

## SINGLE MEMBER LLC OPERATING AGREEMENT

OF

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THIS OPERATING AGREEMENT, is formed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, ( the “Original Member”), to establish a limited liability company whose name is \_\_\_\_\_ (the “Company”), pursuant to the North Carolina Limited Liability Company Act (the “Act”).

WITNESSETH

WHEREAS, the Original Member has established or intended to be established, a limited liability company by filing on the date hereof a Certificate of Organization (the “Certificate”) (Exhibit I) under and pursuant to the Act in the office of the Secretary of State for the purpose of conducting \_\_\_\_\_; and

WHEREAS, the Original Member agrees that his respective rights, powers, duties and obligations as an Original Member of the Company, and the management, operations and activities of the Company, shall be controlled by this Agreement;

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained herein, the Original Member hereby agrees as follows:

### ARTICLE I

#### Formation of the LLC; Original Member

1.01 *Effective Date of Agreement.* This Agreement shall be effective on the date (the “Effective Date”) on which the Original Member shall have signed and dated it.

1.02 *Formation of the LLC.* The Original Member shall cause to be filed such

Certificates and documents as may be necessary or appropriate to comply with the Act and any other applicable requirements for the operation of a limited liability company in accordance with the laws of the State of North Carolina and any other jurisdictions in which the Company shall conduct its business and operations and shall continue to do so for so long as the Company conducts business therein.

1.03 *Admission of Original Member.* Immediately upon the formation of the LLC, the sole member shall be the Original Member.

## ARTICLE II General

2.01 *Name of the Limited Liability Company.* The name of the limited liability company formed hereby is “\_\_\_\_\_” pursuant to the Act.

2.02 *Purpose.* The purpose of the Company is to engage in \_\_\_\_\_  
\_\_\_\_\_

2.03 *Office of the Limited Liability Company; Agent for Service of Process.* The address of the registered office of the Company of the Act is \_\_\_\_\_, North Carolina. The name and address of the resident agent for service of process for the Company is \_\_\_\_\_.

2.04 *Principal Place of Business; Offices.* The principal place of business for the Company shall be \_\_\_\_\_.

## ARTICLE III Capital Contributions

3.01 *Initial Capital Contribution.* The initial Capital Contribution of the Original Member as of the date of this Agreement will be \$\_\_\_\_\_.

3.02 *Additional Capital Contributions.* The Members shall have the right, but shall not be obligated, to contribute any additional funds essential to conducting Company operations in such amounts and proportions as the Original Member determines.

3.03 *No Interest; No Return of Contributions.* The Original Member is not entitled to interest on any contribution to the LLC. The Original Member shall not be entitled to the return of any contributions except in connections with the LLC’s dissolution.

## ARTICLE IV Allocations and Distributions

*Profits and Losses, Distributions.* Until the admission of additional Members, the Original Member shall be entitled to all allocations of LLC profits and losses and to allocations of distributions.

## ARTICLE V Management of the LLC

5.01 *Participation in LLC Management.* The LLC shall be member managed.

5.02 *Allocation of Votes.* The Original Member shall have the exclusive right to vote on LLC matters; provided that upon admission of additional Members, each Member shall have the right to vote on each LLC matter in accordance with his Percentage Interest in the LLC.

5.03 *Agency.* The Original Member shall have the power, right and authority to act as agent for the LLC on all LLC matters.

## ARTICLE VI Assignments and New Members

6.01 *Restrictions on Assignment of Interests.* No member shall make or effect an Assignment of all, or any part of, such Original Member's Interest, except with the consent of the Original Member. A creditor shall only obtain an assignment in membership interest, not the actual transfer of Membership in the LLC.

6.02 *Admission of New Members.* No person or entity shall be admitted as a new Member of the LLC except with the consent of the Original Member, issuance of a new interest in the Company and/or a sale of a current percentage of the Original Member's interest.

## ARTICLE VII Duties of Members

7.01 *Duties of Members.* Each Member shall use his or her best efforts to promote the business of the LLC.

7.02 *Duties of Care, Good Faith and Loyalty.* In his actions as member of the LLC, each Member

- (i) shall use the same care as he would use in conducting his own affairs;
- (ii) shall act in good faith;
- (iii) shall act with the utmost loyalty toward the LLC.

## ARTICLE VIII Records and Reports

8.01 *Books of Accounts.* The LLC shall maintain proper books of account, which shall comply with all applicable federal income tax regulation and with generally accepted accounting practices as applicable to limited liability companies.

8.02 *Annual Reports Relating to Tax Return Preparation.* The LLC shall prepare and deliver to the Members written reports which shall contain all information that is reasonably necessary to enable the Members to prepare their federal income tax returns.

## ARTICLE IX

## Dissolution

9.01 *Dissolution.* The Original Member may dissolve the LLC at any time. Upon dissolution, the LLC must pay its debts first before distributing cash, assets, and/or initial capital to members or member's interests. The dissolution may only be ordered by a Member, not by the owner of the Member's interests.

9.02 *Filing.* Upon dissolution of the Company, the Original Member shall cause to be executed and filed with the Secretary of the State articles of dissolution in accordance with the Act.

## ARTICLE X Miscellaneous

14.01 *Amendments.* This Agreement may be amended only by the consent of the Original Member.

14.02 *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the Original Member and his respective heirs, administrators, executors, legal representatives, successors and assigns.

14.03 *Entire Agreement.* This Agreement and the schedules attached hereto constitute the entire agreement of the Original Member with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, and understandings of the parties with respect to the Company.

14.04 *Third Parties.* Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

14.05 *Governing Law.* This Agreement shall be governed by and construed under the substantive laws of the State of North Carolina, without regard to its choice-of-law provisions.

14.06 *Titles and Subtitles; Form of Pronouns; Construction and Definitions.* The titles of the sections and paragraphs of this Agreement are for convenience only and are not to be considered in construing the Agreement. All pronouns used in this Agreement shall be deemed to include masculine, feminine and neuter forms; the singular number includes the plural and the plural number includes the singular. Unless the context otherwise requires, the term "including" shall mean "including, without limitation."

14.07 *Severability.* If one or more provisions of this Agreement are held by a proper court to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary and permitted by law, shall be

severed and the balance of this Agreement shall be enforceable in accordance with its terms.

14.08 *Notices.* Any and all notices or elections permitted or required to be made as provided in this Agreement shall be in writing, signed by the Original Member giving such notice or making such election, and shall be delivered by hand or by nationally recognized overnight courier service or sent by registered or certified U.S. Mail, postage prepaid, return receipt requested,.

14.09 *No Waiver.* The failure of any Member to insist upon strict performance of any covenant or obligation under this Agreement shall not be deemed a waiver or relinquishment of such Member's right to demand strict compliance in the future with respect to such covenant or obligation or any other covenant or obligation. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall be deemed to constitute a consent or waiver to or of any breach or default in the performance of the same or any other obligation under this Agreement.

14.10. *Counterparts.* This Agreement may be executed upon an original and one or more duplicate originals, all of which together shall constitute on agreement.

IN WITNESS WHEREOF, the Original Member hereby executes this Limited Liability Company Agreement as of the date first written in this Agreement.

ORIGINAL MEMBER:

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EXHIBIT I

CERTIFICATE OF ORGANIZATION  
OF  
[LLC NAME]

1. The name of the limited liability company (the "Company") is: \_\_\_\_\_, LLC
2. The purpose of the Company is to engage **in any lawful act or activity for which limited liability companies may be formed** under the North Carolina Limited Liability Company Act, as amended from time to time.
3. The address of the principal office is: \_\_\_\_\_.
4. The name of the agent for service of process is \_\_\_\_\_, with the following addresses:

Business Address: \_\_\_\_\_

Residence Address: \_\_\_\_\_

5. The management of the Company shall be vested in the Original Member.
6. The name of an Original Member is \_\_\_\_\_, with the following addresses:

Business Address: \_\_\_\_\_

Residence Address: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Acceptance of appointed statutory agent

\_\_\_\_\_