



**KNAGGS BRAKE, P.C.**  
ATTORNEYS AT LAW

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November 8, 2022

Mr. Lawrence Fata  
6006 Claremont Court  
Lansing, Michigan 48917

Ms. Teresa Fata  
6018 Vienna Way  
Lansing, Michigan 48917

Re: *Paul Fata & Sons, LLC*

Dear Larry & Teresa:

As you know, the two of you own a one-third (1/3) membership interest in a Michigan limited liability company called Paul Fata & Sons, LLC, which holds the DeWitt rental property. The other one-third (1/3) membership interest was originally owned by Frank, and upon his passing, it was transferred to Ellen. Now that Ellen has passed, the one-third (1/3) membership interest originally issued to Frank will go to his children. Frank's one-third (1/3) membership interest could be divided equally between his six (6) children, so that each of them would own one-eighteenth (1/18). Rather than doing this, however, Frank's children have a holding company, called Frank Fata & Sons, LLC and they propose that Frank's one-third (1/3) membership interest be placed into this limited liability company. Please let me know if you have any concerns with this arrangement.

I have not been able to locate an "Operating Agreement" for Paul Fata & Son, LLC. The Operating Agreement document delineates the relationship between the owners. I have written a proposed draft of the Operating Agreement, which is enclosed. In general, Operating Agreements typically provide that a membership interest cannot be transferred to an outside person, without everyone's consent. I have written the proposed Operating Agreement in this way. However, I have included a provision, at Section 5.6, that allows all members to transfer their ownership interest to an immediate family member, without the consent of the other members. The term "Immediate Family Member" is defined as a spouse or child of the member. This would allow your membership interest to be transferred to your children, just like Franks ownership interest.

Please review the attached Operating Agreement document and let me know if you have any questions or concerns. If you are comfortable with this, please sign your name to the Operating Agreement where indicated and return it to me. Once the Operating Agreement document is finalized, we will make arrangements for Frank's one-third (1/3) membership interest in Paul Fata & Sons, LLC, to be transferred to his children's holding company.

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I look forward to hearing from you in this regard.

Very truly yours,

KNAGGS BRAKE, P.C.

A handwritten signature in black ink, appearing to read "DRB", with a long horizontal flourish extending to the right.

David R. Brake

DRB/amk  
Enclosure