Black, Sr. Address: 911 North Buffalo Drive, Suite 201 Las Vegas, Nevada 89128 Social Security/Tax ID: [intentionally omitted] The signature below is a confirmation and assurance that the undersigned has received a copy and read Pages 1 through the operating agreement of Black Gaming, LLC and agrees to be bound by its terms, conditions and obligations, including any changes. X /s/ Robert R. Black, Sr. STATE OF NEVADA ) ss: COUNTY OF CLARK ) On this December 31, 2006, a notary, Robert R. Black, Sr., who admitted to me that he had executed the preceding instrument. .... 21 ..... Appendix B SPOUSE'S CONSENT I acknowledge that I have read the pre-reported operating agreement of Black Gaming, LLC, which was executed by the members of Black Gaming, LLC, a limited liability company in Nevada (the Company), including my spouse Glenn J. Teixeira, and that I know its content. I am aware that my spouse agrees, by its provisions, to sell all its units of the company, including all common interests in them, about the occurrence of certain events, and that my joint ownership of such entities is subject to certain options when certain events occur. I am also aware that the agreement affects my Community ownership interest in this entity in various other ways. I agree that I will not make any transfer (except to my spouse) either before or after my death, at will, or in any other way. I further agree that the Agreement binds my personal or legal representative. I hereby agree to the sale of these units, which are required or permitted under the Agreement, and agree that these units and my interest in them are subject to the provisions of the Agreement and that I will never take any measures to impede the application of or interest in the application of the Agreement on these entities. I hereby appoint my spouse Glenn J. Teixeira as my Authorized Representative to amend or otherwise amend the terms of this Agreement and to express my interest in the entities defined therein for all purposes provided for in the terms of this Agreement, including those relating to my collective interest in ownership. Dated: December 31, 2006 /s/ Karen Sue Teixeira Karen Sue Teixeira, wife of Glenn J. Teixeira 22 22