**LLC Operating Agreement**

*State of [Insert State Here]*

This LLC Operating Agreement (hereinafter "Agreement"), made by and between the members signed below ("Members"), is executed as of [Insert Date Here] for good and valuable consideration.

**Article 1 - FORMATION & LLC INFORMATION:**

a. Name & state. This Agreement is made for the Limited Liability Company of the following name: [Insert the Full Name of the Limited Liability Company] (the "LLC"). The LLC is a member-managed LLC formed pursuant to the laws of the state.

b. Address. The mailing address and the street address (principal office address) for the LLC are as follows:

[insert the Full Address of the L.L.C.]

The principal and mailing address of the LLC may change as the Members may designate.

c. Registered agent. The name and address of the registered agent (or statutory agent, as applicable) are as follows:

Name: [Insert the Full Name of the Person Who Acts as Registered Agent for the L.L.C]

Address: [Insert the Full Street Address of the Registered Agent]

The LLC may change its registered or statutory agent, as the Members may decide, by filing a relevant statement with the state of [Insert State Here].

**Article 2 - PURPOSE:**

a. Purpose. The purpose of the Limited Liability Company is as follows:

[Insert the Purpose of the Limited Liability Company Here]

**Article 3 - DURATION:**

The duration of this LLC shall be perpetual in nature. The LLC may be terminated if:

1. The Members unanimously decide to dissolve the LLC and do so through a valid vote.

2. No remaining Members survive.

3. The continued existence of the LLC becomes unlawful for any reason.

4. A judicial order dissolves the LLC.

5. Any state or federal law requires dissolution based on any event or action.

**Article 4 - MEMBERS:**

a. Member list.

[Insert the Full Name and Address of Member]
Cash contribution of $[Insert Amount Here]
Ownership percentage: [Insert Percentage Here]%

[Insert the Full Name and Address of Member]
Cash contribution of $[Insert Amount Here]
Ownership percentage: [Insert Percentage Here]%

b. Management. General management of the LLC is vested in its Members.

c. Meetings. Regular meetings will be held approximately monthly. Special meetings may also be called upon the following notice: [Insert Amount of Notice for Special Meetings]. All Members are expected to attend regular and special meetings and may do so via proxy.

d. Initial Contributions. The initial contributions of each of the Members are listed above. Members may not receive interest on their initial contributions and are permitted the return of their initial contributions if expressly provided in this Agreement or under the laws of [Insert State Here]. Members may withdraw initial contributions only if voted on unanimously by all other Members. For any Member that does not make the required initial contribution when due, the other Members reserve all applicable legal rights.

e. Profit/loss. Profits and losses will be allocated according to the specific percentages of ownership each Member holds.

f. Additional Contributions. Additional financial contributions may be required from time to time from the Members. Should not all Members agree to pay for additional contributions to the LLC, the Members who have chosen to pay will be permitted to do so in proportion to their percentage interest in the LLC, which will then be accordingly adjusted. Profit and loss allocations will also be adjusted.

g. Liability. No Member shall personally be liable for any act, omission, obligation, debt, or liability under the LLC, beyond their initial contribution, including for any decisions or holdings which may come from a court of competent jurisdiction or other judicial or regulatory body. Members' initial contributions are subordinate to all other debts and liabilities of the LLC. If no funds remain within the LLC after the repayment of any debts or liabilities, Members will have no ability to obtain repayment of their initial contribution, unless specifically accounted for elsewhere in this Agreement or under the relevant law.

h. Member payments to LLC. For any payment of funds from a Member to the LLC not specifically stated to be a contribution, that payment will be treated as a debt owed by the LLC to the Member. Such debt shall not increase the lending Member's percentage interest in the LLC and will be paid back with interest according to a schedule determined by a majority of Members, which may be determined through a vote.

i. Authority to bind. All Members will have the ability to bind the LLC in contract, provided such action was authorized by the other Members or that Member had explicit authority to do so.

j. Agency. All Members are agents of the LLC and shall be entitled to act accordingly. All legal obligations created by the authority of the Members shall be valid unless the individual or entity with whom the Member was dealing has reason to know that that Member did not have actual authority to act on behalf of the LLC.

k. Valuation. For any required valuation of ownership interest or valuation of the LLC as a whole, the Members agree to utilize a fair market appraisal of the LLC taken under generally accepted accounting principles (GAAP). The Members will hire an independent appraiser to complete the valuation.

l. Voluntary withdrawal. Members may choose to voluntarily withdraw. In such a case, the withdrawing Member must first allow the transfer of that Member's interest to the remaining Members., through a right of first refusal. The withdrawing Member's interest shall be permitted to be split, in equal parts, among the remaining Members. Members will have 14 business days to decide on such a purchase, which must be decided unanimously.

If Members do not unanimously agree to buy the withdrawing Member's interest, individual Members have the option to purchase such interest. If more than one Member would like to purchase the departing Member's interest, it will be split equally among the Members that wish to purchase.

The withdrawing Member's interest may only be sold to a non-Member if agreed to in a unanimous vote among all remaining Members.

m. Death or incompetency. Upon the death or incompetency of a Member, each of the other Members shall be permitted to split, in equal parts, that Member's interest and purchase the same. Members will have 14 business days to decide on such a purchase, which must be decided unanimously.

If Members do not unanimously agree to buy the departing Member's interest, individual Members have the option to purchase such interest. If more than one Member would like to purchase the departing Member's interest, it will be split equally among the Members that wish to purchase.

The departing Member's interest may only be sold to a non-Member if agreed to in a unanimous vote among all remaining members.

Membership interest will be assessed by a neutral third party.

If the transfer of the departing Member's interest has not been completed in any manner described above, the departing Member or their estate or legal representatives may transfer their Membership interest in any manner they choose.

n. Termination of a member. Upon the involuntary termination of Member, which may happen as provided for elsewhere in this Agreement, each of the other Members shall be permitted to split, in equal parts, that Member's interest and purchase the same. Members will have 14 business days to decide on such a purchase, which must be decided unanimously.
If Members do not unanimously agree to buy the terminated Member's interest, individual Members have the option to purchase such interest. If more than one Member would like to purchase the terminated Member's interest, it will be split equally among the Members that wish to purchase.

The terminated Member's interest may only be sold to a non-Member if agreed to in a unanimous vote among all remaining members.

Membership interest will be assessed by a neutral third party.

If the transfer of the terminated Member's interest has not been completed in any manner described above, the remaining Members may hold a vote on the issue.

o. New members. Any Member that wishes to entirely relinquish their Member interest must first allow the remaining Members to purchase. If no remaining Member wishes to purchase the interest, the Membership, in full or in part, may be transferred to a non-Member who will agree in writing to be bound by the terms and conditions outlined in this Agreement and by the terms of any applicable organization document filed with the relevant [Insert State Here] authority.

**Article 5 - VOTING:**

a. Voting rights. Each Member shall receive equal votes, regardless of a percentage interest in the LLC.

b. Proxy voting. Members are permitted to vote by proxy, provided an executed proxy statement is delivered to the LLC in advance of or at the time of the meeting where the proxy voting will take place.

**Article 6 - DUTIES:**

Members will be responsible for ensuring the LLC's completion of the following:

1. Payment of wages and salaries to any employees of the LLC, through the LLC's own financial accounts;
2. Keeping adequate minutes for each of the LLC's meetings, including any large action items or resolutions;
3. Any and all formal requirements imposed on LLCs under relevant state law.

a. Duties of loyalty and care. Although Members owe a duty of loyalty and duty of care to the LLC as required under relevant state law, the Members have unanimously agreed that any Member may participate in any business or venture, regardless of whether such business or venture is similar to the business of the LLC or in direct competition with the LLC. Other Members of the LLC will not be entitled to any profits from the individual activities of a Member.

b. Duty to devote time. Each and all Members have a duty to devote reasonable time to the LLC for the purposes of ensuring the smooth operation of the business of the LLC.

c. Duty to the LLC. All Members signing below expressly understand and agree that their duty of loyalty and duty of care extends to the LLC and not to individual members.

d. Fiduciary duties. Members owe fiduciary duties of good faith and fair dealing to the LLC and to other Members. Members also owe a duty of disclosure to the LLC and to other Members.

e. Dispute resolution. In case of a dispute between the Members relating to the LLC, the Members shall first attempt to resolve the dispute personally and in good faith. If these personal resolution attempts fail, the Members shall then submit the dispute to mediation prior to the filing of any suit. The Members each and all agree to submit any lawsuit to the state and Federal courts within the state of [Insert State Here].

f. Assignment. Members may assign their ownership interest solely and exclusively to other Members. To assign ownership interest to a third party, all other Members must unanimously consent.

g. Inclusion of information. The LLC will maintain records and reports at all times which contain the following information:

1. The registration status of the LLC with the state of [Insert State Here];
2. A full copy of any and all documents filed with the state of [Insert State Here], including Articles of Organization;
3. A copy of this Agreement;
4. The financial status of the LLC;
5. Names and address of all current Members;
6. Membership start dates for each of the Members,
Members may request to inspect any of the above-mentioned reports and records at any time but do so at their own expense, if any.

**Article 7 - FISCAL CONSIDERATIONS:**

a. Tax/fiscal closing. The tax/fiscal closing month for the LLC is [Insert Month Here]. The LLC must pay all taxes required under state and Federal law, if applicable.

b. Duty to maintain books. Members will be responsible for ensuring the maintenance of separate financial records for the LLC, unrelated to any individual person or Member, which may include bank accounts, checks, invoices, books, financial statements and any other pertinent financial record or account. Such separate accounts and records also include assets of the LLC, which shall not be commingled with the assets of any person or Member. Books will be maintained with GAAP. Members will determine, through voting, in which specific accounts at which specific financial institutions liquid funds of the LLC will be held.

c. No guarantees on Member debts. The LLC, through Members is expressly prohibited from guaranteeing any Member debts or holding itself out as being able to do so.

d. Member compensation. Members as a whole may set compensation for individual Members, including for any coverage of expenses or other set salary. Members are also entitled to act in any other capacity for the LLC and receive compensation therefor.

e. Distributions. Distributions may be made monthly or according to the discretion of the LLC's Officers, but are not required. Distributions will not exceed the LLC's net profit. Members will receive distributions according to the specific percentages of ownership each Member holds.

f. Tax treatment. The LLC has elected to be taxed as a corporation through the Internal Revenue Service (IRS), meaning that the entity itself will be taxed on its profits prior to the individual Members being taxed on their distributions.

g. Annual report. At the close of each fiscal year, the LLC will provide an annual report to each of the Members to assist in the filing of Members' federal taxes. The annual report will contain, at minimum, a copy of the LLC's federal tax returns for that fiscal year.

h. Insurance. The LLC, through the Members, maintains the right to purchase any insurance required or desired, including general liability coverage, business insurance, or insurance to cover the acts or omissions of any Member, Officer, or employee of the LLC for any reason which may arise through the authorized agency of the Member, Officer, or employee.

i. Title. Title to all LLC property will be vested in the name of the LLC and not the name of any individual member.

j. Audit. Any Member may request an audit of the LLC's financial records. The LLC will be responsible for the cost and expense of such audit, but only one audit will be permitted per calendar year.

**Article 8 - OFFICERS:**

The Members shall have the authority to appoint Officers of the LLC. Such Officers shall include, at minimum, a President, Secretary, and Treasurer. Members may decide to create additional Officers through votes and may determine the titles, powers, and responsibilities of each Officer. Officers shall have powers and duties as the Members decide. The term of office for each Officer will be dictated by the Members and maybe until a successor is chosen.
Officers may remove with or without cause at any time upon a vote of the Members.

If any Office is vacant, the Members may fill such Office through an appointment.

Officers may act as agents of the LLC with respect to the power and duties they are delegated by the Members. Officers owe fiduciary duties of loyalty and care to the LLC and may, as Members, rely on reports provided to them by other Members, Officers, LLC employees, attorneys, accountants, or other professionals, so as long as the Officer reasonably believes in the competency of the individual and therefore the report is provided.

a. President. The President shall have the power and responsibility to oversee the general business of the LLC. The President shall preside over the meetings of the LLC and will be responsible for enacting all business voted on. The LLC members may elect to allow the President to act additionally as the Chief Operating Officer of the LLC or the LLC members may elect a Chairperson to do so. If the President is Chief Operating Officer, the President shall be permitted to execute contracts on behalf of the LLC unless someone else's signature is explicitly required by the contract or applicable law.

b. Secretary. The Secretary shall be responsible for maintaining all records of the LLC and completing any filings, except financial filings, as required by applicable law. The Secretary will provide notice to all LLC members about any and all meetings of the LLC, both regularly scheduled and special. The Secretary shall record and keep all minutes of the meetings of the LLC and will create and file any reports for the LLC, except financial reports.

c. Treasurer. The Treasurer is responsible for maintaining all financial books and records of the LLC and for completing any financial filings required by applicable law. The Treasurer shall maintain the accounts of the LLC using GAAP and shall review such accounts from time to time to ensure all are as expected. The Treasurer will be responsible for disbursing funds to the LLC and to Members and Officers as required. The Treasurer, in conjunction with the President and Secretary, will be responsible for providing distributions as voted on by the LLC members. The Treasurer will be required to complete an annual financial report every year for filing with the state of [Insert State Here].

d. Additional officers. The LLC may elect additional Officers, including, as mentioned above, a Chairperson. Additional elections may also include any number of Vice-Presidents, as required and contemplated by the Members. Assistant Officers may be elected to manage responsibilities for the Officers at any time the Officers may not be present or if the Officers need additional help.

**Article 9 - DISSOLUTION/WRAPPING UP:**

a. Term. The LLC may dissolve upon the occurrence of any of the events listed in the Article entitled "Duration," above, or upon a unanimous vote of the Members. If the LLC is dissolved, the Members must participate in the winding up of the business of the LLC.

b. Winding up. Winding up the business of the LLC will be the responsibility of the Members. Duties in winding up may include satisfying any creditors, liquidating assets, ensuring the cancelation of outstanding contracts, and any other actions the Members deem appropriate.

c. Accounting. The Treasurer of the LLC shall be responsible to provide an accounting to the Members of the final assets and liabilities, including liquid funds, if any, to the Members at dissolution.

d. Funds priority. At dissolution, liquidated funds will be disbursed with the following priority:

1. to satisfy non-Member creditors;
2. to satisfy Member creditors to whom the LLC has a debt obligation;
3. recovery of Members' initial contributions;
4. remaining distributions to Members.

e. Asset distributions. For any assets which may remain after satisfying creditors, Members may elect to distribute those assets amongst the Members. Members may also elect to liquidate those assets and distribute any remaining funds. If Members choose to distribute tangible assets, Members will first agree on a fair market value of the assets (including the subtraction of any liabilities which may be due on the assets) and then distribute. If Members do not agree on a fair market value, an appraiser may be employed.

f. Distributions not possible. If distributions are not possible after an accounting has been made, Members may be eligible to receive their initial contributions back, but only after all outside creditors have been satisfied.

g. Dissolution complete. Dissolution of the LLC will be complete when all of the remaining assets or funds of the LLC have been used to satisfy final creditors or distributed to the Members. Additionally, the final termination of the LLC requires any state registration provided to the relevant Secretary of State to be canceled.

**Article 10 - INDEMNIFICATION:**

a. No Member, Officer, or employee of the LLC shall be liable to the LLC for any claim or damage any person or entity may have against the LLC which may have been caused by any act of the Member, Officer, or employee while acting on behalf of the LLC with proper authorization, unless such claim or damage was caused by the Member, Officer, or employee through gross negligence or willful misconduct.
b. The LLC shall indemnify any Member, Officer, or employee of the LLC who was acting on behalf of the LLC with proper authorization who may be subject to any legal action, claim, demand, suit, or proceeding. Such indemnification shall include repayment of legal fees.
This subpart shall not apply to indemnify any Member, Officer, or employer who was acting in gross negligence or willful misconduct.

**Article 11 - GENERAL PROVISIONS:**

a. Right to counsel. All Members have been advised of their right to seek independent counsel prior to signing this Agreement. All Members have either sought such counsel or waive their right to do so and enter into this Agreement freely and of their own volition.

b. Language. All communications made or notice given pursuant to this Agreement shall be in the English language.

c. Severability. If any part or subpart of this Agreement is held invalid or unenforceable by a court of law, the remaining parts and sub-parts will be enforced to the maximum extent possible. In such condition, the remainder of this Agreement shall continue in full force.

d. Entire agreement. This Agreement constitutes the entire understanding between the Members and the LLC with respect to the subject matter covered herein. This Agreement supersedes and replaces all prior or contemporaneous agreements or understandings, written or oral, regarding the LLC.

e. Governing law. This Agreement shall be governed by and construed in accordance with the internal laws of [Insert State Here] without giving effect to any choice or conflict of law provision or rule.

f. Amendment. This Agreement may only be amended if agreed to in writing by each and all of the then-current Members of the LLC.

g. Days. For any subpart making reference to a number of days in this Agreement, all days will be counted, including weekends and holidays, unless the last day of the period falls on a weekend or holiday, in which case the following business day will be determined to be the last day.

h. Headings for convenience only. Headings of parts and sub-parts under this Agreement are for convenience and organization, only. Headings shall not affect the meaning of any provisions of this Agreement.

i. Counterparts. This Agreement may be executed in counterparts, all of which shall constitute a single agreement. The Agreement shall be effective as of the date set forth above.

j. Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing. All notices shall be delivered by email or at the addresses which the Members may designate to each other, through this Agreement or otherwise, personal delivery, nationally recognized overnight courier (with all fees pre-paid), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only if (a) the receiving party has received the Notice and (b) the party giving the Notice has complied with the requirements of this subsection.

**EXECUTION:**

[Insert the Full Name and Address of Member]

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

[Insert the Full Name and Address of Member]

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