

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

\_\_\_\_\_ (COMPANY NAME), LLC

A Member-Managed Limited Liability Company

**LLC OPERATING AGREEMENT**  
**LIMITED LIABILITY COMPANY OPERATING**  
**AGREEMENT**  
**OF**  
\_\_\_\_\_, LLC

**1. Company Details**

This Limited Liability Company Operating Agreement (“Agreement”), entered into on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, is organized as a, **Multi-Member LLC**, organized and entered into by and between \_\_\_ (number of members) referred to as:

Member #1: \_\_\_\_\_, that holds ownership of \_\_\_% of the Company organized under this operating agreement with the current mailing address of \_\_\_\_\_.

Member #2 \_\_\_\_\_, that holds ownership of \_\_\_% of the Company organized under this operating agreement with the current mailing address of \_\_\_\_\_.

Member #3: \_\_\_\_\_, that holds ownership of \_\_\_% of the Company organized under this operating agreement with the current mailing address of \_\_\_\_\_.

Member #4: \_\_\_\_\_, that holds ownership of \_\_\_% of the Company organized under this operating agreement with the current mailing address of \_\_\_\_\_.

(“Member(s)”)

WHEREAS the aforementioned Members wish to make a limited liability company under the laws and jurisdiction of the state of \_\_\_\_\_ (“State of Formation”) and therefore set out the terms of operation of the company herein and the relationship of all Members.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Member(s) and the Company agree as follows:

**2. Name and Principal Place of Business**

The Company shall be named \_\_\_\_\_, LLC and maintain a principal place of business with the address \_\_\_\_\_ or the Company shall maintain any other place of business as determined by the Members.

**3. Formation**

The Company was created and formed on \_\_\_\_\_, at which point the members filed the original Articles of Organization with the \_\_\_\_\_ office of the Secretary of State in accordance with the regulations and statutes which control limited liability companies in \_\_\_\_\_ (referred to as "Statutes").

**4. Member(s) Capital Contributions**

The Members set out in this agreement have previously contributed capital amounts to the company which are described below. The Members may make additional voluntary contributions but are not obligated to do so:

Member #1: \_\_\_\_\_, has made a capital contribution of \_\_\_\_\_ (description and value).

Member #2: \_\_\_\_\_, has made a capital contribution of \_\_\_\_\_ (description and value).

Member #3: \_\_\_\_\_, has made a capital contribution of \_\_\_\_\_ (description and value).

Member #4: \_\_\_\_\_, has made a capital contribution of \_\_\_\_\_ (description and value).

The aforementioned Members do not have the right or authority to withdraw and otherwise reduce their capital contribution to the Company until the Company has been dissolved unless otherwise stated in this operating agreement.

Any liability of the Members which relate to the debt, liability, losses sustained, and obligations of the Company will be limited to the capital contributions the

Members have made, the distributions that have been paid to the Members, and the Member's share of undistributed assets of the Company. This liability will only extend as may be required by the relevant law(s).

## 5. **Management of the Company**

Business of the Company and related affairs will be managed by the Members of the Company in line with this Agreement and the laws of \_\_\_\_\_.

Unless stated somewhere else in this Agreement, the decisions related to management, operations, and controlling the line of business of the Company, the Company's other affairs, and the procedures adopted in this Agreement will be made by and with the affirmative vote or consent of Members that hold the Majority Members percentage interests of the Company.

Except stated otherwise in this Agreement, Members may not, without written consent given after majority vote or majority consent of the Members, exchange, lease, assign, sell, or in any other way transfer all or a substantial portion of the Company's Assets. Furthermore, Members may not transfer smaller portions of the Company's assets in multiple transactions in an attempt to circumvent the need for a majority vote or consent. Members may not exchange, lease (except when leasing space as part of the business activities of the Company), assign, or transfer the assets of the company or mortgage, pledge, or encumber those assets unless it has been expressly authorized by this Agreement. Members shall not prepay, modify, refinance, extend existing mortgages, modify existing mortgages, borrow money for the Company, lend Company money or assets to any third party, confess a judgement against the Company, settle or otherwise pay a claim, debt, or demand, authorize a consolidation or merger of the Company with another Company or other entity, or change the nature of the business of the Company.

Members will be given compensation in their role as Company Members which is determined from time to time by the confirmatory vote of Members that hold a majority Membership percentage interests in the company.

## 6. **Distributions**

As concerns this Agreement, "net profit" and "net loss" refers to the profit and loss of the Company during the normal course of business operations after expenses (depreciation allowance included) that were incurred as a result of those operations have been accounted for.

As concerns this Agreement, "cash receipts" refers to any cash receipts of the Company, irrespective of source, which is also inclusive of capital contributions without limit that were made by the Members, sales, exchanges, disposal of assets of the

company, proceeds of loans to the Company, proceeds from refinancing a mortgage on any asset of the Company, and damages paid to the Company.

As concerns this agreement, “capital transactions” refers to the selling any portion of the Company’s assets, mortgage refinancing, refinancing other liabilities, receipt of proceeds from insurance, and any other receipts/proceeds which can be attributed to capital.

The Company will maintain a “capital account” for the Members in in line with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1(b)(2)(iv).

Member percentage interests refers to the ownership percentage as mentioned in the Company Details section of this agreement (Section 1).

In every fiscal year, net profits and losses of the Company (not including capital transactions), whether loss or gain will be credited or deducted to the capital accounts of each Member in an equal proportion to the Members’ percentage interests. Net profits gained by the Company from any capital transaction will be shared in the following order based on priority

1. To offset negative balances in the Members’ capital accounts, proportionate to the negative balance in the capital accounts of Members until negatives balances in all capital accounts have been cleared.
2. Members shall receive a proportionate amount paid to their capital accounts in proportion to the Member percentage interests

Net losses of the Company shall be shared in the following order based on priority:

1. Distributed to each Member up to the amount that their capital account balance is in excess of their original capital contribution in proportion to each Member’s excess balance until said excess balance has been reduced to zero.
2. Distributed to each member in proportion to the members percentage interests.

The Company’s cash receipts shall be shared in the following order based on priority

1. Any payments for interest or amortization on mortgages for Company assets, balances due on the debt or liabilities of the Company not inclusive of those due to Members of the Company, costs associated with the construction of improvements of Company assets, and Company operating expenses

2. Interest payments and the creating cash reserves that are determined to be necessary by the Members of the Company. These cash reserves may include but are not limited to reserves for the Company's normal business operations, repairs, improvements, taxes, and any contingencies that may occur during the course of normal operations.

The cash receipts of the Company, not including those produced by capital transactions then be shared to the Members, except as otherwise stated in this Agreement or otherwise stipulated by law, in a proportion equal to their Member's percentage interests.

Furthermore, except as otherwise stated in this Agreement or stipulated by law, sharing cash receipts from capital transactions as a distribution shall be made with the following order of priority.

1. To Members proportionate to their capital account until the cash distribution each member has received is equal to the positive balance in their capital account, if any.
2. To Members proportionate to their Member's percentage interests.

It is intended by the members that, under this Agreement, allocations made will be considered to have a "substantial economic effect" as per the meaning of Section 704 of the Internal Revenue Code and Treas. Reg. Section 1.704-1. If, at any time, the provisions contained in this Agreement conflict with or are not consistent with Section 704 of the Internal Revenue Code, then Section 704 of the Internal Revenue Code and its regulations shall take precedence over the provision in conflict. If Section 704 of the Internal Revenue Code require the operating agreements of Limited Liability Companies include provisions not contained herein, those provisions will be incorporated to this Agreement by references and will be considered part of this Agreement in the same way as if they were explicitly contained herein.

## **7. Books, Records, and Tax Returns**

The Members of the Company will create and properly maintain records and books that are complete and accurate. These books will detail the Company's affairs and business while following generally accepted accounting principles.

The Company will provide an annual report within sixty days after the fiscal year has ended. The annual report of the Company shall include the balance sheet, the profit and loss statement, the capital account statement, and a report that details each Member's share of the Company's gain, losses, gains, and other necessary information for tax purposes.

The Company will be responsible for preparing any federal, state, and local information for income tax returns on behalf of the Company. This information shall be filed in a timely manner. Within sixty days from the end of the Company's Fiscal year, it will send anyone that was a Member of the Company during the last fiscal year copies of the Company's tax and information return that was filed with the IRS for the last fiscal year.

The elections deemed necessary or allowed to the Company in line with the Internal Revenue Code, and the appointment of a partner for tax matters in line with Section 6231(a)(7) of the Internal Revenue Code for all reasons allowed or deemed necessary by the internal Revenue Code, will be made by the Company through a confirmatory vote of Member's constituting majority percentage interests.

If requested, the Company will provide each Member an up to date list of names and addresses of Company Members and other people or entities with a financial interest in the Company.

## **8. Dissolution and Liquidation**

The Company will terminate and dissolve when any of the following happen:

- i. The Members make a unanimous affirmative vote or consent to terminate the Company
- ii. If a Member Withdrawal Event occurs and the Members remaining with the Company do not explicitly elect to continue the business of the Company as outlined in this Agreement
- iii. Any event, pursuant to this agreement, which may hereafter be amended, that will result in the termination of the Company.

The process of liquidating the Company will be carried out and overseen by an individual or entity that has been appointed for the purpose through a confirmatory vote by Members with a majority Members percentage interests (referred to as the Liquidating Agent). The Liquidating Agent is herein granted authority to execute any documentation needed and to carry out any necessary tasks to bring about the dissolution of the Company in line with this Agreement.

After the termination of the Company, the Liquidating agent will prepare or have prepared and present to the Members of the Company a report with the total assets and liabilities on the date of termination. The Liquidating Agent will dissolve and liquidate the assets belonging to the company as quickly as possible but ensure that it is done in an orderly and conscientious manner to avoid undue sacrifice and loss.

The monies generated from the sale of the assets of the Company shall be used in the following manner in order of priority:

1. To pay for the expenses incurred through the process of liquidation and to settle any debts and liabilities for the Company, not including any debt and liabilities the Company owes to the Members.
2. To pay for any debts and liabilities the Company holds to Members.
3. To make provisions for reserves the Liquidating Agent may consider important or required because of unforeseen debts, liabilities, or obligations of the Company. The reserves will be provided to a licensed attorney that will hold it in escrow for up to two years to pay any liabilities and or obligations. After two years have elapsed, the reserves shall be paid out
  - a. To Members in a way that's proportional to their capital accounts until each member has received an amount equal to the positive balance of their capital account in line with the requirements set out in Treas. Reg. Section 1.704-1(b)(2)(ii)(b). After which it shall be distributed to:
  - b. Members in line with their Member's percentage interests

The dissolution and liquidation of the Company will be complete within the timeframe stipulated by Treas. Reg. Section 1.704-1(b)(2)(ii)(b).

After completion of the dissolution and distribution, Members will no longer be considered Members of the Company. The Company will execute and file away any documentation that is necessary as evidence of the dissolution of the Company in line with the Statutes.

## **9. Purpose**

The Company's Purpose is to conduct any and all lawful businesses, functions, or activities and to participate any legal activities in connection to or that are incidental to the lawful activities the Company is engaged in, as Members shall determine.

## **10. Registered Office and Resident Agent**

The Registered Office and Resident Agent of the Company will be the same as appointed in the original Articles of Organization/Certificate of Organization or any change to made therein. Currently, \_\_\_\_\_ (Full Name) is the Company's initial registered agent in the State of \_\_\_\_\_, and the registered office is \_\_\_\_\_ (Address, City, State Zip). The Registered Office and Resident Agent of the Company may, on occasion, be changed. Changes of such nature will be made in line with the Statutes. If the changes made are different from the Statutes, they shall be made in line with the provisions contained within this Agreement. If the Resident Agent retires, the Company will appoint a successor to fill the role of Resident Agent.

## **11. Term**

The Company's term of operation will be perpetual, starting at the time the Articles of Organization were filed and will continue until terminated in line with the provisions of this Agreement.

## **12. Bank Accounts**

Any and all cash funds owned by the Company will be deposited in a bank account under the Company's name. The bank accounts operated by the Company shall be chosen by the Members. Any withdrawals from the bank accounts of the Company will be made as a result of the regular course of business the Company is engaged in and will be made upon the signature or signatures that the Members might designate.

## **13. Miscellaneous**

**A) Meeting of Members:** The regular annual meeting of Members will be held each year on a specified date by giving each member 30-days' notice, in writing, prior to the meeting date. The meeting will be held in the principal offices of the Company or at another place the Members determine in order to transact business that may be necessary before the annual meeting. If the day of the meeting falls on a recognized holiday then the meeting will be held on the next business day.

Members may create a resolution to determine a regular time and place for the annual meetings and adoption of such a resolution shall be construed as notice of the regular meetings.

Any Member may call special meetings of the Members for any reason or reasons.

Members will be provided with written notice or electronic notice which includes the place, date, and time of the meeting. If it is a special meeting then the notice must also contain the purpose of the meeting. The notice must be delivered at least three days before the meeting date by hand or by mail to every Member of record that has voting rights. When every Member of the Company is present at a meeting, or of the Members that are not present provide a signed written waiver of notice of the meeting or ratify all the decisions and proceedings of such a meeting, the transactions of the meeting will be valid in the same way as a formal meeting with due notice will be valid.

In any Member's meeting, if Members holding a majority of the Members percentage interests are present either in person or through proxy, majority being determined by the books and records of the Company, it will be considered a quorum for general business proceedings. If a specific action of the Company requires the confirmation or consent of a different percentage of Members outlined in this agreement, the quorum for that action will require that percentage of Members present in person or through proxy. If a quorum is not available, the meeting can be adjourned without



additional notice. If a quorum is available any matter pertaining to the Company may be transacted at the meeting without giving additional notice as was originally intended in the notice given. Members available at a meeting that has been duly organized will be able to transact business until the meeting has been adjourned notwithstanding the withdrawal of enough Members to leave less a quorum.

At Member's meetings, any Member will be able to vote by proxy as long as it is executed in writing by the Member in question or by an authorized attorney-in-fact of the Member. The proxy will be filed with the Company at the appointed time of the meeting or beforehand.

The Member present at a Member's meeting where any action was taken will by default be considered to have approved of such action to be taken, unless the disagreement of the Member is entered into the minutes of the meeting or the member files a written dissent with the person that is presiding as secretary of the meeting before the meeting ends. A Member that voted in favor of any action will not have this right of dissent.

Any of the actions that are required to be taken at a Member's meeting, unless stipulated by law, can be taken without a meeting if consent in writing that details the action taken is signed by the Members that would have voted at the meeting about the subject.

Company members may participate in any member meeting by teleconference or similar means of communication, provided that all those attending the meeting can hear each other during the discussion of matters to be voted on. Participation in a meeting in line with this paragraph shall be deemed to be present at the meeting in person.

**B) Assignment of Interests:** Unless stated elsewhere in this Agreement, no Members or other person holding an interest in the Company shall assign, dispose of, transfer, or pledge all or any part of its interest in the Company, including but not limited to capital, profit, or distributions, of the Company without the prior written consent of the other Members.

Furthermore, Members agree that Members may not willingly withdraw from the Company without Unanimous vote or consent of the other Members.

Members may distribute all of or any part of such a Member's interest in the Company's distributions or allocations to the following (known together as Permitted Assignees"): any individual, a corporation, a partnership, or any other entity that Company gives consent to be assigned the interest for the allocation and or distribution of the Company by a confirmatory vote of Members which hold a majority of Member's percentage interests. The permitted assignee is only entitled to allocations and distributions to which the interest they have been assigned is

entitled, unless the permitted assignee seeks permission to join the Company and is admitted to the Company as a Member in line with the provisions of this Agreement. Any assignment, transfer, pledge, or other form of disposal of any or part of a Member's interest in the Company or that of any other person with an interest in the Company that violates the provisions herein will be null and void.

No assignment, transfer, pledge, or other form of disposal of any or part of a Member's interest in the Company or that of any other person with an interest in the Company will be binding on the Company unless an executed and also acknowledged counterpart of the assignment or transfer instrument, that is satisfactory to the Company, is delivered to the Company.

No transfer, assignment, or other form of disposition of the interest of any Member can be made if the transfer assignment or other form of disposition, taken alone or when further combined with other transactions would result in the termination and dissolution of the Company as per the meaning of Section 708 of the Internal Revenue Code, other relevant section of the Code, or any statute that comes after. No transfer, assignment, or other form of disposition of the interest of any Member can be made without seeking an opinion of counsel that is satisfactory to the Company that the proposed transfer, assignment, or other form of disposition required to an effective registration under, or exempt from registration requirements of applicable securities laws at the state and federal level. No person that is under the age of 21 years or someone that has been determined to be incompetent or insane will be assigned or otherwise given any interest in the Company.

The Company can treat the holder of the record for the interest of a Member as the true owner of the interest and will not have liability when distributions are made in good faith to the record holder for anything in this Agreement to the contrary. This shall be the case until or unless the Company has received a record of the assignment or any other valid proof of the transaction, that satisfies the Company that the interest of the Member has been duly assigned or otherwise transferred in line with the terms of this Agreement.

**C) Ownership of Company Property:** Assets of the Company are owned by the Company as a separate entity. Members do not and will not have any ownership interest in the assets or any portion of the assets of the Company. The assets will be held in the name of the company, the name of an individual or entity that has been nominated by the company, or in a manner determined by the Members through a confirmatory vote that has a majority of the Member percentage interests.

Unless otherwise limited by the Statutes, Members are allowed to participate in any other type of legal business ventures. This includes business ventures similar to the type of business ventures owned and operated by the Company. Furthermore, the Company will not have any right to the assets or interests of the Member's other independent ventures or the income and profit derived from it.

**D) Right of First Refusal:** If, for any reason, a Member of the Company wishes to sell or dispose of their interest in the Company, in part or in whole, the Member (referred to as the Selling Member) is required to offer to sell, transfer, or otherwise convey the interest in the Company, the Selling Member must first communicate the wish to dispose of their interest and make an offer to other Members of the company before selling or otherwise disposing of their interest to a third party. The offer made by the Selling Member is required to be in writing and will be presented to every other Member of the Company. The written offer must include:

- a. The interest that the Selling Member is disposing of
- b. The price that the Selling Member wishes to be paid
- c. The closing date of the transaction which cannot be less than thirty days or more than sixty days after the offer has been presented to the Member
- d. The place closing will take place
- e. Any other relevant terms and conditions related to the sale or disposal of the interest

The other Members that received the offer from the Selling Member must reply within fifteen days, through a written notice, to either accept, counteroffer, or reject the offer of the Selling Member. If the other Members do not reply within fifteen days then the offer will be considered to be rejected. If more than one Member accepts the offer, the interest that is to be sold and the price of the interest will be shared among Members in proportion to their Members' percentage interests, unless a different arrangement is agreed to in writing.

If the Members accept the offer presented by the Selling Member then the title closing will be held in accordance with the offer presented by the Selling Member. The Selling Member will deliver an assignment for the interest being sold to the Members that accepted the offer. At that time, the Members that accepted the offer will pay the purchase price as outlined in the offer of the Selling Member.

If the other Members decide not to accept the offer or the Members that did accept are unable to meet their obligations as stipulated in the offer, the Selling Member may sell the interest to a third party at a price not less than the offer presented to the other Members and at terms and conditions that are the same or similar to the terms offered to the other Members of the Company as long as the other terms of this Agreement which apply to the sale are adhered to. This process must be completed within one hundred and twenty days. Assigning the interest of the Selling Member to a third party in this manner only entitles the third party to the distributions and allocations of the Company that the interest so assigned is entitled to unless the third party applies for admission to the Company as a member and is subsequently admitted to the company as a member in line with the terms of this Agreement.

If the interest of the Selling Member is not sold within one hundred and twenty days then the Selling Member will have to offer the other Members such interest again before they will be able to offer it to a third party. At the time of offering the interest again, they can change the terms and conditions which include but aren't limited to the purchase price and the amount of interest in the Company to be sold.

**E) Admission of New Members:** New Members may be admitted to the Company through a unanimous vote or consent of the existing members. This also applies to the transferees of the interest of existing members.

Before a new Member can be admitted to the Company, they must execute and acknowledge any instruments required by the Members in a way that satisfies the Company as relates to the admission of the new Member and furthermore confirms the clear agreement of the new Member to be bound by the terms, conditions, covenants, and understandings of this Agreement in its current state or after amendment. The new Member will be required to pay all the reasonable expenses incurred in connection with admitting the Member to the Company which includes but isn't limited to attorney fees, costs associated with preparing, filing, or publishing amendments to this Agreement or the Articles of Organization of the Company.

New members are not entitled to retroactive distribution or allocation of income, losses, or expense deductions. At its discretion, the Company has the ability to create pro-rata allocations of the income, losses, or expense deductions to the new Member for only the portion of the tax year that the Member was admitted to the Company which is in line with Section 706(d) of the Internal Revenue Code.

If admitting a new Member to the Company will be a violation of any federal or state securities laws or would negatively impact the treatment of the company for income tax purposes, then under no circumstances will a member be admitted to the Company.

In no event shall a new Member(s) be admitted to the Company if such admission would be in violation of applicable Federal or State securities laws or would adversely affect the treatment of the Company as a partnership for income tax purposes.

**F) Withdrawal Events:** If certain events such as death, withdrawal, expulsion, retirement, the event of a bankruptcy or insolvency (defined herein), dissolution of a Member, or other event that shall effectively terminate a Members continued Membership in the Company in line with the Statutes (each item referred to individually as a Withdrawal Event and in aggregate as Withdrawal Events) the Company will be terminated sixty days after notice has been given to Members about the Withdrawal Event unless the Company's business is to continue as provided herein.

Irrespective of a Withdrawal Event of a Member, the Company will continue to function and will not be terminated, if within the sixty day period after the Members have received notice, the Members that still hold Membership in the Company, not inclusive of the Member which triggered the Withdrawal Event, have a unanimous affirmative vote to continue the business affairs of the Company.

When a Withdrawal Event of a Member occurs, successors of the interests of the Members will not be entitled to the rights of that the Member held in the Company except for the allocations and distributions that the Member was previously entitled to. This holds true unless the holder of the successor interest is admitted to the Company in line with this Agreement.

The Withdrawal Event related to bankruptcy and or insolvency will be deemed to occur if the Member:

1. Applies or allows the appointment of someone to be a receiver, trustee, or liquidator of all their assets or a substantial portion of their assets. 'Substantial' to be defined by the Members by majority Members percentage interests vote.
2. Makes a general assignment to the benefit of their creditors
3. Is judged to be a bankrupt or an insolvent
4. Voluntarily files bankruptcy or an answer to creditors seeking an arrangement that takes advantage of bankruptcy, insolvency, readjustment of debt or any legal recourse similar in nature.
5. Takes any action to bring about any of the previous items
6. A judgement or decree is taken, whether with or without an application or the consent of the Member, by a court of competent jurisdiction, approving the appointment or petition for the appointment of a receiver or trustee for all or a substantial portion of the Member's assets and the order or judgement shall continue in effect for thirty days.

**G) Representations of Members:** Each of the Member(s) represents, warrants and agrees that the Member(s) is acquiring the interest in the Company for the Member's own account for investment purposes only and not with a view to the sale or distribution thereof; the Member(s), if an individual, is over the age of 21; if the Member(s) is an organization, such organization is duly organized, validly existing and in good standing under the laws of its State of organization and that it has full power and authority to execute this Agreement and perform its obligations hereunder; the execution and performance of this Agreement by the Member(s) does not conflict with, and will not result in any breach of, any law or any order, writ, injunction or decree of any court or governmental authority against or which binds the Member(s), or of any agreement or instrument to which the Member(s) is a party; and the Member(s) shall not dispose of such interest or any part thereof in any manner which would constitute a violation of the Securities Act of 1933, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules or regulations of any State or other governmental authorities, as the same may be amended.

**H) Certificates Evidencing Members:** Any and all Membership interest in the Company will be evidenced by a Certificate of Membership that is duly issued by the Company. The Certificate of Membership will have the name of the Member that holds the membership interest as well as the Membership percentage interest that

the members hold. Each certificate must carry the following statement in the format prescribed below:

“The membership interest represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of the Operating Agreement of \_\_\_\_\_, LLC, dated effective as of \_\_\_\_\_, as the same from time to time may be amended, a copy of which is on file at the principal office of the Company.”

**I) Notices:** All notices, demands, requests, or other communications that any of the parties involved with this Agreement may wish to have or are required to present will be considered to have been correctly provided if they have been hand-delivered by a courier or sent through certified mail, return receipt requested, postage prepaid, using the United States Postal Service, UPS, or FedEx. The notice must be addressed as follows:

- If the notice is to the Company then it should be addressed to the principal place of the business of the Company which is designated by the Company
- If the notice is to a Member or the Members of the Company then it should be sent to the address of the Member as written in this Agreement or to an address that has been designated by the Members through a notice to the Company and other Members.

**J) Arbitration:** Any dispute, controversy, or claim arising out of or in connection with this Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the city in which the principal place of business of the Company is then located, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any other time or place or under any other form of arbitration mutually acceptable to the parties involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and attorneys' fees, except that in the discretion of the arbitrator, any award may include the attorney's fees of a party if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or in bad faith.

**K) Amendments:** This Agreement may not be altered, amended, changed, supplemented, waived, or modified in any respect or particular unless the changes are in writing and have been agreed to by the confirmatory vote of Members that hold a majority of the Members percentage interests. Amendments or changes to the articles that concern the financial interests of Members cannot be made unless there is a unanimous confirmatory vote. No change to the Articles in this Agreement related to the voting requirements of Members on a subject can be made without

having at least the Member's percentage interest required to vote on that subject cast a confirmatory vote for the change.

#### **14. Severability**

This Agreement as well as the liabilities and rights of the involved parties herein will be governed by as well as determined in line with the laws of \_\_\_\_\_, the State of Formation. If it is found that any provision in this Agreement is invalid or unenforceable, it will not impact the other provisions contained within this Agreement which will remain in full force and effective.

There are captions in this Agreement and are used for convenience to help readers understand the Agreement and are not meant to be used to interpret or in any way construe the Agreement. Pronouns will be considered masculine, feminine, neuter, singular, or plural as the situation demands.

#### **15. Entire Agreement**

It is understood by the parties of this Agreement that this Agreement and any amendments made hereunto can be executed in counterparts, all of which, when taken together, will form a single agreement.

This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof. The intention of the Members is that this Agreement is the only agreement of the parties outlined in section 1 of this Agreement and, except when it contravenes income tax rules or is prohibited under the relevant Statutes, this Agreement shall hold sway even with it is not consistent with or it is different from the applicable laws. For any provision of this Agreement that is prohibited or considered ineffective under the prevalent Statutes, the provision in question will be considered ineffective to the smallest degree possible so as to make this Agreement effective under the Statutes.

Subject to the limitations on transferability set forth above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors, and assigns.  
No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement as of the date first above written.

**Member's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Print Name: \_\_\_\_\_

**Member's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Print Name: \_\_\_\_\_

**Member's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Print Name: \_\_\_\_\_

**Member's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Print Name: \_\_\_\_\_



# ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF \_\_\_\_\_

\_\_\_\_\_ County, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_, as Managing Member of this LLC Operating Agreement and who proved to me through government issued photo identification to be the above-named person, in my presence executed foregoing instrument and acknowledged that they executed the same as their free act and deed.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_