

## Operating Agreement - AAA WC - Wellness Center

# OPERATING AGREEMENT OF West Cascade Wellness Center, LLC

**THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA SECURITIES ACT OF 1973, AS AMENDED, IN RELIANCE UPON THE EXEMPTION FROM REGISTER SET FORTH IN SECTION 10-5-9(13) OF SUCH ACT. IN ADDITION, THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM SUCH REGISTRATION SET FORTH IN THE SECURITIES ACT OF 1933 PROVIDED BY SECTION 3(A)(11) OR 4(2) THEREOF, NOR HAVE THEY BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSIONS OF CERTAIN STATES IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN A TRANSACTION WHICH IS EITHER EXEMPT FROM REGISTRATION UNDER SUCH ACTS OF PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACTS.**

This Operating Agreement entered into and effective on the , by and between WEST CASCADE WELLNESS CENTER, LLC (hereinafter referred to as "company"); and WINSTON KYLE CARHEE, III and DR. , M.D. (hereinafter referred to as "member") witnesseth;

### **BACKGROUND**

**WHEREAS**, the Members are the owner of all interest in Company and herein set forth their agreement as to the ownership and management of Company.

**NOW, THEREFORE**, intending to be legally bound and in consideration of the hereinafter stated covenants, the receipt and sufficiency of which are acknowledged, the parties agree as follows;

### **ARTICLE 1**

#### **DEFINITIONS**

The following terms used in this Opening Agreement shall have the following meanings unless otherwise expressly provided herein:



**Articles of Organization.** The Articles of Organization of WEST CASCADE WELLNESS CENTER, LLC as filed with the Secretary of State of Georgia as the same may be amended from time to time.

**Capital Account.** The capital accounts maintained are accordance with the rules contained Treas. Reg. SS 1.704-1(b)(2), as maintained in accordance with applicable rules under the Code as set forth in Treas. Reg. SS1.704-1(b)(2)(4) as amended from time to time.

**Capital Contribution.** Any contribution, as defined in O.C.G.A. SS 14-11-101(4), to the capital of the Company in cash or property as a Member.

**Code.** The Internal Revenue code of 1986, as amended fro time to time.

**Company.** WEST CASCADE WELLNESS CENTER, LLC.

**Distributable Cash.** All Cash, revenues and funds received by the Company from company operations, less the sum of the following to the extent paid or set aside by the company; (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) such Reserves as the Members deem reasonably necessary to proper operation of the Company's business.

**Economic Interest.** A Member's or Economic Interest Owner's share of one or more of the Company's Net Profits, Net Losses and distributions of the Company's assets pursuant to this Operating Agreement and the Georgia Act, but shall not include any right to vote on, consent to or otherwise participate in any decision of the Members.

**Economic Interest Owner.** The owner of an Economic Interest who is not a member.

**Entity.** Any general partnership, limited partnership, limited liability company, corporation, joint venture, business trust, cooperative, association or any foreign trust or foreign business organization.

**Fiscal Year.** The Company's fiscal year, shall be the calendar year.

**Georgia Act.** The Georgia Limited Liability Company Act at O.C.G.A. SS 14-11-100, et seq. by a Member pursuant to this Operating Agreement.

**Majority Interest.** Ownership Interest of Members which, taken together, exceed fifty percent (50%) of the aggregate of all Ownership Interests.

**Manager.** One or more managers designated pursuant to this Agreement. Specifically, Manager(s)



shall mean DR.  , M.D. and WINSTON KYLE CARHEE, JR., D.C. or any other person(s) that succeed such person(s) in the capacity of Manager.

**Member.** Each of the parties who executes this Operating Agreement as a Member and each of the parties who may hereafter become Members. If a Person is a Member immediately prior to the purchase or other acquisition of an Economic Interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest of Economic Interest, as the case may be.

**Membership Interest.** A Member’s entire interest in the Company including such Member’s Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement or the Georgia Act.

**Net Losses.** The Company’s taxable loss computed pursuant to Section 9.3.4.

**Net Profits.** The Company’s taxable income computed pursuant to Section .3.4.

**Operating Agreement.** This Operating Agreement is originally executed and as amended from time to time.

**Ownership Interest.** The proportion that a Member’s positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances as may be adjusted from time to time. The initial Ownership Interests of the Members are as follows:

<u>MEMBER</u>	<u>OWNERSHIP INTEREST</u>
1. <input type="text" value="Enter Full Name"/> , M.D.	5%
WINSTON KYLE CARHEE, III	95%

**Person.** Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns each “Person” where the context so permits.

**Reserves.** With respect to any fiscal period, funds set aside or amounts allocated during such period to reserve which shall by maintained in amounts deemed sufficient by the members for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company’s business.



**Treasury Regulations or Regulations.** The Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time.

## ARTICLE II

### **FORMATION OF THE COMPANY**

2.1 **Formation.** On MARCH 9, 2018, WINSTON KYLE CARHEE, JR., D.C. (organizer) formed the Company as a Georgia Limited Company by executing and delivering Articles of Organization to the Secretary of State of Georgia in accordance with the provisions of the Georgia Act.

2.2 **Name.** The name of the Company is WEST CASCADE WELLNESS CENTER, LLC.

2.3 **Principal Place of Business.** The principal place of business of the Company within the State of Georgia is 3910 Cascade Road, Atlanta, Georgia 30331. The Company may locate its places of business and registered office at any other place or places as the Members may from time to time deem advisable.

2.4 **Registered Office and Registered Agent.** The Company's initial registered office shall be at the office of its registered agent at: 3915 Cascade Road, Suite 220, Atlanta, Fulton County, Georgia 30331, and the name of its initial registered agent at such address is WINSTON KYLE CARHEE, JR., D.C. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State of Georgia pursuant to the Georgia Act and the applicable rules promulgated thereunder.

2.5 **Term.** The term of the Company shall commence on the date the Articles of Organization were filed with the Secretary of State of Georgia and shall continue in perpetuity, unless earlier dissolved in accordance with the provisions of this Operating Agreement of the Georgia Act.

## ARTICLE III

### **BUSINESS OF THE COMPANY**

3.1 **Permitted Business.** The business of the Company shall be:

- To engage in the promotion of the health and wellness of the general public and to do any other act permitted of the Company under the act.
- To exercise all other powers necessary to or reasonably connected with the company's business which may be legally exercised by limited liability companies under the Georgia Act.
- To engage in all activities necessary, customary, convenient, or incident to any of the forgoing.



**ARTICLE IV**

**NAMES AND ADDRESS OF MEMBERS**

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The Names and Addresses of the Members are as follows:

**NAME**

**ADDRESS**

1. , M.D.   
Atlanta, GA

WINSTON KYLE CARHEE, III.                      3910 Cascade Road  
Atlanta, GA 30331

**ARTICLE V**

**RIGHT AND DUTIES OF MEMBERS WITH RESPECT TO MANAGEMENT.**

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**5.1 Management.** The business affairs of the Company shall be managed by its Managers. Except for situations in which the approval of the Members is expressly required by this Operating Agreement or by the Georgia Act or situations which affect the personal liability of the Members as a result of a modification to a personal guaranty provided by such Members, each Manager shall have full and complete authority, power, and discretion to manage and control their related aspect of the business.

**5.2 Member, Tenure, and Qualifications.** The Company shall initially have two (2) Managers, DR. , M.D., the Medical Manager and WINSTON KYLE CARHEE, JR., D.C., the Administrative Manager. The number of Managers of the Company shall be fixed from time to time by the unanimous affirmative vote of Members but in no instance shall there be less than one (1) Manager. Each Manager shall hold office until the next annual meeting of Members or until his successor shall have been elected and qualified. Managers shall be elected by the affirmative vote of Members holding at least a majority interest. Managers need not be residents of the State of Georgia or Member of the Company.

**5.3 Certain Powers of Administrative Manager.** Without limiting the generality of section 5.1, and subject to the unanimous approval of the Managers, each Manager shall individually have the power and authority, on behalf of the Company;



- To acquire property from any person as the Managers may determine. The fact that a Manager or a Member is directly or indirectly affiliated or connected with any such person shall not prohibit the Managers from dealing with that person.
- To borrow money for the Company from banks, other lending institutions, the Managers, Members, or affiliates of the Manager or Members on such terms as the Managers deem appropriate, and in connection therewith to hypothecate, encumber and grant security interest in the assets of the Company to secure repayment of the borrowed sum. No debt shall become contracted or liability incurred by or on behalf of the Company except by the Managers, or to the extent permitted under the Georgia Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the managers.
- To purchase liability and other insurance to protect the Company's property and business.
- To hold and own any Company real and/or personal properties in the name of the Company.
- To invest any Company funds temporarily in investments including, but not limited to, time deposits, short-term governmental obligations, commercial paper or other investments.
- Upon the unanimous vote of the Members to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound. The affirmative vote of the Members shall not be required with respect to any sale or disposition of the company's assets in the ordinary course of the Company's business.
- To execute on behalf of the Company, all instruments and documents, including without limitation, checks; drafts; notes and other negotiable instruments; mortgages, deeds of trust, and deed to ensure debt security agreement; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property including all forms of deeds; assignments; bills of sale; leases; partnership agreements, operating agreements of other limited liability companies; and any other instruments or documents necessary in the opinion of the Managers, to the business of the Company.
- To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds.
- To enter into any and all other agreements on behalf of the Company, with any other person for any purpose, in such forms as the Managers may approve.
- To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Unless authorized to do so by this operating agreement or by the Managers of the Company, no attorney-in-



fact, employee, or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniary for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been authorized by the Managers to act as an agent of the Company in accordance with this provision.

**5.3 Liability for Certain Acts.** Each Manager shall act in a manner he believes in good faith to be in the best interest of the Company and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager is not liable to the Company, its Member, or other Manager for any action taken in managing the business or affairs of the Company if he performs the duty of his office in compliance with the standards contained in this section. No Manager has guaranteed nor shall have any obligation with respect to the return of a Member's Capital Contributions or profits from the operation of the Company. No Manger shall be liable to the Company or to any Member for any loss or damage sustained by the Company or any member except loss or damage resulting from intentional misconduct or knowing violation of law or a transaction for which such Member received a personal benefit in violation or breach of the provisions of this operating agreement. Each Manager shall be entitled to rely on information, opinions, reports or statements including but not limited to financial statements or other financial data prepared or presented in accordance with the provisions of O.C.G.A. section 14-11-305.

**5.4 Managers have no exclusive duty to Company.** Each Manger shall not be required to manage the Company as their sole and exclusive function and the Managers may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any member shall have any right, by virtue of this operating agreement, to share or participate in such other investments or activities of the Manager or to the income or proceeds derived there from. The Manager shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or venture.

**5.5 Bank Accounts.** The administrative Manager may from time to time open bank accounts in the name of the Company, and said Manager shall be the sole signatory thereon.

**5.6 Indemnity of the Managers.** To the fullest extent permitted under O.C.G.A. section 14-11-306, the Company shall indemnify the Managers and make advances for expenses to them with respect to such matters to the extent permitted under applicable law.

**5.7 Resignation.** Any Manager of the Company may resign at any time by giving ninety (90) days prior written notice to the Members of the Company. The resignations of any Manager shall take effect upon the expiration of ninety (90) days from receipt of such notice thereof or at such later time as shall be specified in such notice; and, unless other specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect the Managers right as a Member and shall not constitute withdraw of a Member.

**5.8 Removal.** At a meeting called expressly for that purpose, all or any lesser number of Managers may be removed at any time, with or without cause, by the unanimous affirmative vote of the Members., The removal of a Manager who is also a Member shall not affect the Manager's right as Member and shall not constitute a withdrawal of a Member.

**5.9 Vacancies.** Any vacancy occurring for any reason in the number of Managers of the Company shall be filled by the majority vote of the Members in accordance to their respective number of ownership

units. Any Manager's position to be filled by an increase in the number of Managers shall be filled by an election at an annual meeting or at a special meeting of Members called for that purpose or by the Members' majority vote as mentioned herein above. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and shall hold office until the expiration of such term and until his successor shall be elected and shall qualify or until his earlier death, resignation or removal. A Manger chosen to fill a position resulting from an increase in the number of Managers shall hold office until the next annual meeting of Members and until his successor shall be elected and shall qualify or until his earlier death, resignation or removal.

5.10 **Salaries.** No Manager shall receive a salary from the Company for services rendered to the Company here under without a majority vote of the Members.

## ARTICLE VI

### **RIGHTS AND OBLIGATIONS OF MEMBERS**

6.1 **Limitation on Liability.** Each Member's liability shall be limited as set forth in this Operating Agreement, the Georgia Act and other applicable law.

6.2 **No Liability for Company Obligation.** No Member will have any personal liability for debts, obligations, liabilities, or losses of the Company beyond his respective contribution, except as provide by law.

6.3 **List of Members.** Upon written request of an Member, the Member's shall provide a list showing the names, addresses and membership interest and Economic Interest of all Members and the other information required by O.C.G.A. section 14-11-313 and maintains pursuant to section 11.2.

6.4 **Priority and Return of Capital.** Except as may be expressly provided in Article IX, no Member or Economic Interest Owner shall have priority over any other member or Economic Interest Owner. Either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions. This Section shall not apply to loans (as distinguished from Capital Contribution) which Member has made to the Company.

## ARTICLE VII

### **CONTRIBUTIONS AND LOANS BY MEMBERS**

7.1 **Contributions.** No Member shall have an obligation to contribute any capital to Company. Without limitation, no Member shall, upon dissolution of Company or otherwise, be required to restore any deficit in such Member's capital account. Any Member may contribute money or property to the capital or Company without the consent of any other Member.



## 7.2 Loans.

**7.2.1 Generally.** No members may lend money to Company without the prior written consent of the Managers who lend money to Company for working capital and to fund start-up expenses. Subject to applicable Georgia law regarding maximum allowable rates of interest, loans made by an Member to Company ("Member Loans") shall bear interest at the highest of (i) the highest prime lending rate published in the Wall Street Journal on the last business day of each month (and changing as rate changes) plus four percent (4%), or (ii) the minimum rate necessary to avoid "imputed interest" under section 7872 or other applicable provisions of the Internal Revenue Code (the "Code"). Such loans shall be payable on demand and shall be evidenced by one or more promissory notes.

**7.2.2 Repayment of Loans.** After payment of (i) current and past-due debt service on liabilities of Company other than Member Loans, and (ii) operating expenses of Company, Company shall pay the current and past-due service on an outstanding Member loans before distributing any amount to any member pursuant to Article IX. Such loans shall be paid *pro rata*, paying all past-due interest first, then all past-due principal, then all current interest and all current principal.

**7.3 Other Provisions on Members' Capital Contributions.** Except as otherwise provided in this Agreement by law:

7.3.1 No Member shall be required to contribute any capital to Company;

7.3.2 No Member may withdraw any part of his capital from Company;

7.3.3 No Member shall be required to make any loans to Company;

7.3.4 Loans by a Member to Company shall not be considered a contribution of capital; shall not increase the capital amount of the lending Member; and, shall not result in the adjustment of any Member's Company Interest. Repayment of such loans by Company shall not decrease the capital accounts of Members making the loans;

7.3.5 No interest shall be paid on any initial or additional capital contributed to Company by any Member;

7.3.6 Under any circumstances requiring a return of all or any portion of a capital contribution, no Member shall have the right to receive property other than cash; and

7.3.7 No Member shall be liable to any other Member for the return of his capital.

**7.4 No Third Party Beneficiaries.** Any obligations or right of Members to contribute capital under the terms of this Operating Agreement shall not confer any rights or benefits to or upon any person not a



party to this Operating Agreement.

**ARTICLE VIII**  
**SHARES; CAPITAL ACCOUNTS**

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8.1 **Shares.** The ownership interests (“Shares”) of Company shall consist of Fifty (50) Shares denominated as “Medical Shares” and Nine Hundred Fifty (950) Shares denominated as “Non-Medical Shares.” The Shares may, but need not, be evidenced by one or more written certification. WINSTON KYLE CARHEE, III shall own all of the Non-Medical Shares, and DR. , M.D. shall own all of the Medical Shares. The total number of Shares, but not the number of Shares owned by any Member, may be increased or decreased by proper majority vote of all of the Members as mentioned herein above.

8.2 **Capital Accounts.** A capital account shall be established and maintained for each Member. Each Member’s capital account shall initially be credited with the amount of his initial capital contribution. Thereafter, the capital account of a Member shall be increased by the amount of any additional contributions of the Member and the amount of income or gain allocated to the Member; and, decreased by the amount of any distributions to the Member and the amount of loss or deduction allocated to the member, including expenditures of Company described in section 705(1)(2)(B) of the, “Code.” Unless otherwise specifically provided herein, the capital accounts of Members shall be adjusted and maintained in accordance with Code Section 704 and the regulations there under.

**ARTICLE IX**  
**DISTRIBUTIONS AND ALLOCATIONS**

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9.1 **Distributions**

9.1.1 **Distributions of Operating Cash Flow.** Within ninety (90) days following the end of each fiscal year, or at such other more or less frequent intervals as the Managers shall determine, Company may distribute its Operating Cash Flow (as defined below) to the owners of the Shares as follows:

Medical Shares	5%
Non-Medical Shares	95%

9.1.2 **Distribution of Capital Transaction Cash Flow.** Within ninety (90) days following any Capital Transaction (as defined below), Company may distribute the Capital Transaction Proceeds to the owners of the Shares as follows:

Medical Shares	5%
Non-Medical Shares	95%



**9.1.3 Distribution of Liquidating Proceeds.** Upon the liquidation of Company shall distribute its assets in accordance with Article XV.

#### 9.1.4 Definitions

**9.1.4.1 Operating Cash Flow.** The term "Operating Cash Flow" means the excess (if any) of Company's cash receipts from the operations over its cash operating expenses. For purposes of the preceding sentence, Company's cash receipts from operations shall include, without limitation, gross receipts from insurance companies and patients, amounts released from Company reserve accounts, earning on invested capital and the cash capital contributions of Members. Company's cash operating expenses shall include, without limitation, payroll expenses, rent, additions to the Company reserve accounts and any cash expenses associated with the day-to-day operation of Company's business. Additions to and withdrawals from Company reserve accounts shall be made by the Manager in contemplation of anticipated cash needs for at least six (6) months.

**9.1.4.2 Capital Transaction.** The term "Capital Transaction" means a sale of assets by Company or a financing of Company debt, other than in the ordinary course of business.

**9.1.4.3 Capital Transaction Proceeds.** The term "Capital Transaction Proceeds" means the gross proceeds of the Capital Transaction minus the payment of any expenses incurred in the Capital Transaction of any indebtedness associated with the Capital Transaction.

**9.1.4.4 Distributions to Fund Tax Liability.** In the even that Company recognizes net gain or income for any taxable year, Company shall make a good faith effort to distribute to each Member, no later than April 15<sup>th</sup> of the following year, an amount equal to the net gain or income allocated to such Member, multiplied by the highest marginal tax rate for individuals then in effect under Section 1 of the Code, reduced by the amount of other distributions received by such Member during the twelve (12) month period ending on such April 15<sup>th</sup>. If any Member receives a smaller or larger distribution pursuant to this Section than he would have received had the same aggregate amount been distribute pursuant to Section 9.1.1, then subsequent distributions shall be adjusted accordingly.

**9.2 Other Rules Governing Distributions.** No distribution of assets of Company prohibited by O.C.G.A. Section 14-11-407 or not specifically authorized under this Operating Agreement shall be made by Company to any Member in his capacity as a Member. A Member who receives as distribution prohibited by O.C.G.A. Section 14-11-407 shall be liable as provided by O.C.G.A. Section 14-11-408.

#### 9.3 Allocations of Profit and Loss.

**9.3.1 Allocation of Losses.** During any fiscal year in which Company recognizes a net loss or incurs expenses described in Code Section 705(a)(2)(B), such loss or expenses shall be allocated among the owners of the Shares as follows:

Medical Shares	5%
Non-Medical Shares	95%

### 9.3.2 Allocations of Profits or Gains.

**9.3.2.1 Profit From Operations.** During any fiscal year in which Company recognizes a net profit from operations (calculated in a manner similar to the calculation of Operating Cash Flow, but also taking into account non-cash items such as depreciation and amortization), such net profit shall be allocated among the owners of the Shares as follows:

Medical Shares	5%
Non-Medical Shares	95%

**9.3.2.2 Gain from Capital Transactions.** Any gain recognized by Company from a Capital Transaction shall be allocated among the owners of the Shares as follows:

Medical Shares	5%
Non-Medical Shares	95%

**9.3.3 Special Rules.** Notwithstanding the foregoing provisions of this section 9.3, the following special rules shall apply in allocating gain and loss among Members.

**9.3.3.1 Limitation of Members' Losses.** Any loss or deductions that would otherwise be allocated to a Member pursuant to Section 9.3.1 shall not be allocated to such Member to the extent the allocation of such loss or deduction would cause or increase an Adjusted Capital Account Deficit (as defined below) for such Member. Instead, such a loss or deduction shall be reallocated to Members for whom such allocation would not cause or increase an Adjusted Capital Account Deficit in accordance with their respective Company Interests.

**9.3.3.2 Qualified Income Offset.** In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), Treasury Department under Section 704 of the Code (the "Regulations"), items of Company income and gain shall be specifically allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such member as quickly as possible, provided that an allocation pursuant to this Section 9.3.3.1 shall be made in and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 9 have been tentatively made as if this Section 9.3.3.2 were not in the Operating Agreement.

**9.3.3.3 Gross Income Allocation.** In the event any Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount such Member is obligated to restore to Company, (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704(2)(g)(1) and 1.704-2(i)(5), and (iii) the Member's

share of debt forgiveness income arising from indebtedness described in 9.3.3.7, each Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 9.3.3.3 shall be made if and only to the extent that such Member would have a deficit Capital Amount in excess of such sum after all other allocations provided for in this Section 9 have been tentatively made as if Sections 9.3.3.3 and 0.3.3.2 were not in the Operating Agreement.

**9.3.3.4 Minimum Gain Chargeback.** Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Section 9, if there is a net decrease in minimum gain during any fiscal year, each Member shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Company's minimum gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.702-2(j)(2) of the Regulations. The Section 9.3.3.4 is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

**9.3.3.5 Distributions Attributable to Non-recourse Debt.** To the extent permitted by Section 1.704-2(h)(3) of the Regulations, Company shall endeavor to treat distributions as having been made from the proceeds of a non-recourse liability only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit.

**9.3.3.6 Non-Recourse Items.** Items of deduction and loss are attributable to non-recourse debt, or recourse debt for which no Member has personal liability, shall be allocated in the same manner as other items unless, in the opinion of counsel, they are required to be allocated in a different manner pursuant to the Regulations.

**9.3.3.7 Curative Allocations.** The allocations set forth in this Section 9.3.3.1 through 9.3.3.6 hereof (the "Regulatory Allocation"), are intended to comply with certain requirements of the Regulations. It is the intent of Members that, to the extent possible, all Regulatory Allocations shall be offset either with Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction. Therefore, notwithstanding any other provision of this Section 9 (other than the Regulatory Allocations), Company shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner the Managers determine to be appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Operating Agreement. In exercising its discretion under this section 9.3.3.3, Company shall take into account future Regulatory Allocations under Section 9.3.3.4 that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 9.3.3.6.

**9.3.3.8 Losses and Income Attributable to Member Loans.** In the event Company recognizes a loss attributable to loans from Members, including but not limited to loans made by either Member, the such loss, as well as any income recognized by Company as a result of the repayment of such loan, shall be allocated to the Member making such loan.

**9.3.3.9 Adjusted Capital Account Deficit.** For purposes of this Section 9.3.3.9, the "Adjusted Capital Account Deficit" of a Member means that the deficit, if any, in such Member's capital amount after taking into account the following adjustments:

(A) Credit to such capital account (i) the amount the Member is obligated to restore to Company pursuant to this Operating Agreement or by law, (ii) the amount the Member is deemed to be obligated to restore to Company pursuant to the penultimate sentence of Section 1.704-2(g)(1) of the Regulations, and (iii) the Member's share of debt forgiveness income arising from indebtedness described in Section 9.3.3.7; and

(B) Debit to such capital account the items described in Sections 1.704-1(b)(ii)(d) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to Comply with the provisions of Section 1.704-1(b)(21)(ii)(d)(4)-(6) of the Regulations and shall be interpreted consistently with such Section.

**9.3.3.10 Allocation Relating to Taxable Issuance of Company Interest.** Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of an interest in Company by Company to a Member (the "Issuance Items") shall be allocated among Member so that, to the extent possibly, the net amount of such Issuance Items, together with all other allocations under this Operating Agreement to each Member, shall be equal to the amount that would have been allocated to each such Member if the Issuance Items had not been realized.

**9.3.4 Determination of Gain or Loss.** Section 704(c) Allocation. Company's net profit, gain or loss under Section 9.3.1 or 9.3.2 shall be the gain or loss calculated on Company's books of accounts. Items of gain or loss calculated for federal income tax purposes shall be allocated in an identical manner, except that where the value of property as reflected on Company's books differs from its federal income tax basis, allocations of taxable gain and loss with respect to such property shall be made in the manner required by Code Section 704(c).

**9.3.5 Pre-distribution Adjustment.** In the event property of Company is distributed to one or more Members in kind, there shall be allocated to Members under Sections 9.3.1 and 9.3.2 the amount of income, gain or loss which Company would have recognized had such property been sold for its fair market value on the date of distribution, to the extent such income, gain or loss, has not previously been allocated among Members. The allocation described in this Section 9.3.5 is referred to as the "Pre-distribution Adjustment."

**9.4 Distributions and Allocations among Classes.** Distributions and allocations made to the Medical Shares or the Non-Medical Shares shall be distributed or allocated *pro rata* among the Members owning such class of shares.

## ARTICLE X

### MANAGEMENT

**10.1 Management by Board of Managers and Officers.** The business and affairs of Company shall be directed, managed, and controlled by a Board of Managers as set forth in Section 10.2 and by Officers as set forth in Section 10.3. The respective authority of the Board of Managers on one and the Officers on the



other hand shall be consistent with the authority of the Board of Directors and Officers of a Georgia professional corporation. The Board of Managers and Officers shall have full and complete authority, power and discretion to manage and control their related functions of the business, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to their respective management duties of Company's business.

## 10.2 Board of Managers

**10.2.1 Composition of Board.** The Board of Managers of Company shall be comprised of two Managers, one of whom shall be designated as the "Medical Manager" and the other of whom shall be designated as the "Non-Medical Manager." The Medical Manager shall hold in "good standing" a medical license from the State of Georgia Board of Medical Examiners.

**10.2.2 Election of Managers.** The managers shall be elected by a majority vote in accordance to the ownership shares or units of the Members at a meeting held no less than annually. The Medical Manager shall be elected by the affirmative vote of Member owning a majority of the Non-Medical Shares; provided, however, that for these purposes all Shares (Medical and Non-Medical) shall be treated as Non-Medical Shares if owned by persons not holding a medical license from the Georgia Board of Medical Examiners. Unless sooner removed pursuant to the terms of this Operating Agreement, each Manager shall serve for a term of one (1) year, or until his successor is duly elected.

**10.2.3 Voting for Managers.** Each Manager shall be entitled to one vote as to any matter coming before the Board of Managers should there be more than one Manger, whether Administrative or Medical. The Medical Manager shall be entitled to the sole vote as to any Professional Licensure Matter (as defined above) and shall not be entitled to any vote as to any administrative matters.

**10.2.4 Licensure Matters.** For purposes of this Section, the term "Licensure Matter" means the following matters:

10.2.4.1 The diagnosis and treatment of illness or injury requiring medical licensure;

10.2.4.2 The storage and prescription of controlled substances, and compliance with aw governing such substances;

10.2.4.3 Review and evaluation of the professional performance of licensed physicians employed or engaged by Company;

10.2.4.4 The termination of licensed physicians employed or engaged by Company for reasons relating to professional competence of performance;

10.2.4.5 Establishment of medical policies and protocols requiring plenary licensure;

10.2.4.6 Maintenance, registration and inspection of equipment used in the diagnosis and treatment of patients, to the extent the use of such equipment requires medical licensure;

10.2.4.7 Compliance with regulations of the Georgia Board of Medical Examiners governing patient records;

10.2.4.8 Establishment of fees for services rendered by licensed physicians; and

10.2.4.9 Any similar matter that may legally be decided only by physicians holding medical licenses.

**10.2.5 Resignation.** Any Member may resign at any time by giving ninety (90) days prior written notice to the other Members of Company. The resignation of any Member shall take effect upon the expiration of the ninety (90) days of receipt of such notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager shall not constitute withdrawal of a Member. In the event that a Manager who is also a Member withdraws from Company, he shall be treated as having resigned as a Manager on the date of such withdrawal. In the event a Terminating Act occurs with respect to a Manager, he shall be treated as having resigned as a Manager on the Termination Date (as defined in this Section).

**10.2.6 Vacancies.** Any vacancy occurring for any reason in the number of Managers of Company may be filled by the majority vote of the Members in accordance to their respective ownership shares or units.

**10.2.7 Salaries.** Unless otherwise agreed by the Members, the Managers shall serve in their capacities as such without compensation. Any payment of compensation to a Manager in his capacity as such shall be treated as compensation for services rendered to Company, and shall not reduce the Capital Amount of the Manager (except to the extent of the effect of the proportionate amount of Company's net income or loss on Members' capital accounts.)

**10.2.8 Current Board.** The current Board of Managers consists of the following two (2) Managers:

, M.D. - Medical Manager

WINSTON KYLE CARHEE, JR., D.C. - Administrative Non-Medical Manager

### 10.3 Officers.

**10.3.1 Election.** At a meeting held no less than annually, the Board of Managers shall elect two officers; a Director of Medical Affairs and President.

**10.3.2 Director of Medical Affairs.** The Director of Medical Affairs shall serve as Chief





Medical Officer of Company and shall be wholly responsible, without supervision from other Officers, for the implementation and enforcement of policies under the purview of the Medical Manager. The Director of Medical Affairs shall be subordinate to the President with respect to matters not under the purview of the Medical Manager. No person shall serve as the Director of Medical Affairs unless such person holds a medical license from the Georgia Board of Medical Examiners.

**10.3.3 Duties and Authority of President.** The president shall be the Chief Executive Officer of Company. Subject only to the Board of Managers and to the authority of the Director of Medical Affairs as to matters under the purview of the Medical Manager, the President shall have general charge and supervision over, and responsibility for, the business and affairs of Company and all other Officers shall be subject to his authority and supervision. The President may enter into and execute in the name of the Company contracts or other instruments in the regular course of business or other instruments not in the regular course of business, which are authorized, either generally or specifically, by the Board of Managers. The President shall have the general powers and duties of management usually vested in the office of President of a Georgia corporation.

**10.3.4 Officers to Repay Disallowed Compensation and Other Business Expenses.** Any payments made to an Officer of the Company as compensation and for other business expenses that shall be disallowed in whole or in part as such deductible expense for federal income tax purposes, shall be reimbursed by such officer to the full extent of such disallowance. It shall be the duty of the Board of Managers to enforce payment of each such amount disallowed.

**10.3.5 Current Officers.** Until their successors are duly elected and qualified, the Officers of Company shall be as follows:

**Director of Medical Affairs:** DR. , M.D.

**President** : WINSTON KYLE CARHEE, JR., D.C.

**10.4 Restrictions on Members.** Except as expressly provided otherwise in this Operating Agreement, Members who are not also Managers or Officers shall not be entitled to participate in the management or control of Company, nor shall any such Member hold himself out as having such authority. Unless authorized to do so by the Managers or officers, no attorney-in-fact, employee or other agent of Company shall have any power or authority to bind Company in any way, to pledge authority to bind Company unless the Member has been authorized by the Managers or Officers to act as an agent of Company in accordance with the previous sentence.

**10.5 Call of Meetings.** Meeting of Members may be called at any time by any Member for any purpose. Meetings of the Managers may be called by any Manager at any time for any purpose. Any such meeting of Members or Managers shall be held up two days' notice if given orally, either by telephone or in person, or by telegraph, or by five days' notice if given by depositing the notice in the United States mail, postage prepaid. Such notice shall specify the time and place of the meeting. Any such notice may be waived by a writing signed by the person or person entitled to such notice either before or after the action with respect to which notice is waived. Any person attending a meeting without protesting, prior to its conclusion, a lack of proper notice shall be deemed to have waived notice of such meeting.

**10.6 Meetings by Conference Telephone, etc.** Any or all Members or Managers may participate in a meeting of Members or Manager (a the case may be) by means of conference telephone or any means of

communication by which all persons participating in the meeting are able to hear each other.

**10.7 Action Without Meeting.** Members who hold the majority of the ownership shares or units or any sole Manager, whether administrative or medical, may act without a meeting.

**10.8 Majority Vote.** The Member(s) who have the majority of ownership shares or units, whether medical or non-medical shall prevail regarding any transaction of business.

## ARTICLE XI

### **Meeting of Members**

**11.1 Annual Meeting.** The annual meeting of the Members shall be held on the third Tuesday in March or at such other time as shall be determined by resolution of the Members, commencing with the year 2021, for the purpose of the transaction of such business as may come before the meeting.

**11.2 Special Meetings.** Special meetings for the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by Members holding at least twenty-five percent (25%) of the Ownership Interest.

**11.3 Place of Meetings.** The Members may designate any place, within the State of Georgia, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company in State of Georgia.

**11.4 Notice of Meetings.** Written notice stating the place, day, and hour of the meeting and the purpose for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addresses to the Member at his address as it appears on the books of the Company, with postage thereon paid.

**11.5 Meeting of all Members.** If all the Members shall meet at any time and place, either within or outside the State of Georgia, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

**11.6 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which the notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

**11.7 Quorum.** Members holding a Majority Interest represented in person by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Ownership Interests so represented may adjourn the meeting from time for a period not to exceed sixty (60) days without further notice. However, if at the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Ownership Interests whose absence would cause less than a quorum to be present.

**11.8 Manner of Acting.** If a quorum is present, the unanimous affirmative vote of the Members shall be the act of the Members. Unless otherwise expressly provided herein or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote, may vote upon any such matter and their Ownership Interest vote shall be counted in the determination of whether the requisite matter was approved by the Members.

**11.9 Proxies.** At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

**11.10 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the necessary Members entitled to vote and required to approve such action and delivered to the Company for inclusion in the minutes or for required to approve such action have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**11.11 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at or after the time state therein, shall be equivalent to the giving of such notice.

## **ARTICLE XII**

### **BOOKS AND RECORDS**

**12.1 Accounting Period.** The Company's accounting period shall be the calendar year.

**12.2 Records, Audits and Reports.** At the expense of the Company, the Members shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep at its



principal place of business the following records:

- A current list of the full name and last known address of each Member, and Economic Interest Owner;
- Copies of records to enable a Member to determine the relative voting rights;
- A copy of the Articles of Organization of the Company and all amendments thereto;
- Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;
- Copies of the Company's written Operating Agreement, together with amendments thereto; and
- Copies of any financial statements of the Company for the three most recent years.

**12.3 Tax Returns.** The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such tax returns, or pertinent information there from, shall be furnished to the Members within a reasonable time after the end of the Fiscal Year.

## **ARTICLE XIII**

### **TRANSFER OF COMPANY INTERESTS**

**13.1 In General.** In the event a Member (the "Selling Member") receives an offer from a third party to acquire all or a portion of his Shares (the "Transfer Shares"), he shall notify the other Members (the "Non-Selling Members") specifying the Shares to be purchased, the purchase price, the appropriate closing date, the form of consideration, and such other terms and conditions of the proposed transaction that have been agreed with the proposed purchaser (the "sales Notice"). Within thirty (30) days after receipt of the Sales Notice, each Non-Selling Member shall notify the Selling Member and the other Non-Selling Members whether he elects to purchase his proportionate share of the Transfer Shares (based on his proportionate interest in operating income of Company) on the terms and conditions set forth in the Sales Notice. If a Non-Selling Member elects to purchase his proportionate share of the Transfer Shares, his notice to the Selling Member shall include reasonably satisfactory evidence that he is financially capable of proceeding with such purchase on the terms and conditions set forth in the Sales Notice.

**13.1.2 Special Rules.** The following rules shall apply for purposes of this Section:

**13.1.2.1** If all Non-Selling Members elect not to purchase their proportionate shares of the Transfer Shares, or fail to respond to the Sales Notice within the thirty (30) day period described above, the Selling Member may proceed with the sale to the proposed purchaser.

**13.1.2.2** If some Non-Selling Members elect to purchase but others do not, the electing Non-Selling Members may, in turn, acquire the remaining Transfer Shares on a *pro rata* basis.

**13.1.2.3** If after giving effect to Section 13.1.2.2, the Non-Selling Members have not elected to purchase the entire Transfer Shares, the Selling Member may proceed with the sale to the proposed purchaser.

13.1.2.4 If, after giving effect to Section 13.1.2.2, the Non-Selling Members have elected to purchase the entire Transfer Shares, they shall do so on the terms and conditions set forth in the Sales Notice.

13.1.2.5 If the Non-Selling Members elect not to purchase the Transfer Shares or fail to respond to the Sales Notice within the thirty (30) day period described above, and the Selling Member and the purchaser subsequently agree to a reduction of the purchase price of five percent (5%) or more, to a change in the consideration from cash or readily available securities to deferred payment obligations or non-tradable securities, or to any other equally significant change to the terms set forth in the Sales Notice, such agreement between the Selling Member and the purchaser shall be treated as a new offer and shall again be subject to this section.

13.1.2.6 If the Non-Selling Members elect to purchase the Transfer Shares in accordance with this Section, such election shall have the same binding effects as the then-current agreement between the Selling Member and the proposed purchaser. Thus, for example, if the Selling Member and the purchaser have entered into a non-binding letter of intent but have not entered into a binding definitive agreement, the election of the Non-Selling Members shall have the effect of a non-binding letter of intent with the Selling Member. Conversely, if the Selling Member and the purchaser have entered into a binding definitive agreement, the election of the Non-Selling Members are deemed by this Subsection to have entered into only a non-binding letter of intent, neither shall be bound to consummate a transaction if they are unable to agree to the terms of a binding agreement.

13.1.2.7 No transfer shall be permitted unless (i) the transferee executes documents reasonably necessary or appropriate to confirm his agreement to be bound by all of the terms and conditions of this Operating Agreement, (ii) the transfer shall provide the Company with reasonable assurance, including if necessary, an opinion of counsel satisfactory in form and substance to the Company's council, stating that the transfer of the shares is exempt from registration under the Securities Act of 1933 and other applicable security laws, and (iii) the transferor and transferee shall together reimburse Company for any reasonable expenses incurred in connection with the transfer.

13.1.3 **Admission of Transferee.** Any permitted transferee of all or part of Transfer Shares shall be admitted to the Company as a Member on the date of the transfer.

13.1.4 **Other Transfers Void.** Transfers in contraventions of this Section shall be null, void and of no force or effect whatsoever and Members agree that any such transfer may and should be enjoined.

## 13.2 Sale and Purchase Options and Obligations of Company and Members.

### 13.2.1 Sale Options and Obligations

13.2.1.1 **Termination of Employment.** Upon the termination of employment for any reason, he or his personal representative shall be deemed to have offered all of his Shares for sale pursuant to the terms herein. Company shall give notice of termination to the remaining Members, and such notice shall constitute an offer to sell the Shares pursuant to the terms herein.

**13.2.2 Involuntary Transfers.** If all or a portion of the capital Shares owned by any Member is transferred involuntarily other than upon the death of such Member, then the Member or other person holding such Shares following the involuntary transfer shall be deemed to have offered to sell such Shares pursuant to the terms of this Operating Agreement, and a notice to such effect shall be deemed to have been sent to Company and the other Members on the date of such transfer. Examples of involuntary transfers covered by this Section are transfer to a former spouse incident to a divorce, transfer to the guardian or conservator of an incompetent Member, or a transfer to a creditor in bankruptcy.

The Member offering to be deemed to be offering to sell his Shares is referred to in this Section as the "Terminated Member," the Shares (or portion thereof) offered for sale is the "Option Shares," and the date of the event giving rise to such offer as the "Termination Date."

### **13.2.2 Purchase Options and Obligations.**

**13.2.2.1 Primary Member Option to Purchase.** Within thirty (30) days after the Termination Date, each of the remaining Members shall have the option purchase a *pro rata* portion of the Option Shares (based on each remaining Member's share of operating income of Company). If any remaining Member does not elect to purchase his full *pro rata* allotment of the Option Shares, then the other remaining Members shall have the option to purchase more of such Option Shares on a *pro rata* basis.

**13.2.2.2 Secondary Corporate Options and Obligations to Purchase.** If the remaining Members do not elect to purchase all of the Option Shares within fifty (50) days after the Termination Date, then Company shall have the following options and obligations:

**13.2.2.2.1** If the offer for sale is the result of a Member's voluntary termination of employment, then Company shall purchase all of the remaining Option Shares, unless, within ninety (90) days of the termination of employment, the Board of Managers of Company resolves to dissolve Company and terminate its business.

**13.2.2.2.2** If the offer for sale is the result of the involuntary termination of a Member's employment by Company for cause, Company shall have the option to purchase the balance of the Option Shares, but shall not be required to purchase such Shares.

**13.2.2.2.3** If the offer for sale is pursuant to Section 13.2.1.2 (concerning involuntary transfers of Shares), Company shall have the option to purchase the balance of the Option Shares, but shall not be required to purchase such Shares.

**13.2.3 Treatment of Terminated Member as Creditor.** If Company or remaining Member exercises a purchase option under this Section 13.2, the Terminated Member or his representative (as the case may be) shall not be treated as a Member under this Operating Agreement, but shall be treated as an ordinary creditor of the Company as of the Termination Date.

### **13.2.4 Purchase Price.**

**13.2.4.1 In General.** The purchase price of Shares to be purchased pursuant to this Operating Agreement shall be equal to the "Company's Value" (as described below) multiplied by the proportionate interest in Operating Income of the Company associated with such Shares.

**13.2.4.2 Definitions and Rules.** For purposes of this Section 13.2.4.2.4, the following definitions and operations rules shall apply:

**13.2.4.2.1 Company's Value.** "Company's Value" shall mean (i) the fair market value of Company's assets, without taking into account (A) "goodwill" or "going concern" value similar intangible assets, or (B) the value of unbilled work-in-progress or uncollected account receivable; minus (ii) the aggregate amount of Company's liabilities, including Company's obligation to perform services for which payment has already been received by excluding unpaid account payable incurred in the ordinary course of business, all calculated as of the Valuation Date (as defined below). The fair market value of Company assets shall be determined by a single appraiser, qualified in the appraisal of multi-disciplinary integrated practices, chosen by the mutual agreement of the buying and selling parties.

**13.2.4.2.2 Insurance Proceeds.** For purposes of Section 13.2.4, life insurance and disability insurance on the life or health of a Member of which Company is the owner, beneficiary, and/or recipient of the proceeds shall be valued at the cash surrender value plus the unearned premium; provided, however, that in the case of death or disability of a Member, the Company's Value shall NOT be adjusted to reflect the proceeds paid or payable to Company.

**13.2.4.2.3 Valuation Date.** The "Valuation Date" shall mean the last day of the month immediately preceding the month in which the notice described in Section 13.2.1 is given or deemed to have been given.

**13.2.4.2.4 Valuation by Agreement.** Notwithstanding Section 13.2.4.2.1, Members may, from time to time, enter into a written agreement designating the Company's Value, which shall remain in effect for any purchase and sale one (1) year from the date of such written agreement.

### **13.2.4 Payment of the Purchase Price.**

**13.2.5.1 In General.** The purchase price for the Shares purchased pursuant to the terms hereof shall be paid at the Closing (as described below) as provided in Section 13.2.5.

**13.2.5.2 Termination of Employment.** In the case of a purchase pursuant to 13.2.1.1 (concerning termination of employment), fifty percent (50%) of the purchase price shall be paid in cash or by plain check at the Closing, and the balance of the purchase price shall be paid by the execution and delivery of a promissory note providing for payment of the principal amount plus interest at the "applicable federal rate" (as defined in Section 1274(d) of the Code) in effect as of the date of Closing, plus two (2) percentage points, in five (5) equal and successive annual installments of interest and principal beginning one (1) year after the date of Closing.

**13.2.5.4 Insurance.** Notwithstanding the foregoing provisions of this Section 13.2.5,

if any of the remaining Member or Company is the beneficiary of any life or disability insurance policies insuring the life or health of a Selling Member which was purchased to fund the obligations of Company or the Member under this Operating Agreement (as oppose to “key man” insurance purchased by the Company, for example), the cash down payment paid to the Selling Member shall be at least equal to the proceeds received by such beneficiary as of the Closing under such policies, to the extent of the amount of such proceeds does not exceed the purchase price of the Shares; provided further, that any insurance proceeds received by such beneficiary after the Closing shall be promptly remitted to the selling party as prepayment of the promissory note referred to above. Except as otherwise provided in this Operating Agreement, if such insurance proceeds exceed the purchase price of the Shares, such excess shall be the property of the purchasing party.

**13.2.5.5 Encumbered Shares.** Notwithstanding the foregoing provision of this Section 13.2.5, if any Shares being sold hereunder are not fully paid or are encumbered, the purchasing party may either (i) require the selling party to pay any balance due on such Shares and satisfy and release any lien or encumbrance; or (ii) purchase the Shares subject to such liability, in which case (A) the purchase price payable to the selling party under this Section 13.2.5 shall be reduced by the amount of such liability, (B) the purchasing party shall be deemed to have assumed such liability up to the purchase price for such Shares determined under Section 13.2.4, and (C) the amount of such liability shall reduce the down payment due at Closing before reducing the amount payable pursuant to a promissory note.

**13.2.5.6 Subordination of Obligations.** The rights of a Member or former Member to prepayment pursuant to a promissory note of the Company or another Member given pursuant to this Section shall be subordinated to obligations of Company or such other Member, as the case may be, which existed prior to the Termination Date. The Member or former Member holding such promissory note shall execute such instruments as shall be reasonably necessary or appropriate to acknowledge such subordination.

### 13.2.6 The Closing.

**13.2.6.1 Place of Closing.** Unless otherwise agreed by the parties, the closing of the sale and purchase of Shares (the “Closing”) shall take place at the offices of the Company.

**13.2.6.2 Time of Closing.** The closing shall take place within ninety (90) days after the date of the notice described in Section 13.2.1; provided, however, that (i) in the case of a purchase of Shares from a deceased Member’s estate, the Closing may be postponed until thirty (30) days after the appointment of a representative of the estate, (ii) if an appraisal is required, Closing may be postponed until thirty (30) days after the completion of such appraisal.

**13.2.6.3 Documents.** At the closing, the selling and purchasing parties shall execute and deliver to each other all required cash payments and the various documents which shall be required to carry out their undertakings hereunder, including the assignment and delivery of stock certificates.

**13.2.6.4 Resignation.** Except in the case of a purchase of Shares triggered by Section 13.2.1.2 (concerning the involuntary transfer of Shares), a Member whose Shares are to be purchased by or transferred to another party under this Operating Agreement shall be treated as having resigned any position formerly held with Company, including his position as Manager, Officer, or employee, if applicable, effective on the Termination Date. At the Closing, such Member shall execute and deliver to Company any document reasonably requested by Company to evidence and confirm such resignation.



### 13.2.7 Guaranty Of Obligations.

**13.2.7.1 Guaranty by Members.** To the extent that Company owes any amounts to a Member (the "Departing Member" pursuant to the terms of this Section 13.2 and/or any employment agreement between Company and the Departing Member (including without limitation obligations for deferred compensation), the remaining Members hereby agree to personally guaranty (on a *pro rata* basis based on ownership of Shares) Company's obligations to the Departing Member (the "Obligations"), and to execute and deliver to the Departing Member at the Closings a Guaranty and Surety Agreement in providing the same. (A Member who was guaranteed Company's Obligations to a Departing Member is referred to in this Section 13.2.7 as a "Guarantor.")

**13.2.7.2 Guaranty by Company.** To the extent that one or more Member owes any amounts to a Departing Member pursuant to the terms of this Section 13.2, Company hereby agrees to guaranty the obligation of such Member(s) to the Departing Member, and to execute and deliver to the Departing Member a the Closing a Guaranty and Surety Agreement.

**13.2.7.3 Offset by Company.** Upon a default in performance of Company's Obligations to a Departing Member, Company shall offset the Obligations any amounts due (or which may thereafter become due) to any Guarantor under this Operating Agreement and/or any employment agreement between Company and the Guarantor (including, without limitation, obligations for deferred compensations) up to the Guarantor's *pro rata* share of the Obligations. In the event Company pays to a Departing Member under this Section amounts that would otherwise have been paid to a Guarantor, the Guarantor shall not thereby be treated as having waived his right to payment from Company, but such right shall be subordinate to the rights of the Departing Member.

**13.2.8 Indemnification.** Upon the purchase of a Member's Shares pursuant to this Section 13.2, Company, the remaining Members shall indemnify and hold harmless the Terminate Member for liabilities of Company that are reflected on Company's books as of the Termination Date and for which the Terminated Member may be held personally liable. The liability of each remaining Member shall be limited to a *pro rata* portion of the total liability, based on ownership of Shares. Notwithstanding the foregoing, if as of the Termination Date the Company Value is less than zero (the "Capital Deficit"), the indemnification and hold harmless provisions of this Section shall not apply to the extent of the Terminated Member's *pro rata* share of the Capital Deficit, and to the extent the indemnification does apply, it shall apply *pro rata* to each of the Company's liabilities. The Terminated Member's *pro rata* share of the Capital Deficit (the "Member Deficit") shall mean the amount equal to the amount of the Capital Deficit multiplied by the Terminated Member's proportionate ownership of Shares.

**13.2.9 Capital Deficit Funding Pursuant to Sale of Interest.** If there is a Member deficit as the Termination Date which is caused or increased by liabilities of Company for which Members are personally liable ("Personal Liability Debt"), the remaining Members shall have a right of contribution vis-à-vis the Terminated Member, or his successors in interest as the case may be, to the extent such Personal Liability Debt, but only to the extent such Personal Liability Debt does not exceed the amount of the Capital Deficit as of the Termination Date. The right of contributions granted by this Section does not confer any rights of benefits to any person who is not a party to this Operating Agreement.

**13.3 Withdrawal.** A Member seeking to withdraw from Company shall be treated for all purposes (including for purposes of his employment agreement with Company) as having voluntarily terminated his employment with Company. A Member who transfers his interest pursuant to a transfer permitted by Section 13.1 or 13.2 shall not be treated as thereby withdrawing from Company for purposes of this Section.

**13.4 Allocation with Respect to Transferor's Interest.** Except where the Code otherwise requires (for example, in the case of certain "allowable cash basis items" as defined in Code Section 706(d)(2)(B)), upon the permitted assignment by a Member of all or any part of his Company Interest, each item of Company Income (or loss) and deduction allocable to the interest shall be pro-rated (as to the transferred interest) between the transferor and the transferee on the basis of the number of days in the taxable year of Company preceding (and including) and succeeding the date as of which the assignment is effective. Gain or loss from the sale or other taxable disposition of a Company capital asset shall be allocated to the persons who were Members at the time such gain or loss was recognized by Company, unless otherwise provided herein.

**13.5 Section 754 Election.** Upon the timely written request of any Member, Company shall elect, pursuant to Section 754 of the Code to adjust the basis of Company property as provided in Section s734(b) and 743(b) of the Code. The then acting tax matter partner shall be responsible for determining the adjustments required or permitted by said Sections of the Code, provided that, in the case of any adjustment required or permitted under Section 743(b) of the Code, the transferee Member or Members shall be solely responsible for determining the adjustments required there under unless such Member or Members provide the tax matters person with all the information necessary for the tax person to determine the adjustments.

## ARTICLE XIV

### ADDITIONAL MEMBERS

14.1 From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote thereof may become a Member of this Company either by the issuance of the Company Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as transferee of a Member's Membership Interest of any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation losses, income or expense deductions incurred by the company. The Managers may, at their option, at the time a Member is admitted, close the Company books (as through the Company's tax year had ended) or make *pro rata* allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of 706(d) of the Code and the Treasury Regulations promulgated there under.

## ARTICLE XV

### DISSOLUTION AND TERMINATION

#### 15.1 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

- when the period fixed for the duration of the Company shall expire pursuant to Section 2.5 hereof;



- by the unanimous written agreement of all Members; or
- upon the withdrawal, removal, bankruptcy, insolvency, death or incompetence of a Member, the sale or redemption of a Member's entire Membership Interest, or the occurrence of any other event which terminates the continued Member in the Company pursuant to O.C.G.A. section 14-11-601 or any other provision of the Georgia Act (a "Withdrawal Event"), unless the business of the Company is continued by the unanimous consent of all the remaining Members within ninety (90) days after the Withdrawal Event.

(b) If a Member who is an individual dies or a court of a competent jurisdiction adjudges him to be incompetent to manage his person or his property, the Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling his estate or administering his property.

(c) Except as expressly permitted in this Operating Agreement, a Member shall not voluntarily withdraw or take any voluntary action which directly causes a Withdraw Event. Unless otherwise approved by Members owning a Majority Interest, a Member who withdraws (a "Withdrawing Member") or whose Member Interest is otherwise Terminated by virtue of a Withdrawal Event, regardless of whether such Withdrawal Event was the result of a voluntary act by such Member, shall not be entitled to receive any distributions to which such Member would not have been entitled had such Member remained a Member. Except as otherwise expressly provided hereunder, a withdrawing Member shall become an Economic Interest Owner. Damages for breach of this Section 15.1 shall be monetary damages only and such damages may be offset against distributions by the Company to which the Withdrawing Member would be otherwise entitled.

**15.2 Effect of Dissolution.** Upon dissolution, the Company shall cease to carry on its business, except as permitted by O.C.G.A section 14.11.605, upon dissolution, the Members shall file a statement of commencement of winding up pursuant to O.C.G.A. section 14-11-606 and publish the notice permitted by O.C.G.A. 14-11-608.

### **15.3 Winding up, Liquidation and Distribution of Assets.**

- Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Member(s) shall immediately proceed to wind up the affairs of the Company
- If the Company is dissolved and its affairs are to be wound up, the Member(s) shall:
  - Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Member(s) may determine to distribute any assets to the Members in kind);
  - Allocate any profit or loss resulting from such sales to the Member and economic Interest Owners in accordance with Article IX hereof;
  - Discharge all liabilities of the Company, including liabilities to Member and Economics Interest Owners who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distribution, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company; and

- Distribute the remaining assets in the following order:
  - If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of this Operating Agreement to reflect such deemed sale.
  - The positive balance (if any) of each Member's and Economic Interest Owner's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) as determined by the Members, either in cash or in kind, as determined by the Members, with any assets distributed in kind being valued for this purpose at their fair market value. Any such distributions to the Members in respect of the Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704(n)(2)(ii)(b)(2) of the Treasury Regulations.
- Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to pay any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.
- Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.
- The Members shall comply with any requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

**15.4 Certificate of Termination.** When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefore and all of the remaining property and assets have been distributed to the Members, a Certificate of Termination shall be executed and filed with the Secretary of Georgia in accordance with O.C.G.A. section 14-11-610.

**15.5 Return of Contribution Non-recourse to Other Members.** Excepts as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members, such Members shall have no recourse against any other Member.

## ARTICLE XVI

### MISCELLANEOUS PROVISIONS



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**16.1 Books and Account and Records.** Proper and complete records and books of account shall be kept or shall be caused to be kept by the Members in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usually for business of the type engaged in by the Company. The books and records shall be at all times maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members or Economic Interest Owners or their duly authorized representatives during reasonable business hours.

**16.2 Application of Georgia Law.** This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its term and by the law of the State of Georgia, and specifically the Georgia Act.

**16.3 No Action for Partition.** No Member or Economic Interest Owner has any right to maintain any action for partition to the property of the Company.

**16.4 Executive 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 comply with any laws, rules or regulations.

**16.5 Construction.** Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine gender and vice versa.

**16.6 Headings.** The headings in this Operating 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 Operating Agreement or any provision hereof.

**16.7 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 Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

**16.8 Rights and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in additions to any other rights the parties may have by law.

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

**16.10 Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and

agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

**16.11 Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

**16.12 Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one instrument.

**16.13 Federal Tax Income Elections.** All elections required or permitted to be made by the Company under the Code shall be made by the Members as determined in their sole discretion. For all purposes permitted or required by the Code, the Members shall constitute and appoint one (1) Member as the Tax Matters Member, and if that Member should cease to be a Member, then such other Member as shall be designated by the Member by majority vote.

**16.14 Certification of Non-Foreign Status.** In order to comply with Section 1445 of the Code and the applicable Treasury Regulations there under, in the event of the disposition by the Company of a United States real property interest as defined in the Code and Treasury Regulations, each Member shall provide to the Company, an affidavit stating, under penalties of perjury, (i) the Member's address, (ii) United States taxpayer identification number, and (iii) that the Member is not a foreign person as that term is defined in the Code and Treasury Regulations. Failure by any Member to provide such affidavit by the date of such disposition shall authorize the Company to withhold ten percent (10%) of each Member's distributive share of the amount realized by the Company on the disposition.

**16.15 Notices.** Any and all notices, offers, demands or elections required or permitted to be made under this Operating Agreement ("Notices") shall be in writing, signed by the party giving such Notice, and shall be deemed given and effective (i) when hand-delivered, or (ii) on the third business day (which term means a day when the United States Postal Service is making regular deliveries of mail on all of its regularly appointed weed-day rounds in Georgia) following the day, as evidenced by proof of mailing, upon which such notice is deposited, postage prepaid, certified mail, return receipt requested, with the Postal Service, and addressed to the other party at such party's respective address as set forth herein, or at such other addresses as the other party may hereafter designate by Notice.

**16.16 Amendments.** Any amendment to this Operating Agreement shall only be made by the unanimous vote or consent of all the Members of the Company and shall be made in writing and signed by all Members.

**16.17 Invalidity.** The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and the Operating Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted. If any particular provision herein is construed to be in conflict with the provisions of the Georgia Act, the Georgia Act shall control and such invalid or unenforceable provisions shall not affect or invalidate the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such conflicting provision were omitted.

**16.18 Banking.** All funds of the Company shall be deposited in its name in an account or accounts as shall be designated from time to time by the Members. All funds of the Company shall be used solely for the business of the Company. All withdrawals from the Company bank accounts shall be made only upon checks



signed by the Member who holds the majority of the ownership interest of Company or by such other person as such Member may designate from time to time.

**16.19 Arbitration.** Any dispute, controversy or claim arising out of or in connection with, or relating to, this Operating Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the City of Atlanta, County of Fulton, State of Georgia, before a single arbitrator, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association or at any time or at any other place or under any other form conclusive upon the parties and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdictions. The expenses of the arbitrations shall be borne equally by the parties of the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and counsel's fees, except that in the discretion of the arbitrator, any award may include the cost of a party's counsel if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic.

**16.20 Determination of Matter Not Provided For In This Operating Agreement.** The Members shall decide any questions arising with respect to the Company and this Operating Agreement which are not specifically or expressly provided for in this Operating Agreement.

**16.21 Further Assurances.** The Members each agree to cooperate, and to execute and deliver in a timely fashion any and all additional documents necessary to effectuate the purpose of the Company and this Operating Agreement.

**16.22 Time.** Time is of the essence of this Operating Agreement, and to any payments, allocations and distributions specified under this Operating Agreement.

- **Non-Competition Covenant.**

Employee recognizes and acknowledges that all patients and/or accounts serviced by the Clinic's other Employees or the Employee during his/her employment with the Clinic, including all patients and/or accounts acquired by the Employee due to his/her efforts, are the patients and accounts of the Clinic (collectively called "Clinic Accounts").

Employee recognizes and acknowledges that the list of the Clinic's client accounts, as it may exist from time to time, is a valuable, special and unique asset of the Clinics business. Employee shall not, during or at any time after the termination of this Agreement, disclose the list of Client Accounts or any part thereof to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever.

In the event this Agreement is terminated by either party, Employee shall not, either individually or as an Employee or principal or as a consultant or independent contractor of another chiropractic clinic provide Chiropractic care or medical services for a two (2) year period immediately subsequent to the termination of this Agreement within a 5 mile radius from the Clinic. If the Ex-Employee practices within a 5 mile radius, Employee owes Clinic gross revenue of the Clinic for the past two (2) years.

If for any reason the Employee shall acquire or otherwise obtain from the Clinic, by any means whatsoever, Client Accounts or provide services to such Client Accounts, then at the sole election of the Clinic, the Employee shall pay to the Clinic \$250 per patient and \$20 per visit where services were rendered to the patient for a period of two (2) years.

Payment shall be remitted to the Clinic by the Employee within fifteen (15) days after collection of amounts billed by the Employee to Client Accounts or within sixty (60) days after billing by Employee to Client Accounts, whichever comes first. If services rendered by the Employee to the Client Accounts are provided on

an ongoing basis of sixty (60) days or longer, progress payments will be made by the Employee to the Clinic at sixty (60) day intervals based on progress billings by the Employee to the Client Accounts. Payments are due on the 1st of each month for services rendered from the 1st to the 25th of the previous month.

This Agreement with respect to damages in the event of breach shall in no event disentitle the Clinic to inductive relief aimed at enforcing the Agreement for the full two (2) year period set forth above.

• **Improper Use of Clinic Information.**

Employee acknowledges that the patient information contained in the lists and records of the Clinic is confidential and proprietary to the Clinic and valuable.

Employee promises not to copy, either individually or through others, or publish or make extracts from any portion of any such list or record, or otherwise make any use of all or any portion of any such list or record except as is expressly authorized in writing by the Clinic.

Employee agrees that the Clinic shall be entitled to an injunction to prevent a breach of the preceding sentence as may occur prior to the entry of an injunction.

The parties acknowledge that it is difficult, if not impossible, accurately measure the damages that would be suffered in the event of breach of this paragraph by Employee, although it is certain that breach by Employee would cause significant damage to the Clinic.

The parties acknowledge that recent experience has shown that it costs approximately \$500.00 in advertising to produce a single new patient for the Clinic. Therefore, the parties agree that if Employee should breach this paragraph prior to the entry of an injunction, that Employee shall pay the Clinic.

- \$500.00 for each patient name (either with or without address or telephone number) which Employee himself/herself or through others memorized, extracted, compiled, copied, published, or otherwise made unauthorized use thereof, and in addition,
- \$500.00 for each patient to whom Employee himself/herself or through others directs a telephone or in-person solicitation, announcement, advertisement or other similar communication and in addition,
- \$500.00 for each patient to whom Employee himself/herself or through others direct a solicitation, announcement, advertisement, or other communication by mail.

Records/Accounting:

Clinic may, through any certified public accountant selected by Clinic, inspect at its expense the relevant records and books maintained by Ex-Employee to determine compliance with this Agreement. The Clinic will first obtain reasonable assurances of confidentiality from such accountant.

• **Post Termination Compensation**

Except as explicitly stated below in this section, the Clinic shall be free from any obligation to pay any compensation to Employee which is directly or indirectly based on cash or other payment received or entitled to be received by the Clinic for breach of any portion of this Agreement. Any sums so paid to Employee are subject to refund unless the parties agree otherwise in writing.

During the probation period termination will be with two (2) weeks base compensation.

When this Agreement is terminated by a thirty (30) days written notice by either party, the Associate will be





compensated per Schedule A for the work done during the thirty (30) day transition period plus two (2) weeks base salary compensation.

When this Agreement is terminated by a thirty (30) days written notice by either party the Clinic, at its own discretion, may pay the Associate thirty (30) days base salary compensation in lieu of requiring a thirty (30) day transition time.

When termination is the result of this Agreement being deemed to be breached no compensation will be paid to the Associate except the base salary for any weeks already served for which the Associate has yet to be compensated.

**IN WITNESS WHEREOF**, the Member hereto has executed this Operating Agreement, as of February 5, 2025.

**MEMBERS AND MANAGERS**

\_\_\_\_\_

1. , M.D. -

Member and Medical Share Owner

\_\_\_\_\_

1. , M.D. -

Medical Manager/Director Medical Affairs

\_\_\_\_\_

WINSTON KYLE CARHEE, III

Member and Non-Medical Share Owner

\_\_\_\_\_

WINSTON KYLE CARHEE, JR., D.C. -

Administrative Non-Medical Manager



*Winston Carhee DC*

X

X

Signed By Winston Carhee

Signed On: March 7, 2023

# Signature Certificate

Document name: Operating Agreement - AAA WC - Wellness Center

🔒 Unique Document ID: A60AB7AA194A12889232C4BD9819F1AC555A1ECE

LEGALLY SIGNED USING  
**WP**signature  
Build. Track. Sign Contracts.

## Timestamp

August 27, 2020 11:43 am  
EST

## Audit

Operating Agreement - AAA WC - Wellness Center  
Uploaded by Winston Carhee - winston@carhee.com IP  
98.251.30.4



This audit trail report provides a detailed record of the online activity and events recorded for this contract.

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