

OPERATING AGREEMENT
of
KEY HORIZONS HOMES LLC

Garrett Hemann Robertson P.C.
1011 Commercial Street NE
Salem, OR 97301-1049
File Number: 49073001

**OPERATING AGREEMENT
OF**

KEY HORIZONS HOMES LLC, an Oregon Limited Liability Company

THE OWNERSHIP INTERESTS REFLECTED IN THIS OPERATING AGREEMENT MAY REPRESENT SECURITIES THAT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933. SUCH OWNERSHIP INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED, OR OTHERWISE DISPOSED OF BY A MEMBER IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION UNDER THE SECURITIES ACT OF 1933 IS NOT REQUIRED.

The undersigned Member, desiring to form a limited liability company under the Oregon Limited Liability Company Act, hereby agrees as follows:

**ARTICLE 1.
FORMATION**

1.1. Name. The name of the limited liability company (the “LLC”) is Key Horizons Homes LLC.

1.2. Articles of Organization. Articles of Organization were filed with the Oregon Secretary of State on July 30, 2020.

1.3. Effective Date. The effective date of adoption of the Operating Agreement (“Agreement”) of the LLC is August 31, 2020.

1.4. Federal Employer Identification Number. The federal employee identification number assigned to the LLC is 85-2267626.

1.5. Duration. The LLC shall be perpetual, until dissolved as provided in this Agreement.

1.6. Principal Place of Business. The principal office of the LLC shall initially be at 782 Castle Pines Drive North, Keizer, Oregon 97303. The Member may relocate the principal office or establish additional offices from time to time.

1.7. Registered Office and Registered Agent. The LLC's registered office shall be at 5305 River Road North, Suite B, Keizer, Oregon 97303, and the name of its registered agent at such address shall be 75788399 - REGISTERED AGENTS INC.

1.8. Management of LLC. The LLC shall be managed by the Member.

1.9. Purposes and Powers. The primary purpose and general character of the business of the LLC is real estate. This LLC shall be a single-purpose entity; provided, however, that the LLC may have more than one asset and may engage in any lawful business permitted under Oregon law or the laws of any jurisdiction in which the LLC may do business if to do so does not constitute a breach of any contractual, trust deed, note, mortgage, or other obligation of the LLC.

ARTICLE 2. MEMBER AND CONTRIBUTIONS

2.1. Name and Address of Sole Member. The name and address of the sole Member of the LLC is Christine Piercy, 782 Castle Pines Drive North, Keizer, Oregon 97303.

2.2. Other Business of Member. The Member may engage independently or with others in other business and investment ventures of every nature and description and shall have no obligation to account to the LLC for such business or investments or for business or investment opportunities.

2.3. Additional Members. Additional Members may not be admitted without the prior written agreement of the Member, and admission of any additional Member(s) shall require amendment of this Agreement.

2.4. Initial Capital Contribution. The initial capital contribution of the Member will be made by the Member transferring to the LLC cash in the amount of \$2,000.00. Such transfer must be made promptly, following the signing of this Agreement.

2.5. Additional Contributions. Except as otherwise provided in the act, the Member is not required to contribute additional capital to the LLC. The Member may, however, make additional capital contributions to the LLC from time to time as the Member desires.

2.6. No Interest on Capital Contributions. No interest shall be paid on capital contributions.

ARTICLE 3. ADMINISTRATION OF LLC BUSINESS

3.1. Management. The Member has the sole right to manage and conduct the LLC's business. Actions by the Member relating to the management of the LLC may be recorded in written resolutions signed by the Member, but written resolutions are not required to authorize action by the Member.

3.2. Authority of Member. The Member is the agent of the LLC and has authority to bind the LLC on all matters. The authority of the Member includes, without limitation, the authority to:

3.2.1. sell, lease, exchange, mortgage, pledge, or otherwise transfer or dispose of all or substantially all of the property or assets of the LLC;

3.2.2. merge the LLC with any other entity;

3.2.3. amend the Articles of Organization of the LLC or this agreement;

3.2.4. change the nature of the business of the LLC; and

3.2.5. commence a voluntary bankruptcy case for the LLC.

3.3. Compensation and Reimbursement. The Member is not entitled to the payment of any salary or other compensation for services provided to the LLC. The Member is, however, entitled to reimbursement from the LLC for reasonable expenses incurred on behalf of the LLC, including expenses incurred in the formation, dissolution, and liquidation of the LLC.

ARTICLE 4. ACCOUNTING AND RECORDS

4.1. Books of Account. The LLC's books and records, a register showing the name, address, and ownership interests of the Member, and this Agreement shall be maintained by the Member. The Member shall have access thereto at all reasonable times. The Member shall keep books and records of the operation of the LLC which are appropriate and adequate for the LLC's business and for the carrying out of this Agreement.

4.2. Fiscal Year. The fiscal year of the LLC shall be the calendar year.

4.3. Tax Returns. The Member shall cause all required federal and state income tax returns for the LLC to be prepared and timely filed with the appropriate authorities.

ARTICLE 5. ALLOCATIONS AND DISTRIBUTIONS

5.1. Allocations of Income and Loss for Tax Purposes. All items of income, gain, loss, deduction, and credit shall be allocated to the Member.

ARTICLE 6. TRANSFER ON DEATH AND DISSOLUTION

6.1. Transfer on Death Policies. Oregon law allows ownership interests to be designated "Transfer on Death" ("TOD") to an individual or trust, thereby avoiding probate on the death of the member. The company shall allow the members to make a transfer on death designation with respect to their membership interest, subject to all restrictions on transfer as set forth in this agreement. If no certificates have been issued to represent such membership interests, then all

such TOD designations shall be recorded on the books and records of the company. The Policies for Uniform Transfer on Death ("TOD") Security Registration are attached hereto as Schedule 6.1.

6.2. Events of Dissolution. Except as otherwise provided in this Agreement, the LLC shall dissolve upon the earlier of:

6.2.1. the time, if any, for dissolution specified in the Articles of Organization;

6.2.2. the death, incompetence, withdrawal, expulsion, bankruptcy, or dissolution of the Member; or

6.2.3. approval of dissolution by the Member.

6.3. Effect of Death of the Member. In the event of the death of the Member:

6.3.1. If any person has been designated a "Transfer on Death" beneficiary pursuant to Section 6.1, the LLC shall continue and said person or persons shall be admitted as its Members; if no such person has been so designated or is unwilling or unable to accept the transfer, the estate of the Member may within 120 days elect to:

6.3.1.1. Continue the LLC and admit the deceased Member's spouse, estate, or other beneficiary as a Member in place of the deceased Member; or

6.3.1.2. Dissolve the LLC and liquidate its assets.

6.4. Liquidation Upon Dissolution and Winding Up. Upon the dissolution of the LLC, the Member shall wind up the affairs of the LLC. A full account of the assets and liabilities of the LLC shall be taken. The assets shall be promptly liquidated and the proceeds thereof applied as required by the Oregon Limited Liability Company Act. The LLC may, in the process of winding up the LLC, elect to distribute certain property in kind.

ARTICLE 7. INDEMNIFICATION

7.1. Indemnification. The LLC shall indemnify the Member to the fullest extent permissible under Oregon law, as the same exists or may hereafter be amended, against all liability, loss and costs (including, without limitation, attorney fees) incurred or suffered by such person by reason of or arising from the fact that such person is or was a Member of the LLC, or is or was serving at the request of the LLC as a Member, director, officer, partner, trustee, employee, or agent of another foreign or domestic limited liability company, corporation, partnership, joint venture, trust, benefit plan, or other enterprise. The LLC may, by action of the Member, provide indemnification to employees and agents of the LLC. The indemnification provided in this section shall not be exclusive of any other rights to which any person may be entitled under any statute, bylaw, agreement, resolution of the Member, contract, or otherwise.

7.2. Limitation of Liability. The Member of the LLC shall not be liable to the LLC for monetary damages for conduct as a Member except to the extent that the Oregon Limited Liability Company Act, as it now exists or may hereafter be amended, prohibits elimination or limitation of Member liability. No repeal or amendment of this section or of the Oregon Limited Liability Company Act shall adversely affect any right or protection of a Member for actions or omissions prior to the repeal or amendment.

ARTICLE 8. AMENDMENTS

8.1. By Member. The Member may amend or repeal the provisions of this Agreement at anytime in writing, or in writing signed by the Member or a person with the Member's power of attorney.

ARTICLE 9. MISCELLANEOUS

9.1. Additional Documents. The Member shall execute such additional documents and take such actions as are reasonably requested in order to complete or confirm the transactions contemplated by this Agreement.

9.2. Counterparts. This Agreement may be executed in two or more counterparts, which together shall constitute one agreement.

9.3. Governing Law. This Agreement shall be governed by Oregon law.

9.4. Headings. Headings in this Agreement are for convenience only and shall not affect its meaning.

9.5. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining provisions.

9.6. Third-Party Beneficiaries. The provisions of this Agreement are intended solely for the benefit of the Member and shall create no rights or obligations enforceable by any third party, including creditors of the LLC, except as otherwise provided by applicable law.

9.7. Representation by Counsel. This Agreement was prepared by Garrett Hemann Robertson P.C., which represents the LLC only in this matter. Although the law firm has or may have represented the Member, it is not representing such Member, individually in the preparation of this Agreement. The Member specifically consents to the representation by such law firm and waives any and all, potential, or perceived conflicts relating to such representation. The Member further agrees that, if such law firm possesses any secrets or confidential information relating to such Member, the Member waives the attorney-client confidentiality regarding said confidences and secrets. The Member has been advised of these facts and has the right to and is encouraged to seek independent legal counsel of such Member's choice regarding such Member's rights and

obligations, individually and as trustees, under this Agreement. The Member acknowledges the right to negotiate the terms of this Agreement and agrees that, although this Agreement was drafted by attorneys for the LLC, it shall not be interpreted or construed against any party.

ADOPTED 9/3/2020
(Date)

DocuSigned by:

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Christine Piercy, Member

Policies For Uniform Transfer on Death ("TOD") Security Registration

Schedule 6.1

1. Registration

- 1.1.** Any interest in the Company may be held with a beneficiary to whom the interest will be transferred or paid on death. Such a registration shall be upon completion and signature of a TOD Registration Form ("**TOD Form**"), in the form attached hereto as **Exhibit A**. An Owner of an ownership interest shall hereinafter be referred to as "**Member**."
- 1.2.** If a TOD Form is completed by a Member, Company shall note on the Ownership Certificates issued to each Member (if any) that the ownership interest is subject to Transfer on Death ("**TOD**") to a beneficiary or beneficiaries. If the Company has not issued Ownership Certificates to evidence the Membership Interest held by its Members, then the TOD Designation shall be noted in on the records of the Company. The TOD Form shall be retained in the Company records.

2. Change of Beneficiary

- 2.1.** A Member shall have the right to change a beneficiary designation upon completion and signature of a new TOD Form. Execution and delivery to the company of a new TOD Form shall revoke all prior TOD Forms.
- 2.2.** A change in beneficiary designation is binding on the Company upon receipt of the new TOD Form.

3. Beneficiary Designation

- 3.1.** The beneficiary designation by a Member may be one or more individuals, any other legal entity, a trust, or a class of individuals.
- 3.2.** A Member may name a primary beneficiary and an alternate beneficiary. The alternate beneficiary shall be entitled to the ownership interest only if the primary beneficiary is not surviving at the death of Member.
- 3.3.** A Member may name the descendants of the Member as the primary beneficiary or may name the descendants of the primary beneficiary as the alternate beneficiary. Such designation shall be made by use of the language "LDPS" (lineal descendants per stirpes) on the TOD Form.

4. Ownership

- 4.1.** The designation of a TOD beneficiary on an Ownership Certificate has no effect on ownership of the ownership interest until the Member's death.

- 4.2. A TOD beneficiary designation may be canceled or changed at any time by the Member without the consent of the beneficiary.
- 4.3. Any ownership interest with a TOD beneficiary designation may be sold, transferred, or assigned at any time by Member without the consent of the beneficiary.
- 4.4. On death of Member, the interest registered with a TOD beneficiary passes to the primary beneficiary or beneficiaries who survive the Member, and if none are surviving, then to the alternate beneficiary. The interest may be re-registered in the name of the party to whom the interest passes under this policy. Multiple beneficiaries surviving the death of the Member hold their interest as tenants in common.
- 4.5. Any ownership interest with a TOD Beneficiary shall remain subject to the terms of the Operating Agreement of the Company governing ownership and transfer of an interest. Accordingly, the Company and/or the other parties to the Operating Agreement retain all of their respective rights (if any) under the Operating Agreement to redeem and/or purchase the interest from any beneficiary.

5. Required Proof for Re-registration

- 5.1. Upon the death of a Member or primary beneficiary, a certified death certificate must be submitted to the Company.
- 5.2. The beneficiary must provide identification to Company to prove that he or she is the person entitled to the interest, and provide a social security number for tax or other withholding purposes. If the beneficiaries are part of a class designation, the beneficiary must prove membership in the class in any manner that the Company reasonably requests.

6. No TOD Beneficiary Designation

- 6.1. If no TOD beneficiary designation is in effect prior to Member's death, the beneficiary of the ownership interest shall be determined by applicable law.

7. Indemnity

The Company provides TOD Beneficiary Designations for the convenience of its members. In the event of a dispute between beneficiaries concerning the proper owner of the interest of a deceased member, the deceased member shall indemnify, defend and hold Company harmless for any loss or liability arising from the dispute. The Member expressly understands and agrees that in the event of a dispute, the Company may interplead the interest in the Circuit Court for the State of Oregon for the county where the Company maintains its registered agent's office. No beneficiary shall have any claim against the Company arising for its administration of this TOD Registration Policy unless the beneficiary can show willful or wanton conduct on the part of the Company. The Company shall not be liable for ordinary negligence.

8. Uniform TOD Security Registration Act

These policies are adopted in compliance with the Uniform TOD Security Registration Act, ORS 59.535 to 59.585 and as amended.

TOD REGISTRATION FORM

Exhibit "A" to Schedule 6.1

DATED: 4/29/2022 | 1:58 PM PDT (NOTE: Only the most recently dated form delivered to the Company will be effective)

Member's Name: Christine V Piercy

Ownership Interest: 100% Membership Interest in KEY HORIZONS HOMES LLC

Primary Beneficiary(ies):

- | | | |
|----|---------------|--------------|
| 1. | Mark A Piercy | spouse |
| | Name | Relationship |
| 2. | | |
| | Name | Relationship |
| 3. | | |
| | Name | Relationship |

[attach additional sheets if needed]

OR

Class Beneficiaries: _____

Examples: My children or LDPS or my grandchildren, etc.

OR

Entity Beneficiaries: _____

Examples: My living trust; the Company, etc.

Alternate Beneficiary(ies) [who will take only if all primary beneficiaries do not survive the member]:

- | | | |
|----|----------------|--------------|
| 1. | Jason R Miller | son |
| | Name | Relationship |
| 2. | | |
| | Name | Relationship |
| 3. | | |
| | Name | Relationship |

[attach additional sheets if needed]

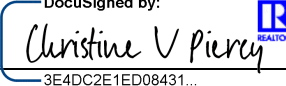
OR

Class Beneficiaries: _____

OR

Entity Beneficiaries: _____

Please register my membership interest in the Company with the TOD designations described above.

DocuSigned by:

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Member

DATE: 4/29/2022 | 1:58 PM PDT

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