

# Virginia Limited Liability Company Operating Agreement for Blue Ridge Free Media, LLC

This non-profit Limited Liability Company Agreement is entered into on June 15, 2011 by the undersigned, referred to hereafter as “initial members.” Others may be added by a vote of the initial or current members, as specified in Article 2, Sec 4 below.

As of the above date, the members have formed Blue Ridge Free Media, LLC, named above, under the laws of the Commonwealth of Virginia. Accordingly, and in consideration of the conditions contained herein, they agree as follows:

## *Article 1: Company Formation & Registered Agent*

The members hereby form a Limited Liability Company (“Company”) subject to the provisions of the Limited Liability Act as currently in effect as of this date. These Articles of Organization are on file with the State Corporation Commission.

- 1.1 The purpose of the company will be educational: to provide cultural and informational radio programming by and for unserved and underserved audiences, and to offer individuals in those communities opportunities to create programs and learn professional broadcast production techniques. To this end, the Company will build and operate a low-power FM radio station to serve the Charlottesville, Virginia area.
- 1.2 The name of the Company shall be Blue Ridge Free Media, LLC (“BRFM”). The office of the registered office shall be 6785 Rural Point Road, Mechanicsville, VA 23116. The members may decide on a subsequent registered office location.

## *Article 2: Membership, Control, & Compensation*

- 2.1 There shall be two classes of membership designated as the (1) “majority member,” defined as having a greater than 50% of controlling interest, and (2) “minority members,” defined as having less than 50% controlling interest.
- 2.2 BRFM will be managed by the members, or their designates.

- 2.3 For the purposes of legal responsibility, the initial "ownership percentages" are as follows:
- Michael C. Friend 51%  
Catherine Patterson 17%  
Kimberly S. Lo 16%  
David N. Dillehunt 16%  
Jay A. Lopez 16%
- 2.4 The above is subject to change with additional members. Investment of a financial or laboring nature may or may not be required for membership as decided by the initial or current members.
- 2.5 The membership will be restricted the number between 4 and 7, and subject to residency requirements of the Federal Communications Commission or other regulatory agencies.
- 2.6 The majority member will be considered the manager and Designated Chief Operator of a subsequent broadcast facility.
- 2.7 Compensation of the majority member will be determined in accordance with good business practice and the rules of the IRS under Section 501(c)(3), including research into the compensation of similarly situated broadcast managers, and shall be subject to 58% majority approval.
- 2.8 Compensation of other members or employees shall be decided by the majority member, in accordance with the rules of the IRS under Section 501(c)(3).

### *Article 3 Term & Dissolution*

- 3.1 The company shall continue for an indefinite period of time, unless dissolved by the members.
- 3.2 Any event causing the dissolution of the company will be under the law of the Commonwealth of Virginia and The United States of America and especially in accordance with the requirements specified



by the Internal Revenue Service for 501(c)(3) non-profit organizations.

#### *Article 4 Business Purpose*

4.1 The purpose of the company is to provide educational radio programming, pending successful application for a low-power FM broadcast license, and to engage in any lawful act or activity for which a Limited Liability Company may be formed in the Commonwealth of Virginia.

#### *Article 5 Principle Place of Business*

5.1 The initial place of business shall be 100-B Westerley Avenue, Charlottesville, VA 22903. Subsequent places of business suitable for the "purpose" shall be decided by the members.

#### *Article 6 Admission of Additional Members*

- 6.1 No additional members may be added without prior 58% (min.) consent of the initial or current members.
- 6.2 In the event of the exit or demise of a minority member, controlling interest percentages will devolve to remaining minority members until such time as a new member can be approved by 58% of the total membership. The members shall decide on an additional member within 180 days.
- 6.3 In the event of the exit or demise of the majority member, the minority members shall be empowered to choose another minority member, or select a new majority member by a unanimous vote within 90 days.

#### *Article 7 Records*

- 7.1 The membership shall keep at its Principle Place of Business:
- a- A copy of the Certificate of Formation from the issuing agency of the Commonwealth of Virginia
  - b- The Operating Agreement, and all subsequent amendments
  - c- The Company's Non-Profit Tax Exempt letter
  - d- copies of the company's state, federal, or local tax returns

e- copies of the financial statements for the most recent 3 years

### *Article 8 Duty of Loyalty*

8.1 Any member with on-air or sales responsibility may not compete with the LLC for 6 months after leaving the LLC, unless granted permission by a minimum of 58% of the membership.

### *Article 9 Authority to Bind*

9.1 The majority member will be empowered to sign all contracts and government documents pursuant to operate the LLC.

9.2 The majority member will designate one minority member to sign bank co-sign documents.

9.3 After broadcast operations begin, the members will designate an amount over which a supermajority will be needed before expenditure

### *Article 10 Meetings*

10.1 The majority member shall be entitled to call meetings as needed. The membership shall be entitled to conduct business via secure electronic means whenever possible.

### *Article 11 Amendments*

11.1 The membership may amend this Operating Agreement with a greater than 75% super-majority.

Signed & Agreed this date: [Signature] (Managing member) 6/24/11

H. Do (Member) 6-24-11

[Signature] (Member) 6-24-11

[Signature] (Member) 7-2-11

[Signature] (Member) 8/21/11