

# SINGLE MEMBER LLC OPERATING AGREEMENT

**LLC Name:** [LLC NAME] **State of Formation:** [STATE] **Effective Date:**

This Operating Agreement (this "Agreement") of [LLC NAME] (the "Company"), a single-member limited liability company organized under the laws of the State of [STATE], is entered into effective as of , by [MEMBER 1 FULL LEGAL NAME], the sole Member of the Company (the "Member").

## 1. Formation

**Name.** The name of the Company is [LLC NAME].

**State of formation.** The Company is organized under the [STATE] Limited Liability Company Act and such other laws as are applicable. Articles of Organization (or Certificate of Formation) have been filed with the [STATE] Secretary of State.

**Principal office.** The principal office of the Company is located at [PRINCIPAL OFFICE ADDRESS], or such other place as the Member may designate from time to time.

**Registered agent.** The registered agent of the Company in the State of [STATE] is [REGISTERED AGENT NAME], located at [REGISTERED AGENT ADDRESS IN STATE OF].

**Purpose.** To engage in any lawful business for which a limited liability company may be organized under applicable state law.

**Term.** The Company shall continue in perpetuity until dissolved in accordance with this Agreement or applicable law.

## 2. Sole Member and Capital Contribution

**Sole Member.** The sole Member of the Company is [MEMBER 1 FULL LEGAL NAME], residing/located at [MEMBER 1 ADDRESS], holding a one hundred percent (100%) membership interest.

**Initial capital contribution.** The Member has contributed \$0.00 to the capital of the Company as the Member's initial capital contribution.

**Additional capital.** The Member may, in the Member's sole discretion, make additional capital contributions to the Company at any time. The Member is not obligated to make any additional capital contribution.

**Capital account.** A capital account shall be maintained for the Member in accordance with Treasury Regulation §1.704-1(b)(2)(iv). The Member shall have no obligation to restore a negative capital-account

balance.

### 3. Management

**Member-managed.** The Company is managed exclusively by its sole Member. The Member shall have full, exclusive, and complete authority and discretion to manage and control the business, affairs, and properties of the Company; to make all decisions regarding those matters; and to perform any and all other acts customary or incident to the management of the Company's business.

**Authority to bind.** The Member is the sole authorized signatory of the Company and may execute any and all contracts, deeds, instruments, and other documents on behalf of the Company.

**Officers.** The Member may, but is not required to, appoint officers (including a President, Secretary, or Treasurer) to assist with the operation of the Company. Any such officer shall serve at the pleasure of the Member.

### 4. Distributions and Allocations

**Allocation of profits and losses.** All profits and losses of the Company shall be allocated to the Member.

**Distributions.** Distributions of available cash and other property shall be made to the Member at such times and in such amounts as the Member determines in the Member's sole discretion.

**Solvency limitation.** No distribution shall be made if, after giving effect thereto, the Company would be unable to pay its debts as they become due in the ordinary course of business or the Company's total liabilities would exceed the fair value of its assets.

### 5. Tax Classification

**Disregarded entity.** The Member intends that the Company be treated as a "disregarded entity" for federal income tax purposes under Treasury Regulation §301.7701-3, with all items of income, gain, loss, deduction, and credit reported directly on the Member's individual federal income tax return (Schedule C, E, or F, as applicable). The Member shall not take any position inconsistent with such classification.

**Fiscal year.** The Company's fiscal year shall end on December 31.

### 6. Limited Liability and Indemnification

**Limited liability.** Except as otherwise required by applicable law, the Member shall not be personally liable for any debt, obligation, or liability of the Company, whether arising in contract, tort, or otherwise, solely by reason of being a member of the Company.

**Indemnification.** The Company shall indemnify and hold harmless the Member (and any officer the Member appoints) against any loss, liability, damage, or expense (including reasonable attorneys' fees)

arising from any act or omission performed in good faith in furtherance of the Company's business, except in the case of fraud, willful misconduct, or gross negligence.

**Separateness.** The Member shall observe formalities sufficient to maintain the separate existence of the Company, including (a) maintaining separate bank accounts and books of account, (b) holding the Company out to third parties as a separate entity, (c) not commingling personal and Company assets, and (d) executing contracts in the Company's name.

## **7. Corporate Transparency Act — Beneficial Ownership Information**

The Company is subject to the Corporate Transparency Act (31 U.S.C. §5336) and shall file a Beneficial Ownership Information (BOI) Report with the Financial Crimes Enforcement Network (FinCEN) within the applicable deadline (generally thirty (30) days of formation for entities formed on or after January 1, 2024, and within thirty (30) days of any change in beneficial ownership thereafter). Failure to file may result in civil penalties of up to **\$500 per day** and criminal penalties of up to **\$10,000** plus imprisonment of up to two (2) years.

**Designated filer.** The Member shall be responsible for preparing, filing, and updating the Company's BOI Report. The Member shall provide the personal information required for the BOI Report (legal name, date of birth, residential address, and a unique identifying number from an acceptable identification document).

## **8. Dissolution and Wind-Up**

The Company shall dissolve upon the earliest of: (a) a written election of dissolution by the Member; (b) the entry of a decree of judicial dissolution; or (c) any other event causing dissolution under applicable [STATE] law. Upon dissolution, the Company shall wind up its affairs, liquidate its assets, pay or provide for its liabilities, and distribute any remaining assets to the Member.

## **9. Succession on Death or Incapacity**

Upon the death or permanent incapacity of the Member, the Member's membership interest shall pass by will, trust, or applicable law of intestate succession to the Member's heirs, beneficiaries, or successor-in-interest, who shall be admitted as the successor sole Member of the Company without dissolution of the Company. The Member is encouraged to address ownership of the Company in the Member's estate plan.

## **10. General Provisions**

**Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of [STATE], without regard to its conflict-of-laws rules.

**Arbitration.** Any dispute arising out of or relating to this Agreement shall be resolved by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules

in [VENUE CITY], [STATE]. Judgment on the award may be entered in any court of competent jurisdiction.

**Amendment.** This Agreement may be amended at any time by a written instrument signed by the Member.

**Severability.** If any provision is held invalid, the remainder shall continue in full force, and the invalid provision shall be modified to the minimum extent necessary to be enforceable while preserving the Member's original intent.

**Entire Agreement.** This Agreement constitutes the entire agreement of the Member concerning the Company and supersedes all prior or contemporaneous agreements and understandings.

**Counterparts and Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original. Electronic signatures are valid and binding under the federal ESIGN Act (15 U.S.C. §7001 et seq.) and applicable state law.

### Signature

IN WITNESS WHEREOF, the undersigned sole Member has executed this Operating Agreement as of the Effective Date.

### Sole Member

\_\_\_\_\_ PRINTED NAME

\_\_\_\_\_ SIGNATURE

\_\_\_\_\_ DATE