

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

STARFLEET CONSULTING, LLC

A Member-Managed Limited Liability Company

OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made and entered into effective October 16, 2006, by and among: Fred R. Talisman and Duane C. Harden (collectively referred to in this agreement as the "Members").

ARTICLE I

Company Formation

- 1.1 **FORMATION.** The Members hereby form a Limited Liability Company ("Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. Articles of Organization shall be filed with the Oklahoma Secretary of State.
- 1.2 **NAME.** The name of the Company shall be: **STARFLEET CONSULTING, LLC.**
- 1.3 **REGISTERED AGENT.** The name and location of the registered agent of the Company shall be: **Duane C. Harden, 230 Hal Muldrow Dr, Office, Norman, OK 73069.**
- 1.4 **TERM.** The Company shall continue for a perpetual period.
 - (a) Members whose capital interest as defined in Article 2.2 exceeds 50 percent vote for dissolution; or
 - (b) Any event which makes it unlawful for the business of the Company to be carried on by the Members; or
 - (c) The death, resignation, expulsion, bankruptcy, retirement of a Member or the occurrence of any other event that terminates the continued membership of a Member of the Company; or
 - (d) Any other event causing dissolution of this Limited Liability Company under the laws of the State of Oklahoma.

- 1.5 **CONTINUANCE OF COMPANY.** Notwithstanding the provisions of ARTICLE 1.4, in the event of an occurrence described in ARTICLE 1.4(c), if there are at least two remaining Members, said remaining Members shall have the right to continue the business of the Company. Such right can be exercised only by the unanimous vote of the remaining Members within ninety (90) days after the occurrence of an event described in ARTICLE 1.4(c). If not so exercised, the right of the Members to continue the business of the Company shall expire.
- 1.6 **BUSINESS PURPOSE.** The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed within the State of Oklahoma.
- 1.7 **PRINCIPAL PLACE OF BUSINESS.** The location of the principal place of business of the Company shall be: **230 Hal Muldrow Drive, Norman, OK 73069.**
- Principal place of business may be changed at a location the Managers from time to time select.
- 1.8 **THE MEMBERS.** The name and place of residence of each member are contained in Exhibit 2 attached to this Agreement.
- 1.9 **ADMISSION OF ADDITIONAL MEMBERS.** Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company, without the prior unanimous written consent of the Members.

ARTICLE II

Capital Contributions

- 2.1 **INITIAL CONTRIBUTIONS.** The Members initially shall contribute to the Company capital as described in Exhibit 3 attached to this Agreement. The agreed total value of such property and cash is \$1,000.00 (one-thousand) US Dollars.
- 2.2 **ADDITIONAL CONTRIBUTIONS.** Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's capital.

ARTICLE III

Profits, Losses and Distributions

- 3.1 **PROFITS/LOSSES.** For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set

forth in Exhibit 2 as amended from time to time in accordance with Treasury Regulation 1.704-1.

- 3.2 **DISTRIBUTIONS.** The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Managers. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-1(b)(2)(ii)(d).

ARTICLE IV

Management

- 4.1 **MANAGEMENT OF THE BUSINESS.** The name and place of residence of each Manager is attached as Exhibit 1 of this Agreement. By a vote of the Members holding a majority of the capital interests in the Company, as set forth in Exhibit 2 as amended from time to time, shall elect so many Managers as the Members determine, but no fewer than one, with one Manager elected by the Members as Chief Executive Manager. The elected Manager(s) may either be a Member or Non-Member.
- 4.2 **MEMBERS.** The liability of the Members shall be limited as provided pursuant to applicable law. Members that are not Managers shall take no part whatever in the control, management, direction, or operation of the Company's affairs and shall have no power to bind the Company. The Managers may from time to time seek advice from the Members, but they need not accept such advice, and at all times the Managers shall have the exclusive right to control and manage the Company. No Member shall be an agent of any other Member of the Company solely by reason of being a Member.
- 4.3 **POWERS OF MANAGERS.** The Managers are authorized on the Company's behalf to make all decisions as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of their management powers, the Managers are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security

agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing.

- 4.4 **CHIEF EXECUTIVE MANAGER.** The Chief Executive Manager shall have primary responsibility for managing the operations of the Company and for effectuating the decisions of the Managers.
- 4.5 **NOMINEE.** Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.
- 4.6 **COMPANY INFORMATION.** Upon request, the Managers shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.
- 4.7 **EXCULPATION.** Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the Members.
- 4.8 **INDEMNIFICATION.** The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.
- 4.9 **RECORDS.** The Managers shall cause the Company to keep at its principal place of business the following:
- (a) a current list in alphabetical order of the full name and the last known street address of each Member;

(b) a copy of the Certificate of Formation and the Company Operating Agreement and all amendments;

(c) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;

(d) copies of any financial statements of the limited liability company for the three most recent years.

ARTICLE V

Compensation

5.1 **MANAGEMENT FEE.** Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services.

5.2 **REIMBURSEMENT.** The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

ARTICLE VI

Bookkeeping

6.1 **BOOKS.** The Managers shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Managers shall select. The company's accounting period shall be the calendar year.

6.2 **MEMBER'S ACCOUNTS.** The Managers shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:

(a) any additional capital contribution made by him/her;

(b) credit balances transferred from his distribution account to his capital account; and decreased by:

(a) distributions to him/her in reduction of Company capital;

(b) the Member's share of Company losses if charged to his/her capital account.

6.3 **REPORTS.** The Managers shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

ARTICLE VII

Transfers

- 7.1 **SALE OR ENCUMBRANCE PROHIBITED.** Except as otherwise permitted in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of (collectively, "Transfer") an interest in the Company without the prior written consent of a majority of the other nontransferring Members determined on a per capita basis.
- 7.2 **RIGHT OF FIRST REFUSAL.** Notwithstanding Section 7.1, a Member may transfer all or any part of the Member's interest in the Company (the "Interest") as follows:
- (a) The Member desiring to transfer his or her interest first must provide written notice (the "Notice") to the other Members, specifying the price and terms on which the Member is prepared to sell the Interest (the "Offer");
 - (b) For a period of 30 days after receipt of the Notice, the Members may acquire all, but not less than all, of the Interest at the price and under the terms specified in the Offer. If the other Members desiring to acquire the Interest cannot agree among themselves on the allocation of the Interest among them, the allocation will be proportional to the Ownership Interests of those Members desiring to acquire the Interest;
 - (c) Closing of the sale of the Interest will occur as stated in the Offer; provided, however, that the closing will not be less than 45 days after expiration of the 30-day notice period;
 - (d) If the other Members fail or refuse to notify the transferring Member of their desire to acquire all of the Interest proposed to be transferred within the 30-day period following receipt of the Notice, then the Members will be deemed to have waived their right to acquire the Interest on the terms described in the Offer, and the transferring Member may sell and convey the Interest consistent with the Offer to any other person or entity; provided, however, that notwithstanding anything in Section 7.2 to the contrary, should the sale to a third person be at a price or on terms that are more favorable to the purchaser than stated in the Offer, then the transferring member must reoffer the sale of the Interest to the remaining Members at that other price or other terms; provided, further, that if the sale to a third person is not closed within six months after the expiration of the 30-day period describe above, then the provisions of Section 7.2 will again apply to the Interest proposed to be sold or

conveyed.;

(e) Notwithstanding the foregoing provisions of Section 7.2, should the sole remaining Member be entitled to and elect to acquire all the Interests of the other Members of the Company in accordance with the provisions of Section 7.2, the acquiring Member may assign the right to acquire the Interests to a spouse, lineal descendent, or an affiliated entity if the assignment is reasonably believed to be necessary to continue the existence of the Company as a limited liability company.

7.3 SUBSTITUTED PARTIES. Any transfer in which the Transferee becomes a fully substituted Member is not permitted unless and until:

(1) The transferor and assignee execute and deliver to the Company the documents and instruments of conveyance necessary or appropriate in the opinion of counsel to the Company to effect the transfer and to confirm the agreement of the permitted assignee to be bound by the provisions of this Agreement; and

(2) The transferor furnishes to the Company an opinion of counsel, satisfactory to the Company, that the transfer will not cause the Company to terminate for federal income tax purposes or that any termination is not adverse to the Company of the other Members.

7.4 DEATH, INCOMPETENCY, OR BANKRUPTCY OF MEMBER. On the death, adjudicated incompetence, or bankruptcy of a Member, unless the Company exercises its rights under Section 7.5, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction, and credit (the "Economic Rights") unless and until a majority of the other Members determined on a per capita basis admit the transferee as a fully substituted Member in accordance with the provisions of Section 7.3.

(a) Any transfer of Economic Rights pursuant to Section 7.4 will not include any right to participate in management of the Company, including any right to vote, consent to, and will not include any right to information on the Company or its operations or financial condition. Following any transfer of only the Economic rights of a Member's interest in the company, the transferring Member's power and right to vote or consent to any matter submitted to the Members will be eliminated, and the Ownership Interests of the remaining Members, for purposes only of such votes, consents, and participation in management, will be proportionately increased until such time, if any, as the transferee of the Economic rights becomes fully substituted Member.

7.5 DEATH BUY OUT. Notwithstanding the foregoing provision of Section 7, the Members covenant and agree that on the death of any Member, the company, at its option, by providing written notice to the estate of the deceased Member within 180 days of the

death of the member, may purchase, acquire, and redeem the Interest of the deceased Member in the Company pursuant to the provision of section 7.5.

(a) The value of each Member's Interest in the Company will be determined on the date this Agreement is signed, and the value will be endorsed on Exhibit 2 attached and made a part of this Agreement. The value of each Member's Interest will be redetermined unanimously by the Members annually, unless the Members unanimously decide to redetermine those values more frequently. The Members will use their best efforts to endorse those values on Exhibit 2. The purchase price for a decedent Member's interest conclusively is the value last determined before the death of such member; provided, however, that if the latest valuation is more than two years before the death of the deceased Member, the provisions of section 7.5(b) will apply in determining the value of the Member's Interest in the Company.;

(b) If the Members have failed to value the deceased Member's Interest within the prior two-year period, the value of each Member's Interest in the Company on the date of death, in the first instance, will be determined by mutual agreement of the surviving Members and the personal representative of the estate of the deceased Member. If the parties cannot reach an agreement on the value within 30 days after the appointment of the personal representative of the deceased Member, then the surviving Members and the personal representative each must select a qualified appraiser within the next succeeding 30 days. The appraisers so selected must attempt to determine the value of the Company Interest owned by the decedent at the time of death based solely on their appraisal of the total value of the Company's assets and the amount the decedent would have received had the assets of the Company been sold at that time for an amount equal to their fair market value and the proceeds (after payment of all company obligations) were distributed in the manner contemplated in Section 7. The appraisal may not consider the discount for the sale of a minority Interest in the Company. In the event the appraisers cannot agree on the value within 30 days after being selected, the two appraisers must, within 30 days, select a third appraiser. The value of the Interest of the decedent in the company and the purchase price of it will be the average of the two appraisals nearest in amount to one another. That amount will be final and binding on all parties and their respective successors, assigns, and representatives. The costs and expenses of the third appraiser and any costs and expenses of the appraiser retained but not paid for by the estate of the deceased member will be offset against the purchase price paid for the deceased Member's Interest in the Company.

(c) Closing of the sale of the deceased Member's interest in the Company will be held at the office of the Company on a date designated by the Company, not be later than 90 days after agreement with the personal representative of the deceased Member's estate on the fair market value of the deceased Member's Interest in the Company; provided, however, that if the purchase price are determined by appraisals as set forth in Section 7.5(b), the closing will be 30 days after the final appraisal and purchase price are determined. If no personal representative has been appointed within 60 days after the deceased Member's death, the surviving Members have the right to apply for and

have a personal representative appointed.

(d) At closing, the Company will pay the purchase price for the deceased Member's Interest in the Company. If the purchase price is less than \$1,000.00, the purchase price will be paid in cash; if the purchase price is \$1,000.00 or more, the purchase price will be paid as follows:

(1) \$1,000.00 in cash, bank cashier's check, or certified funds;

(2) The balance of the purchase price by the Company executing and delivering its promissory note for the balance, with interest at the prime interest rate stated by primary banking institution utilized by the Company, its successors and assigns, at the time of the deceased Member's death. Interest will be payable monthly, with the principal sum being due and payable in three equal annual installments. The promissory note will be unsecured and will contain provisions that the principal sum may be paid in whole or in part at any time, without penalty.

(e) At the closing, the deceased Member's estate or personal representative must assign to the Company all of the deceased Member's Interest in the Company free and clear of all liens, claims, and encumbrances, and, at the request of the Company, the estate or personal representative must execute all other instruments as may reasonably be necessary to vest in the Company all of the deceased Member's right, title, and interest in the Company and its assets. If either the Company or the deceased Member's estate or personal representative fails or refuses to execute any instrument required by this Agreement, the other party is hereby granted the irrevocable power of attorney which, it is agreed, is coupled with an interest, to execute and deliver on behalf of the failing or refusing party all instruments required to be executed and delivered by the failing or refusing party.

(f) On completion of the purchase of the deceased Member's Interest in the Company, the Ownership Interests of the remaining Members will increase proportionately to their then-existing Ownership Interests.

ARTICLE VIII

Dissolution and Winding Up of the Company

8.1 **DISSOLUTION.** The Company will be dissolved on the happening of any of the following events:

(a) Sale, transfer, or other disposition of all or substantially all of the property of the Company;

(b) The agreement of all the Members;

(c) By Operation of law; or

(d) The death, incompetence, expulsion, or bankruptcy of a Member, or the occurrence of any event that terminates the continued membership of a Member in the Company, unless there are then remaining at least the minimum number of Members required by law and all of the remaining Members, within 120 days after the date of the event, elect to continue the business of the Company.

8.2 **WINDING UP.** On the dissolution of the Company (if the Company is not continued), the Members must take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed, after any gain or loss realized in connection with the liquidation has been allocated in accordance with Exhibit 2 of this Agreement, and the Members' capital Accounts have been adjusted to reflect the allocation and all other transactions through the date of the distribution, in the following order:

(a) To payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities to persons or organizations other than Members;

(b) To the payment and discharge of any Company debts and liabilities owed to Members; and

(c) To Members in the amount of their respective adjusted Capital Account balances on the date of distribution; provided, however, that any then-outstanding Default Advances (with interest and costs of collection) first must be repaid from distributions otherwise allocable to the Defaulting Member pursuant to Section 8.2(c).

ARTICLE VIII

General Provisions

9.1 **AMENDMENTS.** Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and become effective as an amendment only on the written approval of all of the Members.

9.2 **GOVERNING LAW.** This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of Oklahoma (without regard to principles of conflicts of law).

9.3 **ENTIRE AGREEMENT; MODIFICATION.** This Agreement constitutes the entire understanding and agreement between the Members with respect to the subject

matter of this Agreement. No agreements, understandings, restrictions, representatives, or warranties exist between or among the members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Member unless in writing and signed by all the Members.

- 9.4 **ATTORNEY FEES.** In the event of any suit or action to enforce or interpret any provision of this Agreement (or that is based on this Agreement), the prevailing party is entitled to recover, in addition to other costs, reasonable attorney fees in connection with suit, action, or arbitration, and in any appeals. The determination of who is the prevailing party and the amount of reasonable attorney fees to be paid to the prevailing party will be decided by the court or courts, including any appellate courts, in which the matter is tried, heard, or decided.
- 9.5 **FURTHER EFFECT.** The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.
- 9.6 **SEVERABILITY.** If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.
- 9.7 **CAPTIONS.** The captions used in this Agreement are for the convenience of the parties only and will not be interpreted to enlarge, contract, or alter the terms and provisions of this Agreement.
- 9.8 **NOTICES.** All notices required to be given by this Agreement will be writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, directed to the addresses first shown above for each Member or to such other address as a Member may specify by notice given in conformance with these provisions to the other Members.

CERTIFICATE OF FORMATION

This Company Operating Agreement is entered into and shall become effective as of the Effective Date by and among the Company and the persons executing this Agreement as Members. It is the Members express intention to create a limited liability company in accordance with applicable law, as currently written or subsequently amended or redrafted.

The undersigned hereby agree, acknowledge, and certify that the foregoing operating agreement is adopted and approved by each member, the agreement consisting of **15** pages, constitutes, together with Exhibit 1, Exhibit 2 and Exhibit 3 (if any), the Operating Agreement of **Starfleet Consulting, LLC**, adopted by the members as of October 16, 2006.

Members:

Signature

Printed Name Fred R. Talisman

Percent: 50 %

Signature

Printed Name Duane C. Harden

Percent: 50 %

Signature

Printed Name _____

Percent: _____ %

Signature

Printed Name _____

Percent: _____ %

EXHIBIT 1

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

Starfleet Consulting, LLC

LISTING OF MANAGERS

By a majority vote of the Members the following Managers were elected to operate the Company pursuant to ARTICLE 4 of the Agreement:

Printed Name Duane C. Harden
Chief Executive Manager

1400 5th Ave Address
Apt. 6F
New York, NY 10026

Printed Name Fred R. Talisman
Title Operations Manager

3132 Thatcher Ave Address
Marina Del Rey, CA 9029

The above listed Manager(s) will serve in their capacities until they are removed for any reason by a majority vote of the Members as defined by ARTICLE 4 or upon their voluntary resignation.

Signed and Agreed this 16th day of October, 2006.

Signature of Member Printed Name _____

Signature of Member Printed Name _____

Signature of Member Printed Name _____

EXHIBIT 2

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

Stafleet Consulting, LLC

LISTING OF MEMBERS

As of the 16th day of October, 2006 the following is a list of Members of the Company:

Name Fred R. Talisman **Percent** 50 %

Address 3132 Thatcher Ave, Marina Del Rey, CA 90292

Name Duane C. Harden **Percent** 50 %

Address 1400 5th Ave Apt. 6F, New York, NY 10026

Name _____ **Percent** _____ %

Address _____

Name _____ **Percent** _____ %

Address _____

Authorized by Member(s) to provide Member Listing as of this 16th day of October, 2006.

Signature of Member

Signature of Member

Signature of Member

Signature of Member

EXHIBIT 3

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

Starfleet Consulting, LLC

CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE 2, the Members' initial contribution to the Company capital is stated to be \$ 1,000.00 (one-thousand) US Dollars. The description and each individual portion of this initial contribution is as follows:

<u>Fred R. Talisman</u>	<u>\$ 500.00</u>
<u>Duane C. Harden</u>	<u>\$ 500.00</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>
<u>_____</u>	<u>\$ _____</u>

SIGNED AND AGREED this 16th day of October, 2006.

Member

Member

Member

Member