**OPERATING AGREEMENT** of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Company Name]

FORMED IN THE STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [State of Agreement]

**This Operating Agreement** (hereinafter referred to as “Agreement”), entered on this \_\_\_\_\_\_\_ [Day] of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Month] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Year],

**BY**:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Name] of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Address],

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Name] of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Address],

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Name] of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Address],

(hereinafter collectively referred to as “Members”).

As a condition of the members entering into this Agreement, each member agrees on the following terms:

**[I] INTRODUCTORY PROVISIONS:**

**FORMATION:**

By this Agreement, the Member forms a Limited Liability Company (LLC), in accordance with the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [State Name].

**NAME**:

The Company shall be named \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Company Name] (hereinafter referred to as “The Company”).

**PURPOSE**:

The purpose of The Company is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Company Mission]

**PLACE OF BUSINESS:**

The principal place of business for The Company will be located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Address], as decided by the Members.

**TERM:**

The term of The Company shall commence on \_\_\_\_\_\_\_ [Day] of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Month], \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Year], and must continue until terminated under the conditions provided in this Agreement.

**[II] MEMBERSHIP INTERESTS, VOTING, AND MANAGEMENT**

**MEMBER INTERESTS:**

The Company is authorized to issue \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Voting Units] to the voting members of The Company.

**PERCENTAGE OWNERSHIP:**

Ownership of The Company for each Member may be calculated based on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Company Ownership Rules].

**[III] CAPITAL CONTRIBUTIONS**

**INITIAL CONTRIBUTIONS**:

The following table shows the initial contributions of each Member. In accordance with these terms, the Member agrees to make the stated Initial Contributions to The Company in full:

|  |  |  |
| --- | --- | --- |
| **MEMBER** | **DESCRIPTION OF CONTRIBUTION** | **VALUE OF CONTRIBUTION** |
|   |  | $ |
|  |  | $ |
|  |  | $ |

**INTEREST:**

No Member is entitled to loan interest or any additional compensation on their capital contributions except under the conditions expressly provided in this Agreement.

**PROFIT AND LOSSES:**

In accordance with accounting and taxation principles, all net profits or losses shall be determined on an \_\_\_\_\_\_\_\_\_\_ [annual/quarterly] basis. All profits or losses will be distributed in proportion to the proportion of each member’s total capital contribution in The Company.

**[IV] BOOKS AND RECORDS**

**BOOKS:**

At all times, The Company shall maintain accurate and complete books of accounts, which must be made available for examination and inspection to any member upon request.

**RECORDS:**

At all times, The Company shall maintain accurate records of:

* The financial condition of The Company.
* Full name and address of each Member.
* Cash, property, and services contributed to the Company by each member.
* A copy of this agreement.

**[V] LIMITATION ON LIABILITY**

**INDEMNIFICATION:**

All members of The Company will be held harmless and defend any member from and against all claims of any nature arising out a member participating in Company affairs.

**LIABILITY:**

Members or employees shall only be made liable for acts and omissions involving intentional wrongdoing and shall not be held liable for mistakes or errors in judgment.

**IN WITNESS WHEREOF,** each member confirms the execution of this Agreement on the date first written above.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Member Signature]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Member Signature]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Member Signature]