

**NATIONAL SPORTS & ENTERTAINMENT LAW SOCIETY, L3C (“NSELS”)
OPERATING AGREEMENT**

MEMBER-MANAGED LOW-PROFIT LIMITED LIABILITY COMPANY

Each Member of the Company agrees to be bound by the following provisions:

I. STRUCTURE:

NSELS is organized as an “L3C” or “Low-Profit Limited Liability Company” within the definition provided in 11 V.S.A. § 3001(27).

II. PURPOSE FOR WHICH THE COMPANY IS ORGANIZED:

NSELS does not engage in influencing legislation or participate or intervene in any political campaign on behalf of (or opposition to) any candidate for public office. NSELS is organized and operated for the educational purpose of promoting knowledge and awareness of sports and entertainment law. The primary purpose of most expenditures by NSELS should be to further its educational and charitable purposes. Any amendments to the operating agreement should strive to adhere to 26 U.S.C. 501(c)(3).

NSELS is organized and operated for educational and charitable purposes as defined by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to:

- (a) organizing and centralizing sports and entertainment law;
- (b) furthering the educational and professional capabilities of sports and entertainment law;
- (c) providing a resource for sports and entertainment law societies;
- (d) advising members as to how to further their own purposes within sports and entertainment law;
- (e) educating members of the general public as to sports and entertainment law;
- (f) notifying members and the general public about events and opportunities within sports and entertainment law, and;
- (g) aiding, supporting, and assisting other persons or organizations of any kind, provided that such activities are consistent with the foregoing purposes.

III. DEFINITIONS:

“Active Member” means a member of the Company who has voting rights and participates in decisions regarding the Company’s operation.

“Member” means any member of the Company who does not have Active Member status. Members are not entitled to vote unless a matter is so authorized for Member vote by two-thirds of the outstanding Points allocated and two-thirds of the Active Members agree to such vote.

“Meaningful participation” as used here means responding to communication and making an effort, however minimal, on behalf of the Company.

IV. THE GOVERNING BOARD

(a). EXECUTIVE BOARD MEMBERS

The Executive Board, acting alone, can make major decisions regarding the Company’s direction and practices when Executive Board Members agree by majority vote and such action is authorized by this Operating Agreement or is otherwise authorized by a document specifically supplement this Operating Agreement. The Executive Board’s role may be further defined by documents that specifically supplement this Operating Agreement.

(1) DIRECTORS OF OPERATIONS

There will be two (2) or more Directors of Operations at all times the Company is in existence. The permanent Directors of Operations will be the Founders of the Company, Andrew Delaney & William Rothstein. The Directors of Operations will be responsible for oversight of all NSELS activities, creating and overseeing committees, and other miscellaneous duties.

The Directors of Operations can make day-to-day decisions regarding the Company’s direction and practices when such action is authorized by this Operating Agreement or is otherwise authorized by a document specifically supplement this Operating Agreement. The Directors of Operations’ role may be further defined by documents that specifically supplement this Operating Agreement.

(2) DIRECTOR OF RECORDS

The Director of Records will be responsible for taking minutes at Board meetings, submitting a draft of minutes for approval by the Board, and assisting with an Agenda. The Director of Records will also be responsible for facilitating communication among the Board Members.

(3) DIRECTOR OF FINANCE

The Director of Finance will be responsible for maintaining accounts, keeping Company books, and reporting the financial status of the Company to the Board on a regular basis, and will have other duties as assigned.

(4) DIRECTOR OF COMPLIANCE

The Director of Compliance will be responsible for ensuring that the Company complies with all applicable

laws, rules, and regulations, as well as filing any legal paperwork, and will have other duties as assigned.

(5) DIRECTOR OF PUBLIC RELATIONS

The Director of Public Relations will be responsible for managing the flow of information between the Company and the public. The Director of Public Relations will be responsible for web presence and management and shall have various other duties.

(b). OTHER BOARD MEMBERS

The following is a set of recommended board members; however, this structure is not mandatory. If a member does not take on one of the following titles they will be considered a Board Member at Large (definition below).

(1) DIRECTOR OF ENTERTAINMENT

The Director of Entertainment will be responsible for creating and managing programming related to entertainment law.

(2) DIRECTOR OF SPORTS

The Director of Sports will be responsible for creating and managing programming related to sports law.

(3) DIRECTOR OF EVENTS

The Director of Events will be responsible for planning and coordinating events both for the NSELS and its member societies.

(4) DIRECTOR OF ACADEMIC PROGRAMMING

The Director of Academic Programming will be responsible for planning and coordinating academic activities in which NSELS engages.

(5) DIRECTOR OF SOCIAL COORDINATION

The Director of Social Coordination will assist the Director of Records with communications among the Board members and assist The Director of Communications in managing the flow of information between the Company and the public, and will have other duties as assigned.

(6) REGIONAL DIRECTORS

There may be four (4) Regional Directors (**Northeast, Southeast, Northwest, and Southwest**). The Regional Directors will be responsible for coordinating and facilitating NSELS activities in their respective geographical regions. The Regional Directors will also have other duties as assigned.

(7) BOARD MEMBERS AT LARGE

Any Member of the Board that does not have another title or titles will be considered a Board Member at

Large. The Board Members at Large will serve on various committees and have duties as assigned. Any Board Member at Large's position may be changed to a position that is deemed needed by the Executive Board or by the Directors of Operations.

(8) Any one of the fifteen Board Members may hold more than one, but no more than two positions on the Board at any given time.

V. ADVISORY BOARD

The Advisory Board shall consist of individuals that from time to time the Board will consult regarding the operation of the Company. The individuals comprising the Advisory Board should have significant experience in the sports and entertainment law fields or any relevant vantage points. The purpose of the Advisory Board is to lend credibility and provide helpful and strategic advice to the Company.

The Advisory Board may consist of as many members as needed. The number of members shall be determined by the Chair of the Advisory Board. If no one else is chosen, the Chair of the Advisory Board will be Professor Michael McCann.

V. STATE REPRESENTATIVES:

It is recommended that there be at least one State Representative for every state in the United States. State Representatives are not Board Members, but are still entitled to vote on matters as provided for in documents that specifically supplement this Operating Agreement. A State Representative may choose to enlist anyone of his or her choosing to assist with duties. The number of State Representatives for any given state shall be determined by the Governing Board.

VI. WORK PRODUCT:

All Members irrevocably transfer and assign all right, title and interest to any work product created (now or in the future) in the course of Company projects to the Company. In creating any work product for the Company or otherwise performing services for the Company, Members shall be independent contractors of the Company.

VII. OWNERSHIP OF COMPANY

For tax purposes, the Company will file as a partnership. For tax purposes, the permanent Directors of Operations will be considered the sole owners of the Company. Ownership interests already allocated under the former "point system" shall be considered common shares in the Company, and upon any dissolution, common shares in the Company shall be given first priority after all debts of the Company are paid. The permanent Directors of Operations shall have last priority in the event of dissolution. Any financial distributions to members shall be treated, for tax purposes, as distributions of a limited partnership.

After approval of the January 1, 2011 amendments to this Operating Agreement, the former point distribution shall be converted to a "common shares distribution." Anyone not substantially involved in the Company since the original point distribution shall be considered to have forfeited any interest in his or her putative common shares. When the common shares distribution is complete, it shall be submitted for

approval to those members who received points in the first distribution, and anyone since the first distribution who has earned a right to common shares as determined by any Member of the Executive Board. The distribution may be approved by majority vote via email. A LACK OF RESPONSE SHALL BE CONSIDERED AN AFFIRMATIVE VOTE.

Common shares confer voting rights and give a Member of the Company “Active Member” status.

VIII. SHARES RECEIVED:

Common shares received by each Member will be cumulative throughout the life of the Company; Common shares will be forfeited back to the Company whenever any one of the following occurs: (1) the Member’s contact information is not updated for two or more months; (2) the Member does not participate in the company in a meaningful way (as determined by any member of the Executive Board) for more than two months.

IX. PAYMENT OF REVENUES

The Executive Board or Directors of Operations may decide the amount, if any, of revenues to be paid out to Members (“Member Payments”) during any Period. Revenues shall be paid to Members in proportion to the number of valid common shares held by each Member as a percentage of all valid common shares outstanding. No Member Payments may be made to the extent that they would cause the Company to be unable to pay its debts as they become due in the ordinary course of business. All Member Payments shall be deemed compensation to the Members for their contributions to the Company as independent contractors.

X. LIABILITY OF MEMBERS

The debts, obligations and liabilities of the Company are solely the debts, obligations and liabilities of the Company. A Member will not be personally liable for a debt, obligation or liability of the Company solely by reason of being or acting as a Member or Active Member.

XI. DECISIONS BY MEMBERS

Any decisions and any consent, approval, or action of the Company may be taken by means of a majority of the votes cast by Active Members entitled to vote and voting during a period of at least one week. Notice of any pending decision may be provided on the Company web site (<http://www.nationalsels.org>). Each Active Member may cast a number of votes equal to the number of common shares awarded to such Active Member. The Active Members may choose to designate one or more agents to act on behalf of the Company.

XIII. TAX ELECTION

The Company shall elect to be treated for federal and state income tax as a partnership, with the Directors of Operations acting as sole owners.

XIV. CAPITAL

The Directors of Operations shall contribute as capital such amounts as the Directors of Operations deem appropriate. The Directors of Operations may cause the Company to accept additional loans on terms approved by the Directors of Operations and with unanimous approval by the Directors of Operations. **XV.**

AMENDMENTS

Any Active Member of the Company may propose an amendment of this Agreement. Approval of such amendment shall require an affirmative majority vote of the Executive Board who vote during the specified period (not less than two weeks following notice of the proposal). A LACK OF RESPONSE SHALL BE CONSIDERED AN AFFIRMATIVE VOTE.

XVI. CHOICE OF LAW

The law of the State of Vermont shall govern this Agreement.

XVII. ARBITRATION

The Members agree that any and all disputes related to or arising from this Agreement will be resolved through online or virtual arbitration.

XVIII. NON-TRANSFERABILITY

Any interest of a Member in the Company created under this Agreement will be non-transferable and shall terminate upon the death of the Member.

XIX. DISSOLUTION

Upon dissolution and liquidation of the Company and after payment of all debts and liabilities, any remaining assets will be distributed in proportion to the valid points held by the Active Members. See also, Part VII of this Agreement.

XX. REGISTERED AGENT

Andrew B. Delaney is the Company's registered agent in the State of Vermont. The registered agent's office is located at 1948 Dartt Hill Road, Bethel, VT 05032.

XXI. DESIGNATED OFFICE

The location of the principal place of business of the Company will be the office of the Company's registered agent.

XXII. TERMINATION OF ACCESS AND ACTIVE MEMBERSHIP

The right of a Member to access the Members Only Section of the Company site, and a Member's status as an Active Member, may be terminated only by a majority vote of the Directors of Operation within 2 weeks

after such termination is proposed by any Active Member. A LACK OF RESPONSE SHALL BE CONSIDERED AN AFFIRMATIVE VOTE.

XXIII. CONTRACTS WITH THIRD PARTIES

No Member may sign a contract on behalf of the Company unless expressly authorized by a decision of the Directors of Operations, or the Executive Board, and any contract signed without such express authorization will be invalid.

XXIV. OPERATING AGREEMENT, BYLAWS, MEMBER LISTS

This Operating Agreement, supplemental documents, Member Lists, and other pertinent documents will all be made readily available through the Company's website in PDF or any other appropriate format.

XXV. FORM OF MEETINGS

The Board may choose to meet by telephone conference call, to meet online, or in any other manner authorized by this Operating Agreement or documents that specifically supplement this Operating Agreement as amended from time to time.

XXVI. SUPPLEMENTAL DOCUMENTS

Supplemental documents (such as Bylaws and specific agreements) may supplement this Operating Agreement, but in the event any provision of a supplemental document is inconsistent with this Operating Agreement or State Law, the Operating Agreement or State Law will control.

This Operating Agreement may be amended by a majority vote of the Executive Board with notice as provided for in this Operating Agreement.

XXVII. ELECTRONIC SIGNATURES

As provided in 9 V.S.A. §§ 270–290, Vermont's version of the Uniform Electronic Transactions Act, signatures may be made electronically or in any accepted form.

XXVIII. MEMBERSHIP RECORDS

Records of membership may be maintained on the Company website, with the Director of Records, and in any other reasonable place. Memberships may be designated as dues-paying or non-dues-paying.

XXIX. PROGRAM-RELATED INVESTMENTS

Regarding any private foundation's program-related investment in this Company, at least two members of the Executive Board and an appropriate representative of the private foundation must sign a written agreement that sets forth the following:

1. To use all amounts received from the private foundation only for the purposes of the investment and to repay any amount not used for those purposes, provided that, for equity investments, the repayment is within the limitations concerning distributions to holders of equity interests,
2. To submit, at least once a year, a full and complete financial report of the type ordinarily required by commercial investors under similar circumstances and a statement that it has complied with the terms of the investment,
3. To keep adequate books and records and to make them available to the private foundation at reasonable times, and
4. Not to use any of the funds to carry on propaganda, influence legislation, influence the outcome of any public elections, carry on voter registration drives, or to make grants that do not comply with the requirements regarding individual grants or expenditure responsibility.

XXX. INTEGRATION

Except as supplemented by documents specifically supplementing this Operating Agreement, this agreement constitutes the entire Operating Agreement among the parties.

XXXI. TERM OF COMPANY

This Company shall have an initial term of fifty (50) years. At the end of this term, the active members may choose to renew the Company or to dissolve it by majority vote.

ACKNOWLEDGMENT OF ARBITRATION. This agreement contains an agreement to arbitrate. After entering into this agreement, I understand that I will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the arbitration agreement, unless it involves a question of constitutional or civil rights. Instead, I agree to submit any such dispute to an impartial arbitrator as described above.

Approved by majority vote, January-February 2011.