

**LIMITED LIABILITY COMPANY AGREEMENT
OF
PMCM TV, LLC
A NEW HAMSHIRE LIMITED LIABILITY COMPANY**

The undersigned members (collectively, the "Members" and each a "Member") hereby form a limited liability company pursuant to and in accordance with the statute governing limited liability companies in the state of NEW HAMSHIRE (the "Act") and hereby declare the following to be the Limited Liability Company Agreement of such limited liability company:

1. Name. The name of the limited liability company formed hereby (the "Company") is PMCM TV, LLC¹.
2. Purpose and Powers. The purpose of the Company is (i) TV Broadcasting and (ii) to engage in any activity for which limited liability companies may be organized in the State of NEW HAMSHIRE². The Company shall possess and may exercise all of the powers and privileges granted by the Act and all of the lawful powers and privileges granted by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the lawful business purposes or activities of the Company.
3. Formation; Term; Existence. The Company has executed, delivered and filed the PMCM TV LLC Certificate of Formation³ of the Company with the Secretary of State of the State of NEW HAMSHIRE. The Members and/or the Manager shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any other jurisdiction in which the Company may wish to conduct business. The term of the Company commenced on the date hereof, being the date the PMCM TV LLC Certificate of Formation was filed with Secretary of State of the State of NEW HAMSHIRE, and the term of the Company shall continue until the dissolution of the Company pursuant to Section 17 hereof.⁴ The existence of the Company as a separate legal entity shall continue until the cancellation of the PMCM TV LLC Certificate of Formation of the Company pursuant to the Act and this Agreement.
4. Registered Office. The registered office of the Company in the State of NEW HAMSHIRE is located at 63 WEST PARSIH RD CONCORD NH 03301.
5. Registered Agent. The name of the registered agent of the Company for service of process on the Company in the State of NEW HAMSHIRE is Richard T. Morena, or any successor as appointed by the Manager (as hereinafter defined).
6. Admission of Members; Powers. (a) Simultaneously with the execution and delivery of this Agreement and the filing of the PMCM TV LLC Certificate of Formation with the Secretary of State of the State of NEW HAMSHIRE, the Members are admitted to the Company as the members of the Company in respect of their respective Interests (as hereinafter defined), which Interests shall be issued by the Company to the Members, and shall be acquired

by the Members, upon the delivery to the Company of the Members' respective capital contributions as provided in Section 8 below. The Members shall have the initial Percentage Interests as defined and set forth in Sections 10 and 11.

(b) The Members shall not have any right or power to take part in the management or control of the Company or its business and affairs or to act for or bind the Company in any way. Notwithstanding the foregoing, the Members have all of the rights and powers specifically set forth in this Agreement and as required by the Act. No Member has any voting or consenting right except with respect to those matters specifically reserved for a Member vote or consent which are set forth in this Agreement and as required by the Act. Each Member's respective percentage of the total voting or consenting rights of all of the Members shall be equal to such Member's respective Percentage Interest at the time of a vote or written consent.

7. Interest. The Company shall be authorized to issue a single class of limited liability company interests (the "Interests") that shall not be certificated, and shall include any and all benefits to which the holder of such Interests may be entitled in this Agreement and under the Act, together with all obligations of such person to comply with the terms and provisions of this Agreement and obligations under the Act.

8. Capital Contributions. Simultaneously with the execution hereof, each Member agrees to contribute to the Company (as to each, its "Capital Contribution") the amount of money or property set opposite such Member's name on the attached Schedule A in exchange for its respective Interest.⁵ No Member is required to make any contribution of property or money to the Company in excess of its respective Capital Contribution. No Member shall contribute any additional cash or property, as a capital contribution, to the Company without the prior consent of the other Members.

9. Capital Accounts. An account shall be established in the Company's books for each Member and transferee (each a "Capital Account") in accordance with the rules of Section 704 of the Internal Revenue Code of 1986 and Treasury Regulation Section 1.704-1(b)(2)(iv).

10. Percentage Interest. Each Member's Interest in the Company shall be expressed as a percentage equal to the ratio on any date of such Member's Capital Account on such date to the aggregate Capital Accounts of all Members on such date, such Capital Accounts to be determined after giving effect to all contributions of property or money, distributions and allocations for all periods ending on or prior to such date (as to any Member, its "Percentage Interest").

11. Initial Percentage Interest of the Members. As of the date hereof, the initial Percentage Interest of the Members shall be as reflected on Schedule A.

12. Distributions. The Manager shall promptly cause the Company to distribute to the Members any cash held by the Company which is neither reasonably necessary for the operation of the Company nor in violation of applicable law (including, but not limited to, the

Act); provided that such distributions are approved by the unanimous consent of the Members. Except as set forth in Section 18, cash available for distribution shall be distributed to the Members in accordance with their respective Percentage Interests.

13. Allocation of Profits and Losses.

(a) General Allocation Rules. After giving effect to the special allocations set forth in Section 13(b) hereof, the profits and losses of the Company shall be allocated to the Members in accordance with their respective Percentage Interests.

(b) Special Allocation Rules. The following special allocations shall be made in the following order:

(1) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Section 13, if there is a net decrease in Company Minimum Gain (as defined in Section 13(c) hereof) during any Allocation Year (as defined in Section 13(c) hereof), each Member shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Company 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 1.704-2(j) (2) of the Regulations. This Section 13(b)(1) 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.

(2) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i) (4) of the Regulations, notwithstanding any other provision of this Section 13, if there is a net decrease in Member Nonrecourse Debt Minimum Gain (as defined in Section 13(c) hereof) attributable to a Member Nonrecourse Debt (as defined in Section 13(c) hereof) during any Allocation Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i) (5) of the Regulations, shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i) (4). 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(i) (4) and 1.704-2(j) (2) of the Regulations. This Section 13(b)(2) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i) (4) of the Regulations and shall be interpreted consistently therewith.

(3) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of

Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit (as defined in Section 13(c) hereof) of the Member as quickly as possible, provided that an allocation pursuant to this Section 13 shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 13 have been tentatively made as if this Section 13(b)(3) were not in this Agreement.

(4) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Allocation Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such 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 13 shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 13 have been made as if Section 13(b)(3) and this Section 13(b)(4) were not in this Agreement.

(5) Nonrecourse Deductions. Nonrecourse Deductions (as defined in Section 13(c) hereof) for any Allocation Year shall be specially allocated to the Members in proportion to their respective Percentage Interests.

(6) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions (as defined in Section 13(c) hereof) for any Allocation Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i) (1).

(7) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(c) Definitions for Special Allocation Rules.

(1) "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member

is deemed to be obligated to restore pursuant to the penultimate sentences in Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(2) "Allocation Year" means (i) the period commencing on the date hereof and ending on December 31, [___], (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate profits, losses and other items of Company income, gain, loss or deduction pursuant to Section 13 hereof.

(3) "Code" means the Internal Revenue Code of 1986, as amended.

(4) "Company Minimum Gain" has the same meaning as the term "Partnership Minimum Gain" in Regulations Sections 1.704-2(b)(2) and 1.704-2(i)(2).

(5) "Member Nonrecourse Debt" has the same meaning as the term "Partner nonrecourse debt" in Section 1.704-2(b)(4) of the Regulations.

(6) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(7) "Member Nonrecourse Deductions" has the same meaning as the term "Partner nonrecourse deductions" in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

(8) "Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(9) "Regulations" means the Treasury Regulations promulgated under the Code.

(d) Curative Allocations. The allocations set forth in Sections 13(b)(1), 13(b)(2), 13(b)(3), 13(b)(4), 13(b)(5), 13(b)(6), 13(b)(7) and 13(e) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 13(d). Therefore, notwithstanding any

other provision of this Section 13 (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines 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 Agreement and all Company items were allocated pursuant to Section 13(a).

(e) Loss Limitation. Losses allocated pursuant to Section 13(a) hereof shall not exceed the maximum amount of losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of losses pursuant to Section 13(a) hereof, the limitation set forth in this Section 13(e) shall be applied on a Member by Member basis and losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations.

(f) Other Allocation Rules.

(1) For purposes of determining the profits, losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Code Section 706 and the Regulations thereunder.

(2) The Members are aware of the income tax consequences of the allocations made by this Section 13 and hereby agree to be bound by the provisions of this Section 13 in reporting their shares of Company income and loss for income tax purposes.

(3) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a) (3), the Members' interests in Company profits are in proportion to their respective Percentage Interests.

(4) To the extent permitted by Section 1.704-2(h) (3) of the Regulations, the Members shall endeavor to treat distributions pursuant to Section 18 hereof as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

(5) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial gross asset value using the standard allocation method under Regulations the to Section 704(c) of the Code.

14. Management.⁶

(a) The Company shall be managed by a manager appointed by the Members (the "Manager"). The Members hereby appoint Richard T. Morena as the Manager. The Manager shall have all powers necessary, useful or appropriate for the management and conduct of the Company's business. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by the Manager.

(b) The Manager shall be required to devote such time to the affairs of the Company as may be necessary to manage and operate the Company. The Manager shall perform its duties as Manager with due care, in good faith and in the best interests of the Company.⁷

(c) To the extent permitted by applicable law and subject to the provisions of this Agreement, the Members hereby authorize the Company to purchase assets from, sell assets to or otherwise deal with any Member or the Manager, acting on its own behalf, or any affiliate of any Member or the Manager; *provided* that any such purchase, sale or other transaction shall be made on terms and conditions which are no less favorable to the Company than if the sale, purchase or other transaction had been made with an independent third party.

15. Compensation. None of the Members or the Manager shall receive compensation for services rendered to the Company.

16. Assignments. A Member may assign all or any part of its Interest only with the consent of all other Members. A transferee of an Interest may only become a substituted Member with the consent of all other Members; provided, in any event, that the transferee must agree in a document or instrument to be bound by the terms of this Agreement.

17. Dissolution. The Company shall dissolve, and its affairs shall be wound up, in accordance with the Act. Upon the dissolution of the Company, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and the Members, and none of the Members nor the Manager shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs; provided that all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the property of the Company has been distributed pursuant to Section 18 and the PMCM TV LLC Certificate of Formation of the Company has been cancelled pursuant to the Act and this Agreement.

18. Distributions upon Dissolution. Upon the dissolution of the Company as provided in Section 17, the assets of the Company shall be distributed in accordance with the Act.

19. Cancellation. Upon completion of the winding up and liquidation of the Company in accordance with Section 17 and the Act, the Members shall promptly cause to be executed and filed the necessary documents to terminate, cancel, and/or dissolve the Company⁸

in accordance with the Act and the laws of any other jurisdictions in which the Members deem such filing necessary or advisable.

20. Tax Characterization. The Members acknowledge that it is the intention of the Company to be treated as a partnership for federal and all relevant state tax purposes.⁹ All provisions of the Company's PMCM TV LLC Certificate of Formation and this Agreement are to be construed so as to preserve that tax status. Within seventy-five (75) days from the date of filing the Company's PMCM TV LLC Certificate of Formation, the Manager, on behalf of the Company, shall make and file (or cause to be made and filed) all available elections for the Company to be so treated. The Members shall be obligated to satisfy all necessary and appropriate filing and reporting requirements. Richard T. Morena shall be the "tax matters partner" within the meaning of Section 6231 (a)(7) of the Code.

21. Withdrawal. A Member may withdraw from the Company only upon the consent of all other Members. Upon any such permitted withdrawal, the withdrawing Member shall receive the fair value of its Interest in accordance with the Act, determined as of the date it ceases to be a Member.

22. Limited Liability. None of the Members nor the Manager shall have any liability for the obligations of the Company except to the extent provided herein or in the Act.

23. Additional Members. Additional Members may only be admitted to the Company upon the consent of all Members, which consent may be evidenced by, among other things, the execution of an amendment to or an amendment and restatement of this Agreement.

24. Amendment. This Agreement may be amended only in a writing signed by all of the Members.

25. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF NEW HAMSHIRE, EXCLUDING ANY CONFLICTS OF LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

26. Severability. Except as otherwise provided in the succeeding sentence, every term and provision of this Agreement is intended to be severable, and if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement. The preceding sentence shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any party to lose the benefit of its economic bargain hereunder.

27. Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing or by facsimile and shall be deemed to have been delivered, given and received for all purposes (a) if delivered personally to the person or to an officer of the person to whom the same is directed or (b) when

the same is actually received, if sent either by courier or delivery service or registered or certified mail, postage and charges prepaid, or by facsimile, if such facsimile is followed by a hard copy of the facsimiled communication sent by registered or certified mail, postage and charges prepaid, addressed to the recipient party at the address set forth for such party above.

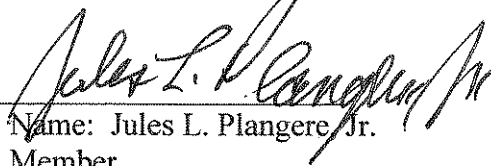
28. Forum Selection/Consent to Jurisdiction. Any proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought, conducted and heard in the State or Federal courts of the State of NEW HAMSHIRE and such State and Federal courts shall have non-exclusive jurisdiction over any proceeding seeking to enforce any provision of, or based upon any right arising out of, this Agreement. The Members do hereby irrevocably (a) submit to the non-exclusive personal jurisdiction of such courts, (b) agree to service of such courts process upon them with respect to any such proceeding, (c) waive any objection to venue laid therein and (d) consent to service of process by registered mail, return receipt requested. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

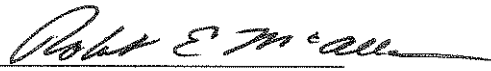
29. Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

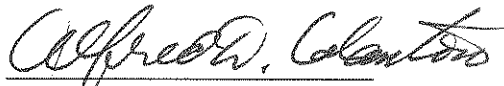
30. Relationship between the Agreement and the Act. Regardless of whether any provision of this Agreement specifically refers to particular Default Rules, (a) if any provision of this Agreement conflicts with a Default Rule, the provision of this Agreement shall control and the Default Rule shall be modified or negated accordingly and (b) if it is necessary to construe a Default Rule as modified or negated in order to effectuate any provision of this Agreement, the Default Rule shall be so construed. For purposes of this Section 30, "Default Rule" shall mean a rule stated in the Act that applies except to the extent it is negated or modified through the provisions of a limited liability company's PMCM TV LLC Certificate of Formation or limited liability company agreement.¹⁰


[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement of Limited Liability Company to be executed as of the 9th day of June, 2008.


Name: Jules L. Plangere, Jr.
Member


Name: Robert E. McAllan
Member


Name: Alfred D. Colantoni
Member


Name: Richard T. Morena
Member

734319

SCHEDULE A

<u>Name of Member:</u>	<u>Initial Capital Contribution:</u>	<u>Initial Percentage Interest:</u>
Richard T. Morena 63 West Parish Rd Concord NH 03301 Soc Sec [REDACTED]	\$1,000	25%
Robert E. McAllan 1210 Remsen Mill Rd Neptune NJ 07754 Soc Sec [REDACTED]	\$1,000	25%
Alfred D. Colantoni 503 Ocean Ave Avon NJ 07717 Soc Sec [REDACTED]	\$1,000	25%
Jules L. Plangere, Jr. 3829 Partridge Place South Quail Ridge Boynton Beach FL 33424 Soc Sec [REDACTED]	\$1,000	25%

Notes to Form LLC Agreement:

¹ All 50 states and the District of Columbia require the name of LLCs organized in their respective jurisdictions to contain certain words (usual at the end of such name) such as "Limited Liability Company", "Company", "Limited" or "Company", or abbreviations thereof such as "LLC" or "LC". In states such as **Arizona, Arkansas, the District of Columbia, Idaho, Kentucky, Maine, Michigan, Montana, New Hampshire** and **West Virginia**, an LLC formed in those states that renders certain professional services (such as physicians, lawyers and architects) must contain in its name words such as "Professional Limited Liability Company" or "Professional Limited Company", or abbreviations thereof such as "PLLC" or "PLC". In **Maine**, the name of professional services LLCs must contain the words "Chartered", "Professional Association" or the abbreviation "P.A." Additionally, several jurisdictions place restrictions on the name of the LLC. For example, the name of a **California** formed LLC cannot contain the words "bank", "insurance company", "insurer", "trust", "trustee", "incorporated", "corporation", "Inc." or "Corp"; the name of a **New York** formed LLC cannot contain words related to the finance, banking, trust or insurance business without prior regulatory approval; the name of a **North Dakota** formed LLC cannot contain the words "bank", "banker" or "banking"; and the name of an **Oregon** formed LLC cannot contain the words "Cooperative", "Limited Partnership" or the abbreviation "L.P.". Before forming an LLC and selecting its name, its members should consult the laws of the intended state of its formation (or consult a licensed attorney in that state) to determine the relevant LLC name requirements and restrictions of that state.

² Many states restrict or prohibit an LLC formed in that state from conducting certain activities. For example, a **Delaware** formed LLC cannot engage in banking; a **Wyoming** formed LLC cannot engage in banking or insurance; and a **California** formed LLC cannot engage in certain licensed professions (such as health professions and the practice of law). Before forming an LLC, its members should consult the laws of the state of its intended formation (or consult a licensed attorney in that state) to determine the restrictions or prohibitions (if any) on the activities of LLCs formed in that state.

³ In most states, the primary formation document prepared and submitted to the state in order to form an LLC in that state is called the "Articles of Organization". However, in the states of **Delaware, Mississippi, New Hampshire, New Jersey** and **Washington**, the primary formation document is called the "Certificate of Formation", and in the states of **Massachusetts** and **Pennsylvania**, it is called the "Certificate of Organization". Note also that certain states, such as **Arizona** and **New York**, require a notice of the filing of the formation document be published in a newspaper. Before forming an LLC in a particular state its members should consult the laws of the state of intended formation (or consult a licensed attorney in that state) to determine the filing and notice requirements (if any) for the formation of an LLC in that state.

⁴ Most states do not limit the term of an LLC formed in that particular state and allow for an LLC to survive until its dissolution and cancellation of its formation document(s). Such LLCs are said to have "perpetual" existence. However, certain states require an LLC to provide a specific term for the life of the LLC in its primary formation document. For example, **Iowa** does

not permit the formation of a "perpetual" LLC and requires that the Articles of Association of an Iowa formed LLC specify a certain term, and if a **Wyoming** LLC does not provide for a specific term in its Articles of Association then the term of the LLC will automatically be 30 years from the date of formation. When forming an LLC in a particular state, the members should consult the laws of that state (or consult a licensed attorney in that state) to determine if the LLC must specify a term in its formation document(s).

⁵ Although states generally permit the contribution by members of cash and property to the LLC in exchange for their LLC interests, certain states place limitations on other items that a member may wish to contribute as capital contributions. For example, a member of an **Alaska** formed LLC is not permitted to issue a promissory note or promise to contribute property in exchange for membership interests unless the member has also contributed cash, property or services to the LLC; a **Tennessee** formed LLC may not accept a promise to render future services as a capital contribution; and any promise to make contributions made by a member of a **Missouri** formed LLC must be in writing.

⁶ Although states generally allow for the affairs and conduct of the LLC to be managed by one or more managers, or a board of managers, there is different terminology used among certain states when referencing those individuals or groups of individuals responsible for the management of the LLC. For example, in the states of **Minnesota**, **North Dakota** and **Tennessee** the individuals responsible for managing the affairs and conduct of the LLC are referred to as "governors" or a "board of governors". Additionally **Minnesota**, **North Dakota** and **Tennessee** also require the election or appointment of "managers" to perform the functions of President, "Chief Manager", Treasurer and/or Secretary of the LLCs formed in those states. Before forming an LLC in a particular state or entering into an operating agreement for an LLC, the members should consult the LLC laws of that state (or consult a licensed attorney in that state) to determine the state's laws governing the management, operation and control of the LLC.

⁷ Note that several states allow an LLC agreement to restrict or eliminate certain fiduciary duties otherwise owed by a manager to the LLC and its members. However, a manager's duty to act in good faith cannot be contractually restricted or eliminated. Many states also permit or require an LLC to indemnify a manager against certain claims and liabilities associated with the manager's performance of its duties as a manager of the LLC, provided that the manager acted in good faith. Before incorporating in an LLC agreement a provision that restricts or eliminates certain fiduciary duties of a manager, or that provides for indemnification of a manager, the parties to the LLC agreement should consult the laws of the state in which the LLC is or will be formed (or consult a licensed attorney in that state) to determine the legality and requirements of such provisions.

⁸ Depending on the state, this cancellation document may be referred to as "Articles of Dissolution", "Articles of Termination", "Certificate of Cancellation", "Certificate of Dissolution" or "Certificate of Termination". Before dissolving, winding up and terminating an LLC that has been formed in a particular state, its members should consult the laws of that state (or consult a licensed attorney in that state) to determine the proper cancellation document to be filed with the state and the items required to be contained in such document.

⁹ Most states follow the IRS classification in taxing the income of LLCs formed in their respective states. That is, multiple member LLCs are taxed as a partnership unless the LLC has elected to be treated as a corporation. Note however, that **Nevada** and **Wyoming** impose no income tax on LLCs formed in those states; **Michigan** imposes a tax on the tax base of Michigan formed LLCs; **New York** follows the IRS classification but also imposes an assessment tax on New York formed LLCs based upon the number of its members; **Texas** formed LLCs are subject to a state corporate franchise tax and Texas intangibles tax; and **Washington** applies a gross income tax on Washington formed LLCs. Before forming an LLC in a particular state, the members should consult the relevant tax laws of that state (or consult a licensed tax attorney or advisor in that state) to determine the applicability and impact of such laws on the LLC.

¹⁰ Most states recognize and permit "freedom of contract" between the parties to an LLC Agreement with respect to certain aspects of the operation, management, control, distribution and dissolution of the LLC. States that recognize and permit this "freedom of contract" have included default rules in their LLC laws that apply unless the LLC's operating agreement provides differently. If the operating agreement provides differently, the default rules are overridden by the provisions contained in the agreement. If the state in which an LLC is formed has included such default rules in its LLC laws, then the members may wish to include a provision like that contained in Section 30 to clarify that in the event of a conflict between the state default rules and a contrary provision in an LLC agreement, that the contrary provision will govern and control.