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**LLC OPERATING AGREEMENT**

FOR EARLY-STAGE COMPANIES

PREPARED FOR THE FOUNDER RESOURCE VAULT

2025 EDITION

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**OPERATING AGREEMENT**

**FOR**

**[COMPANY NAME], LLC**

**A [STATE] LIMITED LIABILITY COMPANY**

This Operating Agreement (this “Agreement”) is made as of [DATE OF FORMATION], 2025, by and among the parties listed on the signature pages hereof (collectively referred to as the “Members” or individually as a “Member”), with reference to the following facts:

1. The Member(s) will cause to be filed Articles of Organization (the “Articles”) for [COMPANY] LLC (the “Company”), a limited liability company under the laws of the State of [STATE], with the [STATE] Secretary of State;
2. The Member(s) desire to adopt and approve an operating agreement for the Company under the [STATE LLC ACT], codified in [STATUTORY CITATION] et seq., as the same may, from time to time, be amended, revised, replaced, or superseded (the “Act”).

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS, AND UNDERTAKINGS HEREIN SPECIFIED AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECIEPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, AND WITH THE INTENT TO BE OBLIGATED LEGALLY AND EQUITABLY, THE PARTIES HERETO, HERBY, AGREE AS FOLLOWS:**

**ARTICLE 1. ORGANIZATION**

**1.1 Formation and Effectiveness**

The Member hereby forms a limited liability company pursuant to and in accordance with the [State] Limited Liability Company Act (the **“Act”**) by filing Articles of Organization (the **“Articles”**) with the Secretary of State of [State]. This Operating Agreement (the **“Agreement”**) shall be effective as of [Date of Formation], which shall be deemed the date of formation of the Company. The rights and obligations of the Member(s) shall be governed by the Act and this Agreement. To the extent this Agreement conflicts with any default provisions of the Act, this Agreement shall control to the fullest extent permitted by law.

**1.2 Name**  
The legal name of the Company shall be “[Company Name] LLC” (the **“Company”**). The Company may conduct business under such name or any other trade name or fictitious business name as may be determined by the Member(s) and in compliance with applicable law.

**1.3 Term**  
The existence of the Company commenced upon the filing of the Articles with the Secretary of State and shall continue in perpetuity unless sooner dissolved or terminated in accordance with this Agreement and the Act.

**1.4 Principal Office and Registered Agent**  
The Company shall maintain a principal office within the State of [State] at [Business Mailing Address], or such other place as the Member may designate from time to time. The Company shall continuously maintain a registered office and registered agent in the State of [State] as required by the Act. The identity of the registered agent shall be as set forth in the Articles or as otherwise designated by the Member.

**1.5 Purpose and Powers**  
The purpose of the Company is to engage in any lawful business, trade, or activity for which limited liability companies may be organized under the Act, including but not limited to:

* **(a)** [Specific Business Activity]; and
* **(b)** any other lawful purpose; and
* (c) any and all activities incidental, related, or reasonably necessary to the foregoing as determined by the Member.

The Company shall possess and may exercise all lawful powers necessary or convenient to effectuate its business and affairs.

**1.6 Tax Classification**  
For United States federal income tax purposes, the Company shall be treated as a “disregarded entity” so long as there is only a single Member, unless otherwise required by applicable law. The Member(s) may take such actions and execute all documents necessary to maintain or change such classification in accordance with applicable law.

**1.7 No State-Law Partnership or Joint Venture**  
The Member(s) acknowledges and agrees that the Company shall not be construed to be a partnership, joint venture, or any other form of legal association for any purpose other than as a limited liability company as provided under the Act. The characterization of the Company for federal, state, or local tax purposes shall not affect its status as a separate legal entity.

**1.8 Defined Terms**  
Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to them in this Agreement. If not defined herein, such terms shall have the meanings set forth in the Act. Defined terms shall apply equally to the singular and plural forms thereof. All references to “days” herein shall mean calendar days unless specifically noted otherwise.

**ARTICLE 2. CAPITAL CONTRIBUTION**

**2.1 Initial Capital Contribution**  
The Member(s) shall contribute to the Company, as its initial capital contribution (the **“Initial Contribution”**), the cash, property, services, or other assets described in **Exhibit A**, which is attached hereto and incorporated herein by reference. The value of any non-cash contribution shall be determined by the Member(s) in good faith and shall represent the fair market value of such property or services. The Company shall record the Initial Contribution in the Member’s Capital Account.

**2.2 Capital Accounts**  
A separate capital account (the **“Capital Account”**) shall be maintained for the Member(s) in accordance with applicable provisions of the Internal Revenue Code and the Act. The Capital Account shall be adjusted for all contributions, distributions, and allocations of profits, losses, and other items as required by law and this Agreement. Upon any permitted transfer of the Member’s Membership Interest in accordance with this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent of the transferred interest.

**2.3 Additional Capital Contributions**  
The Member(s) shall not be required to make any additional capital contributions to the Company. However, the Member(s) may, in its sole discretion, make additional capital contributions at any time as deemed necessary or appropriate for the conduct or expansion of the Company’s business. Any additional capital contribution shall be credited to the Member’s Capital Account and reflected in an amended **Exhibit A**, which shall be updated accordingly.

**2.4 No Interest**  
No interest shall accrue or be paid by the Company on any capital contribution made by the Member.

**2.5 Withdrawal and Return of Capital**  
The Member shall not be entitled to withdraw or demand the return of any portion of its capital contribution except as expressly provided in this Agreement or required by law. Any return of capital shall be made solely from the Company’s assets and only in accordance with the Act.

**2.6 Membership Interest and Transferable Interest**  
For purposes of this Agreement:

* The term **“Membership Interest”** shall mean the Member’s entire legal and economic interest in the Company, including any **Transferable Interest**, voting rights (if applicable), and rights to information concerning the Company’s business and affairs in accordance with the Act and this Agreement.
* The term **“Transferable Interest”** means only the right to receive allocations and distributions of the Company’s income, gains, losses, deductions, credits, and similar items as provided herein, but does not include any governance rights or management participation rights, except as otherwise provided by law or this Agreement.

A Transferable Interest alone shall not be deemed a full Membership Interest.

**2.7 Member Loans**  
A Member may, but shall not be obligated to, make loans to the Company upon such terms and conditions as the Member(s) may determine in its sole discretion. Any loan made by the Member shall not be treated as a capital contribution and shall not entitle the Member to any increase in its Membership Interest or any additional governance rights. All such loans shall:

* Constitute a debt obligation of the Company, repayable solely from Company assets,
* Bear interest at a rate not to exceed the then-prevailing Prime Rate, unless otherwise agreed in writing, and
* Be evidenced by such promissory notes or other instruments as the Member may require.

The Member acknowledges and consents that if it acts as a lender (the **“Lender”**), its exercise of rights and remedies under any loan documents may be adverse to the best interests of the Company and hereby waives any conflict of interest claim arising solely from such exercise.

**ARTICLE 3. MEMBERS**

**3.1 Limited Liability**  
Except as expressly provided in this Agreement or as required by the Act, the Member shall not be personally liable for any debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise. The Member’s liability shall be limited solely to the amount of capital contributed or agreed to be contributed pursuant to this Agreement.

**3.2 Admission of Additional Members**  
No person or entity shall be admitted as an additional Member of the Company without the prior written consent of the existing Member(s). Any newly admitted Member shall execute a joinder agreement to be bound by this Agreement, and the Member(s) shall amend **Exhibit A** to reflect the name, capital contribution, Percentage Interest, and other material terms applicable to the new Member. Additional Members shall share in the Net Profits, Net Losses, allocations, and distributions of the Company as set forth in the revised **Exhibit A** and shall have voting rights as provided in this Agreement.

For purposes of this Agreement, **“Net Profits”** and **“Net Losses”** mean the income, gains, losses, deductions, and credits of the Company for each fiscal year or other period, determined in accordance with the Company’s method of accounting for United States federal income tax purposes.

**3.3 Withdrawal, Resignation, or Expulsion of Members**  
No Member shall have the right to voluntarily withdraw, retire, or resign from the Company without the prior written consent of all other Member(s). The Company may, within twelve (12) months after discovering a material breach by a Member of any provision of this Agreement, terminate the breaching Member’s Membership Interest upon unanimous written consent of the non-breaching Member(s). Any expelled Member shall be entitled only to the remaining balance of such Member’s Capital Account, payable solely from available Company assets at such time as the payment will not materially interfere with the Company’s operations, and subject to **Section 6.4** and other applicable provisions of this Agreement.

Following expulsion, the expelled Member shall have no further rights or interests in the Company, including without limitation any right to profits, losses, or distributions. Each Member acknowledges that the expulsion provision is reasonable to preserve the integrity of the Company’s business and governance.

**3.4 Payments and Reimbursements**  
Except as expressly provided herein or pursuant to a transaction permitted under **Section 3.7**, no Member or any Affiliate of a Member shall be entitled to any compensation for services rendered to the Company. The Company shall, however, reimburse the Member or its Affiliates for all reasonable and documented out-of-pocket expenses incurred in connection with the formation of the Company, including legal, accounting, and filing fees, and for any other costs approved by the Member(s) related to the ordinary course of business.

**3.5 Restrictive Covenants**  
For so long as a Member holds any Membership Interest in the Company and for a period of one (1) year following the date such Membership Interest is terminated or transferred, such Member shall not, directly or indirectly, engage in any business or enterprise that competes with the principal business of the Company within [define geographic region, e.g., “the State of [State] and any other territory in which the Company actively conducts business”]. The Member further agrees not to solicit any employees, contractors, or customers of the Company during such period. These restrictions shall be limited to the extent necessary to protect the Company’s legitimate business interests and shall be enforceable to the maximum extent permitted by law.

**3.6 Member Meetings**  
Regular or annual meetings of the Member(s) are not required. Any decision or action that requires Member consent may be made by written consent or electronic transmission in accordance with the Act and this Agreement.

**3.7 Transactions with the Company**  
A Member may enter into transactions with the Company only if the material terms of such transaction are fair, reasonable, and at least as favorable to the Company as those obtainable in comparable arm’s-length transactions with unaffiliated third parties. Any such transaction shall be fully disclosed to the Member(s) in writing and documented in the Company’s records.

**ARTICLE 4. MANAGEMENT**

**4.1 Management Authority and Powers**  
The Company shall be managed by one or more Managers (each, a **“Manager”**, and collectively, the **“Managers”**) elected by the Member(s). Subject to the limitations set forth in this Agreement and the Articles, each Manager shall have full authority, power, and discretion to manage and control the business, property, and affairs of the Company, to make all decisions regarding those matters, and to perform all acts customary or incidental to the management of the Company’s business and affairs. The Managers shall serve until their resignation, removal, or replacement in accordance with this Agreement.

**4.2 Member Approval; Voting Mechanics**  
No annual or regular meetings of the Member(s) are required. If a meeting is held, it shall be noticed, held, and conducted in compliance with the Act. Any action or approval of the Member(s) required by this Agreement may be given by written consent or other means permitted by the Act.

For all purposes under this Agreement, each Membership Interest represents a **“Percentage Interest”** in the Company as specified in **Exhibit A** (as may be amended in accordance with this Agreement). Any provision of this Agreement requiring the vote, approval, or consent of the Member(s) shall be determined by reference to the Percentage Interests held by the approving Member(s). The approval of a “majority of the Membership Interests” means the approval of Member(s) holding more than fifty percent (50%) of the total Percentage Interests.

**4.3 Devotion of Time**  
Each Manager shall devote such time and attention to the Company’s business as the Manager, in good faith, determines reasonably necessary to manage and further the business and affairs of the Company.

**4.4 Fiduciary Duties**  
Each Manager shall perform its duties as a Manager in good faith, with the care an ordinarily prudent person in a similar position would exercise under similar circumstances, and in a manner reasonably believed to be in the best interests of the Company. Each Manager owes the Company and its Member(s) a duty of loyalty, a duty of care, and an obligation of good faith and fair dealing, all in accordance with the Act.

**4.5 Limitations on Manager Authority**  
Notwithstanding **Section 4.1**, no Manager or Member shall have authority to cause the Company to take any of the following actions without the prior written consent of all Member(s):

**(a)** Incur any single debt, obligation, or liability in excess of One Hundred Thousand Dollars ($100,000.00);

**(b)** Sell, exchange, lease, or otherwise dispose of all or substantially all of the Company’s assets, whether in a single transaction or a series of related transactions over any six (6) month period, except for the orderly liquidation and winding up of the Company’s business upon its authorized dissolution;

**(c)** Merge, consolidate, or convert the Company into any other entity, including another limited liability company, limited partnership, corporation, general partnership, or any other form of entity;

**(d)** Establish or authorize different classes or series of Membership Interests;

**(e)** Alter the primary purpose or business of the Company as set forth in **Article 1**;

**(f)** Lend any Company funds to any Manager, Member, or officer;

**(g)** Take any action that would render it impossible to carry on the ordinary business of the Company;

**(h)** Confess a judgment against the Company;

**(i)** File any voluntary petition in bankruptcy or seek similar debtor relief on behalf of the Company; or

**(j)** Take any other action expressly requiring unanimous Member approval under this Agreement.

**ARTICLE 5. ALLOCATIONS**

**5.1 Tax Allocations**  
For United States federal, state, and local income tax purposes, all items of the Company’s income, gain, loss, deduction, and credit shall be allocated to the Member(s) in proportion to their respective **Percentage Interests** as set forth in **Exhibit A**, unless otherwise required by applicable law.

So long as the Company has only one Member, the Company shall be treated as a **disregarded entity** for federal income tax purposes, and all tax items shall be reported directly by the sole Member on its individual federal income tax return in accordance with applicable law.

All allocations shall be made in a manner consistent with the applicable provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, so as to reflect the economic arrangement of the Member(s) as set forth in this Agreement.

**ARTICLE 6. INTERIM DISTRIBUTIONS**

**6.1 Minimum Distributions for Tax Liabilities**  
For each taxable year, the Company shall make minimum annual cash distributions to each Member in an amount reasonably estimated to be sufficient to enable such Member to satisfy its federal, state, and local income tax liabilities attributable to the Company’s net taxable income allocated to such Member for such year (a **“Tax Distribution”**). The amount of any Tax Distribution shall be determined in good faith by the Managers based on applicable tax rates and the Member’s allocable share of taxable income.

**6.2 Discretionary Distributions**  
Subject to applicable law, the Triggering Event conditions in **Section 6.5**, and any other restrictions in this Agreement, the Managers may, by unanimous written consent, from time to time declare and cause the Company to make cash distributions to the Members. Distributions shall be made (i) first, to the Members in proportion to their unreturned capital contributions until all capital contributions have been fully returned, and (ii) thereafter, to the Members in proportion to their respective **Percentage Interests**.

All such distributions shall be made to the persons shown in the Company’s records as the holders of the applicable Membership Interests or Transferable Interests on the date of distribution. The Company shall not be liable to any person for any distribution made in good faith in accordance with this **Section 6.2**.

**6.3 Form of Distributions**  
All distributions shall be made in cash unless otherwise expressly agreed in writing by all Members. No Member shall have any right to demand or receive any distribution in any form other than cash, and no Member shall be compelled to accept any distribution of property in kind in lieu of cash.

**6.4 Restrictions on Distributions (Solvency Test)**  
Notwithstanding any other provision of this Agreement, no distribution shall be made to any Member if, after giving effect to the distribution:

**(a)** the Company would not be able to pay its debts as they become due in the ordinary course of business; or

**(b)** the fair value of the Company’s total assets would be less than the sum of its total liabilities.

Any distribution made in violation of this **Section 6.4** shall be subject to repayment by the recipient Member to the extent required by the Act.

**6.5 Initial Distributions Conditional on Triggering Event**  
Except for mandatory Tax Distributions under **Section 6.1**, no discretionary distributions shall be made to any Member until after the occurrence of the applicable triggering event (“**Triggering Event”)**, and only after all related obligations, refinancing, and distributions have been completed. The Managers shall certify in writing when the conditions of the Triggering Event have been satisfied.

**ARTICLE 7. TRANSFER AND ASSIGNMENT**

**7.1 Restrictions on Transfer and Assignment**  
No Member may sell, assign, transfer, pledge, mortgage, encumber, gift, bequeath, devise, or otherwise dispose of or alienate (whether voluntarily, involuntarily, by operation of law, or otherwise) all or any part of such Member’s Membership Interest (each, a **“Transfer”**) without the prior written consent of all other Member(s), which consent may be granted, conditioned, withheld, or delayed in their sole and absolute discretion.

Any Transfer that occurs in violation of this **Article 7** shall be effective only to the limited extent described in **Section 7.3**. Following any permitted Transfer, the Membership Interest so Transferred shall remain subject to the terms and conditions of this Agreement, and any subsequent Transfer shall comply fully with this **Article 7**.

In addition to the foregoing restrictions, no Member may Transfer any part of its Membership Interest:

**(a)** unless the Transfer complies with all applicable federal and state securities laws;

**(b)** if the Transfer would result in the termination of the Company for tax purposes under **Internal Revenue Code § 708(b)(1)(B)**; or

**(c)** if the Transfer would cause the Company to be treated as a corporation for federal tax purposes under **IRC § 7704** or Treasury Regulation **§ 1.7704-1**.

**7.2 Admission of Substitute Members**  
No transferee of a Membership Interest shall be admitted as a substitute Member unless and until:

**(a)** all conditions of **Section 7.1** have been fully satisfied;

**(b)** such transferee executes and delivers to the Company a written instrument, in form and substance satisfactory to the remaining Member(s), agreeing to be bound by all terms and conditions of this Agreement; and

**(c)** such transferee reimburses the Company for all reasonable legal and administrative expenses incurred in connection with its admission as a substitute Member.

The admission of a substitute Member shall not release the transferring Member from any obligations or liabilities that arose prior to the Transfer.

**7.3 Effect of Non-Compliant Transfers**  
Any Transfer made in violation of this **Article 7** shall be null and void to the extent necessary to prevent the Company from being treated as a corporation under **IRC § 7704** or from being terminated for tax purposes under **IRC § 708(b)(1)(B)**. If a Transfer is not void but nonetheless violates this Agreement, the transferee shall have no right to vote or participate in the management, control, or affairs of the Company and shall have no rights of a Member other than the right to receive distributions and allocations of Net Profits and Net Losses to which the transferor would have been entitled (a **“Transferable Interest”** only).

Any such transferee’s Transferable Interest shall remain subject to the restrictions, rights of first refusal, and repurchase rights set forth in this Agreement.

**ARTICLE 8. OPTIONAL PURCHASE EVENTS AND TERMINATION OF MEMBERSHIP**

**8.1 Optional Purchase Event Defined**  
As used in this **Article 8**, an **“Optional Purchase Event”** means, with respect to any Member, the occurrence of any of the following:

**(a)** the death, permanent disability, resignation, retirement, adjudicated insanity, bankruptcy, or dissolution of a Member.

**8.2 Right to Purchase Upon Optional Purchase Event**  
Upon the occurrence of an Optional Purchase Event, the Company and the other Member(s) whose actions or conduct did not cause the Optional Purchase Event (the **“Remaining Members”**) shall have the option, but not the obligation, to purchase all (or less than all) of the Membership Interest of the affected Member (the **“Former Member”**) or the Former Member’s legal representative (the **“Former Member’s Interest”**); in such circumstances, and notwithstanding anything in the foregoing to the contrary, Company shall have the right of first refusal. The Former Member (or the Former Member’s legal representative) shall promptly notify the Remaining Members of the Optional Purchase Event in writing.

**8.3 Determination of Purchase Price**  
The purchase price for the Former Member’s Interest shall be its **fair market value**, determined by an independent, qualified appraiser jointly selected by the Former Member (or its legal representative) and the Remaining Members within thirty (30) days after the Optional Purchase Event.

If they fail to agree on an appraiser within thirty (30) days, each party shall appoint an independent appraiser within twenty (20) days thereafter. If the two appraisers’ valuations differ by **five percent (5%) or less**, the fair market value shall be the average of the two valuations. If the valuations differ by more than five percent (5%), the two appraisers shall jointly appoint a third independent appraiser within ten (10) days. The fair market value shall then be the average of the two closest appraisals.

The determination of the appraisers shall be final and binding. Each party shall bear its own appraiser’s fees and equally share any cost for a third appraisal.

**Adjustment for Breach:** If the Optional Purchase Event results from a breach of this Agreement by the Former Member, the purchase price shall be reduced by any damages sustained by the Company or Remaining Members as a result of such breach.

**8.4 Notice of Intent to Purchase**  
Within fifteen (15) days after the final determination of fair market value under **Section 8.3**, the Former Member shall notify the Remaining Members of the purchase price. Within thirty (30) days after such notice, each Remaining Member may notify the Former Member in writing of its election to purchase all or a portion of the Former Member’s Interest, provided that the Company declines to purchase such portions.

Failure to timely deliver such notice shall constitute an election not to purchase. Each electing Remaining Member shall be entitled to purchase a portion of the Former Member’s Interest in the proportion that such Member’s Percentage Interest bears to the aggregate Percentage Interests of all Remaining Members electing to purchase.

**8.5 Shortfall and Company Right to Purchase**  
If the Remaining Members and the Company do not purchase the entire Former Member’s Interest, the unpurchased portion shall convert to a **Transferable Interest** only and shall not carry any voting or governance rights.

**8.6 Payment of Purchase Price**  
The purchase price shall be paid by the Company or the Remaining Members, as applicable, by one of the following methods, at their sole discretion:

**(a)** Payment in full in cash at Closing; or

**(b)** Payment of twenty percent (20%) in cash at Closing and the remaining balance in four (4) equal annual installments, plus interest at the applicable federal rate under the Code for the month of Closing. The Remaining Members or the Company may prepay all or any part of the balance at any time without penalty.

Any deferred payment shall be evidenced by a promissory note and secured by a pledge of the Former Member’s Interest being purchased.

**8.7 Closing**  
Unless court approval is required, the Closing shall occur at the principal office of the Company at 10:00 a.m. within sixty (60) days after the purchase price is determined. If the Closing date falls on a weekend or legal holiday, it shall occur on the next business day.

If court approval is required:

**(i)** the Former Member or its legal representative shall file any necessary application within thirty (30) days after the purchase price determination;

**(ii)** the Closing shall occur within five (5) business days following entry of an order approving the sale.

At Closing, the Former Member or its legal representative shall deliver an assignment instrument with customary warranties of title and no encumbrances. All parties shall execute and deliver any other documents reasonably necessary to effectuate the transaction.

**8.8 Alternative Terms Permitted by Agreement**  
Nothing in this **Article 8** shall prohibit the Company and any Member from mutually agreeing to alternative terms and conditions for the repurchase or transfer of a Membership Interest due to resignation, withdrawal, or retirement, whether in whole or in part.

**ARTICLE 9. ACCOUNTING, RECORDS, AND REPORTING**

**9.1 Books and Records**  
The Company shall maintain complete and accurate books and records of its operations and financial affairs in accordance with the accounting methods used for United States federal income tax purposes. The Company shall keep at its principal office in the State of [State] all records required to be maintained under the **Act**, including:

**(a)** a current list of the full name and last known business or residence address of each Member and Manager;

**(b)** copies of the Articles of Organization and all amendments thereto;

**(c)** copies of this Agreement and any amendments thereto;

**(d)** copies of all financial statements, tax returns, and reports for the three most recent fiscal years; and

**(e)** any other records required by the Act.

Each Member, or such Member’s duly authorized representative, shall have the right to inspect and copy such books and records during normal business hours upon reasonable prior written notice, at the Member’s own expense.

**9.2 Tax Returns and Reports**  
The Company shall prepare and file, in a timely manner, all reports, statements, and other documents required to be filed with any governmental authority pursuant to the Act or other applicable law.

The Company shall deliver to each Member within ninety (90) days after the close of each taxable year:

**(a)** an annual statement setting forth information sufficient for the Member to prepare its federal, state, and local income tax returns (including any Schedule K-1 or equivalent); and

**(b)** a copy of the Company’s federal, state, and local income tax or information returns for such year.

**9.3 Company Bank Accounts**  
The Managers shall maintain the Company’s funds in one or more separate accounts in the name of the Company at such financial institutions as the Managers may determine. The Company’s funds shall not be commingled with the funds of any Member, Manager, or any other person or entity.

**ARTICLE 10. DISSOLUTION AND WINDING UP**

**10.1 Events Causing Dissolution**  
The Company shall be dissolved and its affairs wound up upon the occurrence of any of the following (each, a **“Dissolution Event”**):

**(a)** the unanimous written consent of the Member(s);

**(b)** the sale or other disposition of all or substantially all of the Company’s assets; or

**(c)** the occurrence of any event that makes it unlawful or impossible to carry on the Company’s business in accordance with this Agreement and the Act.

**10.2 Winding Up Procedures**  
Upon the occurrence of a Dissolution Event, the Company shall promptly proceed to wind up its affairs in an orderly manner and liquidate its assets. The Managers (or, if no Managers remain, the Member(s)) shall give written notice of the commencement of the dissolution to all known creditors and shall take all actions necessary to settle the Company’s business and affairs in accordance with the Act.

**10.3 Liquidation and Distribution of Assets**  
After paying or adequately providing for all known debts, liabilities, and obligations of the Company (including expenses of liquidation), the remaining assets shall be distributed to the Member(s) in the following order of priority:

**(a)** first, to the Member(s) in accordance with the positive balances in their respective **Capital Accounts**, after taking into account all allocations of Net Profits and Net Losses for the taxable year of liquidation; and

**(b)** thereafter, if any assets remain, to the Member(s) in proportion to their **Percentage Interests** as reflected in the Company’s books and records.

All distributions shall be made only to those persons shown in the Company’s records as the holders of record of the applicable Membership Interests or Transferable Interests as of the date of distribution. The Company shall not be liable to any person for distributions made in good faith in accordance with this **Section 10.3**.

**10.4 Limitations on Member Recourse**  
Except as expressly provided in this Agreement or required by law:

**(a)** each Member shall look solely to the Company’s assets for the return of such Member’s Capital Account balance and share of Net Profits; and

**(b)** no Member shall have recourse against any other Member for any such return or for any deficit in such Member’s Capital Account, except as otherwise provided in **Article 11**.

**ARTICLE 11. INDEMNIFICATION**

**11.1 Indemnification of Members, Managers, and Agents**  
To the fullest extent permitted by the **Act** and applicable law as it now exists or may hereafter be amended, the Company shall indemnify and hold harmless any Member, Manager, officer, employee, or other duly authorized agent of the Company (each, an **“Indemnified Person”**) who was or is made, or is threatened to be made, a party to or participant in any threatened, pending, or completed action, suit, or proceeding (whether civil, criminal, administrative, or investigative) by reason of the fact that such person is or was acting in such capacity on behalf of the Company or at its request for another limited liability company, corporation, partnership, joint venture, trust, or other enterprise.

Such indemnification shall include, but not be limited to, expenses (including reasonable attorneys’ fees), judgments, fines, settlements, and other amounts actually and reasonably incurred by the Indemnified Person in connection with such action, suit, or proceeding, provided that the Indemnified Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful.

**11.2 Advancement of Expenses**  
To the fullest extent permitted by applicable law, the Company may advance reasonable expenses incurred by an Indemnified Person in defending any action, suit, or proceeding in advance of its final disposition upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it is ultimately determined that such person is not entitled to be indemnified under this **Article 11** or applicable law.

**11.3 Limitations**  
No Indemnified Person shall be entitled to indemnification under this **Article 11** with respect to any matter for which a final judgment or adjudication establishes that such person:

**(a)** did not act in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company;

**(b)** engaged in gross negligence, willful misconduct, or fraud; or

**(c)** derived an improper personal benefit.

**11.4 Non-Exclusivity**  
The indemnification provided in this **Article 11** shall not be exclusive of any other rights to which any Indemnified Person may be entitled under any agreement, vote of Members, or otherwise.

**ARTICLE 12. INVESTMENT REPRESENTATIONS**

Each Member hereby represents, warrants, and agrees to the Company and to the other Member(s) as follows:

**12.1 Limited Role of Members (Manager-Managed Company)**  
The Company is and shall remain a **Manager-managed limited liability company**. Each Member’s responsibilities shall be limited to those expressly set forth in this Agreement, including the election or removal of Managers and voting or consent rights specifically reserved under this Agreement.

**12.2 Investment Sophistication or Preexisting Relationship**  
Each Member represents that the Member:

**(a)** has a preexisting personal or business relationship with the Company or with one or more of its Managers, officers, or controlling persons; or

**(b)** by reason of the Member’s own business or financial experience, or that of the Member’s independent financial advisor (who is not compensated by the Company or its affiliates), has sufficient knowledge and experience to evaluate the merits and risks of an investment in the Company and to protect the Member’s interests.

**12.3 Absence of General Solicitation**  
No Membership Interest was offered or sold to the Member by means of general solicitation or advertising, including any public promotion, mass mailing, advertisement, or media broadcast.

**12.3 Absence of General Solicitation**  
The Member acknowledges that the Membership Interest was not offered or sold to the Member by means of any form of general solicitation or general advertising, including but not limited to any leaflet, public promotional meeting, mass mailing, newspaper or magazine article, or broadcast advertisement.

**12.4 Investment Intent**  
The Member is acquiring the Membership Interest solely for the Member’s own account, for investment purposes only, and not with a view to, or for, resale or distribution.

**12.5 Ability to Bear Economic Risk**  
The Member is financially able to bear the economic risk of an investment in the Company, including the complete loss of such investment, and has adequate means for providing for current needs and personal contingencies.

**12.6 Acknowledgment of Speculative Risk**  
The Member understands that an investment in the Company is speculative and involves a high degree of risk, including the risk of complete loss of capital, and fully accepts such risk.

**12.7 Restrictions on Transfer**  
The Member acknowledges that the Membership Interest is subject to substantial restrictions on transferability under this Agreement and applicable securities laws, that no public market exists for the Membership Interest, and that none is expected to develop.

**12.8 Consultation with Legal Counsel**  
The Member has been advised to consult with independent legal and tax advisors regarding the legal and tax consequences of an investment in the Company and has done so to the extent the Member considers necessary.

**ARTICLE 13. MISCELLANEOUS**

**13.1 Independent Counsel**  
Each Member acknowledges and agrees that this Agreement creates material legal rights and obligations, that the Company has been represented by separate legal counsel acting solely on the Company’s behalf, and that such counsel has not represented and does not represent any individual Member’s interests. Each Member further acknowledges that the interests of the Members may differ from one another and from those of the Company and that each Member has been strongly advised to seek and has had the opportunity to seek independent legal and tax advice regarding this Agreement before execution.

**13.2 Entire Agreement**  
This Agreement, together with the Articles of Organization and all attached Exhibits, constitutes the complete and exclusive statement of the agreement among the Members and supersedes any prior or contemporaneous oral or written understandings, agreements, or representations relating to the subject matter hereof. To the extent any provision of the Articles conflicts with this Agreement, the Articles shall control unless otherwise expressly stated herein.

**13.3 Binding Effect**  
Subject to the transfer and assignment restrictions contained in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Members and their respective successors, heirs, legal representatives, and permitted assigns.

**13.4 Interpretation**  
Whenever the context requires, words used in the singular shall include the plural and vice versa, and pronouns of any gender shall include all genders. Headings and section titles are for convenience only and shall not affect the interpretation of this Agreement. Numbered or lettered articles, sections, and subsections refer to this Agreement unless otherwise expressly stated. No presumption or burden of proof shall arise favoring or disfavoring any Member by virtue of authorship of this Agreement or any provision herein. Days shall mean calendar days unless specifically noted otherwise.

**13.5 Governing Law**  
This Agreement shall be governed by and construed in accordance with the laws of the State of [STATE], without regard to any conflict-of-law principles that would result in the application of the laws of any other jurisdiction.

**13.6 Severability**  
If any provision of this Agreement, or the application of such provision to any person or circumstance, is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, which shall remain in full force and effect to the maximum extent permitted by law.

**13.7 Notices**  
All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when (a) delivered in person; (b) sent by reputable overnight courier; or (c) sent by registered or certified mail, postage prepaid, return receipt requested, to the address for each Member as set forth in **Exhibit A**, or to such other address as a Member may designate by written notice to the Company and the other Members in accordance with this **Section 13.7**.

**13.8 Amendments**  
This Agreement may be amended, modified, or supplemented only by a written instrument signed by all Members.

**13.9 Counterparts; Electronic Signatures**  
This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed signature page by electronic transmission (including PDF or other reliable electronic means) shall be effective as delivery of a manually executed counterpart.

**13.10 Remedies Cumulative**  
The rights and remedies provided in this Agreement are cumulative and shall not limit or preclude any other rights or remedies otherwise available at law or in equity.

**IN WITNESS WHEREOF**, this Agreement is hereby entered into as of the Effective Date.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  
**[MEMBER NAME]**  
**[Title, if applicable (e.g., Sole Member / Manager / Authorized Person)]**  
**Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*(Repeat block below for each Member if multi-member)*

**[Example for Multi-Member or Entity-Owned Member:]**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  
**[ENTITY MEMBER NAME]**  
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Name: [Authorized Signatory]  
Title: [Title, e.g., Manager, CEO]  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT A**

**MEMBERS, CAPITAL CONTRIBUTIONS & PERCENTAGE INTERESTS**

| **Member Name** | **Mailing Address** | **Description of Contribution** | **Initial Capital Contribution ($)** | **Percentage Interest (%)** |
| --- | --- | --- | --- | --- |
| [Member 1 Name] | [Member 1 Address] | [e.g., Cash; Services; IP] | $[Amount] | [XX]% |
| [Member 2 Name] | [Member 2 Address] | [e.g., Cash; Equipment; Sweat Equity] | $[Amount] | [XX]% |
| [etc.] | [etc.] | [etc.] | [etc.] | [etc.] |

**Notes:**

1. This **Exhibit A** is incorporated by reference into the Operating Agreement.
2. This Exhibit may be updated from time to time in accordance with the Agreement to reflect additional contributions, transfers, or new Members.
3. The total of all Percentage Interests shall equal 100%.

Executed as of the Effective Date.