

ADDENDUM B

EXCERPT FROM A TIC AGREEMENT

IS THIS A PRE-ARRANGED SALE?

ARTICLE 1

RESTRICTIONS ON TRANSFERS AND ENCUMBRANCES

1.1 Before a Tenant in Common can sell or otherwise transfer such Tenant in Common's TIC Interest to a person other than a person who (a) is an existing Tenant in Common, (b) is directly or indirectly, through one or more intermediaries, controlled by, or under common control with the Tenant in Common transferor, or (c) is a spouse, child or blood relative of the Tenant in Common transferor (the "Third Party Purchaser"), the selling Tenant in Common (the "Selling Tenant in Common") shall first deliver written notice (the "Sale Notice") to the Manager and to the other Tenant in Common (the "Non-Selling Tenant in Common") indicating (a) the Tenant in Common's intent to sell, (b) the terms of the proposed sale, and (C) the name of the proposed buyer, if any. The Non-Selling Tenant in Common will have 10 (ten) business days from receipt of the Sale Notice to respond to the Sale Notice, in writing, indicating such Non-Selling Tenant in Common's desire to acquire the Selling Tenant in Common's TIC Interest. If the Non-Selling Tenant in Common fails to exercise the right to acquire the Selling Tenant in Common's TIC Interest or fails to effectively exercise said right within such 10 (ten) business days' term, the Selling Tenant in Common may proceed with the sale; provided, however, that a new Sale Notice will be required if (a) the sale to the Third Party Purchaser is not consummated within 60 (sixty) days from the date the last Sale Notice was delivered, (b) the sale price of the TIC Interest offered by the Selling Tenant in Common is reduced, or (c) the terms of the offer are amended in a way that are more favorable to the transferee.

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3.5 Buy-Sell Rights on Sale. In the event a Member desires to sell all or any portion of the

In-Class Example – Sands and Saeed for PGDC E-Campus

Member's Membership Units without the prior written consent of all the Members, then such Member or the Member's legal representative (sometimes hereinafter referred to as the "Seller") may sell the same only after offering it to the Company and other Members as follows:

(a) Notice and Offer. Seller shall serve notice in writing upon each Manager and the other Members by U.S. certified mail (prepaid, return receipt requested) stating that Seller has a bona fide offer for the purchase of Seller's Membership Units, the number of Membership Units to be sold, the name and address of the prospective purchaser (the "Prospective Purchaser"), the date of such offer, and the sales price and other terms of the offer. Said notice shall also contain an offer to sell the subject Membership Units upon the same terms and conditions as set forth by the Prospective Purchaser; provided that, the price for sale to the Company or to the other Members shall be the lesser of the Prospective Purchaser's offer price or the price to be paid under the provisions of Section 3.8 or 3.9.

(b) Acceptance by the Remaining Parties. For a period of thirty (30) days following the receipt of such notice by the last of the Members, the Company shall have the right and option to purchase the Membership Units so offered for sale by Seller under the terms and conditions described in Section 3.6(d). If the Company fails to exercise its right and option granted hereunder or refuses to act, then any of the remaining Members shall have the right and option to purchase such Membership Units on the same terms and conditions within an additional thirty (30) day period after the expiration of the Company's option to purchase. If two or more of the remaining Members desire to exercise their option to purchase the Membership Units offered for sale, each such Member will be entitled to purchase a pro. rata share of the Membership Units offered for sale based on the ratio that each acquiring Member's Membership Units bear to the total aggregate Membership Units of all acquiring Members, unless otherwise agreed to by the purchasing Members.

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ARTICLE VII TRANSFERS OF INTERESTS; WITHDRAWAL

7.1 Transfers Restrictions.

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(a) Restriction on Transfers. Except as provided below, no Member shall transfer any portion of that Member's Units or any interest of any nature therein except upon the written consent of the Manager and a Majority-in-Interest of the Members excluding the Member seeking to make the transfer and all Units owned by such Member. Such written consent may specify the rights and obligations the transferee shall have, including whether the transferee is to be admitted as a substituted member ("Substituted Member") or an assignee ("Assignee"); if, however, the written consent does not specify otherwise, the transferee shall be admitted as a Substituted Member. Any purported transfer of any Member's Units which does not comply with the conditions set forth in this Section 7 shall be null and void and of no force or effect whatsoever.

(b) Allowance of Certain Transfers. A Member may transfer to any other Member or the Company all or part of the Transferor Member's Units and shall have the right to fully substitute any such Transferee Member as the Owner of the transferred Units for all purposes. A Member may transfer to an affiliate ("Affiliate") of the Transferor Member all or part of the Transferor Member's Units but any such Transferee shall be an Assignee (as defined below) unless such Transferee is approved as a Substituted Member (as defined below) by the Manager and a Majority-In-Interest of the members excluding the Member seeking to make the transfer and all Units owned by such Member. Affiliate of a Member shall mean any person who is a member of the immediate family of such Member (parents, spouse, children, or sibling, or a trust or similar arrangement for the benefit thereof) or any person who directly or indirectly controls, is controlled by, or is under common control with such Member. For this purpose, "control" shall mean possession, directly or indirectly (through one or more intermediaries) of the power to direct or cause the direction of managements and policies of such member through ownership of voting securities (or other ownership interests), contract, voting trust, or otherwise.