SAMPLE ASSET PROTECTION PROVISIONS FOR A FLORIDA LLC OPERATING AGREEMENT

Charging Orders; No Creditor Rights. A charging order entered against a Member's interest constitutes a lien on that Member's Transferable Interest only and entitles its holder solely to receive any Distribution that the Company would otherwise pay to that Member. The holder of a charging order does not become, and shall not be admitted as, a Member or a Transferee; acquires no right to vote, to participate in management, or to exercise any other right of a Member; and acquires no right to information, accountings, or inspection of Company records beyond the rights, if any, granted by Section 605.0503, Florida Statutes. The entry of a charging order against one Member does not impair the rights of any other Member and does not constitute a Transfer under this Agreement. To the fullest extent permitted by law, a charging order is the sole and exclusive remedy available to a judgment creditor with respect to a Member's interest, and no judgment creditor may foreclose on any Membership Interest or compel a Distribution, an accounting, or a dissolution of the Company.

Restrictions on Transfer. No Member may Transfer, pledge, or encumber all or any portion of a Membership Interest, voluntarily or involuntarily, whether by sale, assignment, gift, charging order, foreclosure, levy, bankruptcy, divorce, or the appointment of a receiver, without the prior written consent of all other Members. A purported Transfer made without that consent is void as to the Company and ineffective as to any person who has knowledge or notice of this restriction. A person who acquires all or any portion of a Membership Interest through an involuntary Transfer takes only the transferor's Transferable Interest—the right to receive Distributions, if and when declared—and does not become a Member, acquire voting or management rights, or obtain access to Company records. Admission of any transferee as a Member requires the written consent of all Members, which each Member may grant or withhold in that Member's sole discretion.

Distributions; No Right to Compel. Distributions shall be made at such times and in such amounts as the Manager determines in the Manager's sole and absolute discretion. Neither a Member, nor a Transferee, nor the holder of a charging order or other lien against a Membership Interest, may compel a Distribution or require the Company to sell, liquidate, or borrow against any asset to fund a Distribution. The Manager may defer any Distribution that would, if made, be payable in whole or in part to a judgment creditor, the holder of a charging order, or any person other than a Member, for so long as the Manager determines that deferral serves the Company's interests. The Company may retain and reinvest its earnings without limitation.

Company Option to Purchase on Involuntary Transfer. If any Membership Interest becomes subject to a charging order, a levy or execution, a transfer incident to divorce, the appointment of a receiver, or any other involuntary Transfer other than one arising from the commencement of a bankruptcy case, the Company shall have the option, exercisable by written notice within 90 days after the Company receives notice of the event, to purchase all or any part of the affected Membership Interest. If the Company does not exercise its option in full, the remaining Members may purchase the balance, in proportion to their Percentage Interests or as they otherwise agree, for an additional 30 days. The purchase price shall equal the affected Interest's proportionate share of the Company's [book value / appraised fair market value] as of the end of the month before the triggering event, reduced by a [__]% discount for lack of marketability and lack of control. The purchase price shall be payable in 60 equal monthly installments, with interest at the [applicable federal rate], evidenced by an unsecured promissory note of the purchaser. Closing shall occur within 30 days after the last option is exercised or lapses.