OPERATING AGREEMENT
OF
“ENTITY NAME”

1. General. The undersigned, being all of the members of ENTITY NAME, an STATE AND TYPE OF ENTITY (“Company”), make this Operating Agreement (“Agreement”) to organize and govern the Company. This Agreement is entered into as ________________, 20__. The initial parties to this Agreement and any other person or persons who may come to hold ownership interests in the Company and become parties to this Agreement, whether as members (“members”) or otherwise, agree to conduct the Company’s affairs in a manner consistent with the STATE AND TYPE OF ENTITY Act, as amended (“Act”), the Company’s Articles of Organization (“Articles”) and this Agreement. In the event of any conflict, this Agreement shall control to the extent permitted by law. The provisions of this Agreement are for the regulation of members and the Company, are not intended for the benefit of non-member creditors and do not grant any rights to non-member creditors.

2. Term. The Company was formed by the filing of the Articles with the Secretary of State of STATE on DATE OF FILING. The Company shall have perpetual existence unless and until dissolved in accordance with this Agreement.

3. Purpose. The purpose of the Company shall be to rent or acquire real property, develop a vineyard thereon and cultivate, operate, manage and otherwise deal with the real property and improvements thereon, including the vineyard, and products thereof (collectively, along with any and all other assets the Company may from time to time acquire and continue to hold, the “Company Property”). The Company may have such other purposes as are permitted under the Act and are determined from time to time by members holding percentage interests totaling more than 50% (a “Majority of the Members”).

4. Membership Interests. Membership interests in the Company shall be expressed in percentages. MEMBER’S NAMES holds a one hundred percent (100%) membership interest in the Company.

5. Management by One or More Managers; Execution of Documents. The Company is manager-managed as provided in the Articles and this Agreement and shall have at least one manager. Each manager shall have authority to make all decisions with respect to the Company except for those matters that under Section 8 or any other provision of this Agreement that require member approval. In addition, each manager shall have authority to exercise day-to-day operating authority with respect to the Company. Each manager shall have authority to execute documents on behalf of the Company, and, provided that any member approval required under this Agreement has been obtained, the signature of a manager on behalf of the Company shall be binding on the Company. No member in the capacity of member shall have authority to bind the Company.

6. Appointment of Manager. Each of MEMBER’S NAMES shall be a manager with unilateral authority to take any action permitted to be taken by the manager on behalf of the
Company. A Majority of the Members may remove any manager. In addition, any manager may resign at any time. At any time there is no manager then serving, a Majority of the Members may appoint one or more successor managers. If for any reason any initial manager ceases to serve as manager, the other initial manager may continue as the sole manager unless and until a Majority of the Members appoints an additional manager. All references in this Agreement to “the manager” shall mean either or both initial or successor managers acting on behalf of the Company or any continuing or successor sole manager acting on behalf of the Company.

7. **Limited Liability; Indemnification.** The liability of the members and each manager shall be limited to the fullest extent permitted by law. The Company shall indemnify each manager against any loss, cost and expense the manager may incur by reason of acting as manager and shall defend the manager against any claims made against the manager by reason of serving in such capacity. In addition, to the fullest extent provided or allowed by the laws of Oregon, the Company shall indemnify the organizer and each member from and against all costs, losses, liabilities, damages, claims and expenses (including, without limitation, attorneys’ fees and costs on trial and on appeal) incurred in the capacity of organizer or member or in any other capacity in furtherance of the business or affairs of the Company, whether taken prior to or subsequent to the formation of the Company.

8. **Member Approval.** Except as expressly provided in this Agreement, the approval of a Majority of the Members will be required with respect to any act or transaction that requires member approval under this Agreement. Member approval may be evidenced by a vote of the members at a meeting of the members duly called in accordance with any rules for such meetings as the members may adopt from time to time or, in the absence of any such rules, in accordance with the rules governing the holdings of meetings of the shareholders of a corporation, or by written consent signed by not less than those members sufficient to approve the action at a meeting of the members. Any written consent of members and minutes of any meetings of the members shall be maintained in the Company’s records. The matters requiring approval of a Majority of the Members shall include:

   (a) dissolution of the Company by agreement of the members;

   (b) sale, lease, exchange, mortgage, pledge or other transfer of all or substantially all of the Company Property other than in the ordinary course of business;

   (c) merger or conversion involving the Company;

   (d) incurrence of indebtedness by the Company (other than in the ordinary course of business, which shall be within the authority of the manager);

   (e) change in the nature of the business of the Company; and

   (f) any other matter specified in the Articles or this Agreement as requiring member approval if the Articles or this Agreement do not specify the percentage in interest of the members required for approval.
All other matters shall be within the authority of the manager, including without limitation the incurrence of indebtedness by the Company, the sale, lease, exchange, mortgage, pledge, or other transfer of any or all of the Company’s property, the acquisition of property by the Company, any change in the nature of the business of the Company, establishment of bank accounts of the Company, and all matters pertaining thereto or any tax or other election by the Company.

9. **Transfer of Membership Interests.** A member or any other holder of an interest in the Company shall make no sale or other transfer of an interest in the Company without the consent of all other members. Any transfer not approved by all other members shall be void and of no force or effect. A transferee in any transfer recognized by the Company shall be an assignee only, unless admitted as a member with the consent of all other members and unless such transferee executes a writing acceptable to the manager agreeing to be bound by this Agreement. Any such consent may be given or be withheld in the sole and absolute discretion of each member. Notwithstanding the foregoing, however, the Company shall recognize as a permitted transfer a transfer of an interest in the Company by reason of the death or incompetency of a member, provided that the interest is transferred to or for the benefit of another member or to or for the benefit of any descendant of MEMBER (including any legally adopted person). Any such transfer shall be permitted if made to the personal representative of the deceased or incompetent member if the designated or legally mandated ultimate successor transferee is either another member or a descendant of MEMBER or a trust for the benefit of another member or a descendant of MEMBER. Any such permitted transferee shall be automatically admitted as a member upon agreeing in a writing acceptable to the manager to be bound by this Agreement.

10. **Capital Contributions.** The members may from time to time contribute funds or other assets to the Company. No member shall be obligated to make any capital contribution to the Company except for any capital contribution approved by a Majority of the Members. Each member will be obligated to contribute the member’s proportionate share (based on percentage interests) of any contribution approved by a Majority of the Members. No member may withdraw any capital contribution without the approval of a Majority of the Members. No member shall have personal liability for the repayment of any capital contribution of any other member. The Company’s accountant shall maintain a separate capital account for each member. No member shall be entitled to any interest on the member’s capital account.

11. **Tax Status of Company; Allocation of Profits and Losses.** The Company is a partnership for tax purposes and shall file a partnership information return and provide Forms K-1 to its members. The profits and losses of the Company shall be allocated to and pass through to the members in accordance with their percentage interests.

12. **Distributions of Cash or Other Property.** The Company shall from time to time make distributions to the members in cash or property in such amounts as the manager may direct or a Majority of the Members may approve taking into account the amounts needed by the Company to discharge its obligations in a timely manner and maintain reasonably necessary reserves. Any distribution to the members shall be made in accordance with percentage interests. The Company is authorized to withhold from distributions, or with respect to allocations, and to
pay over to any federal, state or local government any amounts required to be so withheld pursuant to any federal, state or local law. The Company shall allocate and treat any such amounts as distributed to the member or members with respect to which such amount was withheld. Upon dissolution of the Company, liquidating distributions shall be made to the members in accordance with the members’ capital account balances properly maintained by the Company’s accountant.

13. **Withdrawal.** No member has the right or power to withdraw voluntarily from the Company. Any purported withdrawal shall be ineffective, shall be a breach of this Agreement and shall not entitle the member purporting to withdraw to any distribution from the Company.

14. **Dissolution.** The Company shall be dissolved only with the consent of a Majority of the Members as provided under Section 8(a) or upon the sale of substantially all of the Company Property in accordance with this Agreement.

15. **Amendments.** This Agreement or the Articles may be amended only with the prior written consent of a Majority of the Members.

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

IN WITNESS WHEREOF, the members have executed this Operating Agreement effective the date first set forth above.

**MEMBER’S NAMES**

______________________________
MEMBER NAME

______________________________
MEMBER NAME

Acknowledged and agreed:

______________________________
MEMBER NAME, Manager

______________________________
MEMBER NAME, Manager