

Limited Liability Company (LLC) Operating Agreement
_____, LLC

Structured in the state of _____

This agreement is made this _____ day of _____, _____.

Kindly select one.

☐ SINGLE-MEMBER LLC OPERATING AGREEMENT entered into by and between _____ (hereinafter referred to as "Company"), LLC, and _____ of _____ (hereinafter known as "Member").

☐ MULTI-MEMBER LLC OPERATING AGREEMENT, entered into by and between _____ of _____, _____ of _____, _____ of _____ (hereinafter referred as "Members")

WHEREAS the Member(s) aims to establish a limited liability company under the governing laws of the _____ state and present the inclusion of terms and conditions of the Company's operation and the relationship between the participating Member(s).

NOW, THEREFORE, on account of the mutual covenants included herein and other substantial considerations the receipt and adequacy of which are hereby acknowledged, both the Member (s) and the Company agree to the following sections:

Introductory Provisions

1. Name and Company Headquarters

The name of the company shall be _____, LLC adhering the location of _____, City of _____, _____, or such other place determined by the Member(s) hereafter.

2. Formation

Commencing on the _____ of _____, _____, the Company was formed on upon the filing of the Articles of Organization by the Member(s) with the office of the Secretary of State pursuant to the statutes governing the limited liability companies in the State of _____ (the "Statutes").

3. Purpose

The Company is created pursuant to the purpose of engaging in lawful businesses, activities, and functions and continuing other activities relevant or incidental to the preceding, as the Member (s) in their discretion shall ascertain.

4. Registered Office and Resident Agent

_____ is designated as the Company's initial registered agent in the state of _____ under the _____ acknowledged in the initial Articles of Organization/Certificate of Organization, or any amendments thereto. Both the Registered Office and/or the Resident Agent are potential for alterations every so often. Any changes integrated shall accord with the Statutes or, if different from the Statutes, shall accord with the provisions covered in this Agreement. In case of resignation of the Resident Agent, the Company shall immediately appoint a successor agent.

5. Term

The term of the Company shall be interminable, starting on the filing of the Articles of Organization of the Company, and persisting until terminated under the provisions stated herein.

6. Member Capital Contributions

- ☐ Single Member LLC: The Member may generate capital contributions (each a "Capital Contribution") in such amounts and at such times as the Member may settle. The Member has no obligations to make any Capital Contribution. As such, the Member may take distributions of the capital periodically conforming with the limitations cited and imposed by the Statutes.
- ☐ Multi-Member LLC: Each Member has contributed the following capital amounts to the Company and off from additional capital contributions.

_____, _____
_____, _____
_____, _____

The Member has no legal claims to withdraw and reduce the capital contributions of the Company until the Company has been terminated or unless otherwise included or mentioned in the agreement. Members are off-limits on the right to demand and receive any distributions from the Company in any form than cash. Members shall not be entitled to interests on the capital contributions of the Company. The liability of the Members including losses, bills, debts, obligations depends on the amount of the capital contribution of each Member including the distribution paid to them, such Member's share of any undistributed assets of the Company; and (only to the extent as might be required by applicable law) any amounts previously distributed to such Member by the Company.

7. Distributions

Distributions of cash or other assets to members will be allocated to all. Members shall be given a chance to demand distribution in a form beyond cash. For the purposes of this Agreement, "net profits" and "net losses" of the Company, as defined, may be a result from all conducts occurring along with the Company's operation or expenses, including depreciation allowance, after exposed to business contacts in which business expenses have been incurred.

Hence, the term "cash receipts", as defined, shall imply and cover all the receipts coming from whatever source, including the entire capital contributions made by the Member(s); the proceeds from any sale, exchange, condemnation or disposition of either all or any of the part of the Company assets; the proceeds from any Company loan; the proceeds from various mortgage transactions; the proceeds from insurance benefits payable by the Company such as during a fire or others that may cause casualty damage, and the proceeds coming from the liquidation following a termination.

Hence, the term "capital transactions" shall mean of such that follows: the sale of all or any part of the assets claimed as property of the Company; the refinancing and mortgages or other liabilities of the Company; all receipts of the insurance proceeds; and any other receipts or proceeds owing the capital.

Kindly select one.

- ☐ SINGLE-MEMBER: The Company shall maintain a "Capital Account" for each Member. The Member's Capital Account shall reflect the Member's capital contributions covering any increase for a net income or gain of the Company. Also, any decreases caused by distributions, losses, and deductions of the Member's share shall reflect the Member's Capital Account.
- ☐ MULTI-MEMBER: The "Capital Account" for each Member shall mean the account created and maintained for the Member in conformity with Section 704 (b) and the Internal Revenue Code and Treasury Regulation Section 1.704-1 (b) (2) (iv).

The term “Member’s Percentage Interests” shall signify the percentages set forth opposite the name of each Member below:

Member	Percentage Interest
_____	_____
_____	_____
_____	_____

During each fiscal year, the net profits and net losses of the Company, including the income, gain, loss, deduction, and credit entering into computation of each item shall be credited and charged to the capital accounts of each Member commensurating to the Member’s Percentage Interests. The Company net profits coming from the capital transactions shall be distinguished in the following order of priority: (a) to offset the negative balance existing in the capital accounts of the Members corresponding to the existing amounts of a negative balance in their respective capital accounts until negative balances in the capital balance have been disposed or eliminated; then (b) to the Member’s in relevance with the Member’s Percentage Interest. Whilst, the net losses of the Company from the Member’s capital transactions shall be allotted in the order of priority that follows:(a) reaching to the extent in which the balance in the capital accounts exceeds the Member’s original contributions, to such Members in proportion to the excess balance until such balances have been diminished into zero; then (b) the Member’s toward the Member’s Percentage Interests.

The Company’s cash receipts shall be used in the following order of priority: (a) to the payment of interest or incrementally charging cost or any mortgages of Company assets, due debts of the Company other than those due to any Member, cost regarding the improvements applied to the assets of the Company and the operating expenses of the Company; (b) to necessary cash reserves of the Members including but not limited to reserves for the Company’s business operations, constructions, repairs, replacements, taxes, and contingencies; and (d) to the repayment of any loans made by any Member toward the Company. Thus, all the Company’s cash receipts shall be circulated among all Members as provided hereafter.

Except as otherwise provided in the Agreement or otherwise required by law, distributions of the cash receipts among members, other than from capital transactions, shall be given in relation to the Members’ Percentage Interests.

Except as otherwise provided in the Agreement or otherwise required by law, cash receipt distributions from capital transactions shall be allocated in the following manner: (a) to the Members in line with their respective capital accounts until each Member receives equal cash distributions even to any positive balance in their capital account; then (b) to the Member’s in relation to the Member’s Percentage Interests.

It should be the intention of the Members that allocations acknowledged under this Agreement shall be presumed to have a “substantial economic effect” within the meaning of Section 704 of

the Internal Revenue Code and Treas. Re. Section. 1.704-1. Should the provisions under this Agreement become inconsistent or have in conflict with Section 704 of the Code of Regulations of the foregoing, then Section 704 of the Code of Regulations shall be deemed to overrule the contrary provisions of the aforementioned. If Section 704, at any time, necessitates that the limited liability of the company operating agreements include provisions out of context, such provisions shall be incorporated into this Agreement as a reference and shall also be deemed as part of this to the extent of having expressly presented herein.

8. Books, Records and Tax Returns

Kindly select one.

- ☐ SINGLE-MEMBER: The Company shall ensure that there are complete and accurate books and records of the entire Company's business and affairs as required by the Statutes. Given that such books and records shall be filed and kept at the Company's Registered Office and shall in all respect, be independent of the books, records, and transactions of the Member.

Hence, the Company's fiscal year shall be the calendar year with a concluding month of December.

The Member intends that the Company, as a single-member LLC, shall be taxed as a sole proprietorship concurring with the provisions under the Internal Revenue Code. Any provisions herein that may stimulate the Company not to be taxed as a sole proprietorship shall be inoperative.

- ☐ MULTI-MEMBER: The Members, or their designees, shall ensure that there are complete and accurate books and records of all the Company's transactions adhering to generally accepted accounting principles.

The Company shall provide each Member, within seventy-five days after the end of each fiscal year, a yearly Company report. This report shall cover a balance sheet, a profit and loss statement, a capital account statement, and the amount of the Member's share of the Company's income gain, losses, deductions, and other pertinent items essential for federal income tax purposes.

The Company shall prepare income tax and information returns under the federal, state, and local basis. The Company shall also cause such tax and information returns to be apt as filed. Seventy days subsequent to each fiscal year, the Company shall provide and forward to each person who was a Member during the previous fiscal year an original copy of the Company's information returns filed with Internal Revenue Service for the preceding fiscal year.

The Company shall conduct elections as required under the Internal Revenue Code and designate tax matters partner pursuant to Section 6231 (a) (7) of the Internal Revenue Code for all purposes required by it, provided that, there is an affirmative consent from Members holding most of the Member's Percentage Interest.

Upon request, the Company shall provide to each Member, a current complete and accurate list of Members containing the names and addresses of all Members of the Company, and any other persons having interest in the Company's finance.

9. Bank Accounts

All funds coming from the Company shall be deposited in the Company's name in a particular bank account or accounts as preferred by the Members. Withdrawals from any bank accounts shall occur only in the regular course of the business of the Company. Provided that the process shall be completed upon such signature or signatures as the Members may also designate regularly.

10. Management and the Company

All businesses and affairs of the Company shall be performed by the Member(s) in compliance with this Agreement and the laws of the _____ state.

Kindly select one.

- ☐ SINGLE-MEMBER: _____, as the sole member of the Company, bears the sole authority and power to perform for or on behalf of the Company, to do any act that would be binding on the Company, or make expenditures on behalf of the Company. Given that, the Member shall not be liable for the debts, obligations, or liabilities of the Company, including under an order of the court. The Company is referred to as a "member-managed" limited liability company. Henceforth, the Member shall be the initial managing member of the Company.

- ☐ MULTI-MEMBER: As aforementioned elsewhere in this Agreement, there should be an affirmative vote or consent of Members possessing most of the Member's Percentage Interests before decisions be made respecting the management, operations, and controls in the Company's business and affairs, and other determinations made under this Agreement.

In spite of any other provisions mentioned in this Agreement, without the prior written consent of the unanimous vote or consent from the Members, the Members shall not perform any act of selling, exchanging, leasing, assigning, or transferring of all or substantially all the assets of the Company. Besides, selling, exchanging, leasing (other than space leases in the ordinary course

of business), assigning or transferring the Company assets; mortgaging, pledging, encumbering the Company assets other than is expressly authorized by this Agreement; prepaying, refinancing, modifying, extending or consolidating any prevailing mortgages or encumbrances; borrowing of money on behalf of the Company in the excess of _____; lending any Company funds or other resources to any person amounting or abounding to _____; establishing any reserves for working capital repairs, replacements, improvements, or any other means, in the excess of a collective amount of _____; admitting a judgment against the Company; settling, compromising, discharging payment for any claim, demand or debt excessive to _____; covering the insurance claims; favoring a consolidation of the Company with or into other LLC, partnership, corporation, or other entity of means; or changing the nature of the business.

The Members shall be handed with sums of compensation as Members of the Company, provided that there is consent or an affirmative vote from the majority holders of the Member's Percentage Interests.

Kindly check if applicable.

☐ **MULTI-MEMBER - Member Meetings**

The yearly meeting of the Members shall happen on _____ day of, _____, _____, held at the Company's principal office or other places, and dates, as such determined by the Members. This follows the purpose of transacting the business as may lawfully come prior to the meeting. If the day is fixed and falls into a legal holiday, the meeting shall be held in the next business days.

The Members may either by resolution recommend the time and place of the meeting or may suggest that the adoption of such a resolution shall establish notice of such meetings.

Otherwise, special meetings of the Members for any purpose (s) may be called by any member.

Both written and electronic notice bearing the place, day, time of the meeting, or in case of a special meeting, the purpose for which the meeting is called for, shall be delivered not less than three days before the proper session. The delivery may occur either personally or via mail, in any way conducive for each Member having the entitlement to vote for such a meeting. The transactions of such a meeting shall be valid when notice had been given, and the meeting had been called formally. Majorly, when all the members of the Company are present in the meeting, or for those who failed to attend must have signed a written waiver of notice, or subsequently ratify the proceeding thereof, the transaction shall conclude as legal.

At any meetings wherein Members holding the majority of the Member's Percentage Interests are represented by a proxy, the proxy shall constitute a quorum for the conduct of the Company's entire business. However, if any specific action by the Company shall need the vote or consent of some other Members pursuant to this Agreement, a quorum used for the purpose

of taking such actions shall require another percentage of Members. If a quorum is unavailable, the meeting may be adjourned as needed even without further notice. If a quorum is present at the adjourned meeting, any business is capable of transactions which might have been transacted in the meeting, as originally noticed. The Members present at a duly organized meeting may continue to do business until adjournment, despite the withdrawal of enough Members to leave less a quorum.

At all meetings of the Members, a Member may vote by proxy as duly noted by the Member or by an authorized attorney-in-fact of the Member. Such proxy shall be filed alongside the Company before or at the time of the meeting.

A Member of the Company at which action on the matter is taken shall be presumed to have agreed to the action made unless the disagreement of such Member shall be acknowledged in the minutes of the meeting or unless such Member shall file a written disagreement or dissent to such action with the individual acting as the meeting secretary prior when the meeting is adjourned. Such Members who voted in favor of the action taken shall not be covered in the right to dissent.

Unless otherwise provided by the law, any action required to be taken or which may be taken at a meeting of the Members, or may be taken without a meeting unless included in the written consent, signed by the Members who are entitled to vote toward the respective subject.

By all means of communication, including telephone conference, the Members of the Company shall take part in the meetings of all Members in such that everyone can hear one another regarding the matters that need to be discussed and voted upon. Participation, as a term used in a meeting, shall mean that the Member shall constitute presence in person at such meeting.

Kindly check if applicable.

☐ **MULTI-MEMBER - Assignment of Interests**

Except as otherwise stated in this Agreement, no Member or other representative holding the Company's interest may assign, pledge, hypothecate, transfer or otherwise dispose of any interest including but not limited to the capital and profits on the distribution as owned by the Company. Unless, provided that there is a written consent sent to all Members in each instance.

The Members shall agree that no Member can freely withdraw from the Company not going through the unanimous vote or consent from the whole Company members.

A Member may assign all or some of such Member's interests in the allocations and distributions of the Company to any permitted assignees such as follows: any person, corporation, partnership, or other entity as to which the Company has consented assignment of such interests in the allocations and distributions of the Company. Provided that there are

affirmative votes and consent coming from the Members with a major hold on the Member's Percentage Interest.

An assignment, pledge, hypothecation, transfer, or other disposition of all or some parts of the interest of the members of the Company or other persons holding any interest in the Company shall be null and void for all purposes, once violations of the provisions are met.

No assignment, transfer, and disposition of all or some part of any interest of the Member allowed under this Agreement shall be binding upon the Company unless and until there is duly executed and acknowledged counterpart of such assignment or instrument transfer, in a form satisfactory to the Company, has been delivered, and such.

Hence, no assignment and disposition of any interest shall take place if such disposition, as one entity or even combined with other transactions, would become ground for Company termination as structured from all means under Section 708 of the Internal Revenue Code; under any relevant sections of the Code or successor Statutes perhaps. Hence, no assignment or act of disposition shall happen without the opinion of counsel beneficial to the Company that such disposition is subject to an effective registration under or exempt from the registration requirements of the Federal and State security laws as stated applicable. No interest in the Company may be designated or assigned to anyone under 21 years old or to any person adjudged as incompetent and of unsound mind.

Anything included contained as contrary, the Company shall be entitled to treat the record holder of the interest of the Member as the absolute owner and shall ensure no liabilities encountered by all reasons that the distributions are made in good faith to the record holder, unless and until there is assignments or other instruments transferred and delivered to the Company as may be reasonably required. Thus, establishing the satisfaction of the Company that an interest has been assigned concurring to this Agreement.

Kindly check one.

☐ **SINGLE-MEMBER - Ownership of Company Property**

All company assets shall be deemed part of the Company's entity, and the Member shall have no possessed interest in such assets or any portion covered. The title to all or some of the Company assets may be held in the name of the Company or constricted to one or more nominees or in "street name," as defined by the Member.

Except as limited by the Statutes, the Company shall not have any right or interest toward the Members' independent ventures, including the income and profits obtained therefrom. Business ventures, as mentioned herein, shall either of any nature, covering with no limitation to the ownership of another business of similar operation to that of the Company.

☐ **MULTI-MEMBER - Right of First Refusal**

If one Member desires to sell, transfer, or dispose of all or any portion of the interest in the Company, the particular Member (referred as "Selling Member") shall first convey such interest to other Members before selling, transferring, or disposing it to an outside person, corporation, and separate entity. The offer shall be presented as written, handed to every other Member of the Company, and shall state the interest to be sold, the purchase price, the specific date on which closing happens (a minimum of thirty days (30) and a maximum of sixty days (60) after delivery of the offer), the location where the closing takes place, and all other terms and conditions outlined in the sale, transfer, and other disposition herein.

Within fifteen days (15) after the Selling Member delivered the said offer, the receiving Members shall provide a written notice bearing the decision whether to take or reject the offer. If the other Members failed to provide within the set notice, such failure should be considered as an incontestable rejection of the offer. Any or all Members may decide to accept the offer if more than one of the Members take this side, the interest being sold, and its corresponding purchased price shall be allocated among the Members relative to the Members' Percentage Interest unless they otherwise agree in writing.

If any or all of the other Members decided to accept the offer, then the closing of the title shall occur in line with the offer. The Selling Member shall assign the interest to the other Members who have accepted it. Subsequently, the other Members shall pay the purchase price as prescribed beforehand.

If no Members accepted the offer, or else have been defaulted in their obligations to purchase the interest, then the Selling Member shall have the opportunity to sell such interest to other entities outside the Company within 120 days. Provided that the purchase price is no less than the previous offer and the terms and conditions are of similar context, including all other applicable requirements that this Agreement is complied with. The assignment of interest to a person who is not a Member of the Company shall limit to what is entitled to the allocations and distributions unless such entity applies for admission to the Company and is accepted as a part hereof complying with the existing Agreement.

And if the Selling Member failed to sell such interest within 120 days, then the Selling Member shall recede to the procedure. As explained, the Selling Member shall reoffer such interest to the other Members within the provisions stated in this Agreement.

Kindly check if applicable.

☐ **MULTI-MEMBER - Admission of New Members**

Guaranteed that there is a unanimous vote or consent of the Members, the Company may admit new Members (or transferring of interest of existing Members).

Prior to admission, such a Member shall acknowledge and follow such instruments, in any form and substance, satisfactory to the Company. Furthermore, such a Member shall pay all reasonable expenses of the admission process comprising the attorneys' fees, preparation cost, filing, or publication of any amendments to this Agreement or the Articles of Organization, organized as a desirable need for admission. The Company effectuates the admission and confirms the agreements among the Company members ensured that terms, covenants, and conditions are enclosed in this Agreement, so as with the amendments.

No new Member shall be entitled to a recent and existing allocation of income, losses, and expense deductions of the Company. Only that the Member shall receive allocations of income, losses, or expense deductions for certain portions of the tax year in which the new Member lies over following Section 706 (d) of the Internal Revenue Code and its underlying regulations.

In no way shall the new Member be admitted to the Company if the admission falls under the violations covered in either Federal or State security laws, also, if such admission would adversely affect the treatment of the Company as a partnership intended for income tax.

Kindly check if applicable.

☐ **MULTI-MEMBER - Withdrawal Events**

In an instance of death, retirement, withdrawal, expulsion, or dissolution of a Member, or an event of bankruptcy or insolvency, or any occurrence which ceases the membership of a Member in the Company in conformance to Statutes (hereinafter referred as a "Withdrawal Event"), the Company shall terminate the Members adhered to the Withdrawal Event sixty days (60) after notice unless the business of the Company is continued as provided.

Regardless of a Withdrawal Event concerning a Member, the Company shall not terminate such a Member, irrespective of the applicable law, if the remaining Members decide, within the given sixty-day period, to consent the continuance of the business of the Company.

In an instance of a Withdrawal Event with respect to a Member, any successor shall not become entitled to any rights or interests apart from the allocations and distributions to which such a Member is entitled with. A "successor" includes but is not limited to any executor, administrator, heir, committee, guardian, or other representatives. Only that such successor be entitled with the foregoing if such is admitted as a Member conforming with this Agreement.

An "event of bankruptcy or insolvency" shall happen if such Member: (1) consents to the appointment of a trustee or a liquidator of all or substantial portions of the asset; (2) makes a general assignment for the advantages of creditors; (3) is adjudicated a bankrupt or an insolvent; (4) files a voluntary petition for bankruptcy, a response seeking for an arrangement with creditors, has taken advantage of any bankruptcy, insolvency, readjustment of debt or any law or statute alike, a response acknowledging the forwarded material allegations of a petition filed against the Member in any bankruptcy, insolvency, readjustments of debts or other same

proceedings; (5) takes any action for means of effecting any of the aforementioned; (6) there is an order, judgment, or a decree entered, unescorted by application, approval or consent from such a Member, by any court of adept jurisdiction, assenting a petition for or designating a receiver or a trustee of all or some crucial parts of the Member's assets, and such order shall in effect for thirty days.

11. Dissolution and Liquidation

Kindly check if applicable.

- ☐ **SINGLE-MEMBER** The Company shall dissolve, and its business and affairs shall conclude on the first to take place (1) upon the occurrence of an event stated and specified in the Articles of Organization or in this Agreement (2) the resoluteness of the entire Members to dissolve the Company.

The Company shall be dissolved upon the death of the Member. By separate document, the Member shall appoint an individual who will take account and finish up the Company's business and transfer of the Member's Interests and Capital Account as classified by the Member or otherwise specified by the law.

Upon the disability of such a Member, the Member may either persist in being the Manager or appointing someone to serve, transfer, and distribute the Member's Interest and Capital Account.

- ☐ **MULTI-MEMBER** Dissolution of the Company shall occur at any of the following instances: (1) unanimous decision of the Members to dissolve the Company; (2) the occurrence of a Withdrawal Event and the failure of the remaining Members to decide whether to continue the affairs of the Company or not; (3) any event that shall cause termination of the Company pertaining to this Agreement.

The Company shall designate a Liquidating Agent to conduct and supervise the liquidation process. The Liquidating Agent hereby is an authorized person who functions to take all the necessary steps and decisions in ensuring the Company's dissolution and liquidation to take effect in line with this Agreement. The Liquidating Agent shall liquidate the Company assets aptly as possible, but with less to no undue sacrifice of data. After the termination of the Company, the Liquidating Agent shall prepare and present to the Members a statement containing all essential information about the assets and liabilities of the Company until the date of termination.

The Company proceeds shall be distributed in the following order of priority: (1) to the payment of all liquidation expenses and all Company debts and liabilities, aside from debts and liabilities of Members; (2) to the payment of debts and liabilities to Members; (3) to any reserves set by the Liquidating Agent in which the agent may deem crucial for any possible liabilities or obligations of the Company, such reserves shall be paid over a

licensed attorney to hold in security or escrow for a period of NUMBER OF YEARS, at the expiration of the period in which balance of such reserves shall be distributed as provided; (4) to the Members proportionate to their respective capital accounts including the cash distributions equivalent to any positive balance in their capital accounts based on the rules and requirements stated in the Treas. Reg. Section 1.704-1 (b)(2)(ii)(b); and (5) to the Members in proportion to the Members' Percentage Interests.

The liquidation shall be finished within the period required by Reg. Section 1.704-1 (b)(2)(ii)(b).

Upon compliance with the distribution plan, the Members shall be no longer operative. The Company shall then acknowledge any documents or instruments as necessary and appropriate shreds of evidence about the dissolution and the termination of the Company under the Statutes.

12. Representation of Members Including its Addresses

- ☐ **MULTI-MEMBER** - Each Member represents, allows, and agrees that the Member is obtaining the interest in the Company for the Member's own account solely for the investment purposes, not with views to sale and distribution; the Member, if one entity, is over 21 years of age; if Member is an organization, such Member is duly organized, legally existing, operating, and in good stand anywhere under the State laws and that it has full potential to execute this Agreement and perform obligations without conflicting with, or breaching any law or any order, writ, injunction, or decree of any court or government body and authority against any binding or Agreement among Members, or of any agreement or means to which the Member is a party; and the Member shall not dispose of such interest or any part thereof in any manner in which would cause violations of the Securities Act of 1993, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules and regulations of any State or other government body or authority.

13. Evidencing Membership Certificates

Kindly check if applicable.

- ☐ **MULTI-MEMBER** - The Company must issue a Certificate of Membership as evidence of one's membership interest in the Company. Every Certificate of Membership shall comprise the name of the Member of interest and the Member's Percentage Interest. Such shall follow the following legend:

"The membership interest represented by this certificate is subject to, and may not be transferred except under the provisions of the Operating Agreement of _____, LLC, dated effective as of _____ day of _____, _____, similar even as amended, a copy of such shall be on file at the principal office of the Company."

14. Limitation of Liabilities

The liability of each Member of the Company shall be limited to the full extent provided by the law.

15. Profits and Losses

The profits and losses of the Company shall be attributed in their entire membership.

16. Further Notices

- ☐ **MULTI-MEMBER** - All means of communication, such as notices, demands, and requests made to the Members of the Company, shall be adequately addressed and sent. Notices shall be in writing, and if sent by courier or mail, there should be return receipt with postage prepaid in it addressed as follows: (a) if to the Company, at the principal place in which the Company designates; and (b) if to any Member, to the address stated above, or to such other addresses as may be pointed out by said Member by notice to the Company.

17. Arbitrations

- ☐ **MULTI-MEMBER** - Any dispute, controversy, or claim connected to this Agreement, or any alleged breach or breach hereof shall, upon the request of the party involved, be submitted and settled by, arbitration in the principal place of the Company complying with the commercial arbitration rules, and then in the effect of the American Arbitration Association.

Any award issued shall have a final and conclusive judgment that may be brought over a court with adept jurisdiction. The arbitration costs shall be carried equally by the involved parties, given that each party pays the expenses covered in its own experts, such as evidence and attorneys' fees. Provided that any compensation can be granted at the arbitrator's discretion, any award may cover the attorney's fees of a party. Once the arbitrator expresses that the party whom the award is entered has caused disputes, controversies, or claims to be submitted to arbitration as a dilatory tactic.

18. Amendments

- ❑ **MULTI-MEMBER** - This Agreement may not be altered, amended, changed, supplemented, waived, or modified in any particular unless the same shall be in writing and agreed by the consent of all Members on hold of the majority of the Members' Percentage Interests. Furthermore, no amendment to Articles may also apply to the financial interest unless there is consent from the Members. No amendment of any provision of this Agreement relating to the voting requirements of the Members on any particular subject shall be made without the consent of at least the number of Members required to vote on such a project.

19. Indemnification

- ❑ **SINGLE-MEMBER** - The Member shall not be liable, responsible or accountable in damages otherwise, toward the Company or any other person for (1) any act or omission of an action performed within the scope of power and authority by this Agreement and/or by the Statutes. Except by reasons of acts or omissions as "Judicially Determined" to cause fraudulence, gross negligence, unintentional or intentional misconduct; (2) the Company and Agreement termination according to the terms provided; (3) the performance enacted or omitted by the Member, any act in which the Member rationally believed to be within the advice of attorneys, accountants or other professional and reputable advisers with matters relevant to the Company, including those actions or omissions taken that constitute violations of the law but were not undertaken under dilatory tactic or in bad faith; or (4) the conduct of any person preferred and engaged by the Member. The Member shall include any estate, heir, personal representative, receiver, trustee, successor, assignee, and/or transferee of the Member.

The Company shall indemnify and hold the Member harmless from any actions against any and all liabilities, damages, losses, costs, and expenses, liquidated or not, known or unknown, and any claim incurred by the Company. Hence, the Company or its business affairs is indemnifiable against the conduct of the Member under the standards set herein.

All rights of the Member to indemnification under this Agreement shall be cumulative to any right in which the Member may be entitled under contract, shall survive the dissolution, liquidation, or termination of the Company as well as the death, removal, and insolvency of the Member.

The termination of any Claim or threatened Claim against the Member by judgment, order, settlement, or upon a plea of *nolo contendere*, or its equivalent shall not cause the Member excluded from indemnification unless and until Judicially Determined not to.

20. Miscellaneous

The entire Agreement and the rights and liabilities of the parties covered shall be governed by and determined based on the laws under the State of _____. If any provisions are invalid, such invalidity shall safeguard the other provisions under this Agreement, which shall remain active and in effect.

This Agreement includes the entire Agreement of the parties involved, not disregarding the subject matter hereof. It is of the pure intention of the Member(s) of the Company that this Agreement shall be the only Agreement of the parties and not bound by any terms that are not applicable in certain jurisdictions; this Agreement shall govern despite the disparities among the provisions of any applicable law or rule. To the extent, any provisions stated in this Agreement are ineffective under the Statutes; such provisions shall be considered as ineffective to its smallest degree as possible for this Agreement to take effect under the Statutes.

Respecting the limitations on transferability mentioned above, this Agreement shall accustom to the benefits of the parties hereto and to their respective heirs, administrators, executors, successors, and assigns.

No provision of this agreement is intended for the benefit of any third party.

IN WITNESS WHEREOF, The parties have executed this Agreement this _____ day of _____, _____.

_____, LLC

By:

