

## LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF \_\_\_\_\_

This Operating Agreement (“Agreement”), dated as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, is made by \_\_\_\_\_ (the “Member”).

The Member hereby adopts this agreement as the “Operating Agreement” of \_\_\_\_\_ LLC (the “Company”) to set forth the rules, regulations, and provisions regarding the management and the business of the Company, the governance of the Company, the conduct of its business, and the rights and privileges of its Member.

NOW, THEREFORE, the Member and the Company, intending to be legally bound, hereby agree as follows:

### ARTICLE I

#### Formation, Name, Principal Place of Business, and Term

1. **Formation and Name.** The member hereby organize the Company, to be known as \_\_\_\_\_ LLC on \_\_\_\_\_ [DATE COMPANY FORMED]. The Company was formed by filing a Certificate of Formation with the \_\_\_\_\_ Secretary of State under the Limited Liability Company Act. If the Company does business under a name other than that set forth in its Certificate of Formation, the Company shall file a DBA (“Doing Business As”), as required by law.

2. **Principal Place of Business.** The location of the principal place of business of the Company within the State of \_\_\_\_\_ shall be \_\_\_\_\_.

3. **Registered Agent [for Delaware LLCs].** The Company shall maintain a registered agent for service of process in the State of Delaware as required by the Act.

4. **Term.** The term of the Company will commence with the filing of the Certificate of Formation with the Secretary of State of the State of \_\_\_\_\_ in accordance with the Act and shall last in perpetuity unless terminated earlier as provided in Article \_\_\_\_, Section \_\_\_\_.

### ARTICLE II

#### Purpose and Powers of the Company

1. **Company Purpose.** The authorized purpose of the Company is to carry on any lawful business purpose or activity which a limited liability company may carry on under the Act.

2. **Powers of the Company.** The Company will have the power, in fulfilling the purpose set forth above, to conduct any business or take any action which is lawful and which is not prohibited by the Act.

### ARTICLE III

#### Capital Contributions, Capital Accounts, and Voting Rights

1. **Initial Capital Contribution.** The initial capital contributions made by the member to the Company is set forth in Schedule A.

2. **Additional Contributions.** the member will have no obligation to contribute additional capital or make any loan to the Company. However, the member may make voluntary additional capital contributions to the Company. For purposes of this section, capital contributions shall not include time spent by the member.

3. **Capital Accounts.** A capital account will be maintained on the books of the Company for the member. The capital account of the Member will be (a) credited with the amount of (i) the Member's initial capital contribution to the Company, (ii) voluntary additional capital contributions made by the Member, if any, and (iii) the share of the net income of the Company allocated to the Member's capital account pursuant to the Agreement and (b) decreased by the amount of (i) all distributions to the Member and (ii) the share of the net losses of the Company allocated to the Member's capital account.

4. **Percentage Interest.** the member will own a percentage interest in the LLC. the member's Percentage Interest is set forth on Schedule A.

5. **Limited Liability.** Except to the extent required under the Act, no member of the Company (regardless of whether such member is serving as Manager (as hereinafter defined)) shall be personally liable for any debt, obligation or liability of the Company, regardless of whether the debt, obligation or liability arises in contract, tort or otherwise, solely by reason of being a member of the Company.

6. **Member's Voting Rights.** The Member shall have all of the voting rights provided in the Act.

### ARTICLE IV

#### Profits, Losses, and Distributions

1. **Allocation of Profits and Losses.** The Member will be allocated the net income and net losses of the Company in accordance with its percentage interest. Net income or net losses will be allocated to the Member's capital account as soon as practicable after the close of each fiscal year of the Company and at such other times as are considered necessary by the Manager.

2. **Distributions.** To the extent that net cash flow of the Company is available, and in the good faith determination of the Manager, the Company shall make periodic distributions of such net cash flow to the Member.

## ARTICLE V

### Management

1. **Member Managed.** The management of the Company shall be vested in \_\_\_\_\_, (“Manager) commencing on the date hereof. The Manager may, but need not, be a member of the Company.

2. **Powers of Manager.** (a) Except for instances in which the vote, consent or approval of the Member is expressly required by the Act or this Agreement, the Manager will have full, complete and exclusive authority, power and discretion to manage and control the business, property, and affairs of the Company, to make all decisions regarding those matters and to perform and all other acts and activities customary or incident to the management of the Company’s business, properties, and affairs. Notwithstanding the foregoing, the Manager may not, without the consent of the Member (i) do any act in contravention of this Agreement, (ii) do any act which would make it impossible to carry on the ordinary business of the Company, (iii) confess a judgment against the Company, or (iv) possess property of the Company or assign the right of the Company to specific property for other than a Company-related purpose.

3. **Removal.** The Manager may be removed at any time, with or without cause, by the written consent of the Member. Upon removal of the Manager, the Member shall appoint a successor Manager who will succeed to all of the rights and obligations of the Manager hereunder.

4. **Indemnification.** To the extent permitted by law, the Member and Manager (“Covered Person”) shall be entitled to indemnification from the Company from and against any judgments, settlements, penalties, fines, or expenses incurred in a proceeding to which such Covered Person is a party because he or she is, or was a Member, or was serving at the request of the Company, provided that such Covered Person acted in good faith and in a manner reasonably believed to be in the best interest of the Company, except that no Covered Person shall be entitled to indemnification from or on account of acts or omissions of the Covered Person adjudged to be gross negligence, intentional misconduct, or a knowing violation of the law. Each Covered Person shall be entitled to receive, upon request, to the extent cash or cash equivalents are available to the Company, advances to cover the costs of defending any claim or action against him or her; provided, however that such advances shall be repaid to the Company, with interest, if he or she is found by a court upon entry of a final judgment to have violated the standards for indemnification set forth in this provision.

## ARTICLE VI

### Books and Records

1. **Maintenance of Books and Records.** The Manager shall maintain full and accurate books of account and records of the Company at the principal place of business of the Company. The Manager shall enter into such books all transactions of or relate to the Company.

2. **Member's Access to Information.** The Company shall provide to the Member or his duly authorized representative information relating to the Company in accordance with the Act.

3. **Annual Statements.** As soon as practicable after the end of each fiscal year of the Company, the Manager shall prepare a statement of financial condition as of the last day of the Company's fiscal year, and a statement of income and expenses for the fiscal year then ended, together with supporting schedules. Each of said annual statements shall be prepared on an income tax basis and delivered to the Member forthwith upon its preparation.

## ARTICLE VII

### Admission of New Members

1. **Admission of New or Substitute Members.** No person may become a member of the Company unless and until he/she/it has been approved in writing by the Manager and has executed and delivered to the Company a copy of this Agreement. Upon such admission, a new Exhibit A shall be prepared by the Manager and circulated to the Member(s).

## ARTICLE VIII

### Dissolution

1. **Dissolution.** The Company will be dissolved and its affairs wound up upon the first to occur of the following events:

a) The written consent of the Member;

b) The entry of a decree of judicial dissolution; and

c) The death, insanity, bankruptcy, withdrawal or resignation of the Member or the occurrence of any other event which terminates the membership of the Member in the Company.

2. **Liquidation.** Upon the dissolution of the Company, the Company will cease to engage in any further business, except to the extent necessary to perform existing obligations, and the Manager or his successor shall wind up its affairs and liquidate or distribute its assets. Except provided under the law, the Manager or his successor shall appoint a liquidator (who may, but need not, be the Manager or his/her successor) who shall have sole authority and control over the winding up of the Company's business and affairs and shall diligently pursue the winding up of the Company.

3. **Application of Proceeds.** Upon dissolution, the proceeds of any liquidation shall be applied as follows: (i) first, to pay all expenses of liquidation and winding up; (ii) second, to pay all debts, obligations and liabilities of the Company in the order of priority provided by law, other than liability owing to the Member or its successor in respect of distributions; (iii) third, to pay all debts of the Company owing to the Manager or its successor in respect to distributions; and (iv) fourth, to the Member or its successor.

4. **Filing.** Upon dissolution and completion of the winding up of the Company and distribution of its assets, the Manager or his successor shall cause to be executed and filed with the Secretary of State a Certificate of Cancellation of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

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

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

Date: \_\_\_\_\_

**EXHIBIT A**

Member	Initial Capital Contribution	Percentage Interest
[Name of Member]	\$ _____	_____ %