

# **RHODE ISLAND SINGLE MEMBER LLC OPERATING AGREEMENT**

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This LLC Operating Agreement (this "Agreement") is made this \_\_\_\_\_.

## **I. Introductory Provisions**

- 1. Name.** The name of the company shall be \_\_\_\_\_ (the "Company").
- 2. Principal Place of Business.** The Company's principal place of business shall be at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.
- 3. Purpose.** The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed within the State of \_\_\_\_\_.
- 4. Registered Agent.** \_\_\_\_\_ is the Company's initial registered agent. The registered office is \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.
- 5. Term.** The term of the Company commences on \_\_\_\_\_ and shall continue until dissolved pursuant to this Agreement.
- 6. Fiscal Year.** The fiscal year of the Company shall end on \_\_\_\_\_.

## **II. Membership Interests and Management**

- 1. Initial Member.** The initial member is \_\_\_\_\_ ("Member") at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.
- 2. Authorized Units.** The Company shall be authorized to issue \_\_\_\_\_ units of membership interests (each, a "Unit"). The Units that have been issued are included in Exhibit 1, as may be amended from time to time.
- 3. Delegation.** The Member may delegate the Member's powers but not the Member's responsibilities to officers or agents or employees of the Company.
- 4. Limitation of Liability.** The liability of the Member and each employee of the Company shall be limited to the fullest extent provided by law.

## **III. Capital Contributions**

- 1. Initial Contributions.** The Member's initial capital contribution is described in Exhibit 1 of this Agreement.
- 2. Additional Contributions.** Exhibit 1 shall be amended to reflect any additional contributions by the Member.

## **IV. Allocation of Profits and Losses**

- 1. Profits/Losses.** For accounting and tax purposes, net profits or net losses shall be determined on an annual basis. For tax purposes only, the Company shall be treated as a partnership.
- 2. Distributions.** The Company shall make distributions annually or such time(s) as the Company deems appropriate.

## **V. Salaries, Reimbursement, and Expenses**

- 1. Organization Expenses.** All expenses in connection with the management and organization of the Company will be paid by the Company.
- 2. Salary.** No salary will be paid for the performance of duties under this Agreement unless approved by the Member.
- 3. Legal and Accounting Services.** The Company may obtain legal and accounting services to the extent reasonably necessary.

## **VI. Records and Reporting**

- 1. Books.** The Company shall maintain complete and accurate accounts in proper books of all transactions.



**2. Records.** The Company shall maintain at its principal office the following: (a) the full name and last known business or residence address of the Member; (b) records detailing the Member's capital account, including entries for contributions and distributions; (c) a copy of the certificate of formation of the Company and any and all amendments; (d) copies of all federal, state and local income tax or returns and reports for the six most recent taxable years; (e) a copy of this Agreement and any amendments; (f) copies of financial statements of the Company for the six most recent fiscal years; (g) the books or records as related to the internal affairs of the Company; and (h) true and full information regarding the status of the business and financial conditions of the Company, including the amount of cash and description of the agreed value of any property or services contributed or that will be contributed by the Member.

**3. Accountings.** At the close of each fiscal year, the Company shall provide to the Member a full and accurate accounting of the affairs of the Company, including a balance sheet, a profit and loss statement, and a statement of the Member's equity showing the Member's capital account and distributions, if any, and any other information necessary for a complete and fair presentation of the financial condition of the Company.

**4. Taxes.** The Member intends that the Company shall be treated as (Check one)  a sole proprietorship  an s-corporation for federal and, if applicable, state or local income tax purposes, and that the Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

## VII. Dissolution and Liquidation

**1. Dissolution.** The Company shall be dissolved upon the occurrence of any the following:

- a. Decision of the Member.
- b. Bankruptcy, death, dissolution, expulsion, or incapacity of the Member.
- c. As required by law or judicial decree.

**2. Winding Up and Distribution.** Upon dissolution of the Company, the Member shall wind up the Company's affairs, liquidate the property and assets, and terminate any remaining business. The assets and liabilities may be liquidated by selling the assets and distributing the net proceeds. The proceeds of the liquidation shall be distributed in this order: (1) the expenses of liquidation; (2) debts and liabilities of the Company (including debts of the Company to the Member or the Member's affiliates); (3) a reserve for contingent or unforeseen liabilities or obligations to third parties (to be held in escrow by an agent chosen by the Member); (4) to the Member.

## VIII. Indemnification

**1. Member.** The Member shall not be liable to the Company for damages or otherwise with respect to any actions taken in good faith and reasonably believed to be in the best interests of the Company unless the Member has committed fraud, gross negligence, willful or want misconduct, or a material breach of this Agreement or the fiduciary duties of the Member.

**2. Indemnification by Company.** The Company shall indemnify, hold harmless and defend the Member in the Member's capacity as the Member, manager or officer from and against any loss, expense, damage, or injury sustained as a result of any acts or omissions arising out of the Member's activities on behalf of the Company or in the Company's interest unless the Member has committed fraud, gross negligence, willful or want misconduct, or a material breach of this Agreement or the fiduciary duties of the Member.

**3. Indemnification by the Member.** The Member agrees to indemnify and defend the Company and hold it harmless from and against any and all claims, liabilities, damages, costs, and expenses arising out of any breach of this Agreement by the Member.

**4. Insurance.** The Company shall have the power to purchase and maintain insurance on behalf of any person who is or was a Member or agent of the Company against any liability asserted against the person arising out of the Member's status as a Member or agent of the Company, regardless of whether the Company would have power to indemnify such person against liability under this Agreement or applicable law.

## IX. Miscellaneous



**1. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Member and the Member's respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

**2. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall be enforceable to the fullest extent permitted by law and the offending portion shall be modified so as to be legal and enforceable in a manner that, as closely as possible, reflects the Member's original intent.

**3. Governing Law.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, not including its conflicts of law provisions.

**4. Headings.** The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

**5. Entire Agreement.** This Agreement contains the entire understanding between the Member and the Company, and supersedes and cancels all prior agreements, whether oral or written, with respect to such subject matter.

**6. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document.

**7. Amendment.** This Agreement may be amended or modified only by a written agreement signed by the Member and the Company.

**8. Notices.** Any notice or other communication given or made under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the address in Exhibit 1 or to another address as a party may subsequently designate by notice and shall be deemed given on the date of delivery.

**9. Waiver.** The Member shall not be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by the Member of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

**IN WITNESS WHEREOF**, this Agreement has been executed and delivered as of the date first written above.

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**Member Signature**

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**Member Full Name**



**EXHIBIT 1**

<b>NAME AND ADDRESS</b>	<b>UNITS</b>	<b>PERCENTAGE INTEREST</b>	<b>CAPITAL CONTRIBUTION</b>
		100%	

