

AAA Corporate Services, Inc.- Sample Operating Agreement Draft

This sample is to give you an idea of what is included in our Operating Agreement Draft. We provide one for you with all of our LLC Organization packages.
Call us at (800) 891-5987 if you have any questions or if you need an OA.

OPERATING AGREEMENT OF

A Wyoming Limited Liability Company

The undersigned are all of the members of the above Wyoming Limited Liability Company and hereby adopt the following Operating Agreement.

ARTICLE I

OFFICES

Section 1.1 PRINCIPAL OFFICE. The principal office of the company shall be located in the State of Wyoming. The principal office of the company may be either in Wyoming or in any other state or country. The principal office of the company may require from time to time.

Section 1.2 REGISTERED OFFICE. The registered office of the company, to be maintained in the State of Wyoming, may be, but need not be, identical with the principal office in the State of Wyoming, and the address of the registered office may be changed from time to time by the managers.

ARTICLE II

MEMBERS

Section 2.1 ADMISSION OF MEMBERS. After the filing of the Operating Agreement, the company may admit new members.

Section 2.2 INTEREST IN LIMITED LIABILITY COMPANY – TRANSFERABILITY OF INTEREST.

Section 2.2.1. The interest of each member

to which that member would otherwise be entitled.

Section 2.2.2. A substituted member

the assignment of any of the member's membership interest to any other person is prohibited by the Operating Agreement.

Section 2.3 RIGHTS OF CREDITOR AGAINST A MEMBER. On application to a court of competent jurisdiction by a judgment creditor of a member, the court may order the member to pay the debt of the member out of the member's membership interest. The court may not order the assignment of the member's membership interest to the creditor or any other person. The court may not order the assignment of the member's membership interest to the member's membership interest.

Section 2.4 ANNUAL MEETING. An annual meeting of the members shall be held at such time on such day as shall be fixed by the managers commencing with the calendar year after the year in which the Operating Agreement is executed. The purpose of the meeting shall be to elect managers and the transaction of such other business as may come prior to the meeting. The day fixed for the annual meeting shall not be a legal holiday in the State of Wyoming. If the election of managers shall not be held on the day designated herein for the annual meeting of the members, or at the adjournment thereof, the managers shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient.

Section 2.4.1. Failure to hold the annual meeting

Section 2.4.2. At the first annual meeting of members and at each

successor has been
elected and qualified.

Section 2.5 CLASSIFICATION OF MANAGERS. When there are

election, and that of managers of the third class, if any, to expire at the third annual meeting after their election.
such meeting shall be elected to hold office until the second succeeding annual meeting,
annual meeting of members.

Section 2.6 SPECIAL MEETINGS. Special meetings of the members may be called by
Articles of Organization.

Section 2.7 PLACE OF MEETINGS. The managers may

Section 2.8 NOTICE OF MEMBERS' MEETINGS.

Section 2.8.1. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called shall be given to each member of the meeting.

Section 2.8.2. Notice to members,

such member is
made known to the company.

Section 2.8.3. When a meeting is adjourned to another time or place, notice

each member entitled to vote at the meeting.

Section 2.9 WAIVER OF NOTICE.

Section 2.9.1. When

notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

Section 2.9.2. By attending

2.9.2.1. at the meeting;

2.9.2.2. Waiver is not considered in the purpose of the meeting if it is presented.

Section 2.10 VOTING RECORD. The person having charge of the membership records of the company shall make, at least ten days before such meeting of members,

the prima facie evidence as to who are the members entitled to examine the record or transfer books or to vote at any meeting of members.

Section 2.11 QUORUM OF MEMBERS

, such meeting may be adjourned for a period not to exceed sixty days at any one adjournment.

Section 2.12 VOTING OF MEMBERSHIPS BY CERTAIN MEMBERS.

Section 2.12.1. Membership standing

the powers of that membership may be exercised by its legal representative or successor.

Section 2.12.2. If a member who is an individual dies, the powers of that membership may be exercised by its legal representative or successor. If a member is a corporation, partnership, or other entity, the powers of that membership may be exercised by its legal representative or administrator.

Section 2.12.3. A member whose shares are pledged to a lender may not exercise the powers of that membership.

Section 2.13 INFORMAL ACTION BY MEMBERS.

Section 2.13.1. Except as the Articles of Organization

specifies a different effective date.

Section 2.13.2. Written consent of the members entitled to vote has the same force and effect as a unanimous vote of such members and may be stated as such in any document.

Section 2.14 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote unless the presiding officer shall order or any member shall demand that voting be by ballot.

Section 2.15 NO CUMULATIVE VOTING. No member shall

among any number of candidates.

Section 2.16 DISTRIBUTIONS AND RESIGNATION.

Section 2.16.1 Interim distributions. A member is entitled

Agreement.

Section 2.16.2 Resignation of member. A member may resign as a member of the company by giving written notice to the company. The company shall pay to such member the amount of any distributions due to such member.

Section 2.16.3 Distribution of the company's assets shall be made to the members of the company in proportion to their respective contributions to the company. A member's right to share in distributions from the company shall be determined as of the date of the distribution.

Section 2.16.4 Distribution in liquidation. A member, regardless of the nature of the member's contribution, has no right to receive a distribution of the company's assets in liquidation. A member shall receive a percentage of that asset which is equal to the percentages in which the member shares in distributions from the company.

Section 2.16.5 Right to distribution. At the time a member becomes entitled to receive a distribution, the member shall have no claim against the company with respect to the distribution.

Section 2.16.6 Limitations on distribution. A member shall not be entitled to receive more than the fair value of the company assets.

Section 2.16.7 Liability upon return of contribution.

2.16.7.1. If a member has received the return of any part of the member's contribution without

t to the company during the period the contribution was held by the company.

2.16.7.2. If a member has received the contribution in violation of the Operating Agreement, the member is liable for the contribution wrongfully returned.

2.16.7.3. A member receives a contribution, as set forth in the records required to be kept pursuant to the Operating Agreement, of the member's contribution which has not been distributed to the member.

**ARTICLE 3
MANAGERS**

Section 3.1 MANAGEMENT OF THE COMPANY.

Section 3.1.1. Management of the company's business and affairs shall be managed by the managers. The management shall consist of one or more persons, or upon any basis.

Section 3.1.2. Managers shall be elected by the members in accordance with the Articles of Incorporation, but need not be members of the company. The Articles of Incorporation may prescribe other qualifications for managers.

Section 3.2 DUTIES OF MANAGER.

Section 3.2.1. A manager shall perform the duties of a manager in good faith, in a manner the manager

has not been a manager of the company.

Section 3.2.2. In performing the manager's duties,

to be unwarranted:

3.2.2.1. One or more

matters presented;

in the

3.2.2.2. Any

; or

3.2.2.3. A committee, upon which the manager does not serve, duly designated in accordance with this Operating Agreement, as to matters within its designated authority, which committee the manager reasonably believes to merit confidence.

Section 3.2.3. A manager shall have no authority

Section 3.2.4. Every manager is an agent of the

whom the manager is dealing has knowledge of the fact that the manager

Section 3.3 ELECTION AND TERM

managers shall be . Each manager shall hold office until the next annual meeting of members or until a successor shall have been elected and qualified.

Section 3.4 REGULAR MEETINGS. A regular meeting of the managers shall be held without other notice than this provision immediately after, and at the same place as, the annual meeting of members. The managers may , for the holding of additional regular meetings without other notice than such resolution.

Such participation shall constitute presence in person at the meeting.

Section 3.11

resulting from an increase in the number of managers shall hold office until the next annual meeting of members and until the manager's successor has been elected and qualified.

Section 3.12

manager shall take effect upon receipt of notice thereof of not such later time as shall be specified in such notice; and, unless otherwise specified therein, the

shall become effective.

Section 3.13

managers or at an election of managers.

Section 3.14

as the members shall designate.

Section 3.15

from serving the company in any other capacity and receiving compensation therefor.

Section 3.16 PRESUMPTION

shall not apply to a manager who voted in favor of such action.

ARTICLE IV

CONTRACTING DEBT AND COMPANY PROPERTY

Section 4.1 CONTRACTING DEBT. Except as otherwise provided in the Articles of Organization,

Section 4.2 COMPANY PROPERTY. Real and personal property owned or purchased by the company shall be owned, controlled, managed, operated, maintained, repaired, improved, used, disposed of, or executed by one or more managers of the company.

Section 4.3 BUSINESS SACS OF THE COMPANY. Except as may be provided in the Articles of Organization, a member or a manager shall be liable for the debts and obligations of the company only to the extent of the amount of money received by the member or manager from the company, or other applicable law, and only if such liability is not otherwise provided for as specified in the Articles of Organization or this Operating Agreement.

ARTICLE V

FISCAL YEAR AND FINANCES

Section 5.1 FISCAL YEAR. The fiscal year of the company shall end on the last day of December in each calendar year.

Section 5.2

Exhibit A to this Operating Agreement.

Section 5.3

Section 5.3.1. A member is obligated to the

Section 5.3.2. The obligation of a member to

may enforce the original obligation.

Section 5.3.3. No

Section 5.4 SHARING OF PROFITS AND LOSSES. The profits and losses of the company shall be

Operating Agreement

the contributions made by each member.

Section 5.5 SHARING OF DISTRIBUTIONS. Distributions of cash or other assets of the company shall

by each member.

ARTICLE VI

LIABILITY AND INDEMNIFICATION

Section 6.1 LIABILITY OF MEMBERS AND MANAGERS. Members and managers of the company are not liable

of the company.

Section 6.2 INDEMNIFICATION OF MANAGERS, EMPLOYEES OR AGENTS.

Section 6.2.1. As used in this section 6.2:

6.2.1.1. "Expenses" includes attorney fees.

6.2.1.2. "Liability" means the liability of an individual with respect to a proceeding.

6.2.1.3. "Official capacity" when used with respect to a manager

means the capacity in which an individual acts on behalf of any corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan.

6.2.1.4. "Named defendant or respondent" means an individual who is, or is threatened to be made a named defendant or respondent in a proceeding.

6.2.1.5. "Formal or informal" means whether an individual is an officer, director, or administrator and whether formal or informal.

Section 6.2.2.1. Except as provided in subsection 6.2.2.4 the company may indemnify a manager if:

- I. The individual acted in good faith and in the best interests of the company;
- II. The individual reasonably believed:
 - (a) In the case of conduct in the course of his or her official capacity; or
 - (b) In all other cases, that the individual's conduct was at least not negligent and was in the best interests of the company;
- III. In the case of any criminal proceeding, the individual had no reasonable cause to believe that his or her conduct was unlawful.

6.2.2.2. The termination of indemnification shall be limited to the extent that the individual did not meet the standard of conduct set forth in subsection 6.2.2.1.

6.2.2.3. The company may not indemnify a manager under this subsection 6.2.2 either:

I. In connection with a proceeding by or in the right of the company in which the manager was adjudged liable to the company; or

II. In connection with any

received by the manager.

6.2.2.4. Indemnification permitted under this section of the company in the proceeding.

Section 6.2.3. Unless limited by the Articles of Organization, the company shall be required to

expenses incurred by the company in connection with the proceeding.

Section 6.2.4. Unless limited by the Articles of Organization, a manager who is or was a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification in the manner provided by law.

Section 6.2.5.1. a) The company may not

that it is not liable because of the determination set forth in subsection 6.2.2.1.

b) The determination required to be made by this subsection 6.2.5.1 shall be made by the members by a majority vote; except that such vote shall not include those who are parties to the proceedings.

c) Authorization

as the determination that indemnification is permissible.

Section 6.2.6.1. The company may pay for or reimburse the reasonable expenses incurred by a manager who is

- I. _____ a written affirmation of the manager's good-faith belief that th _____ described in subsection 6.2.2.1;
- II. The manager furnishes the company a _____ such standard of conduct; and
- III. A determination is made that the fact then known to those making the determination would _____

6.2.6.2. The undertaking required by subparagraph II. of paragraph A of this subsection 6.2.6 shall be an unlimited general obligation of the manager, but need not be secured and may be accepted without reference to financial ability to make repayment.

6.3.6.3. Determinations and authorizations of payments under this subsection 6.2.6 shall be made in the manner specified in subsection 6.2.5 of this section.

Section 6.2.7.1. The provisions of Section 6.2.6 concerning the company's indemnification of or advance for expenses to managers,

6.2.7.2. This subsection 6.2.7 shall not limit the company's power to _____ by a manager _____ a name _____ in the proceeding.

Section 6.2.8. Unless limited by the Articles of Organization:

- a) The company may indemnify and advance expenses pursuant to subsection 6.2.6 of this section to an _____ manager to the _____; and
- b) The company may indemnify and advance expenses to _____ extent if consistent with law.

Section 6.2.9. The company may purchase and maintain insurance on behalf of a person who

_____ of any other foreign or domestic limited liability company or any corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against or incurred by such

person in any such capacity or arising out of such person's status as such, whether or not the company would have the power to indemnify such person against such liability.

company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere.

Section 6.2.10. Any indemnification of or advance of expenses to a manager in accordance with this section, if arising out of a proceeding by or on behalf of the company, shall be reported in writing to the members with or before the notice of the next members' meeting.

ARTICLE VII

RECORDS

Section 7.1 RECORDS.

Section 7.1.1. The company shall keep at the company office or, if none, at the registered office, the following:

7.1.1.1. A current list of the full name and last known business, residence, or mailing address of each member and manager, both past and present;

7.1.1.2. A copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

7.1.1.3. Copies of the company's federal, state, and local income tax returns and reports, if any, for the three most recent years;

7.1.1.4. Copies of any currently effective written operating agreements, copies of any writings permitted or required under Section 5.3, and copies of any financial statements of the company for the three most recent years;

7.1.1.5. Minutes of every annual and special meeting and any meeting ordered pursuant to Section 2.4 and 2.6;

7.1.1.6. Unless contained in a writing permitted or required under Section 5.3, a statement prepared and certified as accurate by a manager of the company which describes:

- I. The _____ in the future;
 - II. The times at which or events on the happening of which any additional contributions agreed to be made by each member are to be made;
 - III. If agreed upon, the time at which or the events on the happening of which a member may _____ and the terms and conditions of the termination and distribution;
 - IV. Any right of a member to receive distribution which include a return of all or any part of a member's contribution.
- 7.1.1.7. Any written consents obtained from members pursuant to Section 2.13.

Section 7.2.1. Such records are subject to inspection and copying at the reasonable request, and at the expense, of any member during ordinary business hours.

ARTICLE VIII

INFORMATION AND ACCOUNTING

Section 8.1 INFORMATION AND ACCOUNTING. A member of the company shall have the right to:

Section 8.1.1. _____, as provided in Section 7.1;

Section 8.1.2. Obtain from _____

_____, upon reasonable demand for any purpose reasonably related to the member's interest as a member:

- I. True and full information regarding _____ of the company; and

II. Promptly after becoming available, a copy of the company's federal, state, and local income tax returns for each year; and

Section 8.1.3. Have a formal
render it just and reasonable.

ARTICLE IX

POWERS OF THE COMPANY

Section 9.1 POWERS. The company may conduct any business that a partnership with limited partners may lawfully conduct and may not conduct any business that is prohibited by law to such partnership.

Section 9.2. The company may:

Section 9.2.1. Sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

Section 9.2.2. Purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property, or an interest in it, wherever situated;

Section 9.2.3. Sell, convey, assign, encumber, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets;

Section 9.2.4. Buy and mortgage real property, except as otherwise provided in the Operating Agreement;

Section 9.2.5. Purchase, take, receive, subscribe for or otherwise acquire, own, hold, use, lease, employ, sell, mortgage, lend, pledge, or

and other securities of general or limited partnerships, or individuals or direct or indirect obligations of the United States or of any government, state, territory, governmental district, or municipality or of any instrumentality of any of them;

Section 9.2.6. Make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the limited liability company may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any part of its property, franchises, and income;

Section 9.2.7.

for the payment of funds

so loaned or invested;

Section 9.2.8. Conduct its business, carry on its operations, and have and exercise the powers granted by this article in any state, territory, district, or possession of the United States or in any foreign country;

Section 9.2.9. Elect managers and appoint agents of the limited liability company and define their duties and fix their compensation;

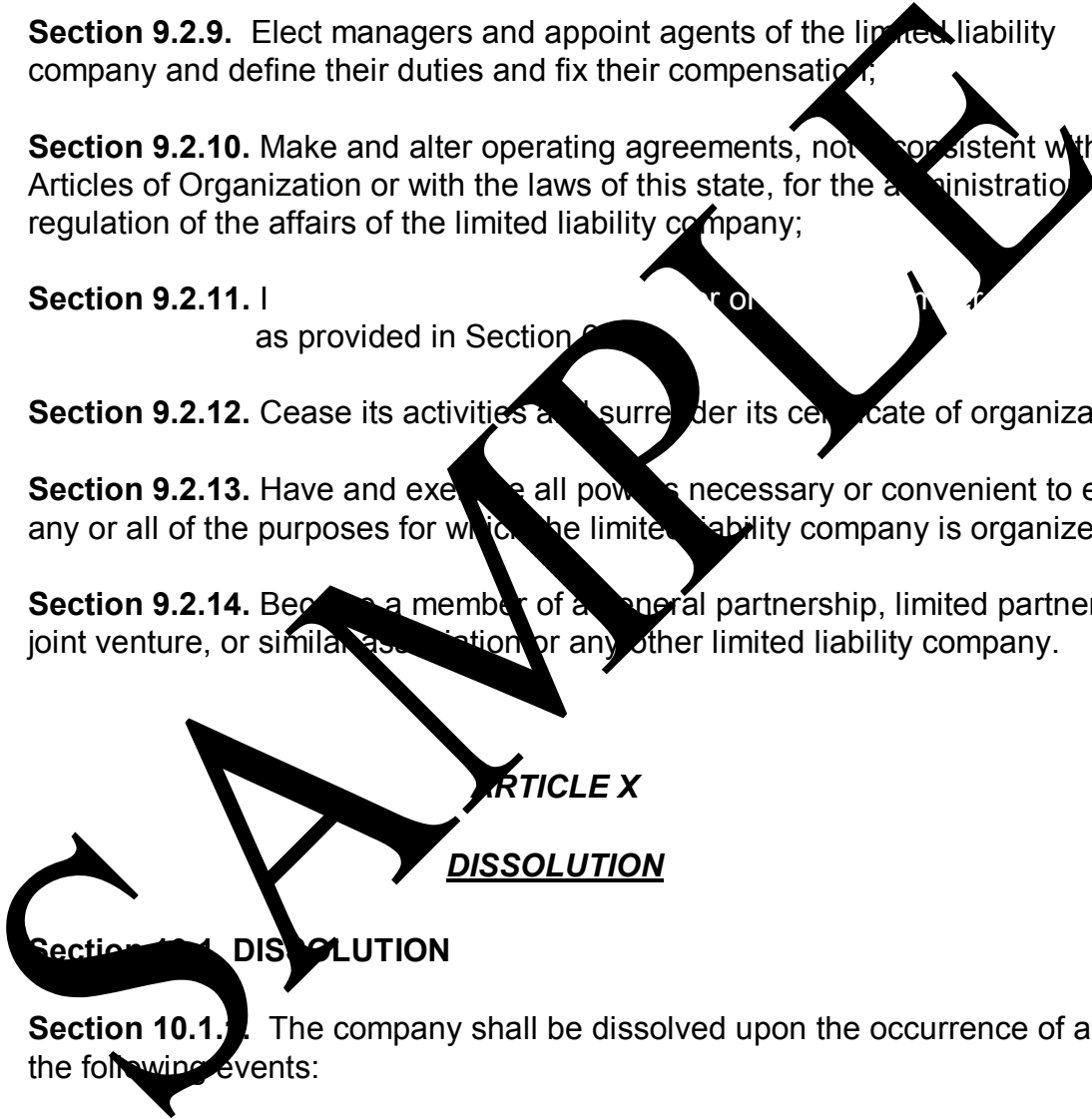
Section 9.2.10. Make and alter operating agreements, not inconsistent with its Articles of Organization or with the laws of this state, for the administration and regulation of the affairs of the limited liability company;

Section 9.2.11. l _____ for or _____
as provided in Section 9.2.11. k

Section 9.2.12. Cease its activities and surrender its certificate of organization;

Section 9.2.13. Have and exercise all powers necessary or convenient to effect any or all of the purposes for which the limited liability company is organized;

Section 9.2.14. Become a member of a general partnership, limited partnership, joint venture, or similar association or any other limited liability company.



ARTICLE X

DISSOLUTION

Section 10.1. DISOLUTION

Section 10.1.1. The company shall be dissolved upon the occurrence of any of the following events:

10.1.1.1. When the _____ expires;

10.1.1.2. By the _____ ; or

10.1.1.3. Upon _____

under a right to do so stated in the Articles of Organization of the company within the termination.

Section 10.1.2. following the occurrence of any of the events specified in this section effecting the dissolution of the company, the company shall execute a statement by the secretary of state shall be executed by a manager of the company.

Section 10.2 EXECUTION BY JUDICIAL ACT. Any person who is adversely affected by

, statement of intent to dissolve or other document. If the court finds that it is proper for the statement of intent to dissolve, or other document to be executed and filed and that there has been a failure or refusal to execute and file such document, it shall, statement of intent to dissolve, or other document.

Section 10.3 FILING OF STATEMENT OF INTENT TO DISSOLVE.

Section 10.3.1. Duplicate originals of the statement of intent to dissolve shall be delivered to the secretary of

Section 10. The filing of the statement of intent to dissolve shall not affect the limited liability of the members.

Section 10.4 EFFECT OF FILING OF STATEMENT OF INTENT TO DISSOLVE. Upon the filing with the secretary of state of a statement of intent to dissolve,

has been entered by a court of competent jurisdiction.

Section 10.5 DISTRIBUTION OF ASSETS UPON DISSOLUTION. In settling accounts after dissolution, the assets of the company shall be distributed as follows:

Section 10.5.1. To creditors,

to members under subsections 2.16.1 or 2.16.3;

Section 10.5.2. To members and former members of the company in subsections 2.16.1 or 2.16.3; and

Section 10.5.3. To members of the company
share in distribution.

Section 10.6 ARTICLES OF DISSOLUTION.

shall be executed in duplicate and verified by the person signing the statement, which statement shall set forth:

Section 10.6.1. The name of the company;

Section 10.6.2. That a statement of intent to dissolve the company has been filed with the secretary of state and the date on which such statement was filed;

Section 10.6.3. That all debts, obligations, and liabilities have been paid and discharged or that adequate provision has been made therefor;

Section 10.6.4. That all the members have received their respective rights and interests;

Section 10.6.5. That there are no judgments or decrees which may be entered against it in any pending suit.

ARTICLE XI

DEFINITIONS AND APPLICATION

Section 11.1.1. DEFINITIONS. As used in this agreement, unless the context otherwise requires:

Section 11.1.1. "Articles of Organization" means the Articles of Organization filed with the secretary of state for the purpose of forming a limited liability company.

Section 11.1.2. "Bankrupt" means bankrupt or a debtor under the federal bankruptcy code of 1978, Title 11 of the United States Code, as amended, or an insolvent under any state insolvency act.

Section 11.1.3. "Business" means any trade, occupation, profession or other commercial activity engaged in for gain, profit, or livelihood.

Section 11.1.4. "Contribution" means anything of value which a person contributes to the company as a prerequisite for or in connection with membership, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.

Section 11.1.5. "Court" includes every court and judge having jurisdiction in a case.

Section 11.1.6. "Foreign Limited Liability Company" means a limited liability company formed under the laws of any jurisdiction other than this jurisdiction.

Section 11.1.7. "Limited Liability Company" or "company" means this limited liability company which has two or more members.

Section 11.1.8. "Manager" means a person elected by the members of this company to manage the company pursuant to this agreement.

Section 11.1.9. "Member" means a person with an ownership interest in this limited liability company with the rights and obligations specified under this agreement.

Section 11.1.10. "Membership Interest" means a _____ of such company's assets.

Section 11.1.11. "Operating Agreement" means this agreement which is a valid written agreement of the members as to the affairs of the company and the conduct of its business.

Section 11.1.12. "Person" has the same meaning as specified in Section 2-4-401(8), C.R.S.

Section 11.1.13. "Registered Office" means the business address of the registered agent on file with the secretary of state.

_____ Member Date _____

_____ Member Date _____

_____ Member Date _____

_____ Member Date _____

STATE OF _____
ss.

COUNTY OF _____

Acknowledged and sworn to before me by _____
on this day of _____, 20___. Witness my hand and official seal.

My commission expires:

Notary Public

STATE OF _____
ss.

COUNTY OF _____

Acknowledged and sworn to before me by _____
on this day of _____, 20___. Witness my hand and official seal.

My commission expires:

Notary Public

STATE OF _____
ss.

COUNTY OF _____

Acknowledged and sworn to before me by _____
on this day of _____, 20___. Witness my hand and official seal.

My commission expires:

SAMPLE

EXHIBIT "A" TO OPERATING AGREEMENT

OF

1. CONTRIBUTION OF MEMBERS (Section 5.2) (state classes of member, if any).

<u>Name of Member</u>	<u>Description of Property or amount of cash</u>	<u>% ownership</u>
A) _____	\$ _____	_____
B) _____	\$ _____	_____
C) _____	\$ _____	_____
D) _____	_____	_____
E) _____	_____	_____
F) _____	_____	_____
G) _____	_____	_____
<hr/>		<hr/>
	\$ _____	100%

2. Sharing of Profits and Losses (Section 5.4)
(here describe how profit/loss is to be divided; whether all members are equal, whether sharing will be by value of contribution or otherwise).

3. Sharing of Dividends (Section 5.5)
(this may be the same as sharing of profit/loss; or it may be different, such as based on value of contribution, first priority rights of certain members, or other typical classification).

4. Number and Classification of Managers (Sections 3.3 and 2.5)
The number of managers shall be _____. (here insert classification of managers, if any, and provisions, if desired, for staggered terms of managers if there are 6 or more managers).

5. Apportionment of Management Responsibility (Section 3.1.1)
(here insert any division of management responsibility, if any).

6. Attachments.

The following additional agreements (Attachments) are attached to this Operating Agreement and are incorporated by reference. In the event of a conflict between the Operating Agreement and an Attachment, the Attachment shall control. In the event of a conflict between an Attachment and Wyoming Law, or any other provision of law, then the Attachment shall be amended or interpreted to become in compliance with the Law or other provision of law.

APPROVED:

SAMPLE