

# SMALL BUSINESS OPERATING AGREEMENT

Company Name: \_\_\_\_\_

Principal Place of Business: \_\_\_\_\_

## Formation and Organization

This Operating Agreement (the “Agreement”) is entered into by and among the Members listed below (the “Members”) for the purpose of governing the business and affairs of the limited liability company formed pursuant to the laws of the applicable state (the “Company”). The Company was formed by filing Articles of Organization with the appropriate state authority.

## Members and Capital Contributions

The Members and their respective capital contributions to the Company are as follows. Each Member owns an interest in the Company proportionate to the value of their capital contribution. Additional Members may be admitted only with the unanimous consent of existing Members unless otherwise provided herein.

Member Name	Capital Contribution	Ownership Percentage

## Management of the Company

The Company shall be managed by its Members unless otherwise agreed. Each Member shall have the authority to act on behalf of the Company subject to any limitations set forth herein. Decisions shall be made by a majority vote of the Members unless a higher vote threshold is required by this Agreement or applicable law.

## Duties and Obligations of Members

Each Member shall devote such time and effort as determined necessary to conduct the business of the Company. Members shall act in good faith and in the best interest of the Company and shall avoid conflicts of interest.

## Distributions

Distributions of cash or other assets of the Company shall be made to the Members in proportion to their respective ownership interests, subject to the availability of funds and any restrictions imposed by law or this Agreement.

## Books, Records, and Accounting

The Company shall keep complete and accurate books and records of its operations and financial affairs. Members shall have the right to inspect and copy such records during reasonable business hours.

## Tax Treatment

The Company shall be treated as a partnership for federal and state income tax purposes unless otherwise elected. All tax filings and obligations shall be the responsibility of the Company.

### **Transfer of Membership Interests**

No Member may transfer, sell, pledge, or encumber their membership interest without the prior written consent of the other Members. Any attempted transfer in violation of this provision shall be void and of no effect.

### **Dissolution and Winding Up**

The Company shall be dissolved upon the occurrence of any event requiring dissolution under applicable law, unanimous written consent of the Members, or as otherwise set forth herein. Upon dissolution, the Company's assets shall be liquidated and distributed in accordance with applicable law and this Agreement.

### **Indemnification**

To the fullest extent permitted by law, the Company shall indemnify and hold harmless each Member from and against any and all claims, liabilities, damages, and expenses arising from the conduct of the Company's business, except for gross negligence or willful misconduct.

### **Amendments**

This Agreement may be amended only by a written instrument signed by all Members.

### **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of laws principles.

### **Dispute Resolution**

Any disputes arising under or related to this Agreement shall be resolved first through good faith negotiations. If unresolved, disputes shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association or any successor organization.

### **Miscellaneous**

Severability: If any provision of this Agreement is found to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect. Entire Agreement: This Agreement constitutes the entire agreement among the Members concerning the subject matter herein. Counterparts; Electronic Signatures: This Agreement may be executed in counterparts and by electronic signature, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**MEMBER SIGNATURE**

Signature: \_\_\_\_\_

**MEMBER SIGNATURE**

Signature: \_\_\_\_\_

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