

(III) A FORCED SALE OF THE DEFAULTING MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY;

(IV) FORFEITURE OF THE DEFAULTING MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY;

(V) A LOAN BY THE NONDEFAULTING MEMBERS OF THE AMOUNT NECESSARY TO MEET THE COMMITMENT;

(VI) A DETERMINATION OF THE VALUE OF THE MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY BY APPRAISAL OR BY FORMULA AND REDEMPTION AND SALE OF THE DEFAULTING MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY AT THAT VALUE; OR

(VII) ANY OTHER REMEDY OR CONSEQUENCES.

4A-503. RESTRICTIONS ON MAKING DISTRIBUTIONS.

(A) A DISTRIBUTION MAY NOT BE MADE IF, AFTER GIVING EFFECT TO THE DISTRIBUTION:

(1) THE LIMITED LIABILITY COMPANY WOULD NOT BE ABLE TO PAY ITS DEBTS AS THEY BECOME DUE IN THE USUAL COURSE OF BUSINESS; OR

(2) THE LIMITED LIABILITY COMPANY'S TOTAL ASSETS WOULD BE LESS THAN THE SUM OF ITS TOTAL LIABILITIES PLUS, UNLESS THE OPERATING AGREEMENT PERMITS OTHERWISE, THE AMOUNT THAT WOULD BE NEEDED, IF THE AFFAIRS OF THE LIMITED LIABILITY COMPANY WERE TO BE WOUND UP AT THE TIME OF THE DISTRIBUTION, TO SATISFY ANY PREFERENTIAL RIGHTS WHICH ARE SUPERIOR TO THE RIGHTS OF MEMBERS RECEIVING THE DISTRIBUTION.

(B) THE LIMITED LIABILITY COMPANY MAY BASE A DETERMINATION THAT A DISTRIBUTION IS NOT PROHIBITED UNDER SUBSECTION (A) OF THIS SECTION ON:

(1) FINANCIAL STATEMENTS PREPARED ON THE BASIS OF ACCOUNTING PRACTICES AND PRINCIPLES THAT ARE REASONABLE UNDER THE CIRCUMSTANCES; OR

(2) A FAIR VALUATION OR OTHER METHOD THAT IS REASONABLE UNDER THE CIRCUMSTANCES.

(C) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE EFFECT OF A DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION IS MEASURED AS OF:

(1) THE DATE THE DISTRIBUTION IS AUTHORIZED, IF THE PAYMENT OCCURS WITHIN 120 DAYS AFTER THE DATE OF AUTHORIZATION; OR