

Limited Liability Company Operating Agreement

of

I. FORMATION OF THE COMPANY

1. **Formation.** The Company was formed on _____ with the filing of the Articles of Organization (the "Organizational Document") with the Secretary of State or the applicable state agency of the State of _____ under and pursuant to the laws of that State.
2. **Name.** The business of the Company shall be conducted under the name _____ or another name as the
3. **Business.** The purpose for which the Company is formed shall be to engage in any lawful business or activity for which limited liability companies may be formed under _____ law.
4. **Principal Place of Business.** The principal place of business of the Company shall be _____, _____, _____.
5. **Registered Office and Agent.** The registered office and agent of the Company in _____ shall be the following: _____ at _____, _____, _____.
6. **Term.** The Company shall have a perpetual existence, unless sooner terminated under the provisions of this Agreement.

II. MEMBERS

1. **Meetings of the Members.**
 - a. *Regular Meetings.* Regular meetings of the Members may be held on such dates and at such times as shall be determined by the Members.
 - b. *Special Meetings.* Special meetings of the Members may be called by any Member. Any such meeting shall be held on such date and at such time as the Member calling such meeting shall specify in the notice of the meeting, which shall be delivered to each other Member with sufficient notice as provided by the laws of _____. The notice for a special meeting does not need to give the purpose for the meeting or the business to be transacted.
 - c. *Location of Meeting.* Any meeting held by the Members shall be held at the principal place of the business or at any other place specified in the notice of a meeting.
 - d. *Electronic Meetings/Meetings by Telephone.* Members may participate in and hold a meeting by means of videoconference, telephone, or other means of electronic communication. Participation in such a meeting shall be treated as participation in an in-person meeting.
 - e. *Action by Written Consent.* Any action required or permitted to be taken at such a meeting may be taken without a meeting, without prior notice, and without vote if all Members consent in writing to that action.

III. CAPITAL OF THE COMPANY

1. "Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Member, whenever made.
2. **Future Contributions.** The shall have the right, but shall be under no obligation, to make additional contributions of capital
3. **Interest to and Loans from Members.** No interest shall be paid by the Company on a Capital Contribution. Loans obtained by the LLC from a Member shall not be considered a Capital Contribution and may accrue interest.
4. **Withdrawal or Reduction of Member's Capital Contributions.**
 - a. Members shall not be entitled to withdraw any part of its Capital Contribution or to receive any distribution from the Company, except as otherwise provided in this Agreement.
5. **No Further Obligations.** Except as expressly provided for in or contemplated by this Article, the shall not have any obligation to provide funds to the Company, whether by Capital Contributions, loans, return of monies received pursuant to the terms of this Agreement or otherwise.

IV.

1. **Limitation on Authority.** Unless authorized to do so by this Agreement or by the Members of the Company, no agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.
2. **Dealings with Members and Affiliates.** The Company may transact business with any Member, or affiliate thereof, provided the terms of those transactions are no less favorable than those the Company could obtain from unrelated third parties.

V. LIABILITY AND INDEMNIFICATION

1. **Limitation of Member's Responsibility and Liability.** A Member shall not be personally liable for any amount in excess of their Capital Contributions and shall not be liable for any of the debts or losses of the Company. A Member's liability shall be limited as set forth in the laws of _____ and other applicable law hereafter in effect.
2. **Indemnification - In General.** The Company shall indemnify, defend, protect and hold harmless its agents, employees and Members (the "Indemnitees") from and against all costs, losses, liabilities, damages, claims, expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines, settlements and any other amounts arising from any and all claims, demands or proceedings, paid or accrued by an Indemnitee in connection with the business of the Company, to the fullest extent provided or allowed by the laws of _____. The indemnification provided by this Article shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, consent of the Members, as a matter of law or equity, or otherwise, shall continue as to any Indemnitee who has ceased to serve in the capacity that made it an Indemnitee and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee. Subject to the foregoing sentence, the provisions of this Article VII are for the benefit of the Indemnitees and shall not be deemed to create any rights for the benefit of any other persons.
3. **Advances in Connection with Indemnification.** Expenses incurred by an Indemnitee in defending any claim, demand or proceeding subject to this Article shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amounts if it is ultimately determined that the Indemnitee is not entitled to be indemnified as authorized by this Article.

VI. TAX MATTERS, ALLOCATIONS AND DISTRIBUTIONS

1. **Limitation upon Distributions.** Notwithstanding anything herein to the contrary, no distribution shall be made to the Members if such distributions would violate the applicable law.
2. **Return of Distribution.** In accordance with the laws of _____, the Members will be obligated to return any distribution from the Company only as provided by applicable law.

VII. ACCOUNTING METHOD, PERIOD, RECORDS AND REPORTS

1. **Accounting Method.** The books and records of account of the Company shall be kept using the method of accounting determined by the .
2. **Accounting Period.** The Company's accounting period shall be its fiscal year lasting one calendar year and ending on the last day of _____.
3. **Records, Audits and Reports.** At the expense of the Company, the shall maintain complete records and accounts of all operations, transactions, and expenditures of the Company, as fully as is customary for entities engaged in the same type of business as Company. These records shall be maintained at the Company's principal place of business and shall be open to inspection and examination by each Member or their duly authorized representative during regular business hours.

IX. DISSOLUTION AND TERMINATION

1. **Dissolution.** The Company shall dissolve upon the occurrence of any of the following events:
 - a. The entry of a decree by a court of competent jurisdiction requiring the winding up and dissolution of the Company; or
 - b. Any event requiring or permitting dissolution of the Company under the laws of _____.
2. **Effect of Dissolution.** Upon the dissolution of the Company as specified in this article, the Company shall cease all business operations except for those necessary to wind up the business. The Company shall continue existing until recognized as terminated by the appropriate authority of _____.
3. **Winding Up, Liquidation and Distribution of Assets.**
 - a. *Accounting.* Upon dissolution, an accounting shall be made of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution.
 - b. *Liquidation.*
 - c. *Post-Liquidation Obligations.* Notwithstanding anything to the contrary in this Agreement, upon a liquidation of the Company a Member shall not have any obligation to make any contribution to the capital of the Company other than any Capital Contributions such Member agreed to make in accordance with this Agreement.
 - d. *Termination.* Upon completion of the winding-up, liquidation and distribution of the assets, the Company shall be

deemed terminated.

4. **Certificate of Termination.** When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed according to this Article, a Certificate of Termination shall be executed in duplicate and verified by the person signing the Certificate of Termination and filed with the _____ Secretary of State or applicable state agency, which Certificate shall set forth the information required by _____.

X. MISCELLANEOUS PROVISIONS

1. **Notices.** Any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Agreement. If mailed, any such notice shall be deemed to be delivered two calendar days after being deposited in the United States mail with postage thereon prepaid, addressed and sent as aforesaid.
2. **Governing Law.** This Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the applicable laws of _____.
3. **Waiver of Action for Partition.** Each Member irrevocably waives, during the term of the Company, any right that Member may have to maintain any action for partition with respect to the Property of the Company.
4. **Headings.** The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.
5. **Waivers.** No waiver of any right under this Agreement shall be effective unless evidenced in writing and executed by the individual or entity entitled to the benefits thereof. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent another act or omission, which would have originally constituted a violation, from having the effect of an original violation.
6. **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other rights or remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
7. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.
8. **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.
9. **Creditors.** No provision of this Agreement shall be enforceable by or for the benefit of any Creditor against the Company.
10. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which shall be construed as constituting the same instrument.

[Signature page follows]

Executed to be effective as of the date first set forth above.

LLC Operating Agreement

Instruction Sheet

What is it?

A document that describes the operations of an LLC and sets forth the agreements between its Members.

Why would I use it?

You may live in one of the five States where an LLC is required to have an LLC operating agreement (these are California, Delaware, Maine, Missouri and New York.) Even if you don't live in one of those States, an operating agreement is beneficial to clarify the manner in which the LLC will be operated, and the rights the members have with respect to the LLC and one another.

What do I do with this Agreement?

1. Review

- Review the operating agreement to make sure all of the information contained within is correct and that you are sufficiently familiar with its contents.

2. Execute

- When satisfied, all members must sign the document to make it a binding agreement.

3. Post-Execution

- If you live in California, Delaware, Maine, Missouri or New York, you will need to file this operating agreement with the Secretary of State. Keep a copy for your LLC's records.
- If you live in another State, this operating agreement does not need to be filed with any authority. Keep it with your LLC's records.

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