

OPERATING AGREEMENT
OF
CWCMV PROPERTIES LLC
a California limited liability company

THIS OPERATING AGREEMENT is made effective as of October 16, 2017, by Citizens of the World Charter Schools – Los Angeles, a California nonprofit public benefit corporation (the “Initial Member”), and is made with reference to the following:

A. The Initial Member desires to form a limited liability company under and pursuant to the California Revised Uniform Limited Liability Company Act set forth in sections 17000-17713.13 of the California Corporations Code, as amended from time to time (the “Act”).

B. Articles of Organization for CWCMV Properties LLC (the “Company”) were filed with the California Secretary of State on October 16, 2017.

C. The Initial Member adopts this Operating Agreement in order to complete the organization of the Company and provide for the governance of the Company and the conduct of the Company’s business.

NOW, THEREFORE, the Initial Member declares the following to be the Operating Agreement (“Agreement”) of the Company:

ARTICLE I
ORGANIZATION

1.1 Formation. The Initial Member has caused the Articles of Organization to be filed with the California Secretary of State, and the formation of the Company shall be effective as of the date of said filing.

1.2 Name. The name of the Company shall be “CWCMV Properties LLC.” The Company shall conduct its business and affairs under said name or such other name as the Sole Member may determine from time to time.

1.3 Agent for Service of Process. The name and address for the initial agent for service of process on the Company is Mark Kleger-Heine, 5371 Wilshire Boulevard, Suite 200, Los Angeles, California 90036. The Manager may from time to time change the Company’s agent for service of process.

1.4 Principal Place of Business. The principal office of the Company shall be located at 5371 Wilshire Boulevard, Suite 200, Los Angeles, California 90036 or at such other place as the Manager may determine from time to time.

1.5 Term. The term of the Company shall commence on the filing of the Articles of Organization with the California Secretary of State and shall continue until the Company is dissolved and wound-up and liquidated pursuant to this Agreement or by operation of law.

1.6 Purpose. The Company is organized and will operate:

(a) exclusively to support the charter schools operated by the Initial Member;

(b) for the specific purpose of holding title to property, including real and personal property located at 11500, 11508, 11510, 11512, 11514 and 11518 W. Pico Blvd, Los Angeles, California 90064 (collectively, the “Property”), managing, operating, leasing and otherwise dealing with the Property and collecting the income therefrom and turning over the entire amount of said income, less expenses, to the Sole Member, which is an organization exempt from federal income tax under Internal Revenue Code § 501(c)(3) and from state corporate tax under California Revenue and Taxation Code § 23701d; and

(c) to do any and all things and to engage in any and all other activities and transactions necessary, convenient, appropriate or incidental to the accomplishment of the foregoing purposes or otherwise for the protection and benefit of the Company.

Notwithstanding the foregoing and any other provisions of this Agreement, the actions, activities and transactions of the Company will be limited to those permitted under California Revenue and Taxation Code § 23701h.

1.7 Tax Status. It is the intention of the Sole Member that the Company be disregarded as an entity separate from the Sole Member solely for federal and all relevant state tax purposes. All provisions of the Articles of Organization and this Agreement are to be construed so as to preserve that tax status.

ARTICLE II MEMBERSHIP

2.1 Admission. Simultaneously with the effectiveness of this Agreement, the Initial Member is admitted as the sole member (“Sole Member”) of the Company. The name and address of the Sole Member is listed on Exhibit A attached hereto.

2.2 Membership Interest. The Sole Member shall own the sole membership interest in the Company, which includes all rights in the Company collectively, including the Sole Member’s transferable interest, any right to vote or participate in management and any right to information concerning the business and affairs of the Company.

2.3 Capital Contributions. The Sole Member may contribute cash or other property to the Company as the Sole Member shall determine from time to time.

2.4 Limited Liability. The Sole Member shall not be bound by, or be personally liable for, the expenses, liabilities or obligations of the Company, except as otherwise provided in the Act.

ARTICLE III MANAGEMENT

3.1 Management.

3.1.1. The management of the business and assets of the Company shall be vested solely in a single manager (the “Manager”) appointed by the Sole Member. The Sole Member shall have the power to remove and replace the Manager from time to time, with or without cause. The Manager shall have the full and sole power and authority to manage, control and conduct the business and affairs of the Company and may exercise all powers of the Company without the need for further approval by the Sole Member or any additional or successor members of the Company. The Initial Member hereby appoints itself as the initial Manager of the Company.

3.1.2. The Manager may appoint a President, a Chief Executive Officer, one or more Vice Presidents, a Secretary, a Chief Financial Officer and such other officers as the Manager may deem necessary or advisable to manage the day-to-day business affairs of the Company (each, an “Officer”), and such Officers shall have the titles, powers and duties as shall be determined by the Manager. The Manager may appoint other persons as authorized signatories to execute agreements, certificates and other documents on behalf of the Company.

3.1.3. Without limiting the foregoing **Paragraphs 3.1.1** and **3.1.2**, the Manager shall have the right, in its sole and absolute discretion, without the consent of the Sole Member, to, or to cause the Company to, as applicable:

(a) take all actions necessary or convenient to the accomplishment of the Company’s purposes set forth in **Paragraph 1.6**;

(b) enter into any loan, credit, guarantee or other similar financing arrangements, including the opening, maintaining and closing bank accounts, in order to receive or borrow funds to fulfill the Company’s purposes and objectives;

(c) enter into agreements for the purchase, improvement, renovation, lease, or sale of real property, which agreements may include such representations, warranties, covenants, indemnities and guarantees as the Manager deems necessary or advisable;

(d) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the Company’s property, with or without the goodwill, outside the ordinary course of the Company’s activities;

(e) mortgage, pledge or otherwise encumber the Company’s property;

(f) make and perform such other agreements, undertakings and transfers of property as the Manager deems necessary or advisable; and

(g) except as otherwise provided in Article 10 of the Act, take any other act within or outside the ordinary course of the Company's activities.

3.2 Meetings. No annual, regular or special meetings of the Sole Member, the Manager, or Officers are required.

ARTICLE IV ALLOCATIONS AND DISTRIBUTIONS

4.1 Allocations. All profits and losses, each item thereof, and all other items attributable to the membership interest shall be allocated to the Sole Member for tax, accounting and all other purposes.

4.2 Distributions. At such times as the Manager deems appropriate, the Manager shall cause the Company to distribute cash or other property held by the Company to the Sole Member. Notwithstanding the previous sentence, if for any reason the Company should generate any taxable income resulting in tax liability for the Sole Member, the Manager shall cause the Company to make timely cash distributions to the Sole Member in such amounts as are sufficient to enable the Sole Member to make tax payments as they fall due, and shall promptly indemnify and hold the Sole Member harmless from and against any penalties and interest accruing by reason of failure to make timely cash distributions. The Company shall turn over the entire amount of its income, less expenses, to the Sole Member periodically.

ARTICLE V COMPANY ADMINISTRATION

5.1 Books and Records.

5.1.1. The books and records of the Company shall be kept and maintained at the Company's principal office in California, shall reflect all of the Company transactions, and shall be appropriate and adequate for the Company's business.

5.1.2. Without limiting the requirements set forth in **Paragraph 5.1.1**, the Company shall maintain at its principal office in California all of the following:

(a) A current list of the full name and last known business or residence address of the Sole Member, together with the capital contribution and share in profits or losses of the Sole Member;

(b) A copy of the Articles of Organization, as amended from time to time;

(c) Copies of the Company's Federal, state and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

(d) Executed counterparts of this Agreement, as amended;

(e) Any powers of attorney under which the Articles of Organization or any amendments thereto are executed;

(f) Financial statements of the Company for the six (6) most recent fiscal years; and

(g) The books and records of the Company as they relate to the Company's internal affairs for the current and past four (4) fiscal years.

5.2 Accounting. Books and records of the Company shall be kept on the method of accounting selected by the Manager and applied on a consistent basis in the preparation of its financial reports and for tax purposes. The taxable and fiscal years of the Company shall coincide with the taxable and fiscal years of the Sole Member.

5.3 Banking. All funds of the Company shall be deposited in the name of the Company in one or more distinct separate accounts with one or more recognized financial institutions and at such locations, all as shall be determined by the Manager. Any withdrawal from such accounts shall require the signature of the Manager or such other person or persons authorized to do so by the Manager.

5.4 Assets. All assets of the Company, whether real or personal, shall be held in the name of the Company.

ARTICLE VI TRANSFERS

6.1 Transfers. The Sole Member may assign, sell, gift, transfer or otherwise dispose of ("Transfer") all or any part of its membership interest in the Company, including only all or any part of its transferable interest in the Company, at any time (the transferee hereinafter referred to as "Permitted Transferee"). A Permitted Transferee of membership in the Company shall become a substituted member automatically upon such assignment.

6.2 Duties of Substituted Member. Any person admitted to the Company as a substituted member shall be subject to all of the provisions of this Agreement that apply to the Sole Member from whom the membership interest was assigned.

6.3 Division of Allocations and Distributions. If any membership interest, or part thereof, is assigned during any fiscal year in compliance with the provisions of this Article VI, profits, losses, each item thereof and all other items attributable to such membership interest for such fiscal year shall be divided and allocated between the transferor and the transferee by taking into account their varying membership interests during the period in accordance with section 706(d) of the Internal Revenue Code of 1986, as amended, using any convention permitted by law selected by the Manager. All distributions on or before the date of such assignment shall be made to or for the account of the transferor, and all distributions thereafter shall be made to or for the account of the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such assignment not later than the end of the calendar month

during which the assignment occurs. None of the Company, the Sole Member, or the Manager shall incur any liability for making allocations and distributions in accordance with the provisions of this Paragraph 6.3.

6.4 Rights of Transferee of Transferable Interest. A transferee of a transferable interest has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled; provided, however, that the pledge or granting of a security interest, lien, or other encumbrance in or against any or all of the transferable interest of a transferor shall not cause the transferor to cease to be a member or grant to the transferee or to anyone else the power to exercise any rights or powers of a member, including, without limitation, the right to receive distributions to which the member is entitled.

ARTICLE VII INDEMNIFICATION

To the extent of Company assets, the Company agrees to defend each member, manager, officer, and authorized signatory of, and each entity controlling, or directly or indirectly related to, the Company (each, an “Affiliate”), including, without limitation, any director, officer, employee, or agent of any member, manager, officer or Affiliate acting on behalf of the Company (each, an “Indemnitee” and, collectively, the “Indemnitees”), against all claims or demands arising from the acts or omissions of the Company and agrees to indemnify and hold each of the foregoing harmless against all liabilities, losses, damages, expenses, costs or any other economic detriment suffered, paid, or incurred, foreseen or unforeseen, arising from any claim, demand, action, suit or proceeding, whether civil, criminal, administrative, or investigative, or whether threatened, pending or completed, which pertain to any Indemnitee, as described above, in such capacity, arising from the acts or omissions of the Company, to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit. No member shall be subject to personal liability or be required to fund or cause to be funded any obligation of the Company described in this Article VII.

ARTICLE VIII DISSOLUTION

8.1 Events of Dissolution. The Company shall dissolve upon the earliest to occur of:

- (a) the decision of the Sole Member;
- (b) the entry of a decree of judicial dissolution under section 17707.03 of the California Corporations Code.

8.2 Winding Up. Upon dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Manager shall wind up the affairs of the Company and give written notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company.

After paying or adequately providing for the payment of all known debts of the Company, including, without limitation, debts and liabilities to the Sole Member as a creditor of the Company, the remaining assets of the Company shall be distributed to the Sole Member.

ARTICLE IX GENERAL

9.1 Amendment. This Agreement may be amended only in a writing signed by the Sole Member.

9.2 Binding Agreement. Subject to any restrictions on transfers set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Sole Member and its respective legal representatives, successors, and Permitted Transferees.

9.3 Headings. The article and paragraph headings are included in this Agreement solely for convenience of reference and in no way describe, define, limit, extend or interpret the scope, intent or extent of this Agreement, or any provision hereof. If there is any conflict between such headings and the text of this Agreement, the text shall control.

9.4 Number and Gender. Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. In all cases the masculine gender shall include the neuter and feminine genders and vice versa.

9.5 Severability. If any provision of this Agreement or the application thereof to any “person” (as defined in the Act) or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

9.6 References to this Agreement. Numbered or lettered articles and paragraphs herein contained refer to articles and paragraphs of this Agreement unless otherwise expressly stated.

9.7 Parties in Interest. Except as otherwise expressly provided in this Agreement, nothing contained in this Agreement shall be deemed to confer any right or benefit on any person who is not a party to this Agreement.

9.8 Other Businesses. The Sole Member, any Affiliate, any officer, director, or employee of the Sole Member or of any Affiliate or and any other person holding a legal or beneficial interest in the Sole Member or Affiliate (collectively, the “Interested Parties”) may engage in or conduct any business, investment, profession or other activity it chooses, whether or not the same is competitive with the Company, without any accountability to the Company and without having or incurring any obligation to offer any interest in such business, investment, profession or other activity to the Company. The Company shall have no right by virtue of this Agreement in and to any such

business, investment, profession or other activity or to the income or profits arising therefrom, nor shall the Sole Member be required to permit the Company to participate in such business, investment, profession or activity. Except as expressly provided in this Agreement, each Interested Party shall have no fiduciary obligation to the Company by virtue of this Agreement to submit to the Company any business opportunity, whether or not such opportunity arose from its activities with respect to the Company.

9.9 Entire Agreement. This Agreement constitutes the entire agreement with respect to the subject matter of this Agreement.

9.10 Exhibits. Any exhibits referred to in this Agreement are incorporated by reference into this Agreement and made a part hereof.

9.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one agreement binding on the parties hereto, notwithstanding that all of the parties are not signatories to the same counterpart.

9.12 Governing Law. The laws of the State of California (without regard to otherwise governing principles of conflicts of law or choice of law) shall govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereof.

IN WITNESS WHEREOF, the Initial Member has executed this Agreement effective the day and year first set forth above.

INITIAL MEMBER:

**CITIZENS OF THE WORLD CHARTER
SCHOOLS – LOS ANGELES,**
a California nonprofit public benefit corporation

By: _____
Mark Kleger-Heine
Executive Director

CONSENT OF ORGANIZER

The undersigned Organizer of the Company acknowledges that the undersigned filed the Articles of Organization for the Company and consents to the foregoing.

Dated: _____, 2017

Mark Kleger-Heine, Organizer

EXHIBIT A

Sole Member

Citizens of the World Charter Schools – Los Angeles
5371 Wilshire Boulevard, Suite 200
Los Angeles, California 90036

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