

LLC OPERATING AGREEMENT

of _____, LLC
(A Limited Liability Company)

THIS OPERATING AGREEMENT, entered into and established on this ___ day of _____, 20___, by and between _____ of _____, _____ of _____, _____ of _____, and _____ of _____, hereinafter "Charter Members" or "Members," provides as follows:

OBJECTIVE

The above-named organization of _____, LLC has been formed as a Limited Liability Company ("Company") subject to the State of _____ Statutes of the **Uniform Limited Liability Company Act** of Chapter _____, including the State of _____ **Revised Uniform Limited Liability Company Act** ("the Act"), to be hereinafter referred to as State Code. This Operating Agreement ("Agreement") is entered into and effective upon adoption by the Members. This Agreement is intended to provide for the regulation and management of the affairs of the Company. Except for the provisions of the Act that specifically may not be modified by the Agreement of the Members, to the extent of any contradiction between the provisions of this Agreement or the Act or the variation of the general terms of the Act by this Agreement, each Member hereby acknowledges and agrees the provisions of this Agreement shall govern and control.

The following are the detailed procedures for the management of the above-named Company. In order for this Agreement to take effect, all Members of the Company must initial each page of the Agreement to acknowledge and consent to their participation in the structure of the Company.

STRUCTURE OF OPERATING AGREEMENT

1. **SECTION ONE I** Formation and Certificate of Organization in the State of _____
2. **SECTION TWO II** Management Structure and Voting
3. **SECTION THREE III** Capital Contribution of Members
4. **SECTION FOUR IV** Allocation of Profits and Losses/Distributions
5. **SECTION FIVE V** Indemnification Hold Harmless
6. **SECTION SIX VI** Powers, Obligations, Duties, and Role of Managers
7. **SECTION SEVEN VII** Salaries, Reimbursement, and Expenses of Managers
8. **SECTION EIGHT VIII** Company Books, Accounting, Reports, Taxes, and Banking
9. **SECTION NINE IX** Transfers and/or Sale of Membership Interests
10. **SECTION TEN X** Dissolution, Sale, Merger, or other Company Conclusion
11. **SECTION ELEVEN XI** General Provisions.

IN WITNESS WHEREOF, the undersigned Members do hereby execute this Agreement on the date noted as our voluntary act and deed on this _____ day of _____, 20___.

Signature of Member

Signature of Member

Signature of Member

Signature of Member

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SECTION ONE I

CERTIFICATE OF ORGANIZATION

State of _____

Pursuant to this certificate of organization, filed on the _____ day of _____, 20____ with the Secretary of State in the State of _____, a Limited Liability Company was established and duly filed with the following provisions:

1.1 NAME. The name of the Limited Liability Company is _____.

1.2 ADDRESS. The initial address is _____.

1.3 AGENT. The initial Registered Agent is _____ of the Company office as noted above.

1.4 PURPOSE. The purpose of _____, LLC is to conduct all proper forms of business in the State of _____ and elsewhere while the principal business is _____.

1.5 EFFECTIVE DATE. The effective date of the Company's operations is the date the Certificate of Organization for _____, LLC is filed with the Secretary of State. The Company's duration shall be perpetual.

1.6 MEMBER NAMES AND ADDRESSES. The names and addresses of the Company Members of _____, LLC are made a part of this Operating Agreement in Attachment 1 by virtue of the Members' signatures at the end of the Attachment; however, additional Members may be added from time-to-time under the Terms and Conditions of this Agreement and as evidenced by an annual listing of Company Members. (See Attachment 1 for Member Names and Addresses.)

1.7 MANAGEMENT TEAM. _____, LLC's Management Team shall be, namely, the organizers listed as Charter Members on the first page of this Agreement and as signatories; however, and pursuant to this Operating Agreement, additional Members may be added to the Management Team in conjunction with the provisions of this Agreement.

1.8 APPLICABLE LAW. _____, LLC's Operating Agreement shall be governed pursuant to the _____ State Code and jurisdiction shall be within the State of _____.

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SECTION TWO II

Management Structure and Voting

This LLC will start as a Member-managed LLC in which the Members (Owners) are responsible for the LLC's day-to-day operations. If this LLC is to be a Manager-managed LLC, then the Members must vote unanimously to change this Section of the Operating Agreement to reflect the change. If this LLC elects to move to a Manager managed LLC, it will need to vote all in favor to appoint an outside Manager to run the business. Notice, whoever manages this LLC will be able to open and close bank accounts, hire and fire employees, enter into contracts, and take out loans.

2.1 **Members:** Members are the Owners of the Company. Pursuant to _____ State Code of the Act, Members are not entitled to compensation for services furnished to the Company in the Member's capacity as a Member. The name and residential address of each Member is contained in Attachment 1 attached to this Agreement. Each Member's initial membership interest is the percentage set forth in Attachment 1. An unauthorized transfer of a Member's interest could create a substantial hardship for the Company. Consequently, the Members agree to the restrictions and procedures affecting the ownership and transfer of the Members' interests as identified in Section IX. The Members acknowledge these restrictions are not intended to penalize, but rather are intended to protect and preserve the existing trust-based relationships, the Company's capital, and the Company's financial ability to continue its' operations.

2.2 **Admission of Additional Members:** Pursuant to _____ State Code of the Act and this Agreement, Members may only be admitted to the Company through issuance of a new interest in the Company with unanimous written consent of the Members or the transfer of a Member's current interest under Section IX. Prior to being admitted as a Member, the prospective Member must: (i) provide evidence to the Company that the admission of the prospective Member will not violate any securities law, alter the tax status of the Company, or cause the termination of the Company; (ii) provide proof that the prospective Member can make the initial contribution (as agreed upon between the prospective Member and a majority of the current membership interests). Any attempt to admit a new Member that deviates from this Section or Article VII will be null, void, and unenforceable against the Company or its Members.

2.3 **Voting:** Pursuant to _____ Statutes of the Act, the Members agree that any vote of the Members shall be calculated based on membership interests held by each Member and listed in Attachment 2 (Attached), which may be amended pursuant to this Agreement. Any vote under this Section may occur, provided a quorum of the membership interests _____ is _____ present.

2.4 **Actions by Written Consent:** Any action required or permitted to be taken at any meeting of the Members must be reduced into writing for audit purposes and reflected in an Attachment.

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SECTION THREE III

Capital Contributions of Members

3.1 **Initial Contributions:** The Initial Members, namely, identified on the first page as Charter Members shall make the Initial Capital Contributions measured as the percentage they have contributed as set forth in Certification of Members.

3.2 **Additional Contributions:** No additional Capital Contributions shall be required of the Initial Contributors unless additional Capital Contributions are unanimously agreed upon. However, subsequent Capital Contributions may be made by approved Third Parties if unanimous approval of all existing Members is given. Accordingly, any subsequent Capital Contributions shall be set forth in the attached Attachment 2, by listing the names and addresses of the individuals along with the amounts contributed by them, and dates of such Capital Contributions, etc. for each subsequent capital contribution, if any.

3.3 **Interest on Capital Contributions:** No Member shall be entitled to interest or other compensation for or on account of their Capital Contribution to _____, LLC, except to the extent, if any, as expressly provided in this Agreement or by virtue of the unanimous approval of the total Members.

3.4 **Withdrawal of Capital:** No Member may withdraw all or any part of their Capital Contribution except with the unanimous consent of the Managers or as provided in Section III (regarding Distributions generally) or Section VIII (regarding Dissolution of the Company).

3.5 **No Partition:** Each Member, on behalf of itself and its' successors and assigns, expressly waives any right to have the Company assets partitioned.

3.6 **Return of Capital Contributions:** The Members agree that if the Company does not have adequate assets to return the Capital Contributions, then the Members will not have any recourse against the Company or the other Members, unless another Member owes an outstanding debt to the Company.

3.7 **Failure to Contribute:** Any contribution must be satisfied by the Member within sixty (60) days from the date of the call for Capital Contributions. Pursuant to _____ Statutes of the Act, if a Member fails to make its required contributions to the Company, then the other Members may seek enforcement of the obligation to contribute capital.

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SECTION FOUR IV

Allocation of Profits and Losses/Distributions

4.1 **Profits/Losses:** For financial, accounting, and tax purposes, any net profits or net losses for _____, LLC shall be determined on an annual basis, which coincides with the Company’s tax year, and shall be allocated to the Members in proportion to each Member’s relative capital interest in the Company as set forth in Attachment 3, as amended from time-to-time in accordance with Regulation 1.704-1 of U.S. Department of the Treasury Regulations.

4.2 **Distribution of Funds:** The Members shall determine and distribute any funds annually or at more frequent intervals as the Members so determine. Available funds, as referred to herein, shall mean the net cash in the Company accounts that remains available after appropriate expenses and liabilities have been paid pursuant to the determinations for payments made by the Manager(s). Distributions relative to the liquidation of the Company, or in the case of the liquidation of a Member’s interest, shall be made in accordance with the positive capital account balances pursuant to U.S. Department of the 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 U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(d).

4.3 **No Right of Capital Return:** No Member has any right to any return of capital or other distribution except as expressly provided in this Agreement. No Member has any drawing account in the Company.

4.4 **Initial Distribution:** The initial distribution of funds by _____, LLC shall be directed to each of the Members for the reimbursement of any and all necessary initial expenses that each has personally paid or undertaken on behalf of the LLC prior to the date of the formation of this Limited Liability Company.

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SECTION FIVE V

Indemnification/Hold Harmless

5.1 **Indemnification of Members:** _____, LLC shall indemnify any Member who was or is a party defendant or is threatened to be made a party defendant in any pending or to-be-filed suit or proceeding, whether civil or criminal or otherwise (other than an action by or in the right of _____ LLC), by reason of the fact that a party is or was a Member, Manager, employee, or agent of the Limited Liability Company, or is serving at the request of the Limited Liability Company, against expenses (including attorney fees), judgments, fines, or other amounts paid in settlement and reasonably incurred in connection with any such action, suit, or proceeding if the Members determine that the party was acting on behalf of the best interests of the Limited Liability Company, and with respect to any alleged criminal act, has no reasonable cause to believe that the judgment exercised was in any way 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 that was reasonably believed to be in the best interests of _____, LLC, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the action taken was lawful.

5.2 **Members' Liability:** To the extent permitted under Section _____ of the Act, no Member shall be personally liable for the obligations of the Company. Per _____ Statutes of the Act, Members may take part in any aspect of the control, management, direction, or operation of the Company's affairs and have the power to bind the Company, *unless* the Members have agreed to reserve such powers to be exclusively exercised by the Chief Executive Member. Any Agreement pursuant to Paragraph 4.01(a) of this Operating Agreement must be signed by all Members to legally bind the Company, unless the Members unanimously agree to grant a single Member the authority to sign and bind the Company under Section 6 VI of this Agreement.

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SECTION SIX VI

Powers, Obligations, Duties, and Role of Managers

6.1 Company Management: The Members, within the authority granted by the Act, and terms of this Agreement shall have the complete power and authority to manage and operate the Limited Liability Company and make all decisions affecting its business and affairs. Except as otherwise provided in this Agreement, all decisions and documents relating to the management and operation of the Limited Liability Company shall be made and executed by a majority of the Members of _____, LLC. Any Third Party that engages the Company shall be entitled to rely conclusively upon the power and authority of the Charter Members of _____, LLC to manage and operate the business affairs of the LLC Company unless a Chief Executive Member is elected.

6.2 Decisions by Members: Whenever reference is made in this Agreement to the decision, consent, approval, judgment, or action of the Members of _____, LLC, unless otherwise expressly provided in this Agreement, such decision, consent, approval, judgment, or action shall mean the consent of at least all Charter Members.

6.3 Withdrawal by a Member: A Member has no power to withdraw from the Company, except as otherwise provided in this Agreement (See Section 9 IX).

6.4 Power of Members: Pursuant to _____ State Statutes of the Act, the Charter Members named on the first page of this Agreement or the Chief Executive Member are authorized to:

(a) make decisions as to the Company's operations and legal affairs, including but not limited to:

- i. the sale, development, lease, or other disposition of the Company's assets;
- ii. the purchase or acquisition of other assets;
- iii. the management of all or any part of the Company's assets;
- iv. the borrowing of money and granting of security interests in the Company's assets;
- v. the pre-payment, refinancing, or extension of any loan affecting the Company's assets;
- vi. the compromise or release of any of the Company's claims or debts; and
- vii. the employment of persons, firms, corporations, etc. or actions for the operation and management of the Company's business.

(b) execute and deliver:

- i. all contracts, conveyances, assignments, leases, sub-leases, franchise agreements, licensing agreements, management contracts, and maintenance contracts covering or affecting the Company's assets;
- ii. all checks, drafts, and other orders for the payment of the Company's funds;
- iii. all promissory notes, loans, security agreements and other similar documents; and
- iv. all other instruments of any kind relating to the Company's business and affairs.

6.5 Management of the Business: Pursuant to _____ Statutes of the Act, and as stated in its Articles of Organization, the Limited Liability Company's day to day affairs are managed by the Charter Members. The name and residential address of each Charter Member is on page 1 of this Agreement. Any Member will be elected, terminated, or replaced as Chief Executive Member by majority vote of the membership interests, as set forth in Attachment 1 and any amendments, to serve the Company as its agent. The Chief Executive Member is responsible for the daily operations of the business. Notwithstanding the other provisions of this Article, the Members agree that:

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(a) Any decision that involves a sale of the business, a loan, or the acquisition of another company, must have the unanimous consent of all Members; and

(b) If a Member disagrees with the Chief Executive Member's decision or proposed decision, the disagreeing Member may call a vote to decide the course of action. A simple majority vote is necessary to take an action on behalf of the Company. The votes must be recorded in writing.

6.6 Chief Executive Member: The Chief Executive Member has the primary responsibility for managing company operations and carrying out the decisions of the Members.

6.7 Appointing Officers: If authorized by majority vote of the Members, the Chief Executive Member may appoint officers or managers and define their function and authority per _____ State Statutes of the Act.

6.8 Duties of Members: As allowed under _____ State Statutes of the Act, each Member must have a duty as set forth in Attachment 1 of this Agreement. The Members agree that the failure to satisfy a Member's duties may result in the expulsion or removal of that Member, pursuant to _____ State Statutes of the Act, therefore:

(a) If a Member fails at their duties for a period of one hundred twenty (120) consecutive days, the Member will lose their membership interest. The start date of the failure must be documented.

(b) If a Member fails to do their duties for one hundred twenty (120) days out of any two hundred thirty-nine (239) day period, the Company will consider such failure as the Member's withdrawal from the Company, and the withdrawing Member's membership interest will be reallocated to the remaining Members in a pro rata manner and in accordance with this _____ State Article and Section _____ of the Act. The dates of failure in question must be documented.

(c) If a Member disputes the completion of another Member's duties and attempts to take over that Member's interest, they must do so in writing by certified delivery to the Member's residential address as listed in Attachment 1. If certified delivery is not available, hand delivery by a Third Party is acceptable.

(d) If a Member receives a complaint as described above, the Member must fulfill their established duties within fourteen (14) days.

(e) If there is a dispute as to what any Member's duties are or if those duties are being fulfilled, and the Members have gone through the dispute process outlined in the above-subsections (a) through (d) of this Section 4.06, the Members agree to enter into binding mediation or arbitration to decide if the Member's duties are being performed in compliance with the agreed duties as outlined in Attachment 1 of this Agreement. If the Members fail to reach an agreement through arbitration or mediation, the Members in dispute agree to file a complaint in the appropriate Court to procure a decision as to the fulfillment of Members' duties. Upon a decision by the Court that a Member has failed to meet their duties, the Member will assign and forfeit their membership interest to the other remaining Members. The assignment of the non-compliant Member's membership interest will result in a debt owed to the non-compliant Member by the Company. The debt owed to the expelled Member shall be the aggregate sum of any capital contributions submitted to the Company by the expelled Member.

(f) The value of the non-compliant Member's interest being transferred to the remaining Members must be determined before the transfer can be completed. During the course of the transfer, the non-compliant Member will maintain complete powers of membership in the Company.

(g) In the event of a dispute of Member's duties, Members may negotiate an exchange of membership interests for a lesser amount of Member duties, *provided* that modification is memorialized and attached to Attachment 1.

6.9 Disputes of Members: Disputes among Members will be decided by a majority vote. A Member has votes according to that Member's percent of ownership interest (e.g., 11% ownership equals 11 votes). A majority vote is necessary for an action to take place. Any vote under this Section may occur, *provided* a quorum of the membership interests is present for the vote. In the event of a split vote among the Members, the Chief Executive Member shall cast a vote to break the tie. Members are required to vote on at least one (1) resolution that attempts to address and resolve the dispute between the Members prior to any Member bringing a direct action against the Company or other Members under _____ Statutes of the Act. Members may maintain a derivative action to enforce a right of the Company in accordance with _____ Statutes of the Act, *provided* the acting Member properly demands the other Members to enforce the right of the Company, or the acting Member adequately declares with particularity that such demands are futile.

6.10 Fiduciary Responsibilities: Each Member shall exercise all powers and perform all duties in good faith and shall act in all matters consistent with the duty of loyalty and the duty of care. Pursuant to _____ Statutes of the Act, the Member acts in good faith if acting with a view to the interests of the Limited Liability Company and of the Members and with the degree of diligence, care, and skill that ordinarily prudent persons would exercise in similar circumstances.

6.11 Permitted Transactions: Subject to Section 489.409 of the Act, each Member, and their respective affiliates and other related parties, shall be free to engage in any activity on their own or by the means of any entity, except for activities directly related to or in competition with the activities and services performed by the Company. Each Member's fiduciary duty of loyalty, as it applies to outside business activities and opportunities, and the "corporate opportunity doctrine," as such doctrine has been described under general corporation law, is hereby eliminated to the maximum extent allowed by the Act. Without limiting the foregoing, no Member, or their respective affiliates, shall be required to refer opportunities to the Company or to account for any benefits from transactions entered into in good faith that are not connected with or directly related to the Company and its activities or the services the Company provides.

6.12 Company Information: Upon request, the Chief Executive Member will supply any information regarding the Company or its activities to any requesting Member. Pursuant to Section 489.410 of the Act, any Member or a Member's authorized representative may access, inspect, and copy all books, records, and materials in the Chief Executive Member's possession regarding the Company or its activities. These rights may be exercised at the requesting Member's expense.

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SECTION SEVEN VII

Salaries, Reimbursement, and Expenses of Managers

7.1 **Limited Liability Company Expenses:** All expenses incurred in connection with the operations and organization of _____, LLC shall be paid by the Limited Liability Company and, in the event any Member incurs expenses on behalf of _____, LLC, the Limited Liability Company shall reimburse any such Member.

7.2 **Salaries:** Salaries paid to any Member and/or paid to a Managing Member must be approved in writing by majority vote of all Members based on percentage of ownership of _____, LLC.

7.3 **Legal and Accounting Services:** _____, LLC shall be authorized to incur legal and accounting expenses for the conduct of the business of the Company and payment shall be made by the Limited Liability Company for such services.

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SECTION EIGHT VIII

Company Books, Accounting, Reports, Taxes, and Banking

8.1 Accounting: The books of accounts, all accounting methods, all financial statements, balance sheets, income statements, and other financial matters shall be maintained on a transnational basis and shall be reconciled on a monthly basis.

8.2 Fiscal Year: The Fiscal Year (tax year) for accounting and tax purposes shall coincide with the calendar year.

8.3 Capital Accounts: _____ LLC shall maintain a Capital Account for each Member on a cumulative basis in accordance with federal income tax accounting purposes, principles, and procedures.

8.4 Banking: All funds, whether by virtue of investment with the Company or by virtue of revenues generated, shall be deposited in a specific bank account to be established by the Members; and any such account shall be in the name of _____ LLC at a reputable bank, or savings and loan association, and as determined by the Charter Members named on the first page of this Agreement or the Chief Executive Member, all of whom are authorized:to do so, as long as any such account is properly insured by an appropriate agency of the United States Government.

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SECTION NINE IX

Transfers and/or Sale of Membership Interests

9.1 Membership Uniqueness: All Members of _____, LLC understand that any membership in _____, LLC is unique and shall be subject to this provision of this Operating Agreement.

9.2 Sale or Encumbrance Prohibition: Except as otherwise provided in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of any interest in _____, LLC either individually or collectively without the prior written consent of the **Charter Members** named on the first page of this Agreement or the **Chief Executive Member**.

9.3 Right of First Refusal: Notwithstanding Section 9.2, a Member may transfer all or any part of the Member's interest in _____, LLC under the following conditions:

(a) Any Member who desires to transfer an interest in a membership must first provide written notice to _____, LLC and to all other Members and in so doing, must specify the price, terms, and conditions under which the Member is expecting to sell any interest held for transfer;

(b) For a period of thirty (30) days after receipt of any Notice under Section 9.3 (a), the non-transferring Members may acquire all, but not less than all, of the interest at the price, terms, and conditions specified in the Offer to Sell. If the other Members desiring to acquire the interest, and the Member seeking the transfer, cannot agree among themselves on the allocation of the interest in the Offer to Sell, the allocation will be proportional to the ownership interests of those Members of _____, LLC desiring to acquire the interest being offered for sale or transfer.

(c) Any closing of the sale of the interest being offered for sale or transfer will occur as stated in the Offer; provided, however, that the closing will not be less than forty five (45) days after the expiration of the thirty (30) days Notice period;

(d) If the other Members fail or refuse to notify the transferring Member of their desire to acquire all of the interest proposed for sale or transfer within the thirty (30) day period following receipt of the Notice from the transferring Member, then the other Members will be determined to have waived their right to acquire the interest offered for sale or transfer, and the Member offering to sell may then sell the proposed interest, consistent with the Offer, to any other person or entity; provided, however, that notwithstanding anything in Section 9 to the contrary, should the sale to a Third Party be at a price or terms that are more favorable to the purchaser than as stated in the Offer to Sell given to the other Members, then the transferring Member must reoffer the sale of the interest to the other Members at the more favorable price and/or other terms; and provided, further, that if the sale to a Third Party is not closed within six (6) months after the expiration of the thirty (30) day Notice period described above, then the provisions of Section 9.3 shall apply to the interest proposed to be sold or transferred.

(e) Any sole remaining Member may be entitled to assign the right to acquire any interest proposed for sale or transfer to a spouse, lineal descendent, or an affiliated entity in order to assure the continued existence of _____, LLC.

9.4 Substitution of Parties: Any transfer in which the Transferee becomes a fully substituted Member is not permitted unless and until:

(a) The Transferor and assignee execute and deliver to _____, LLC the documents and instruments of conveyance necessary or appropriate in the opinion of legal counsel to _____, LLC that the transfer is proper and that the new Member has agreed to be bound by the Terms and Conditions of this Agreement.

(b) The Transferor (new Member) furnishes to _____, LLC an opinion of legal counsel that the transfer will not cause _____, LLC to terminate any federal tax status or that any termination will not cause any adverse circumstances to _____, LLC or its Members.

9.5 Death, Incompetency, or Bankruptcy: Upon the death, adjudication of incompetence, or bankruptcy of a Member, the successor in interest to the Member (whether an estate, bankruptcy trustee, or other) will receive only the economic interest of such a Member and the Member's allocable share of the taxable income, gain, loss, deductions, and/or credits unless and until a majority of the remaining Members determine on a per capita basis to admit the Transferee as a fully substituted Member in conjunction with Section 9.4.

(a) Any transfer of economic rights pursuant to this Agreement will not include any right to participate in management of _____, LLC, including any right to vote, consent to vote and/or any right to any information of the Company or its operations or financial condition without an appropriate Court Order from a Court of competent jurisdiction. Upon the transfer of any economic rights of a Member's interest in _____, LLC, the transferring Member's power and right to vote or consent to Company business shall end and the ownership interests of the remaining Members will be proportionately increased until such time, if any, as the Transferee of the economic rights transfers to a fully substituted Member.

(b) Notwithstanding the foregoing provision, the Members covenant and agree that upon the death of any Member, _____, LLC, at its option, by providing written notice to the estate of a deceased Member within one hundred eighty (180) days of the death of said deceased Member, may purchase, acquire, and/or redeem the interest of the deceased Member pursuant to this Agreement.

(c) The value of each Member's interest in _____, LLC will be determined on the date this Agreement is signed, and/or amended by each Member and as set forth on Attachment 3. The value of each Member's interest will be determined unanimously by the collective of the Members on an annual basis at the annual meeting, unless the Members decide to reevaluate the Member values more frequently. The Members will set forth the annual valuation of each Member's interest in a yearly document, Attachment 4 with a corresponding date that reflects the date of the valuation (e.g., each year's valuation will be reflected in a document, Attachment 4A for the first year, Attachment 4B for the second year, etc.). The latest valuation attachment shall reflect the value of the deceased Member's interest. If such a valuation is disputed by the deceased Member's heirs or assigns and/or if the remaining Members dispute the valuation, the parties shall attempt to reach an agreement of a fair and reasonable valuation. If any such agreement cannot be reached, a Third Party appraisal firm shall be employed for the purpose of conducting an independent valuation. If an agreement cannot be reached as to the identity of a Third Party appraiser, the heirs/assigns of the decedent and the remaining Members shall each choose an appraiser whereupon the average of the two appraisals shall control as to the deceased Member's interest value.

(d) Closing of the sale/purchase of a deceased Members interest in the Company will be held at the office of _____, LLC on a date designated by the LLC but not later than ninety (90) days after an agreement has been reached as to the value of the deceased Member's interest in _____, LLC. If no personal representative has been appointed within sixty (60) days after the deceased Members death, the surviving Members shall have the right to apply for the appointment of a personal representative.

(e) At the closing and conclusion of a deceased Member's interest, the Company will pay the purchase price for the deceased Members interest in cash or by Company check if the agreed price of the deceased Member's interest is less than one thousand dollars (\$1,000). However, if the balance due for the deceased Members interest is greater than one thousand dollars (\$1,000), _____, LLC may either borrow the necessary funds needed to satisfy the amount due and arrange for payment through the bank used by _____, LLC or in the alternative, the Company may issue a promissory note at one (1%) point above the prime interest rate with the interest paid monthly to the heirs/assigns of the deceased Member; and the principal sum being due and payable in three (3) equal annual installments. The promissory note will be unsecured and will contain provisions that the principal sum may be paid in whole or in part at any time without penalty.

(f) At the closing, the deceased Members estate and/or heirs/assigns, by and through a personal representative that is authorized under law, must assign to the Company all of the deceased Member's interest in _____, LLC free and clear of all liens, claims, and/ or encumbrances. At the request of the Managing Partner(s) of _____, LLC, all other necessary documents, and instruments that will effectuate the transfer of the deceased Member's interest must be executed in such manner that all right title and interest of the Member's interest in the Company has been properly transferred so that it is not possible for any Third Party to raise a claim against the deceased Members former interest in _____, LLC.

(g) Upon the completion of the purchase of the deceased Member's interest in _____, LLC, the ownership interests of the remaining Members will increase proportionately.

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SECTION TEN X

Dissolution, Sale, Merger, or Other Company Conclusion

10.1 Dissolution: _____, LLC will cease to exist and be dissolved if any of the following events occur:

- (a) _____, LLC is sold, transferred, merged, and/or acquired by another entity; or in the event the assets and liabilities are otherwise absorbed;
- (b) It is agreed by all of the Members of _____, LLC to dissolve the Company;
- (c) _____, LLC ceases to exist by operation of law and/or in the event the Certificate of _____, LLC is not renewed;
- (d) The death, bankruptcy, declared incompetence, or the expulsion of a Member where that Member's interest is not purchased by _____, LLC;
- (e) The dissolution of _____, LLC occurs by virtue of the majority of the Members agreeing to the dissolution of the Company, subject to all Members agreeing to take full account of the assets and the liabilities of _____, LLC wherein each Member accepts that Member's proportionate share, based upon Membership holding of the assets and liabilities of the Company; or
- (f) It is unanimously decided by the Members of _____, LLC that the assets and liabilities of the Company will be exchanged for the discharge of the debts of _____, LLC to person(s) and/or entity(ies) other than Members.

OWNERS / MANAGERS

_____	_____	_____	_____	_____	_____	_____
Initials	Initials	Initials	Initials	Initials	Initials	Initials

This is not a substitute for legal advice. An attorney must be consulted. Copyright 2024 by LAWCHEK™

SECTION ELEVEN XI

General Provisions

11.1 **Amendments:** Amendments to this Agreement may be proposed by any Member. A proposed Amendment shall become adopted and effective as a written Amendment that is approved unanimously by the Members of _____, LLC.

11.2 **Applicable Law:** This Agreement of _____, LLC shall be governed by the laws of the State of _____.

11.3 **Entire Agreement:** This Agreement, and any duly approved Amendment(s), constitutes the entire understanding and Agreement between the Members of the Company. There are no additional Agreements or separate understandings between any Members and no Amendments or separate understandings between Members will be accepted unless and until such Agreements or understandings are reduced to writing and signed by all Members.

11.4 **Attorney Fees:** In the event of a dispute between Members that results in any litigation, _____, LLC shall pay the attorney fees of the prevailing party to the litigation that is decided by a Court of competent jurisdiction.

11.5 **Necessary Documents:** All Members agree to execute any other documents, in addition to this Agreement, that may be necessary and/or required for the continued operation of _____, LLC;

11.6 **Severability:** If any term or provision of this Agreement is held to be invalid or unenforceable, that term or provision will be severed from this Agreement with the balance of this Agreement surviving with full force and effect;

11.7 **Captions:** Captions used in this Agreement are for convenience only and have no effect to enlarge or alter the terms of this Agreement;

11.8 **Notices:** All Notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, and directed to the address shown as a record of _____, LLC for each Members last known address as provided to the Company.

OWNERS / MANAGERS

Initials

Initials

Initials

Initials

Initials

Initials

Initials

CERTIFICATION OF MEMBERS

The undersigned hereby agree, acknowledge, and certify that the foregoing Operating Agreement is adopted and approved by each Member. This Agreement, consisting of _____ pages, constitutes, together with Attachment 1 and Attachment 2, the Operating Agreement of _____, LLC, adopted by the Members as of the _____ day of _____, 20_____.

MEMBERS:

_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage
_____ Signature	_____ Printed Name	_____ Percentage

ATTACHMENT 1

LIST OF MEMBERS

As of the ___ day of _____, 20___, a list of Members of the Limited Liability Company follows:

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Name _____ Percentage _____%

Address _____

Members authorized to provide a list of Members as of the ___ day of _____, 20___.

Signature of Member

Signature of Member

Signature of Member

Signature of Member

ATTACHMENT 2

CAPITAL CONTRIBUTIONS

Pursuant to Section III, the Members' initial contribution to Company capital is stated to be in the amount of \$_____. The description and each individual portion of this initial contribution is as follows:

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

SIGNED AND AGREED UPON this _____ day of _____, 20_____.

Member Signature

Member Signature

Member Signature

Member Signature

RESOLUTION TO OPEN A BANK ACCOUNT

Account: _____ Bank Name: _____
 Holder: _____ Address: _____

 Acct #: _____

As a Member of the LLC named above, I certify that the Company has been organized within the bounds of State Law of _____ as an LLC with its principal office located at:

I further attest that at the initial meeting of the LLC's Members, held on _____, 20____, a quorum was present, and the Members voted on and adopted the following Resolutions:

RESOLVED, that the financial institution named above is designated as a depository for the funds of this LLC, which may be withdrawn on checks, drafts, debit devices, notes, or other orders for payments bearing any Officer, Manager, or authorized employee of this LLC.

FURTHER RESOLVED, that the financial institution named above will accept and pay on, without further inquiry, any checks or debits drawn against any of the LLC's accounts. The checks or debits will be honored by the financial institution whether the item has been drawn or endorsed to the order of any Officer, Manager, or authorized employee signing; tendered by the Officer, Manager, or authorized employee for the purpose of cashing or payment; or for deposit to the Officer's, Manager's, or authorized employee's personal account. The financial institution will not be required to inquire as to the use of any check or debit signed in accordance with the Resolutions contained herein.

FURTHER RESOLVED, that the Officers, Managers, or authorized employees may execute other Agreements, including, but not limited to, special depository Agreements, and arrangements concerning the manner, condition, and/or purposes for which funds, checks, debits, or items of the LLC may be deposited, collected, or withdrawn, as long as these other Agreements are not contrary to the provisions contained in this Resolution.

FURTHER RESOLVED, that the power granted to the LLC's Officers, Managers, or authorized employees will remain in full force and effect until written notice has been delivered and received by the financial institution at each location where an account is maintained. The financial institution will be indemnified and held harmless from any losses suffered or liabilities incurred by continuing to act in accordance with this Resolution.

I FURTHER ATTEST, that the person named below occupies the stated position, as indicated by their signature, and that the Resolutions contained in this document are recorded on the books of the LLC, and these Resolutions are in full force and effect and have not been altered in any way.

CERTIFIED AND ATTESTED TO, on this _____ day of _____, 20_____.

BY:

X _____
LLC MEMBER'S SIGNATURE

(Printed Name) (Title)