

Operating Agreement

For

XXXXXXXXXXXX

A

XXXXXX

Limited Liability Company

LLC OPERATING AGREEMENT
OF
<< LLC NAME >>

This Operating Agreement ("Agreement") is formed this ____ day of _____, _____, by NAME (the "Original Member").

WHEREAS, the Original Member has established LLC Name ("Company") by filing on Date Articles of Organization (the "Articles") for conducting any lawful business, promoting any lawful purpose, and engaging in any lawful act or activity for which limited liability companies may be formed under the laws of the Commonwealth; and

WHEREAS, the Original Member agrees that he/her respective rights, powers, duties and obligations as an Original Member of the Company, and the management, operations and activities of the Company, shall be controlled by this Agreement;

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained herein, the Original Member hereby agrees as follows.

ARTICLE I
Formation of the LLC

- A. Effective Date of Agreement. This Agreement shall be effective on the date (the "Effective Date") on which the Original Member signs and dates in below.
- B. Formation of the LLC. The Original Member will file any documents necessary or appropriate to comply with the laws of the State of XXXX for the operation of a limited liability company, and any other jurisdictions in which the Company conducts its business and will continue to do so for so long as the Company conducts business within such jurisdictions.
- C. Admission of Original Member. Immediately upon the formation of the LLC, the sole member shall be the Original Member. All members made a part of this Agreement, including the Original Member, are hereinafter called individually a "Member" and collectively the "Members."

ARTICLE II
General

- A. Name of the Limited Liability Company. The name of the limited liability company formed under the STATE Limited Liability Act is "<< LLC Name >>."
- B. Purpose. The purpose of the the Company is to engage in any lawful act or activity for which limited liability companies may be formed in the State of XXXX.
- C. Registered Office of the Limited Liability Company and Agent for Service of Process. The address of the registered office of the Company for purposes of the Act is ADDRESS . The name of the registered agent for service of process for the Company is AGENT'S NAME.
- D. Principal Place of Business. The principal place of business for the Company is ADDRESS.

ARTICLE III Capital Contributions

- A. Initial Capital Contribution. The initial Capital Contribution of the Original Member as of the date of this Agreement will be as follows the property as described on the attached Exhibit A, and all other money and personal property belonging to the Sole Member's pre-existing sole proprietorship.
- B. Additional Capital Contributions. The Members shall have the right, but shall not be obligated, to contribute any additional funds essential to conducting Company operations in such amounts and proportions as the Original Member determines.
- C. No Interest; No Return of Contributions. No Member is entitled to interest on any contribution to the LLC. No Member shall be entitled to the return of any contributions except in connection with the LLC's dissolution.

ARTICLE IV Allocations and Distributions

- A. Profits and Losses, Distributions. Until the admission of additional Members, the Original Member shall be entitled to all allocations of LLC profits and losses and to allocations of distributions.

ARTICLE V Management of the LLC

- A. Participation in LLC Management. The LLC shall be member-managed.
- B. Allocation of Votes. The Original Member shall have the exclusive right to vote on LLC matters, provided that upon admission of additional Members, each Member shall have the right to vote on each LLC matter in accordance with his percentage voting interest in the LLC, which interest must be expressly conveyed by an appropriate act of the LLC.
- C. Agency. The Original Member shall have the power, right and authority to act as agent for the LLC on all LLC matters.

ARTICLE VI Assignments and New Members

- A. Restrictions on Assignment of Interests. No Member shall make or effect an Assignment of all, or any part of, such Original Member's ownership or voting interest, except with the consent of the Original Member. A creditor shall only obtain lien against a membership interest and shall not become a Member of the LLC.
- B. Admission of New Members. No person or entity shall be admitted as a new Member of the LLC except with the consent of the Original Member, issuance of new voting and ownership interests in the Company and/or a sale of a current percentage of the Original Member's interest.

ARTICLE VII Duties of Members

- A. Duties of Members. Each Member shall use his or her best efforts to promote the business of the LLC.

- B. Duties of Care, Good Faith and Loyalty. In his or her actions as member of the LLC, each Member:
- (1) shall use the same care as he would use in conducting his own affairs;
 - (2) shall act in good faith; and
 - (3) shall act with the utmost loyalty toward the LLC.

ARTICLE VIII Records and Reports

- A. Books of Accounts. The LLC shall maintain proper books of account, which shall comply with all applicable federal income tax regulation and with generally accepted accounting practices as applicable to limited liability companies.
- B. Annual Reports Relating to Tax Return Preparation. The LLC shall prepare and deliver to the Members written reports which shall contain all information that is reasonably necessary to enable the Members to prepare their federal income tax returns.

ARTICLE IX Dissolution

- A. Dissolution. The Original Member may dissolve the LLC at any time. Upon dissolution, the LLC must pay its debts first before distributing cash, assets, and/or initial capital to members or member's interests. The dissolution may only be ordered by a Member, not by the owner of the Member's interests.
- B. Filing. Upon dissolution of the Company, the Original Member shall cause to be executed and filed with the Secretary of the State articles of dissolution in accordance with the Act.

ARTICLE X Miscellaneous

- A. Amendments. This Agreement may be amended only by the consent of the Original Member.

- B. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Original Member and his respective heirs, administrators, executors, legal representatives, successors and assigns.
- C. **Entire Agreement.** This Agreement and the schedules attached hereto constitute the entire agreement of the Original Member with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, and understandings of the parties with respect to the Company.
- D. **Third Parties.** Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.
- E. **Governing Law.** This Agreement shall be governed by and construed under the substantive laws of the State of XXXX without regard to its choice-of-law provisions.
- F. **Severability.** If one or more provisions of this Agreement are held by a proper court to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary and permitted by law, shall be severed and the balance of this Agreement shall be enforceable in accordance with its terms.
- G. **Notices.** Any notices or elections permitted or required to be made as provided in this Agreement shall be in writing, signed by the Original Member giving such notice or making such election, and shall be delivered by hand or by nationally recognized overnight courier service or sent by registered or certified U.S. Mail, postage prepaid, return receipt requested.
- H. **No Waiver.** The failure of any Member to insist upon strict performance of any covenant or obligation under this Agreement shall not be deemed a waiver or relinquishment of such Member's right to demand strict compliance in the future with respect to such covenant or obligation or any other covenant or obligation. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall be deemed to constitute a consent or waiver to or of any breach or default in the performance of the same or any other obligation under this Agreement.

- I. Counterparts. This Agreement may be executed upon an original and one or more duplicate originals, all of which together shall constitute an agreement.

IN WITNESS WHEREOF, the Original Member hereby executes this Limited Liability Company Agreement as of the date first written in this Agreement.

ORIGINAL MEMBER:

<< NAME >>

DATE: _____

EXHIBIT A

- Limited Liability Company attorney's fees and government filing fee equaling \$____ USD
- Capital Investment of \$_____ USD

- ANY INTELLECTUAL PROPERTY
- ANY PHYSICAL PROPERTY