

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

FOR

This Company Agreement of this SINGLE-MEMBER _____-MANAGED LIMITED LIABILITY COMPANY organized pursuant to applicable state law, is entered into and shall become effective as of _____ (the "Effective Date") by and among the Company and the persons executing this Agreement as Members. It is the Member's express intention to create a limited liability company in accordance with the Act, as currently written or subsequently amended or redrafted. Therefore, all provisions of this document shall be construed consistent with the afore described intent of the Member. Accordingly, in consideration of the conditions contained herein, he/she/they agree as follows:

ARTICLE I

Company Formation

1.1 **FORMATION.** The Member hereby does form a Limited Liability Company (the "Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. Articles of Organization shall be filed with the Secretary of State.

1.2 **NAME.** The name of the Company shall be: _____.

1.3 **REGISTERED AGENT AND OFFICE.** The name and location of the registered agent of the Company shall be:

1.4 **TERM.** The Company shall continue for a perpetual period unless,

- (a) The Member votes for dissolution; or
- (b) Any event which makes it unlawful for the business of the Company to be carried on by the Member; or
- (c) Any other event causing dissolution of this Limited Liability Company under the laws of the State of _____.

1.5 **CONTINUANCE OF COMPANY.** Notwithstanding the provisions of ARTICLE 1.3, in the event of an occurrence described in ARTICLE 1.4(c), if there are at least one remaining Member(s), said remaining Member(s) shall have the right to continue the business of the Company.

1.6 **BUSINESS PURPOSE.** The Company shall conduct any and all lawful business deemed appropriate to execute the company's objectives.

1.7 **PRINCIPAL PLACE OF BUSINESS.** The location of the principal place of business of the Company shall be:

The principal place of business may be changed to a location the Member may select. The Member may also choose to store company documents at any address the Member chooses.

1.8 **THE MEMBER.** The name and place of residence of the Member are contained in the Certificate of Formation attached to this Agreement. The Member is the owner of the Company.

1.9 **ADMISSION OF ADDITIONAL MEMBERS.** Except as otherwise expressly provided in the Agreement, additional members may be admitted to the Company through issuance by the company of a new interest in the Company or a sale of a percent of current Member's interest.

ARTICLE II

Capital Contributions

2.1 **INITIAL CONTRIBUTIONS.** The Member initially shall contribute to the Company capital as described in Exhibit 1 attached to this Agreement. The total value of such property and cash is _____.

2.2 **ADDITIONAL CONTRIBUTIONS.** Except as provided in ARTICLE 7.2, no Member shall be obligated to make any additional contribution to the Company's capital.

ARTICLE III

Profits, Losses, and Distributions

3.1 **PROFITS/LOSSES.** For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company, and as amended from time to time in accordance with Treasury Regulation 1.704-1.

3.2 **DISTRIBUTIONS.** The Member shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Member. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-1(b)(2)(ii)(d).

3.3 **C CORPORATION ELECTION.** The Member may elect to be treated as a C corporation at any time to keep the profits of the LLC at the company level and not be forced to distribute profits to the Member.

ARTICLE IV

Management

4.1 **MANAGEMENT OF THE BUSINESS.** The management of the business is invested in the Member. *[Use this text if your LLC is Member-Managed]*

OR

MANAGEMENT OF THE BUSINESS. The management of the business and affairs of the Company shall be vested in one or more Managers. The initial Manager of the Company is _____ . Any action required or permitted to be taken by the Managers may be taken by a single Manager, and all references herein to “the Manager” shall refer to any Manager. The Manager does not have to be a Member. If the Member has not appointed a Manager, the Member will be the Manager. *[Use this text if your LLC is Manager-Managed]*

4.2 **MEMBERS.** The liability of the Member shall be limited as provided pursuant to applicable law. The Member is in control, management, direction, and operation of the Company’s affairs and shall have powers to bind the Company with any legally binding agreement, including setting up and operating a Company bank account. *[Use this text if your LLC is Member-Managed]*

OR

MEMBERS. Members shall not take part in the operation of the Company’s affairs, unless they are elected Managers. *[Use this text if your LLC is Manager-Managed]*

[Use the sections below for a Manager-Managed or Member-Managed LLC]

4.3 **POWERS OF _____.** The _____ is/are authorized on the Company’s behalf to make all decisions in accordance with ARTICLE 4.2 as to (a) the sale, development lease or other disposition of the Company’s assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company’s assets; (d) the borrowing of money and the granting of security interests in the Company’s assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company’s assets; (f) the compromise or release of any of the Company’s claims or debts; and, (g) the employment of persons, firms, or corporations for the operation and management of the Company’s business. In the exercise of their management powers, the _____ is/are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts, and maintenance contracts covering or affecting the Company’s assets; (b) all checks, drafts, and other orders for the payment of the Company’s funds; (c) all promissory notes, loans, security agreements, and other similar documents; and, (d) all other instruments of any other kind relating to the Company’s affairs, whether like or unlike the foregoing.

4.4 **NOMINEE.** Title to the Company’s assets shall be held in the Company’s name or in the name of any nominee that the _____ may designate. The _____ shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.5 **COMPANY INFORMATION.** Upon request, the _____ shall supply to any Member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records, and materials in the _____'s possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.8 shall be at the requesting Member's expense.

4.6 **EXCULPATION.** Any act or omission of the _____, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the _____ to any liability to the Member.

4.7 **INDEMNIFICATION.** The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.8 **RECORDS.** The _____ shall cause the Company to keep at its principal place of business or at another location agreeable by the Members, the following:

- (a) A current list in alphabetical order of the full name and the last known street address of each Member;
- (b) A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- (c) Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;
- (d) Copies of any financial statements of the limited liability company for the _____ most recent years.

ARTICLE V

Officers

[Include this Article for a Manager-Managed or Member-Managed LLC]

5.1 APPOINTMENT OF OFFICERS. The _____ may appoint individuals as officers (“officers”) of the Company, which may include a President, a Chief Executive Officer, a Chief Financial Officer, a Secretary and such other officers (such as a Chief Operating Officer, a Treasurer or any number of Vice Presidents) as the _____ deem(s) advisable. No officer need be a Member. An individual may be appointed to more than one office. No officer of the Company shall have any rights or powers beyond the rights and powers granted to such officer in this Agreement. The officers of the Company as of the date hereof are listed on the attached Exhibit 2.

5.2 DUTIES OF OFFICERS GENERALLY. Under the direction of and, at all times, subject to the authority of the _____, the officers shall have the discretion to manage the day-to-day business, operations and affairs of the Company in the ordinary course of its business, to make all decisions, except those expressly reserved or requiring the approval of the _____ hereunder, affecting the day-to-day business, operations and affairs of the Company in the ordinary course of its business and to take all such actions as they deem necessary or appropriate to accomplish the foregoing, in each case, unless the _____ shall have previously restricted (specifically or generally) such powers. In addition, the officers shall have such other powers and duties as may be prescribed by the _____ or this Agreement. The President shall have the power and authority to delegate to any agents or employees of the Company rights and powers of officers of the Company to manage and control the day-to-day business, operations and affairs of the Company in the ordinary course of its business, as the President may deem appropriate from time to time, in each case, unless the _____ shall have previously restricted (specifically or generally) such powers. Notwithstanding the foregoing, no officer shall enter into or consummate any of the following transactions without the prior approval of the _____: (i) any transaction outside of the ordinary course of the Company’s business consistent with past practice; (ii) the issuance of any Units or other security of the Company; including any security convertible into any security; (iii) any sale of any material portion of the Company’s assets (whether by asset purchase, stock purchase, merger or otherwise), except in the ordinary course of the Company’s business; (iv) declare or pay any dividend or make any other distributions in respect of any Units; (v) redeem or purchase or otherwise acquire any Units; (vi) incur any liabilities, obligations, including guarantees, or indebtedness in excess of \$25,000 individually, or as otherwise expressly provided in the Company’s employment agreement with the President of the Company; (vii) approve any material deviation from the then current operating budget as approved by the _____; or (viii) any other acts requiring the consent or approval of the _____ under this Agreement.

5.3 AUTHORITY OF OFFICERS. Subject to ARTICLE 5.2, any officer of the Company shall have the right, power and authority to transact business in the name of the Company or to act for or on behalf of or to bind the Company. With respect to all matters within the ordinary course of business of the Company, third parties dealing with the Company may rely conclusively upon any certificate of any officer to the effect that such officer is acting on behalf of the Company.

5.4 REMOVAL, RESIGNATION, AND FILING OF VACANCY OF OFFICERS. The _____ may remove any officer, for any reason or for no reason, at any time, subject to the terms of any then-existing employment agreement. Any officer may resign at any time by giving written notice to the _____, and such resignation shall take effect at the date

of the receipt of that notice or any later time specified in that notice; provided, that unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any such resignation shall be without prejudice to the rights, if any, of the Company or such officer under this Agreement or any employment or unit repurchase agreement then in effect. A vacancy in any office because of death, resignation, removal or otherwise shall be filled in the manner prescribed in this Agreement for regular appointments to that office.

5.5 COMPENSATION OF OFFICERS. The officers shall be entitled to receive compensation from the Company as determined by the _____, subject to any limitations imposed thereon as provided in the Company's employment agreement with the President of the Company.

5.6 PRESIDENT. Under the direction of and, at all times, subject to the authority of the _____ and the limitations imposed by ARTICLE 5.2, the President shall have general supervision over the day-to-day business, operations and affairs of the Company and shall perform such duties and exercise such powers as are incident to the office of president under the GCL. The President shall have such other powers and perform such other duties as may from time to time be prescribed by the _____.

5.7 CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Company, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and Units, and, in general, shall perform all the duties incident to the office of the chief financial officer of a corporation organized under the GCL. The Chief Financial Officer shall have the custody of the funds and securities of the Company, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company. The Chief Financial Officer shall have such other powers and perform such other duties as may from time to time be prescribed by the _____ and/or the President, subject to the limitations imposed by ARTICLE 5.2.

5.8 SECRETARY. The Secretary shall (i) keep the minutes and resolutions of any meetings of the Members and of the _____ in one or more books provided for that purpose; (ii) see that all notices to be given by the Company are duly given in accordance with the provisions of this Agreement and as required by law; (iii) be custodian of the company records; (iv) keep a register of the addresses of each Member which shall be furnished to the Secretary by such Member; (v) have general charge of the Members Schedule; and (vi) in general perform all duties incident to the office of the secretary of a corporation organized under the GCL. The Secretary shall have such other powers and perform such other duties as may from time to time be prescribed by the _____ and/or the President, subject to the limitations imposed by ARTICLE 5.2.

5.9 OTHER OFFICERS. All other officers of the Company shall have such powers and perform such duties as may from time to time be prescribed by the _____ and/or the President, subject to the limitations imposed by ARTICLE 5.2.

ARTICLE VI

Compensation

[Include this Article for a Manager-Managed or Member-Managed LLC]

6.1 **MANAGEMENT FEE.** Any _____ rendering services to the Company shall be entitled to compensation commensurate with the value of such services as all members unanimously agree upon.

6.2 **REIMBURSEMENT.** The Company shall reimburse the _____ for all direct out-of-pocket expenses incurred by them in managing the Company if agreed upon by the Member.

ARTICLE VII

Bookkeeping

[Include this Article for a Manager-Managed or Member-Managed LLC]

7.1 **BOOKS.** The _____ shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business or at another location decided upon by the Member. Such books shall be kept on such method of accounting as the Manager shall select.

7.2 **MEMBER'S ACCOUNTS.** The _____ shall maintain separate capital and distribution accounts for the Member. The Member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:

- (a) Any additional capital contribution made by him/her;
- (b) Credit balances transferred from his distribution account to his capital account;

and decreased by:

- (a) Distributions to him/her in reduction of Company capital;
- (b) The Member's share of Company losses if charged to his/her capital account.

7.3 **REPORTS.** The _____ shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

7.4 **FISCAL YEAR.** The fiscal year of the Company shall end on _____.

ARTICLE VIII

Transfers

[Include this Article for a Manager-Managed or Member-Managed LLC]

8.1 **ASSIGNMENT.** According to the appropriate Court, should the Member have a creditor with a judgment that was issued an assignment of the membership interest, the creditor shall only obtain an assignment of the membership interest, not the actual transfer of Membership in the LLC. The new assignee does not have any rights of the Member or have the ability to be involved in management of the LLC or the right to dissolve the LLC. The new assignee is only granted rights of the distributions of the Member's interests, if the Member decides to distribute at all, not the rights of membership. The assignee must release the Member's interests back to Member upon payment of the judgment in accordance with the appropriate Court.

Certificate of Formation

This Company Operating Agreement is entered into and shall become effective as of the Effective Date by and among the Company and the person executing this Agreement as Member. It is the Member's express intention to create a limited liability company in accordance with applicable law, as currently written or subsequently amended or redrafted.

The undersigned hereby agree, acknowledge, and certify that the foregoing operating agreement is adopted and approved by each member, the agreement consisting of ____ pages, constitutes, together with Exhibit 1, Exhibit 2, and Exhibit 3 (if any), the Operating Agreement of _____, adopted by the member as of _____, 20____.

Member: _____ Printed Name _____

Signature

Percent: 100%

Address: _____

EXHIBIT 1

Capital Contributions

Pursuant to ARTICLE 2, the Member's initial contribution to the Company capital is stated to be \$_____. The description and each individual portion of this initial contribution are as follows:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

EXHIBIT 2

Officers

The Officers of _____, as of _____, 20____, are as follows:

Officer Name

Officer Title

President

Chief Financial Officer

Secretary

Treasurer
