

Sample LLC Operating Agreement

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

For < Insert Name of LLC >

A Manager-Managed Limited Liability Company

THIS LIMITED LIABILITY COMPANY AGREEMENT (the Agreement) is made and entered into this _____ day of _____, 20__ by:

and each individual or business entity later subsequently admitted to the Company. These individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member."

<Insert Member names>

As of this date the Members, through their agent, _____, have formed the _____ Limited Liability Company named above under the laws of the State of _____. Accordingly, in consideration of the conditions contained herein, they agree as follows:

ARTICLE I

Company Formation and Registered Agent

1.1 FORMATION. The Members hereby form a Limited Liability Company ("Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. A Certificate of Formation shall be filed with the Secretary of State.

1.2 NAME. The name of the Company shall be: _____, L.L.C.

1.3 REGISTERED OFFICE AND AGENT. The location of the registered office of the Company shall be:

ARTICLE 2

Capital Contributions

2.1 INITIAL CONTRIBUTIONS. The Members initially shall contribute to the Company capital as described in Exhibit 3 attached to this Agreement. The agreed value of such property and cash is \$< insert amount>_____.

2.2 ADDITIONAL CONTRIBUTIONS. Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's capital.

ARTICLE 3

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 as set forth in Exhibit 2 as amended from time to time in accordance with Treasury Regulation 1.704-1.

3.2 DISTRIBUTIONS. The Members 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 Managers. 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).

ARTICLE 4

Management

4.1 MANAGEMENT OF THE BUSINESS. The name and place of residence of each Manager is attached as Exhibit 1 of this Agreement. By a vote of the Members holding a majority of the capital interests in the Company, as set forth in Exhibit 2 as amended from time to time, shall elect so many Managers as the Members determine, but no fewer than one, with one Manager elected by the Members as Chief Executive Manager.

4.2 MEMBERS. The liability of the Members shall be limited as provided

or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.7 EXCULPATION. Any act or omission of the Managers, 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 Managers to any liability to the Members.

4.8 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, inst 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.

4.9 RECORDS. The Managers shall cause the Company to keep at its principal place of business 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 three most recent years.

ARTICLE 7
Transfers

7.1 ASSIGNMENT. If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of his interest in the Company, such Member shall first make a written offer to sell such interest to the other Members at a price determined by mutual agreement. If such other Members decline or fail to elect such interest within thirty (30) days, and if the sale or assignment is made and the Members fail to approve this sale or assignment unanimously then, pursuant to Section 18-704(a) of the _____ Limited Liability Company Act, the purchaser or assignee shall have no right to participate in the management of the business and affairs of the Company. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled.

Signed and Agreed this _____ day of _____ 20__.

Member _____ Member _____

SAMPLE

Sample Listing of Members
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR _____, L.L.C.
LISTING OF MEMBERS

As of the _____ day of _____, 20__ the following is a list
of Members of the Company:

NAME:

ADDRESS:

Authorized by Member(s) to provide Member Listing as of this _____ day of
_____, 20__

Member _____

Member _____

Sample Listing of Members - Schedule 1
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR _____, L.L.C.
LISTING OF MEMBERS

As of the ____ day of _____, 20__ the following is a list of Members of the Company:

NAME:

ADDRESS:

Authorized by Member(s) to provide Member Listing as of this ____ day of _____, 20__

Member

Member

Sample Listing of Capital Contributions - Schedule 2
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR _____, L.L.C.
CAPITAL CONTRIBUTIONS

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

NAME:	CONTRIBUTION:	% OWNERSHIP:
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %

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

Member

Member

Sample Listing of Valuation of Members Interest - Schedule 3
LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR _____, L.L.C.
VALUATION OF MEMBERS INTEREST

Pursuant to ARTICLE 7, the value of each Member's interest in the Company is endorsed as follows:

NAME:	VALUATION	ENDORSEMENT
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

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

Member

Member