

LLC OPERATING AGREEMENT

OF

[NAME OF LLC]

A _____ **[INSERT NAME OF STATE] SINGLE MEMBER LIMITED LIABILITY COMPANY**

THIS AGREEMENT made effective as of the ____ day of _____, _____.

AMONG:

[NAME OF MEMBER]
(the "Initial Member")

- and -

[NAME OF LIMITED LIABILITY COMPANY]

a limited liability company in the process of formation with a registered office address in the State of _____

RECITALS

- A. The Initial Member desires to form a limited liability company (the "Company") under the laws of the State of _____.
- B. The Initial Member desires to enter into this Agreement in order to provide for the governance of the Company, to and for the purpose of *[insert description of the business to be operated by the company]* (the "Business").
- C. *[if applicable]*: The Initial Member had previously operated the Business as a sole proprietorship and intends through this Agreement to transfer all assets of such predecessor sole proprietorship to the Company.
- D. The Initial Member intends to operate the Business and provide for operation of the Company.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement, it is hereby agreed as follows:

ARTICLE I - ORGANIZATION

1.1 The Initial Member has filed Articles of Organization in accordance with the provisions of the legislation enacted in the State of _____ applicable and pertaining to the formation and operation of limited liability companies, as amended, replaced or re-enacted from time to time (the "Act"). A copy of the Articles of Organization are attached to this Agreement as Exhibit A.

1.2 The name of the Company shall be **[NAME OF LIMITED LIABILITY COMPANY]**. The Company may also conduct its business under one or more assumed names.

1.3 The Registered Office of the Company shall be as designated in the Articles of Organization or any amendment thereto, at _____ *[insert full street address]*, or such other place or places as may be determined by the Initial Member from time to time.

1.4 The term of existence of the Company shall commence on the filing date of the Articles of Organization, and shall continue until _____ [insert termination date], unless the Company shall be sooner dissolved and its affairs wound up in accordance with the Act or this Agreement.

1.5 The Business of the Company shall be managed by the Initial Member (“Manager”).

1.6 The Company shall be taxed as a sole proprietorship for tax purposes unless and until at least one (1) additional Member is added, in which event the Company shall thereafter be treated as a partnership for tax purposes.

ARTICLE II - RECORD KEEPING & ACCOUNTING

2.1 The Company shall maintain complete and accurate books and records of the Company’s business and affairs as required by the Act, and such books and records shall be kept at the Company’s Registered Office and shall in all respects be independent of the books, records and transactions of the Initial Member.

2.2 A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Business and for carrying out the provisions of this Agreement. The fiscal year end of the Company shall be [insert date] in each calendar year.

2.3 An individual Capital Account shall be maintained for the Initial Member and each additional Member, which will consist of that Member’s Capital Contribution (i) increased by that Member’s share of Profits, (ii) decreased by that Member’s share of Losses, and (iii) adjusted as required in accordance with the provisions of federal and state income tax legislation.

2.4 By execution this Agreement, the Initial Member hereby agrees to make a Capital Contribution for the capital interests of the Company, such Capital Contribution to be as follows:

Capital Contribution	Form of Contribution
\$	[set out whether contribution is cash, non-cash assets of equivalent value, etc]

Future Capital Contributions may be made at the sole discretion of the Initial Member.

2.5 Except as may be required by applicable federal and state income tax legislation, net profits, net losses and other items of income, gain, loss, deduction and credit of the Company shall be reported by the Initial Member on his/her income tax return. The Initial Member may make distributions from time to time after determining that the Company has sufficient funds available.

THIS IS A 5-PAGE DOCUMENT, INCLUDING ATTACHMENT.