

# LLC OPERATING AGREEMENT

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This Limited Liability Company Operating Agreement (the "Agreement") is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and among the following members (collectively, the "Members"):

The Member(s):

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The Members agree to form and operate a limited liability company (the "Company") under the laws of the State specified below, and agree to the following terms and conditions:

## I. COMPANY FORMATION AND DETAILS

### 1.1. Name.

The name of the Company shall be: \_\_\_\_\_

### 1.2. State of Formation.

The Company is organized under the laws of the State of: \_\_\_\_\_ (the "State").

### 1.3. Principal Place of Business.

The principal office and place of business of the Company shall be located at:

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### 1.4. Registered Agent.

The name and address of the Company's Registered Agent for service of process in the State shall be:

Name: \_\_\_\_\_

Address:

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### **1.5. Term.**

The term of the Company shall commence upon the filing of the Articles of Organization (or Certificate of Formation) with the State and shall continue:

- ☐ Perpetually
- ☐ Until the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_
- ☐ Until dissolved pursuant to this Agreement

### **1.6. Business Purpose.**

The primary business and purpose of the Company is:

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## **II. CAPITAL CONTRIBUTIONS**

### **2.1. Initial Contributions.**

The Members have made the following initial capital contributions to the Company in exchange for their respective Percentage Interests as set forth in "Exhibit A" attached hereto.

### **2.2. Additional Contributions.**

No Member shall be obligated to make any additional capital contributions to the Company unless unanimously agreed upon by all Members.

### **2.3. No Interest on Capital.**

No interest shall be paid on any capital contribution to the Company.

### **2.4. Return of Capital Contributions.**

Except as otherwise provided in this Agreement, no Member shall have the right to demand or receive the return of their capital contribution.

## **III. ALLOCATIONS AND DISTRIBUTIONS**

### **3.1. Allocation of Profits and Losses.**

Net profits and net losses of the Company shall be allocated to the Members in proportion to their Percentage Interests as set forth in Exhibit A.

### **3.2. Distributions.**

Distributions of Net Cash Flow shall be made to the Members at such times and in such amounts as determined by the Management. All distributions shall be made to the Members in proportion to their Percentage Interests.

## **IV. MANAGEMENT**

### **4.1. Management Structure.**

The Company shall be managed by (check one):

☐ **The Members (Member-Managed).** The Company shall be managed by its Members. All decisions concerning the business and affairs of the Company shall be made by a vote of the Members holding a majority of the Percentage Interests, unless a higher threshold is required by this Agreement or applicable law.

☐ **Manager(s) (Manager-Managed).** The Company shall be managed by one or more Managers appointed by the Members. The Manager(s) shall have the exclusive authority to manage the operations and affairs of the Company.

The initial Manager(s) shall be:

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### **4.2. Authority.**

The Management (whether Members or Managers) shall have the full power and authority to manage the business and affairs of the Company, including but not limited to:

- (a) Executing contracts, agreements, and other instruments;
- (b) Opening and maintaining bank accounts;
- (c) Employing agents, employees, and independent contractors;
- (d) Acquiring, holding, and disposing of real or personal property.

#### **4.3. Limitations on Authority.**

Notwithstanding the foregoing, the following actions require the unanimous written consent of all Members:

- (a) Amending this Agreement or the Articles of Organization;
- (b) Admitting a new Member;
- (c) Selling all or substantially all of the Company's assets;
- (d) Merging or dissolving the Company;
- (e) Filing for bankruptcy.

### **V. MEMBERSHIP**

#### **5.1. Meetings.**

Meetings of the Members may be called by any Member holding at least \_\_\_\_\_ percent of the Percentage Interests. Notice of any meeting shall be given to all Members at least \_\_\_\_\_ days prior to the meeting.

#### **5.2. Voting.**

Except as otherwise provided in this Agreement, all matters requiring the vote of the Members shall be decided by a vote of the Members holding a majority of the Percentage Interests.

#### **5.3. Withdrawal.**

A Member may withdraw from the Company only upon terms and conditions agreed to by the remaining Members.

### **VI. TRANSFER OF INTERESTS**

#### **6.1. Restrictions on Transfer.**

No Member may sell, assign, transfer, pledge, or encumber any portion of their Membership Interest in the Company without the prior written consent of all other Members.

#### **6.2. Right of First Refusal.**

If a Member receives a bona fide offer to purchase their Membership Interest, they must first offer to sell such interest to the Company or the other Members on the same terms and conditions. The Company and the other Members shall have thirty (30) days to exercise this right.

#### **6.3. Death or Incompetence.**

Upon the death or legal incompetence of a Member, their executor, administrator, guardian, or other legal

representative shall have all the rights of a Member for the purpose of settling the Member's estate or administering their property, but shall not become a Member of the Company unless admitted in accordance with Section 4.3.

## **VII. DISSOLUTION AND LIQUIDATION**

### **7.1. Events of Dissolution.**

The Company shall be dissolved and its affairs wound up upon the occurrence of any of the following events:

- (a) The expiration of the Term, if any;
- (b) The unanimous written consent of all Members;
- (c) The entry of a decree of judicial dissolution;
- (d) The sale of all or substantially all of the Company's assets.

### **7.2. Liquidation.**

Upon dissolution, the Company's assets shall be liquidated, and the proceeds shall be applied in the following order:

- (a) To the payment of all debts and liabilities of the Company, including debts owed to Members;
- (b) To the setting up of any reserves deemed necessary for contingent liabilities;
- (c) To the Members in proportion to their positive Capital Account balances;
- (d) To the Members in proportion to their Percentage Interests.

## **VIII. INDEMNIFICATION**

### **8.1. Indemnification.**

The Company shall indemnify, defend, and hold harmless any Member or Manager from and against any and all claims, demands, liabilities, costs, damages, and causes of action of any nature whatsoever, arising out of or incidental to any act performed or omitted to be performed by them in connection with the business of the Company, provided such act or omission was not attributable to fraud, gross negligence, or willful misconduct.

## **IX. GENERAL PROVISIONS**

### **9.1. Governing Law.**

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

\_\_\_\_\_.

### **9.2. Entire Agreement.**

This Agreement constitutes the entire agreement among the Members with respect to the subject matter hereof and supersedes all prior agreements, understandings, and negotiations, whether written or oral.

**9.3. Severability.**

If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**9.4. Amendment.**

This Agreement may be amended or modified only by a written instrument executed by all Members.

**9.5. Binding Effect.**

This Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

**IN WITNESS WHEREOF**, the Members have executed this Operating Agreement as of the date first written above.

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MEMBER

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Address: \_\_\_\_\_

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MEMBER

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Address: \_\_\_\_\_

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MEMBER

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Address: \_\_\_\_\_

\*(Attach additional signature pages if necessary)\*

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NOTARY ACKNOWLEDGMENT

State of \_\_\_\_\_

County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ (Name(s) of Signer(s)), known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

(Seal)

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**EXHIBIT A**

**MEMBERS AND CAPITAL CONTRIBUTIONS**

**Member Name:** \_\_\_\_\_

**Capital Contribution:** \$ \_\_\_\_\_

**Percentage Interest:** \_\_\_\_\_ %

**Member Name:** \_\_\_\_\_

**Capital Contribution:** \$ \_\_\_\_\_

**Percentage Interest:** \_\_\_\_\_ %

**Member Name:** \_\_\_\_\_

**Capital Contribution:** \$ \_\_\_\_\_

**Percentage Interest:** \_\_\_\_\_ %

**Member Name:** \_\_\_\_\_

**Capital Contribution:** \$ \_\_\_\_\_

**Percentage Interest:** \_\_\_\_\_ %

**TOTAL:** 100%