

**OPERATING AGREEMENT OF**

\_\_\_\_\_, LLC

This Operating Agreement is made and adopted effective \_\_\_\_\_ by \_\_\_\_\_, LLC, a limited liability company organized under the laws of the state of Hawaii (the Company) and \_\_\_\_\_, its sole member (the Member).

**ARTICLE I - ORGANIZATION**

Section 1.1 – Company Formation and Duration. The Company has been organized as a limited liability company managed by its members. The Company shall commence on the date of filing of the Articles of Organization and shall exist until the Company dissolves and its affairs are wound up in accordance with this Operating Agreement or applicable law.

Section 1.2 – Single Member. The Member is the sole member of the Company, and is the only person having rights in the Company, including, but not limited to, the right to receive distributions of the Company’s assets and the right to vote and manage Company affairs.

Section 1.3 – Books and Records. The Company shall maintain complete and accurate books and records of the Company’s business and affairs.

Section 1.4 – Amendment; Entire Agreement. This Operating Agreement may be amended at any time by the Member, for any reason. This Operating Agreement, as may be amended, constitutes the entire agreement between the Member and Company with respect to the subject matter hereof.

**ARTICLE II – MANAGEMENT AND VOTING**

Section 2.1 – Member Management. The Company shall be managed solely by the Member, who may be known as and hold whatever title(s) the Member chooses.

Section 2.2 – Voting. The Member is entitled to 1 vote on each matter submitted to a vote. Any and all Company actions or decisions shall require an affirmative vote of the Member.

Section 2.3 – Member Authority. The Member has the sole power and authority, on behalf of the Company, to carry out the Company’s business and affairs, including, without limitation, the sole power and authority to acquire, encumber, or convey real or personal property from any source and through any means; engage in any financial transactions on behalf of the Company, including opening, maintaining, or closing accounts, borrowing money, or the like; entering into contracts on behalf of the Company; commence, prosecute, or defend any legal proceedings in the Company’s name; and carry on any other business or affairs of the Company not specifically provided herein, that is not in contravention of applicable law.

Section 2.4 – Indemnification. Unless otherwise provided by law, the Member is not liable for the acts, debts, or obligations of the Company. The Company shall indemnify, defend,

and hold the Member harmless from and against any losses, claims, costs, damages, and liabilities, including, without limitation, judgments, fines, amounts paid in settlement, and expenses incurred by the Member in any civil, criminal, or investigative proceeding in which he or she is involved or threatened to be involved by reason of the Member's membership in or management of the Company.

### **ARTICLE III – CAPITAL CONTRIBUTIONS**

Section 3.1 – Capital Contributions. The Member has made or will make an initial contribution to the capital of the Company, as set forth in Company records. If the Member determines that additional funds are needed for the working capital of the Company, the Member may contribute additional capital.

### **ARTICLE IV – DISTRIBUTIONS**

Section 4.1 – Allocations and Distributions. Any and all profits and losses shall be allocated to the Member. Distributions may be made to the Member as determined by the Member unless otherwise provided by applicable law.

### **ARTICLE V – MEMBERSHIP CHANGES**

Section 5.1 – New Members. The Member may by majority vote admit new member in the Company and issue additional membership interests to new members. Any new members shall, before being admitted and as a condition to admission, execute any document or documents required by the Company, agree to be and become a member of the Company, and agree to be bound by the terms of the Company Operating Agreement, which shall be amended by the Member prior to the admission of any new members to include terms and conditions suitable for a multi-member limited liability company.

Section 5.2 – Transfers. The Member may voluntarily sell, transfer, assign, encumber, pledge, convey, or otherwise dispose of part or all of Member's membership interest in Company, and in such instance, the transferee is automatically admitted as a new member, subject to Section 5.1.

### **ARTICLE VI – DISSOLUTION**

Section 6.1 – Dissolution. The Company shall dissolve and its affairs shall be wound up on the consent of the Member. On dissolution, the Company shall cease carrying on its business and affairs and shall begin to wind them up. The Company shall complete the winding up as soon as practicable. On the winding up of the Company, its assets shall be distributed in a manner consistent with applicable law.

THE COMPANY:

SOLE MEMBER:

\_\_\_\_\_  
\_\_\_\_\_, LLC

\_\_\_\_\_  
Printed Name:

By: \_\_\_\_\_  
Its: Sole Member

**Disclaimer:** The sample Single Member Operating agreement is for referential purpose only. The agreement is generic and should work in most of the cases. However it is recommended to get it checked by a lawyer or an accountant before filing the agreement.