



OPERATING AGREEMENT  
Of  
GAO Management, LLC  
(A Nevada Limited Liability Company)

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**OPERATING AGREEMENT  
OF  
GAO MANAGEMENT, LLC**

This Operating Agreement of **GAO MANAGEMENT, LLC** (the "Operating Agreement"), dated as of 1st of January, 2020, is by and among De Gao as Manager (the "Manager"), and such other persons as are and may become parties to this Operating Agreement by executing a counterpart hereof, as Members (the "Members").

WHEREAS, GAO MANAGEMENT, LLC (the "Company") was established as a Limited Liability Company under the Nevada Limited Liability Company Act (the "Company Act") on 1st of January, 2020;

WHEREAS, the Manager desires to admit Members to the Company and the parties hereto desire to enter into this Operating Agreement as hereinafter set forth;

NOW, THEREFORE, the parties agree as follows:

**ARTICLE I:  
GENERAL PROVISIONS**

Section 1.01. Company Name.

The Company shall do business under the name and style of "**GAO MANAGEMENT, LLC**". The Manager identified in Section 2.01 hereof shall have the right to change the name of the Company and shall give prompt written notice of any such change to each of the other Members.

Section 1.02. Place of Business.

The principal place of business of the Company shall be located at such place within or without the State of Nevada as the Manager may determine from time to time.

Section 1.03. Objects and Purposes.

The Company is organized for the following objects and purposes and shall have the following powers:

(a) to purchase, acquire, hold, sell (including sell short) or otherwise dispose of, and generally to invest and trade in, on margin or otherwise, capital stock, bonds, notes and debentures (whether subordinated, convertible or other), Company interests (whether general or limited), joint venture participations, warrants, rights, options, contracts calling for the future purchase or sale of securities or commodities (or indices or "baskets" thereof) and other securities or commodities of whatever kind or nature, including derivative instruments relating thereto, of any person, government, corporation or unincorporated body, whether foreign or domestic (all such items being hereinafter referred to as "Securities"), and to cover such sales;

(b) to open and maintain one or more brokerage accounts;

(c) to purchase, sell, possess, transfer, lease, license, mortgage, pledge or otherwise deal in, and to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, Securities and other property;

(d) to borrow or raise money on such terms and conditions as may be necessary or advisable and, from time to time and without limit as to amount or manner and time of repayment, to issue, accept, endorse and execute promissory notes, drafts, bills of exchange, letters of credit, bonds, debentures and other negotiable

or nonnegotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment of the whole or any part of the property of the Company, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such instruments and evidences of indebtedness of the Company;

(e) to lend funds, Securities and other property of the Company either with or without security;

(f) to borrow Securities and to pledge collateral for such borrowings;

(g) to open and maintain bank accounts, and to draw checks or other orders for the payment of money;

(h) to sue and be sued, to prosecute, settle or compromise claims against third parties, to settle or compromise claims against the Company and to execute such documents, and make such representations, admissions and waivers, as may be necessary or advisable in connection therewith;

(i) to engage independent attorneys, accountants and such other persons, and to delegate its responsibility hereunder to such other persons, as may be necessary or advisable in connection with the foregoing objects and purposes; and

(j) to engage in such other activities and transactions, and to enter into, make and perform such contracts, agreements and other undertakings, as may be necessary and advisable in connection with the foregoing objects and purposes.

#### Section 1.04. Term.

The Company shall continue indefinitely and shall be dissolved as provided in Section 8.01 hereof.

#### Section 1.05. Nature and Liability of Members.

(a) The persons who at any time subscribe their names hereto, or to a subscription agreement or other document of transfer pursuant to which they subscribed for or acquired their interests in the Company, as Members (the "Members") shall be liable only to the extent of their respective capital accounts, and not in excess thereof, for the repayment, satisfaction and discharge of all debts, liabilities and obligations of the Company; provided, however, that distributions to a Member shall be subject to repayment to the Company by such Member to the extent necessary to discharge the Company's liabilities to creditors who extended credit or whose claims arose before such distribution was made.

(b) The Managers agree to share all losses, liabilities and expenses suffered or incurred by them in excess of their respective capital accounts, pursuant to subparagraph (a) of this Section 1.05, in proportion to their respective Participating Percentages (as defined in Section 4.06 hereof) for the Fiscal Period (as defined in Section 4.05 hereof) to which such losses, liabilities and expenses were attributable.

## **ARTICLE II: MANAGEMENT**

#### Section 2.01. Management in General.

(a) The management and operation of the Company shall be vested in De Gao (the "Manager"). The Manager shall have the power by itself on behalf and in the name of the Company to carry out any and all of the objects and purposes of the Company set forth in Section 1.03 hereof. The Members shall take no part in the management or operation of the Company and shall have no authority or right to act on behalf or

in the name of the Company in connection with any matter.

(b) The Manager shall act as the investment management company and shall perform (the "Investment Manager"), all duties relating to the conduct of the investment activities of the Company, and pursuant to such delegation the Investment Manager is authorized to exercise those rights and powers set forth in Section 1.03 hereof necessary for it to provide discretionary investment advisory and portfolio management services to the Company and to arrange for the execution of the Company's portfolio transactions. The Investment Manager shall be required to devote to the conduct of the investment activities of the Company only such time and attention as it reasonably determines, in its sole discretion, to be necessary to conduct the investment activities of the Company.

(c) Notwithstanding anything in this Agreement to the contrary, the Manager may not, without the consent or ratification of the specific act by all the Members, remove the Investment Manager as investment manager to the Company or appoint additional persons or entities to provide investment advisory services to the Company.

#### Section 2.02. Reliance by Third Parties.

Persons dealing with the Company are entitled to rely conclusively upon the power and authority of the Manager as hereinabove set forth and upon the certificate of the Manager to the effect that it is then acting as the Manager and has authority to act on behalf of the Company.

#### Section 2.03. Duties of Manager; Other Activities; Etc.

The Manager hereby agrees, so long as it shall be a Manager, to use its best efforts to carry out the objects and purposes of the Company and to devote to such objects and purposes such of its time, skill and attention during normal business hours as the Manager shall deem necessary or desirable; provided, however, that nothing contained in this Section 2.03 shall preclude the Manager or any affiliate of the Manager, from engaging in any other business or activity or from acting, consistent, however, with the foregoing, as a director, officer or employee of any corporation, a trustee of any trust, an executor or Manager of any estate, a general or Member of any Company or an administrative official of any other business entity, or from receiving any compensation or participating in any profits in connection with any of the foregoing, or from trading in Securities for its own account, including Securities which are the same as or different from those traded in or held by the Company, and no other Member or the Company shall have any right to participate in any manner in any profits or income earned or derived by any Manager, or any affiliate of any Manager, from or in connection with the conduct of any such other business venture or activity.

#### Section 2.04. Exculpation.

Neither the Manager nor any affiliate of the Manager shall have any liability to the Company or to any Member for any loss suffered by the Company which arises out of any action or inaction of such Manager or affiliate if such Manager or affiliate, in good faith, determined that such course of conduct was in the best interests of the Company and if such course of conduct did not constitute fraud, gross negligence, willful misconduct, or the violation of Federal or state securities laws or any criminal wrongdoing on the part of the Manager or its affiliates.

#### Section 2.05. Indemnification.

The Manager and each affiliate of the Manager shall be indemnified by the Company against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by the Manager or affiliate in connection with the Company, provided that the same were not the result of fraud, gross negligence, willful misconduct, or the violation of Federal or state securities laws or any criminal wrongdoing on the part of the

Manager or its affiliates. The Company shall not incur the cost of that portion of any insurance, other than public liability insurance, which insures any party against any liability the indemnification of which is herein prohibited.

Section 2.06. Registration of Securities; Etc.

All Securities and other property owned by the Company may be registered in the Company name, in the name of a nominee or in "street name," as the Investment Manager may from time to time determine. Any corporation, brokerage firm or transfer agent called upon to transfer any Securities to or from the name of the Company shall be entitled to rely on instructions or assignments signed or purporting to be signed by the Investment Manager without inquiry as to the authority of the person signing or purporting to sign such instructions or assignments or as to the validity of any transfer to or from the name of the Company. At the time of any such transfer, any such corporation, brokerage firm or transfer agent shall be entitled to assume that (i) the Company is then in existence and (ii) that this Operating Agreement is in full force and effect and has not been amended, in each case unless such corporation, brokerage firm or transfer agent shall have received written notice to the contrary.

Section 2.07. Tax Matters.

The Manager shall be the "tax matters Member" of the Company within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code").

**ARTICLE III:  
EXPENSES; ETC.**

Section 3.01. Organizational Expenses.

The Company shall pay, or reimburse the Manager or the Investment Manager for, all reasonable costs and expenses (including the fees and expenses of counsel and accountants) incurred by or on behalf of the Company or by or on behalf of the Manager or the Investment Manager in connection with the formation and operation of the Company and the offering and sale of its Membership interests.

Section 3.02. Operating Expenses; Etc.

The Company shall pay all direct costs, fees and expenses incurred by or on behalf of the Company in connection with its management and operation, including: (i) all costs, fees and expenses of the Company directly related to the purchase, sale or retention of Securities by the Company (including all fees and commissions of brokers and custodians, all fees and disbursements of independent attorneys and accountants, all fees and expenses relating to the registration and qualification for sale of such Securities and all transfer taxes); (ii) all federal, state and local taxes and filing fees payable by the Company; (iii) all costs, fees and expenses of the Company relating to Members' meetings and the preparation and mailing of reports to Members; (iv) all fees and disbursements of the Company's independent attorneys, accountants and consultants; (v) all filing and recording fees; (vi) all interest expense of the Company; and (vii) any extraordinary expenses of the Company. Office space, related equipment, secretarial services and similar overhead expenses may be charged to the Company, but shall not be allocated to or otherwise borne by Members of the Company.

Section 3.03. No Salaries; Etc.

Except as provided in Sections 2.05 and 4.07 hereof, no salary, bonus or other remuneration shall be payable to the Manager or any affiliate of the Manager in connection with the operation, management and administration of the Company. The Manager will receive a 1% management fee to be paid quarterly for operating, managing, and administering the Company.

## **ARTICLE IV: CAPITAL**

### Section 4.01. Contributions.

Each Member shall pay or convey to the Company, by way of a contribution to the capital of the Company, cash or Securities or a combination thereof having an aggregate value equal to the amount set forth in the subscription agreement or other document of transfer pursuant to which such Member subscribed for or otherwise acquired his interest in the Company; provided, however, that a Member may contribute Securities only with the prior consent of the Manager and any Member conveying Securities shall supply proof of the cost basis thereof for tax purposes; provided further, however, that such Securities shall be valued as of the close of business on the business day next preceding the date of contribution; and provided further, however, that the Manager shall have the right, in its sole and absolute discretion, to apply a charge of up to 2% of the fair market value of such Securities in order to cover the cost of liquidating the same.

### Section 4.02. No Mandatory Additional Contributions.

No Member shall be required to make any additional contributions to the capital of the Company.

### Section 4.03. Optional Additional Contributions.

Unless otherwise determined by the Manager, in its discretion, each existing Member may make an additional capital contribution to the Company as of the first day of each calendar month provided that the Manager timely receives and accepts such Member's additional capital contribution and executed subscription documents and/or such other documents or agreements as the Manager may require.

### Section 4.04. Application of Capital.

The aggregate of all contributions made by the Members to the capital of the Company, and the undistributed net profits of the Company, shall be available to the Company to carry out the objects and purposes of the Company.

### Section 4.05. Opening Capital Accounts.

There shall be established for each Member on the books of the Company, as of

- (i) the first day of each fiscal year of the Company,
- (ii) each other day on which an additional contribution to the capital of the Company shall be made by a Member pursuant to Section 4.03 hereof,
- (iii) each other day on which a Member shall have been admitted to the Company pursuant to Section 5.01 hereof,
- (iv) each other day next succeeding a day as of which a Member shall have withdrawn capital pursuant to Section 4.14 hereof; and
- (v) each other day next succeeding a day as of which a Member shall have withdrawn from the Company pursuant to Article VI hereof; (each such day being hereinafter called a "Fiscal Date"), an opening capital account (an "Opening Capital Account") for the period commencing on such Fiscal Date and ending on the first to occur of the last day of a fiscal year, the day next preceding the next succeeding Fiscal Date, or the date the Company shall be terminated (each such period being hereinafter called a "Fiscal Period"). The Opening Capital Account of each Member for the Fiscal



Period during which such Member was admitted to the Company shall be an amount equal to such Member's contribution to the capital of the Company pursuant to Section 4.01 or Section 5.01 hereof. The Opening Capital Account of each Member for each other Fiscal Period (hereinafter referred to in this Section 4.05 as the "Period of Determination") shall be an amount equal to the Closing Capital Account of such Member (determined as provided in Section 4.07 hereof) for the next preceding Fiscal Period plus the amount of any additional contribution to the capital of the Company made by such Member as of the beginning of the Period of Determination, pursuant to Section 4.03 hereof, less any withdrawals made by such Member as of the last day of the next preceding Fiscal Period, pursuant to Section 4.14 hereof.

Section 4.06. Company Percentages and Participating Percentages; Special Members.

(a) There shall be established for each Member on the books of the Company, as of the first day of each Fiscal Period, a Company percentage (a "Company Percentage") for such Fiscal Period. The Company Percentage of each Member for each Fiscal Period shall be determined by dividing the amount of such Member's Opening Capital Account for such Fiscal Period by the sum of the Opening Capital Accounts of all the Members for such Fiscal Period. The sum of the Company Percentages for each Fiscal Period shall equal 100 percent. The Company Percentages for each Fiscal Period shall be set forth in a schedule which shall be filed with the records of the Company. Each Member shall have and own during any Fiscal Period an undivided interest in the Company's property equal to his Company Percentage.

(b) There shall be established for the Manager on the books of the Company, as of the first day of each fiscal year of the Company, a percentage (a "Participating Percentage") for such fiscal year which shall determine the participation of the Manager in the Gross Profits of the Members (as defined in Section 4.07(b) hereof). The Participating Percentages for each fiscal year shall be determined by the Manager, in its sole and absolute discretion, as soon as practicable after the beginning of such fiscal year. The Participating Percentages for each fiscal year shall be subject to adjustment upon the admission of an additional Manager in such fiscal year pursuant to Section 5.01 hereof, and upon the notice of withdrawal of the Manager in such fiscal year pursuant to Section 6.02 hereof, and, as so adjusted, shall be set forth in a schedule which shall be filed with the records of the Company.

(c) The Manager shall have the authority to designate certain Members as Special Members. A "Special Member" shall have the same rights and obligations as a Member, except that the Special Member may not, in the discretion of the Manager, be subject to the same Carried Interest allocation applicable to other Members under Section 4.07(b), withdrawal restrictions contained in Sections 4.14 and 6.03 or such other provisions hereof as the Manager may specify. Each Special Member shall be designated as a Special Member in the books and records of the Company. A Special Member may lose its designation as a Special Member at the discretion of the Manager.

Section 4.07. Closing Capital Accounts.

There shall be established for each Member on the books of the Company, as of the last day of each Fiscal Period, a closing capital account (a "Closing Capital Account") for such Fiscal Period determined by adjusting the Opening Capital Account of such Member for such Fiscal Period in the following manner and order:

(a) There shall be determined as of the close of business on the last day of such Fiscal Period, in accordance with Section 4.09 and Section 9.02 hereof, the amount equal to the excess of

(i) the value of all assets of the Company, including (but not limited to) Securities, cash,

receivables, prepaid expenses and deferred charges and fixed assets, less appropriate provision for depreciation, over

- (ii) the amount of all proper reserves and liabilities of the Company, including (but not limited to) notes and accounts payable, accrued expenses and deferred income.

If the amount so determined exceeds the aggregate amount of the Opening Capital Accounts of all the Members for such Fiscal Period, such excess shall be provisionally credited to the Opening Capital Accounts of all the Members for such Fiscal Period in proportion to their respective Company Percentages for such Fiscal Period, subject to the restrictions set forth in Section 4.15 hereof applicable to Restricted Members (as defined therein). If the amount so determined is less than the aggregate of the Opening Capital Accounts of all the Members for such Fiscal Period, such deficiency shall be debited against the Opening Capital Accounts of all the Members for such Fiscal Period in proportion to their respective Company Percentages for such Fiscal Period, subject to the restrictions set forth in Section 4.15 hereof applicable to Restricted Members (as defined therein).

(b) If such Member is a Member and if the Closing Capital Account of such Member is being determined as of the last day of a Performance Period (as defined below), there shall next be determined the amount equal to the excess, if any, of

- (i) the amount of the Closing Capital Account of such Member for such Performance Period, as adjusted pursuant to subparagraph (a) of this Section 4.07, less the amount of any contributions to the capital of the Company made by such Member during such Performance Period pursuant to section 4.03 hereof, plus the amount of any withdrawals theretofore made by such Member during such Performance Period, over
- (ii) the amount of the Opening Capital Account of such Member as of the first day of such Performance Period (the amount of such excess, if any, being hereinafter called the "Gross Profit" of such Member). Except to the extent a lesser amount applies as set forth in Section 4.08 below, an amount equal to twenty percent (20%) of the Gross Profit (the "Carried Interest"), if any, of such Member shall then be debited to the Opening Capital Account of such Member for such Fiscal Period and, subject to the provisions of Section 6.02 hereof, credited to the Opening Capital Account of the Manager for such Fiscal Period; provided, however, that the amount of such debit shall be reduced (but not below zero) by an amount equal to the amount of the Cumulative Loss Carry forward (determined as provided in paragraph (d) of this Section 4.07), if any, with respect to such Member as of the last day of the next preceding Performance Period (the "Period of Determination"). For purposes of this Section 4.07,

"Performance Period" shall mean the fiscal year; provided, however, that (a) in the case of a capital account which was established on any date other than the first day of a fiscal year, then the initial Performance Period shall be the period commencing with such date and ending on the last day of the fiscal year, (b) upon the withdrawal of capital by a Member otherwise than at the end of a fiscal year, the Performance Period shall be the period commencing on the first day of the fiscal year or on the date during the fiscal year on which the capital account was established, if other than the first day of the fiscal year, and ending on the withdrawal date, and (c) in the event the Company is terminated otherwise than at the end of a fiscal year, the final Performance Period shall be the period commencing on the first day of the Company's final fiscal year and ending on the termination date. In the event there is more than one Manager during any fiscal year,

the Gross Profit allocable to the Manager hereunder shall be allocated among the Managers in proportion to their respective Participating Percentages for such fiscal year, as determined under Section 4.06(b) hereof.

(c) If such Member is a Manager and if the Closing Capital Account of such Member is being determined as of the last day of a Performance Period, the amounts, if any, to be credited to the Opening Capital Account of such Manager for such Fiscal Period pursuant to subparagraph (b) of this Section 4.07 shall be so credited.

(d) As used herein, the "Cumulative Loss Carry forward" with respect to any Member as of the last day of any Period of Determination shall mean such amount as shall equal the Cumulative Loss Carry forward, if any, with respect to such Member as of the last day of the Performance Period preceding the Period of Determination plus any amounts debited to the Opening Capital Account of such Member during the Period of Determination pursuant to paragraph (a) of this Section 4.07 minus any amounts credited to the Opening Capital Account of such Member during the Period of Determination pursuant to paragraph (a) of this Section 4.07 multiplied (in the event of any withdrawals by such Member during the Period of Determination pursuant to Section 4.14 hereof) by a fraction (not greater than one),

- (i) the numerator of which shall be the Opening Capital Account of such Member for the Fiscal Period next succeeding the Period of Determination (after giving effect to any such withdrawals) and
- (ii) the denominator of which shall be the Closing Capital Account of such Member as of the last day of the Period of Determination (before giving effect to any such withdrawals).

(e) If after giving effect to the allocation of the Company's profits and losses for a fiscal year, as provided in the foregoing provisions of this Section 4.07, the Manager shall have been credited with Carried Interest allocations under Section 4.07 (b) hereof which in the aggregate shall exceed the net profits of the Company for such fiscal year, then, anything in such provisions to the contrary notwithstanding, the amount of such excess shall be reallocated to the Members who were charged with such Carried Interest allocations pro rata in proportion to the respective amounts charged.

#### Section 4.08. Valuation of Securities.

Unless the Investment Manager shall on reasonable grounds otherwise determine, for purposes of determining the value of Securities:

(a) Listed portfolio Securities are valued at the last reported sales price on the date of determination on the principal exchange on which such Securities are traded or, if not available, at the mean between the exchange listed "bid" and "asked" price;

(b) Over-the-counter Securities are valued at the last reported sales price on the date of determination if available through the facilities of a recognized interdealer quotation system (such as Securities in the Nasdaq Stock Market List) or if the last reported sales price is not available, over-the-counter Securities are valued at the mean between the closing "bid" and "asked" prices on the date of determination;

(c) Any Security in the form of an exchange listed option will be valued at the mean between the closing "bid" and "asked" prices;

(d) Forward currency exchange contracts will be valued at the current cost of covering or offsetting such contracts; and

(e) All other Securities shall be assigned the value that the Investment Manager in good faith determines to reflect the fair value thereof.

The Investment Manager may use methods of valuing Securities other than those set forth herein if it believes the alternative method is preferable in determining the fair value of such Securities. All values assigned to Securities by the Investment Manager pursuant to this Section 4.09 shall be final and conclusive as to all the Members.

#### Section 4.09. Allocations for Tax Purposes.

(a) In each fiscal year, items of income, deduction, gain, loss, or credit that are recognized for income tax purposes shall be allocated among the Members, in such manner as to reflect equitably amounts credited to or debited against each Member's capital account, whether in such fiscal year or in prior fiscal years. To this end, the Company shall establish and maintain records which shall show the extent to which the Closing Capital Account of each Member shall, as of the last day of each fiscal year, be comprised of amounts which have not been reflected in the taxable income of such Member. To the extent deemed by the Manager to be feasible and equitable, taxable income and gains in each fiscal year shall be allocated among the Members who have enjoyed the related credits, and items of deduction, loss and credit in each fiscal year shall be allocated among the Members who have borne the burden of the related debits.

(b) Notwithstanding the foregoing provisions of this Section 4.10, in the event that a Member withdraws from the Company entirely, pursuant to Article VI hereof, the Manager in its sole and absolute discretion may make a special allocation to such Member for Federal income tax purposes of the net capital gains or net capital losses realized by the Company in such a manner as will reduce the amount, if any, by which such Member's Liquidating Share (as defined in Article VI) exceeds or is less than his Federal income tax basis in his interest in the Company before giving effect to such special allocation (determined without regard to any adjustment made to such adjusted tax basis by reason of any transfer or assignment of such interest including by reason of death, and without regard to such Member's share of the liabilities of the Company under Section 752 of the Code).

#### Section 4.10. Determination by Manager of Certain Matters.

All matters concerning the determination and allocation among the Members of the amounts to be determined and allocated pursuant to Section 4.07 hereof, and the items of income, gain, deduction, loss and credit to be determined and allocated pursuant to Section 4.10 hereof, including the taxes thereon and accounting procedures applicable thereto, shall be determined by the Manager unless specifically and expressly otherwise provided for by the provisions of this Operating Agreement, and such determinations and allocations shall be final and binding on all the Members.

#### Section 4.11. No Interest on Capital.

No Member shall be entitled to receive any interest on or in respect of any amount credited to his capital account.

#### Section 4.12. Withdrawals of Capital in General.

Except as provided in Section 4.14 hereof, no Member shall be entitled to withdraw any amount credited to his capital account other than upon his withdrawal from the Company in accordance with Article VI hereof.

#### Section 4.13. Partial Withdrawals of Capital.

A Member may make partial withdrawals of capital on sixty (60) days' prior written notice to the Manager at the end of the Initial Lock-Up Period (as defined in Section 6.04(a) hereof) and as of Jan 31st of each calendar year thereafter. The Manager shall have absolute discretion to deny or permit a partial withdrawal if, after giving effect to such withdrawal, the value of the Member's capital account would be less than \$30,000, and the Manager may treat any such request for partial withdrawal as a request for termination of the Member's entire Interest. Distribution of any partial withdrawal generally will be made within fifteen (15) days after the withdrawal date, although ten percent (10%) of any withdrawal that represents more than ninety percent (90%) of a Member's capital may be withheld until the Company receives its year-end audited financials for the fiscal year during which the withdrawal was made.

#### Section 4.14. New Issues; Carve-Out Arrangements.

Anything in the foregoing provisions of this Article IV to the contrary notwithstanding, in the event that (i) the Company invests in Securities which are the subject of a public distribution and which qualify as "New Issues" as defined by FINRA Rule 5130 or any applicable successor rule, regulation or interpretation (collectively the "Rule"), (ii) there are Members who are restricted by the Rule from participating in the profits and losses attributable to New Issues and/or whose names are set forth in Schedule A of this Operating Agreement, as such Schedule may be amended from time to time (each such Member, a "Restricted Member"), and (iii) the Company Percentages of the Restricted Members in the aggregate exceed 10%, then only 10% of the profits and losses attributable to New Issues shall be credited or debited, as the case may be, to the Restricted Members pro rata, and the excess shall be credited or debited pro rata to the capital accounts of those Members who are not Restricted Members (with the Company Percentages of such Members being calculated for this purpose without taking into account the Company Percentages of the Restricted Members). To the extent the Company purchases New Issues at such time as the Company has Restricted Members, then those Members who are not Restricted Members shall be deemed to have borrowed from the Restricted Members the portion of the acquisition price of the New Issues that equals the portion of the profits and losses attributable to New Issues allocated to the non-Restricted Members for the applicable Fiscal Period in excess of their Company Percentage. The borrowed sum shall accrue interest at the prime rate of a bank selected by the Manager and shall be payable from any and all cash flow and liquidating proceeds from such investment.

#### Section 4.15. Disclosure of Client Assets Under Management.

Current Client Asset under Management: \$199,925.73

### **ARTICLE V: ADMISSION OF NEW MEMBERS**

#### Section 5.01. New Members.

The Manager is authorized to admit to the Company one or more additional General or Members as of the first day of any calendar month provided the Manager timely receives and accepts such person's capital contribution and executed subscription agreement or such other documents or agreements as the Manager may require. A person shall become a Member when the Manager enters such person as a Member on the books of the Company. The terms and conditions, including the capital contribution, of each such admission shall be fixed by the Manager at the time of such admission; provided, however, that if any additional Managers are admitted to the Company, they shall be granted such Participating Percentages as the Manager shall determine and each other Manager's Participating

Percentage for the fiscal year in which such admission takes place shall be reduced pro rata to reflect the Participating Percentage or Percentages so granted to the new Manager or Members unless the Manager, in its sole and absolute discretion, determines to reduce its own Participating Percentage to reflect the Participating Percentage or Percentages so granted to the new Manager or Members. To accomplish the purpose of this Section 5.01, the Manager is authorized to do all things necessary to effectuate the admission of any additional Member, and each of such additional Members shall become a signatory to this Operating Agreement by executing a counterpart hereof or an appropriate subscription agreement or document of transfer pursuant to which such additional Member shall adopt, and agree to be bound by, all the terms and provisions hereof. Admission of an additional Member to the Company shall not dissolve the Company.

## **ARTICLE VI: WITHDRAWAL OF MEMBERS**

### Section 6.01. Withdrawal in General.

Withdrawal of a Member shall occur upon the voluntary withdrawal or dissolution of such Member (if an entity), or upon the voluntary withdrawal, death or adjudicated incompetency of such Member (if an individual) or upon the required withdrawal of such Member pursuant to Section 6.06 hereof or upon the cessation of the Member status of such Member for any other reason other than the termination of the Company.

### Section 6.02. Withdrawal of a Manager.

(a) The withdrawal of the Manager (or, in the event there is more than one Manager, then the withdrawal of all Managers) shall dissolve the Company unless a majority in interest of the Members by affirmative vote elect to appoint a substitute Manager and to continue the Company.

(b) Upon the dissolution, voluntary withdrawal, death, adjudicated incompetency or required withdrawal (an "event of withdrawal") of a Manager other than the Manager, the interest of such Manager in the Company shall become that of a Member as of the first day of the calendar month next succeeding the calendar month in which the event of withdrawal takes place and the participation of such Manager in the Gross Profits of the Members (as defined in Section 4.07 hereof) for the year in which such event of withdrawal takes place (the "Year of Determination") shall be limited to the lesser of (i) the amount determined by multiplying the Gross Profits of the Members for the period beginning on the first day of the Year of Determination and ending on the last day of the calendar month in which the event of withdrawal takes place (the "stub period") by the Participating Percentage of such Manager then in effect for the year of determination or (ii) the amount determined by multiplying the Gross Profits of the Members for the Year of Determination by a reduced Participating Percentage equal to the percentage obtained by multiplying the Participating Percentage of such Manager then in effect for the Year of Determination by a fraction, the numerator of which shall be the number of calendar months in the stub period and the denominator of which shall be the number 12. In the event that the participation of such Manager in the Gross Profits of the Members for the Year of Determination is determined pursuant to clause (ii) of the next preceding sentence, the Participating Percentage of the Manager for the Year of Determination shall thereupon be increased to reflect the reduction of the Participating Percentage of such Manager pursuant thereto. If the Company shall be continued after the expiration of the Year of Determination, such Manager or its legal representative shall be entitled to receive within fifteen (15) days after the receipt by the Company of its audited financial statements for the Year of Determination the Liquidating Share (as defined in Section 6.07 hereof) of such Manager as of the last day of the Year of Determination, together with interest thereon from such day to the date of receipt at the three-month treasury bill rate determined at the last auction in the Year of

Determination. A Manager, who gives notice of withdrawal, dies or is adjudicated an incompetent, or his legal representative, shall have no right to take part in the management of the business of the Company thereafter.

#### Section 6.03. Withdrawal of a Member.

Each of the Members shall have the right to withdraw from the Company entirely at the end of the Initial Lock-Up Period and, as of Jan 31th of each calendar year thereafter, by giving not less than sixty (60) days' prior written notice to the Manager, or at such other times or on such other notice as the Manager, in its sole and absolute discretion, shall permit. The withdrawal of a Member shall not dissolve the Company and, in the event of such a withdrawal, the remaining Members shall reconstitute the Company to the extent required by law and continue its business. In the event of the giving of timely notice of a complete withdrawal by a Member, or the dissolution, death or adjudicated incompetency of a Member, the interest of such Member in the Company shall continue until the first to occur of the last day of the calendar year in which such event takes place or the earlier termination of the Company. A withdrawing Member or the legal representative of a dissolved, deceased or incompetent Member, as applicable, shall be entitled to receive (i) within fifteen (15) days after the withdrawal date, cash or marketable Securities (or a combination thereof) having an aggregate value at least equal to ninety (90%) of the Liquidating Share (as defined in Section 6.07 hereof) of such Member as of the withdrawal date (minus any accrued Carried Interest or expenses through the date of the withdrawal), and (ii) within fifteen (15) days after receipt by the Company of its audited financial statements for the year in which such event takes place, the balance of such Liquidating Share. The interest of a Member who gives notice of withdrawal, dies or is adjudicated an incompetent, or of his legal representative, shall not be included in calculating a majority in interest of the Members under this Operating Agreement, unless such legal representative shall have become a substituted Member pursuant to Section 7.03 hereof.

#### Section 6.04. Lock-Up Periods.

(a) "Initial Lock-Up Period" means the Member may not request redemption of their investment for a period of at least twelve (12) months from the date their capital contribution. the period starting from the date of contribution and ending on Jan 31th of the second subsequent year.

(b) The Initial Lock-Up Period shall be calculated separately for each capital contribution made by a Member. For these purposes, withdrawals of capital will be processed on a "first-in, first-out" basis, with each withdrawal being made from the earliest available capital contribution. .

#### Section 6.05. Certain Other Permitted Withdrawals.

Anything in the foregoing provisions of this Article VI to the contrary notwithstanding, the Manager shall have the right, in its sole and absolute discretion, to permit any Member to withdraw from the Company at such other times as the Manager shall permit; provided, however, that no such withdrawal shall be permitted unless the Manager has determined that such withdrawal will not have an adverse effect on the Company or its other Members.

#### Section 6.06. Required Withdrawals.

The interest of any Member in the Company may be terminated with or without cause by the Manager, and the Manager may require such Member to withdraw from the Company, if the Manager shall determine, in its sole and absolute discretion, that such termination and withdrawal shall be in the best interests of the Company and shall give not less than fifteen (15) days' prior written notice of such determination and termination to such Member. Such notice of termination shall have the same effect as a notice of withdrawal by such Member pursuant to Section 6.02 or Section 6.03 hereof, and such Member shall otherwise be treated for all purposes of this Operating Agreement as a Member who has given notice of withdrawal.

Section 6.07. Liquidating Share.

The Liquidating Share of a Member as of the last day of any Fiscal Period or other period shall be the Closing Capital Account of such Member as of the last day of such Fiscal Period or other period.

Section 6.08. Limitations on Withdrawal of Liquidating Share.

The right of any Member, or of his legal representative, to have distributed the Liquidating Share of such Member pursuant to this Article VI is subject to the provision for all Company liabilities and for reserves for contingencies. The unused portion of any such reserve shall be distributed after the need therefore shall have ceased.

**ARTICLE VII:  
ASSIGNABILITY OF INTERESTS**

Section 7.01. Assignability of Manager Interests.

No Manager shall sell, assign, or in any manner dispose of, or create, or suffer the creation of, a security interest in such Manager's interest in the Company, in whole or in part, nor enter into any agreement as the result of which any person, firm or corporation shall become interested with such Manager therein. Notwithstanding the foregoing, the Manager may sell, assign or transfer its interest in the Company to an entity that is controlled by the Manager or by its principals.

Section 7.02. Assignability of Membership interests.

Except by last will and testament or by operation of law, without the prior written consent of the Manager no Member shall sell, assign, or in any manner dispose of, or create, or suffer the creation of, a security interest in such Member's interest in the Company, in whole or in part, nor enter into any agreement as the result of which any person, firm or corporation shall become interested with such Member therein. In no event shall a Member's interest in the Company, or any part thereof, be assigned or transferred to any person unless the Manager shall be satisfied that such assignment or transfer does not violate any applicable federal and state securities laws, and, unless such condition is met, no attempted assignment or transfer of a Member's interest in the Company, or part thereof, shall be valid and binding on the Company.

Section 7.03. Substitution of Member.

No assignee shall have the right to become a substituted Member unless such assignee shall express such an intention in the related instrument of assignment and the Manager shall, in its sole and absolute discretion, consent to such substitution.

Section 7.04. Legal Representatives.

If an individual Member shall die, or if he shall be adjudicated an incompetent, his legal representative shall have the rights of an assignee of such Member but shall not have the rights of a substituted Member unless such legal representative is admitted as such pursuant to Section 7.03 hereof. Such legal representative may dispose of the interest of such Member only in accordance with all the terms and provisions of this Operating Agreement.

**ARTICLE VIII:  
TERMINATION AND LIQUIDATION OF COMPANY**

Section 8.01. Termination.

The Company shall terminate upon the first to occur of the following:

- (a) the dissolution or voluntary withdrawal of the Manager, unless a majority in interest of the



Members by affirmative vote elect to continue the Company;

- (b) a determination by the Manager that the Company should terminate; or
- (c) any event which under applicable law would result in the termination of the Company.

Upon the termination of the Company, no further business shall be done in the Company name except the completion of any incomplete transactions and the taking of such action as shall be necessary for the winding up of the affairs of the Company and the distribution of its assets. Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until its Certificate of Limited Liability Company has been cancelled and the assets of the Company have been distributed as provided herein.

#### Section 8.02. Liquidation.

The Manager shall make a written designation at the beginning of each fiscal year of a person or firm to wind up the affairs of the Company upon termination in the event that there shall be no Manager to do so, and signed copies of such written designation shall be filed with the records of the Company and delivered to each of the Company's brokers. Upon termination of the Company, the Manager, or in the event that the Company shall have terminated pursuant to subparagraph (a) of Section 8.01 hereof, the remaining Managers or Member, if any, or in the event that there shall be no remaining Manager, the Manager's designee, or in the event that there shall be no designee ready and willing to serve, a liquidating trustee selected by a majority in interest of the Members (the "Liquidating Trustee"), shall (i) convert to cash such of the non-cash assets of the Company as the Manager, the remaining Managers or Member, the Manager's designee or the Liquidating Trustee, as the case may be, deems necessary or advisable, (ii) determine the Closing Capital Accounts of the Members pursuant to Section 4.07 hereof and (iii) take the following actions and make the following distributions out of the Company assets in the following manner and order:

- (a) pay and discharge the claims of all creditors of the Company who are not Members;
- (b) pay and discharge pro rata the claims of all creditors of the Company who are Members;
- (c) set up any reserves which the Manager, the remaining Managers or Member, the Manager's designee or the Liquidating Trustee, as the case may be, may deem necessary or advisable for any contingent or unforeseen liabilities or obligations of the Company, provided that if and when a contingency shall cease to exist, the cash and Securities, if any, then in the particular reserve shall be distributed as provided in subparagraph (d) of this Section 8.02; and
- (d) pay and distribute the remainder of the assets to the Members, in proportion to their respective Company Percentages.

#### Section 8.03. Form of Distributions.

Distributions made pursuant to subparagraphs (a) and (b) of Section 8.02 hereof shall be made solely in cash. Distributions made pursuant to subparagraph (d) of Section 8.02 hereof may be made in cash or in marketable Securities or both, as the Manager, the remaining Managers or Member, the Manager's designee or the liquidating trustee, as the case may be, shall determine.

#### Section 8.04. Indemnification.

The Manager's designee or any Liquidating Trustee shall be indemnified to the same extent as the Manager

is indemnified and held harmless under Sections 2.04 and 2.05 hereof.

## **ARTICLE IX: ACCOUNTING AND REPORTS TO MEMBERS**

### Section 9.01. Fiscal Year.

The fiscal year of the Company shall end on Jan 31th of each year or on such other date as the Manager may determine and which is allowable for tax purposes.

### Section 9.02. Accounting Method.

The Company will apply generally accepted accounting principles, except that whenever an account shall be taken to determine the value of a Member's interest in the Company:

- (a) no allowance of any kind shall be made for goodwill, firm name or any similar intangible asset; and
- (b) Securities shall be valued in the manner provided in Section 4.09 hereof.

### Section 9.03. Books and Records.

The Company shall maintain at its principal place of business full and accurate books of account showing all receipts and expenditures, assets and liabilities and profits and losses of the Company, and such other books and records as shall be necessary to record the Company's business and affairs, including such as shall be necessary to record the adjustments, allocations and distributions provided for in Article IV hereof. Each Member shall have unrestricted access to such books and records for proper purposes during normal business hours; provided, however, that specific information relating to the proprietary trading strategies employed by the Manager may be withheld from any Member; and provided further, however, that any trading information disclosed to a Member shall be kept confidential and that such Member may be required to sign a confidentiality agreement relating thereto.

### Section 9.04. Audits.

The records and books of the Company shall be audited by a firm of independent certified public accountants selected by the Manager as of the end of each fiscal year and at any other time that the Manager may deem necessary or desirable.

### Section 9.05. Tax Returns.

The Manager shall prepare, or cause to be prepared, all tax returns required of the Company.

### Section 9.06. Tax Elections.

In the event of the transfer of an interest in the Company or in the event of a distribution of assets of the Company to any Member, the Company, in the sole and absolute discretion of the Manager, may, but shall not be required to, file an election under Section 754 of the Code in accordance with the applicable Treasury Regulations, to cause the basis of the Company's assets to be adjusted for Federal income tax purposes as provided by Sections 734 or 743 of the Code.

### Section 9.07. Reports to Members.

- (a) As soon as reasonably practicable after the end of each fiscal year of the Company, the

Manager shall cause to be prepared and furnished to each Member an annual report containing:

- (i) audited financial statements for such fiscal year;
- (ii) a tax statement showing the items of income, deduction, gain, loss or credit allocated to such Member pursuant to the provisions of the Code, in sufficient detail to enable such Member to prepare his individual income tax returns in accordance with the laws, rules and regulations thereunder then prevailing; and
- (iii) a statement showing the changes to such Member's capital account with respect to such fiscal year.

(b) As soon as reasonably practicable after the end of each fiscal quarter of the Company, the Manager shall furnish to each Member an informal report with respect to the Company's investments and its investment returns thereon in such form as the Manager may determine upon from time to time.

#### Section 9.08. Determinations Binding.

Any determination made by the Manager with respect to accounting matters shall be final and binding upon the other Members and their respective legal representatives.

### **ARTICLE X: MISCELLANEOUS**

#### Section 10.01. Power of Attorney.

Each of the Members hereby makes, constitutes and appoints the Manager as his true and lawful representative and attorney-in-fact in his name, place and stead to make, execute, sign, acknowledge and file with respect to the Company:

- (a) a Certificate or amended Certificate of Limited Liability Company under the laws of the State of [Nevada](#), including therein all information required by the laws of such state;
- (b) all instruments which such representative and attorney-in-fact deems appropriate to reflect any amendment, change or modification of the Company in accordance with the terms of this Operating Agreement;
- (c) all such other instruments, documents and certificates which may from time to time be required by the laws of the State of [Nevada](#), the United States of America, or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid and subsisting existence of the Company as a Limited Liability Company;
- (d) all applications, certificates, certifications, reports or similar instruments or documents required to be submitted by or on behalf of the Company to any governmental or administrative agency or body or to any securities or commodities exchange, board of trade, clearing corporation or association or similar institution or to any other self regulatory organization or trade association; and
- (e) all papers which may be deemed necessary or desirable by the Manager to effect the dissolution and liquidation of the Company; provided, however, that such representative and attorney-in-fact shall not have any right, power or authority to amend or modify this Operating Agreement when acting

in such capacity except as set forth in Section 10.02 hereof. The foregoing Power of Attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive the death of a Member and extend to such Member's heirs, legal representatives, successors and assigns. Each of the Members hereby agrees to be bound by any representation made by such representative and attorney-in-fact acting in good faith pursuant to such power of attorney, and each of the Members hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of such representative and attorney-in-fact taken in good faith pursuant to such Power of Attorney.

#### Section 10.02. Amendments.

This Operating Agreement may not be amended except by a writing executed by the Manager and by a majority in interest of the Members; provided, however, that (a) without the consent of all the Members, no such amendment shall change the Company to a Manager, reduce the liabilities, obligations or responsibilities of the Managers, increase the liabilities, obligations or responsibilities of the Members (the extension of the term of the Company shall not be deemed to constitute an increase in the liabilities of the Members), and (b) without the specific consent of each Member affected thereby, no such amendment shall reduce the capital account of any Member or his rights with respect thereto, change the Company Percentage of any Member (other than by reason of a change in the amount of a Member's capital account) or alter or modify this Section 10.02; and provided further, however, that the Manager may amend this Operating Agreement without the consent of any of the other Members to reflect changes validly made in the membership of the Company, to reflect changes in the capital accounts of the Members, to reflect changes in the Company Percentages of the Members and the Participating Percentages of the Managers and to amend this agreement in any other manner that does not adversely affect the rights of any Member. Anything in the foregoing provisions of this Section 10.02 to the contrary notwithstanding, this Operating Agreement shall be amended from time to time in each and every manner to comply with the then existing requirements of the Code, the Treasury Regulations and the rulings of the Internal Revenue Service affecting the status of the Company as a Limited Liability Company for federal income tax purposes or any other applicable law, and no amendment will be proposed which will directly or indirectly affect or jeopardize the status of the Company as a Limited Liability Company for federal income tax purposes.

#### Section 10.03. Severability.

In the event that any provision of this Operating Agreement shall be held to be void or unenforceable for any reason whatsoever, the remaining provisions of this Operating Agreement shall not be affected thereby and shall continue in full force and effect.

#### Section 10.04. Notices.

All notices to the Company shall be addressed to its principal office. All notices addressed to a Member or his legal representative shall be addressed to such Member or legal representative at the address of such Member set forth in the subscription agreement or document of transfer pursuant to which such Member acquired his interest in the Company. Any Member or the legal representative of any Member may designate a new address by notice to such effect given to the Company. Unless otherwise specifically provided in this Operating Agreement, a notice shall be deemed to have been effectively given to the Company when received by the Company and to have been effectively given to a Member or his legal representative when delivered in person or on the fifth business day after the same shall have been deposited in a Post Office or a regularly maintained letter box.

#### Section 10.05. No Waiver.

No waiver of any breach or condition of this Operating Agreement shall be deemed to be a waiver of any other subsequent breach or condition, whether of like or different nature.

#### Section 10.06. Copy on File.

Each Member hereby agrees that one executed counterpart of this Operating Agreement or set of executed counterparts shall be held at the principal office of the Company, that a Certificate of Limited Liability Company and all amendments thereto shall be filed in the Office of the Secretary of State of Nevada and copies thereof shall be held at the principal office of the Company and that there shall be distributed to each Member a conformed copy of this Operating Agreement as amended from time to time.

#### Section 10.07. Governing Law.

This Operating Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

#### Section 10.08. Counterparts.

This Operating Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

#### Section 10.09. Variation.

All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

#### Section 10.10. Binding Effect.

Except as otherwise herein provided to the contrary, this Operating Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, executors, Managers, estates, heirs, legal representatives, successors and assigns.

#### Section 10.11. Headings.

The headings of the sections of this Operating Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Operating Agreement.

#### Section 10.12. Entire Agreement.

This Operating Agreement constitutes the entire agreement and understanding among the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties hereto in connection herewith.

#### Section 10.13. Payments to Legal Representatives.

Whenever provision is made in this Operating Agreement for payment to the legal representative of a Member, if there shall be no legal representative of such Member or if there shall be no legal representative appointed and qualified to receive such payment, the same shall be deposited in an account (which need not be interest bearing) in a bank or trust company, in the name of the Company in trust for the estate of such Member, and the funds so deposited shall be turned over to the legal representative of such Member after such legal representative shall have been duly appointed and qualified and shall have duly demanded payment thereof.

#### Section 10.14. Rights and Remedies Cumulative.

The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any Member shall not preclude or waive his right to use any or all other remedies. Said rights and remedies are given in addition to any other rights such Member may have by law, statute, ordinance or otherwise.

#### Section 10.15. Waiver of Right to Partition.

Each of the Members irrevocably waives during the term of the Company any right that such Member may have to maintain any action for partition with respect to the property and assets of the Company, and hereby agrees not to file a bill for a Company accounting or otherwise proceed adversely in any manner whatsoever against the other Members or the Company, except for fraud or violation of this Operating Agreement.

Section 10.16. Arbitration.

Any dispute, controversy or claim arising out of or in connection with or relating to this Operating Agreement or any breach or alleged breach hereof shall be submitted to, and determined and settled by, arbitration in Nevada, pursuant to the rules of the American Arbitration Association, and judgment upon any such arbitration award rendered may be entered in the Supreme Court of the State of Nevada or in any other court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement as of 1st January, 2020.

Manager:

De Gao  
De Gao, Manager

Members:

By the Manager as Attorney-in-Fact