

LLC Operating Agreement

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LLC OPERATING AGREEMENT

OF

[COMPANY NAME], LLC

A Limited Liability Company Formed Under the Laws of [STATE]

EFFECTIVE DATE: [EFFECTIVE DATE]

THIS OPERATING AGREEMENT (the "Agreement") of [COMPANY NAME], LLC, a limited liability company formed under the laws of the State of [STATE] (the "Company"), is entered into and shall be effective as of [EFFECTIVE DATE] (the "Effective Date") by and among the persons listed on Exhibit A attached hereto (each a "Member" and collectively, the "Members").

1. FORMATION

1.1 Formation. The Members formed the Company as a limited liability company under the [STATE] Limited Liability Company Act (the "Act") by filing Articles of Organization with the Secretary of State of [STATE] on [FILING DATE].

1.2 Name. The name of the Company is [COMPANY NAME], LLC. The Company may do business under that name or any other name the Members designate and as permitted by law.

1.3 Principal Office. The principal office of the Company shall be located at [PRINCIPAL OFFICE ADDRESS], or at such other place as the Members may determine.

1.4 Registered Agent. The registered agent for the Company in [STATE] shall be [REGISTERED AGENT NAME] at [REGISTERED AGENT ADDRESS], until changed as provided by law.

1.5 Term. The term of the Company shall continue until dissolved and terminated in accordance with this Agreement.

2. DEFINITIONS

2.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth herein or in the body of this Agreement. Unless the context requires otherwise, words importing the singular include the plural and vice versa, and references to Sections are to Sections of this Agreement.

3. PURPOSE

3.1 Purpose. The purpose of the Company is to engage in any lawful business activity permitted under the Act, and to do all things necessary, convenient, or incidental thereto.

4. MEMBERS; CAPITAL CONTRIBUTIONS; PERCENTAGE INTERESTS

4.1 Members. The names, addresses, initial Capital Contributions, and Percentage Interests of the Members are set forth on Exhibit A.

4.2 Capital Contributions. Each Member shall contribute capital to the Company in the cash amount, property, or services set forth on Exhibit A (the "Capital Contributions"). No Member shall be required to make additional Capital Contributions except as provided in this Agreement or by written consent of all Members.

4.3 Capital Accounts. A Capital Account shall be established and maintained for each Member in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv) and related provisions.

4.4 Percentage Interests. Each Member's initial Percentage Interest in the Company is set forth on Exhibit A. Unless otherwise provided, Percentage Interests shall be used to determine allocations, distributions, and voting rights.

5. ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Profits and Losses. Profits and losses of the Company shall be allocated among the Members in accordance with their respective Percentage Interests, except as required by the Code or Treasury Regulations.

5.2 Tax Allocations. Allocations for federal, state, and local tax purposes shall be made in accordance with the Code and Treasury Regulations.

5.3 Distributions. Distributions of available cash shall be made to the Members at such times and in such amounts as determined by the Manager (or by the Members if Member-managed) in proportion to their Percentage Interests, unless otherwise agreed in writing.

6. MANAGEMENT

6.1 Management Structure. The Company shall be managed by:

- (a) a Manager ("Manager-Managed"), or
- (b) the Members ("Member-Managed").

Select one option by inserting the chosen structure in the bracket: [MANAGER-MANAGED OR MEMBER-MANAGED].

6.2 Appointment of Manager. If Manager-managed, the initial Manager shall be [MANAGER NAME]. The Manager shall have the authority to manage and control the business and affairs of the Company, subject to the limitations set forth in this Agreement.

6.3 Manager Duties and Authority. The Manager shall have full authority to act for the Company, including but not limited to conducting all operations, entering into contracts, hiring employees, borrowing money, and executing instruments, except for actions expressly reserved to the Members by this Agreement or by law.

6.4 Member Reserved Powers. The following actions require the consent of Members holding at least [SUPPORT PERCENTAGE]% of the Percentage Interests (the "Required Consent"): (a) amendment of the Articles of Organization or this Agreement, (b) sale, lease, exchange or other disposition of all or substantially all of the Company's assets, (c) merger or conversion of the Company, (d) admission of a new Member, and (e) dissolution of the Company.

6.5 Standard of Care. The Manager and Members shall discharge their duties in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

7. MEETINGS, VOTING, AND ACTIONS

7.1 Meetings. Meetings of Members may be called by the Manager (if Manager-managed) or by any Member(s) holding at least [MEETING CALL PERCENTAGE]% of the Percentage Interests. Notice of any meeting shall be given in writing at least [NOTICE DAYS] days prior to the meeting.

7.2 Voting. Each Member shall have voting power equal to their Percentage Interest unless otherwise provided. Except as otherwise provided in this Agreement or by law, actions requiring Member approval shall be approved by Members holding a majority of the Percentage Interests.

7.3 Action Without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if all Members consent in writing to the action.

8. BOOKS, RECORDS AND REPORTS

8.1 Records. The Company shall maintain complete and accurate books, records, and accounts of the Company's business and affairs at the principal office.

8.2 Reports. The Manager shall cause to be prepared and delivered to each Member quarterly financial statements and an annual statement for the fiscal year ended, including a schedule of Capital Accounts and allocations of income, gain, loss, deduction, and credit for tax reporting.

8.3 Inspection. Each Member shall have the right, during normal business hours and upon reasonable notice, to inspect and copy the Company's books and records.

9. TAX TREATMENT

9.1 Tax Classification. The Company shall be treated for federal income tax purposes as a partnership unless the Members elect otherwise. The Members shall cause the Company to make any tax elections deemed necessary or desirable by the Manager or by the Members holding the Required Consent.

9.2 Tax Matters Partner. The Manager (or a Member designated by the Members if Member-managed) shall act as the Company's tax matters partner or partnership representative and shall have authority to make tax elections and decisions on behalf of the Company.

10. BANK ACCOUNTS; LOANS

10.1 Bank Accounts. Company funds shall be deposited in the Company's name in such bank accounts as the Manager shall designate.

10.2 Loans. Members may lend funds to the Company on such terms as are agreed in writing. A Member's status as a creditor shall not, alone, entitle the Member to exercise management duties or affect the Member's rights as a Member.

11. TRANSFERS; ADMISSION OF NEW MEMBERS

11.1 Transfer Restrictions. No Member may Transfer any part of such Member's interest (including economic rights and/or voting rights) in the Company except in accordance with this Section 11.

11.2 Permitted Transfers. A Member may Transfer all or part of such Member's transferable interest to an Affiliate or as otherwise permitted in writing by the Members holding the Required Consent.

11.3 Right of First Refusal. If a Member (the "Transferring Member") receives an offer to purchase their interest, the Company and then the non-transferring Members (pro rata by Percentage Interest) shall have a right of first refusal to purchase the offered interest on the same terms and conditions as the offer. Procedures for exercising the right of first refusal shall be as set forth in Exhibit B.

11.4 Admission of New Members. No Person shall be admitted as a Member without the consent of Members holding at least [ADMISSION PERCENTAGE]% of the Percentage Interests and, if admitted, shall execute an agreement accepting and agreeing to be bound by the terms of this Agreement.

12. DISSOCIATION; DISSOLUTION; WINDING UP

12.1 Events of Dissociation. A Member shall be dissociated upon the occurrence of any event specified in the Act, including withdrawal, bankruptcy, death, incompetence, or as otherwise provided herein.

12.2 Dissolution. The Company shall be dissolved upon the occurrence of any event requiring dissolution under the Act, or upon the consent of Members holding at least [DISSOLUTION PERCENTAGE]% of the Percentage Interests, or as otherwise provided in this Agreement.

12.3 Winding Up. Upon dissolution, the Manager (or a liquidating trustee appointed by the Members) shall wind up the Company's affairs. Assets shall be liquidated and applied in the following order: (a) to creditors (including Members who are creditors) in repayment of debts; (b) to establish reserves reasonably necessary for contingent liabilities; (c) to Members in satisfaction of Capital Contributions; and (d) to Members in proportion to their respective Percentage Interests.

13. INDEMNIFICATION; LIABILITY

13.1 Indemnification. The Company shall indemnify and hold harmless each Member, Manager, officer and agent to the fullest extent permitted by law against any loss, cost, expense or liability incurred in connection with the Company, provided such Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company.

13.2 Limitation of Liability. Except for fraud, willful misconduct, or gross negligence, no Member or Manager shall be liable to the Company or to any Member for monetary damages for any act or omission in the performance of such Person's duties.

14. INSURANCE

14.1 Insurance. The Company may purchase and maintain insurance on behalf of any Person who is or was a Member, Manager, officer, employee, or agent of the Company against any liability asserted against such Person and incurred by such Person in such capacity.

15. CONFIDENTIALITY

15.1 Confidential Information. Members and Managers shall keep confidential all nonpublic information concerning the Company and its business, except as required by law or with prior written consent of the Company.

16. AMENDMENTS

16.1 Amendments. Except as otherwise provided in this Agreement or the Act, this Agreement may be amended only by the written consent of Members holding at least [AMENDMENT PERCENTAGE]% of the Percentage Interests, and any amendment that alters fundamental rights shall require the consent of Members holding at least [FUNDAMENTAL AMENDMENT PERCENTAGE]% of the Percentage Interests.

17. NOTICES

17.1 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be delivered by personal delivery, nationally recognized overnight courier, certified or registered mail (postage prepaid, return receipt requested), or email with confirmation, to the party at the address set forth on Exhibit A or such other address as any party may designate in writing.

18. SEVERABILITY

18.1 Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

19. GOVERNING LAW

19.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [STATE], without regard to conflict of laws principles.

20. MISCELLANEOUS

20.1 Entire Agreement. This Agreement, together with the Articles of Organization and Exhibits attached hereto, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings.

20.2 Waiver. No waiver of any provision or breach of this Agreement shall be effective unless in writing and signed by the waiving party.

20.3 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Signatures transmitted by facsimile or electronic transmission (e.g., PDF) shall be deemed to be original signatures.

21. HEADINGS

21.1 Headings. Headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

22. REPRESENTATIONS AND WARRANTIES

22.1 By the Members. Each Member represents and warrants to the Company and to the other Members that: (a) such Member has full right, power and authority to execute and deliver this Agreement and to perform such Member's obligations hereunder; (b) this Agreement constitutes a valid and binding obligation of such Member, enforceable in accordance with its terms.

23. DISPUTE RESOLUTION

23.1 Negotiation and Mediation. In the event of any dispute arising out of or relating to this Agreement, the parties shall first attempt in good faith to resolve the dispute by negotiation. If negotiation fails, the parties shall attempt to resolve the dispute through mediation by a mutually agreed mediator in [STATE].

23.2 Arbitration. If dispute resolution through negotiation or mediation is unsuccessful, any unresolved controversy or claim shall be settled by final and binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, in [COUNTY OR CITY], [STATE], unless the parties agree otherwise in writing. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

24. TAX MATTERS AND ACCOUNTING

24.1 Fiscal Year. The fiscal year of the Company shall end on [FISCAL YEAR END MONTH AND DAY].

24.2 Accounting Method. The Company shall use the method of accounting for tax and financial reporting determined by the Manager, consistent with applicable law.

25. BUY-SELL; DEATH, DISABILITY OR BANKRUPTCY OF A MEMBER

25.1 Triggering Events. In the event of the death, permanent disability, bankruptcy, or involuntary dissolution of a Member (a "Triggering Event"), the remaining Members shall have the option to purchase the departing Member's interest pursuant to the procedures and valuation method set forth in Exhibit C.

25.2 Valuation. The valuation of a Member's interest for buy-out shall be determined in accordance with Exhibit C or by mutual agreement of the Members, or if no agreement is reached, by appraisal conducted by an independent appraiser selected pursuant to Exhibit C.

26. EXECUTION

IN WITNESS WHEREOF, the parties have executed this Operating Agreement as of the Effective Date.

[COMPANY NAME], LLC

By: _____

Name: [MANAGER NAME OR AUTHORIZED SIGNATORY]

Title: [TITLE]

Date: [DATE]

MEMBERS:

Member: _____

Name: [MEMBER NAME]

Address: [MEMBER ADDRESS]

Capital Contribution: [MEMBER CAPITAL]

Percentage Interest: [MEMBER PERCENTAGE]

Signature: _____

Date: [DATE]

Member: _____

Name: [MEMBER NAME]

Address: [MEMBER ADDRESS]

Capital Contribution: [MEMBER CAPITAL]

Percentage Interest: [MEMBER PERCENTAGE]

Signature: _____

Date: [DATE]

(ADD ADDITIONAL MEMBER SIGNATURE BLOCKS AS NEEDED)

EXHIBIT A

MEMBERS, CAPITAL CONTRIBUTIONS, AND PERCENTAGE INTERESTS

[List each Member with the following fields: Name: [MEMBER NAME]; Address: [MEMBER ADDRESS]; Capital Contribution: [DOLLAR AMOUNT OR DESCRIPTION OF PROPERTY]; Date of Contribution: [DATE]; Percentage Interest: [PERCENTAGE]%]

EXHIBIT B

RIGHT OF FIRST REFUSAL PROCEDURES

[Describe notice procedures, timeframes to exercise rights, purchase price determination, closing procedures, and any exceptions. Include placeholders for time periods such as [NUMBER OF DAYS] and specific requirements.]

EXHIBIT C

BUY-SELL VALUATION AND PURCHASE PROCEDURES

[Describe valuation method (fixed price, formula, appraisal), payment terms (cash, promissory note), closing mechanics, and other conditions. Include placeholders for appraisal firm, valuation formula variables, and payment schedules.]

NOTES FOR USERS: This template is provided for general informational purposes only and does not constitute legal advice. Consult qualified counsel in [STATE] to tailor this Agreement to the specific facts and legal requirements of your Company, to ensure compliance with federal, state, and local laws, and to address tax consequences.

This template is provided for informational purposes only and does not constitute legal advice. Consult a licensed attorney before signing any legal document.