

OPERATING AGREEMENT FOR

LLC Name: , LLC

AN ARIZONA MULTI-MEMBER LIMITED LIABILITY COMPANY (MEMBER-MANAGED)

Effective Date: Day Month Year 20

ARTICLE I — FORMATION AND ORGANIZATION

1.01 Formation

Filing Date: Day Month Year 20

1.02 Company Name

LLC Name:

The Members may change the Company name in accordance with the Arizona LLC Act.

1.03 Statutory Agent and Statutory Office

Pursuant to the Arizona LLC Act, the Company shall maintain a statutory agent with a physical address in the State of Arizona.

Statutory Agent Name:

Statutory Office Address:

1.04 Business Purpose

Specific Purpose (if any):

The Company may engage in any lawful business activity permitted under the Arizona LLC Act.

1.05 Duration

The Company shall continue perpetually unless dissolved pursuant to this Agreement or the Arizona LLC Act.

1.06 Principal Office

Principal Office Address:

ARTICLE II — MEMBERS

2.01 Members and Ownership Interests

The Members of the Company and their respective ownership interests are as follows:

Member Name			

** Attach additional pages for LLCs with more than 4 members.*

2.02 Non-Liability of Members

No Member is personally liable for any debt, obligation, or liability of the Company solely by reason of being a Member, in accordance with the Arizona LLC Act.

2.03 Member Compensation

Pursuant to A.R.S. § 29-3407(G), Members are not entitled to remuneration for services performed for a member-managed LLC except for reasonable compensation for services rendered in winding up Company affairs. Members may be compensated as employees, officers, or independent contractors pursuant to a separate written agreement approved by the Members.

2.04 Other Business Activities

Each Member agrees not to engage in any competing business that would materially diminish their ability to perform their duties to the Company.

Non-Compete Terms (if any):

ARTICLE III — CAPITAL CONTRIBUTIONS

3.01 Initial Contributions

Initial contributions are as listed in Section 2.01. Pursuant to A.R.S. § 29-3403, each Member's obligation to contribute is set forth in this signed record.

Contributions due on or by: Day Month Year 20

3.02 Additional Contributions

Additional capital contributions may be required by:

Majority vote Unanimous vote

3.03 Failure to Contribute

If a Member fails to make a required contribution, the remaining Members may by unanimous vote:

(a) Reschedule the payment with a late penalty of \$ [] or interest at [] % per annum
Late Penalty: \$ []

(b) Cancel the delinquent Member's membership, with refund of prior payments.

3.04 No Interest on Capital

No interest shall be paid on any Member's capital contribution.

3.05 Capital Accounts

The Company shall maintain a capital account for each Member reflecting contributions plus allocated profits, minus losses and distributions, in accordance with applicable IRS regulations.

3.06 Withdrawal Restrictions

No Member may withdraw capital except with the written consent of all Members, through distributions as provided in Article IV, or upon dissolution as provided in Article IX.

ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

4.01 Allocation of Profits and Losses

Notwithstanding the equal-share default under A.R.S. § 29-3404, profits, losses, income, gain, deduction, and credit shall be allocated among the Members in proportion to each Member's percentage interest as set forth in Section 2.01. No Member holds any priority or preference over another Member with respect to allocations.

4.02 Distributions

Distributions shall be made to each Member in proportion to their percentage interest, at such times as determined by:

Majority vote Unanimous vote

Distribution Schedule / Notes: []

4.03 Tax Classification

The Company shall be treated for federal income tax purposes as:

Partnership (default) S-Corporation (Form 2553) Other:

If Other, specify: []

4.04 Tax Year

Calendar year Fiscal year ending:

Fiscal Year End (if applicable):

4.05 Tax Matters Partner

Tax Matters Partner Name:

4.06 Annual Tax Returns

Copies of all federal, state, and local tax returns and Schedule K-1 forms shall be provided to each Member within sixty (60) days of the close of each tax year.

4.07 Company Bank Accounts

Company funds shall be maintained in one or more accounts in the Company's name and shall not be commingled with the personal funds of any Member.

Authorized Member(s) for Banking:

4.08 Title to Assets

All Company property shall be held in the name of the Company and not in the name of any individual Member.

ARTICLE V — MANAGEMENT (MEMBER-MANAGED)

5.01 Management by All Members

Pursuant to A.R.S. § 29-3407, the Company is member-managed. Notwithstanding the equal per-capita voting default under A.R.S. § 29-3407, each Member shall have management rights and voting power in proportion to their percentage interest.

5.02 Voting — Ordinary Decisions

Pursuant to A.R.S. § 29-3102(12), "Majority in Interest of the Members" means one or more Members holding in the aggregate a majority of the interests in the Company's profits. For purposes of this Agreement, each Member votes in proportion to their percentage interest, and "Majority" means Members holding combined interests exceeding fifty percent (50%) of all outstanding interests.

5.03 Actions Requiring Unanimous Consent

The following actions require the unanimous written consent of all Members:

- Amending this Operating Agreement
- Admitting new Members
- Filing for bankruptcy
- Acts outside the ordinary course of business

- Voluntary dissolution
- Sale or disposition of all or substantially all Company assets

Other (specify):

5.04 Members' Meetings

Any Member may call a meeting upon written notice to all Members. Notice period:
Notice required: days. Quorum: Members holding % or more of total interests.

Meeting frequency:
 Annual As needed Other:
If Other, specify frequency:

Written minutes shall be kept in Company records for all meetings.

5.05 Officers (Optional)

The Members may, by majority vote, designate the following officers:

- President:**
- Secretary:**
- Treasurer:**

Officers serve at the pleasure of the Members and may be removed by majority vote at any time.

ARTICLE VI — LIABILITY AND INDEMNIFICATION

6.01 Non-Liability of Members

No Member shall be personally liable for the debts, obligations, or liabilities of the Company solely by reason of being a Member, pursuant to A.R.S. § 29-3304 of the Arizona LLC Act.

6.02 Indemnification

The Company shall indemnify Members, officers, agents, and employees for all losses, costs, and expenses actually and reasonably incurred in connection with Company business, except where such losses or expenses arise from fraud, gross negligence, or intentional misconduct.

6.03 Fiduciary Duties

Each Member shall act in good faith consistent with the duty of loyalty and duty of care under A.R.S. § 29-3409. These duties may be modified but not eliminated, as limited by A.R.S. § 29-3105(c)(5); any modification shall not be manifestly unreasonable. The obligation of good faith and fair dealing may not be disclaimed or eliminated.

ARTICLE VII — BOOKS AND RECORDS

7.01 Records Location

Records Kept At:

7.02 Required Records

The Company shall maintain: (a) Articles of Organization and all amendments; (b) this Agreement and all amendments; (c) federal, state, and local tax returns for the three most recent years; (d) financial statements for the three most recent years; (e) a register of Members and their interests; and (f) all minutes of meetings.

7.03 Member Inspection Rights

Any Member may inspect and copy Company records upon reasonable written notice, pursuant to A.R.S. § 29-3410. Copying costs shall be borne by the requesting Member.

ARTICLE VIII — TRANSFER AND WITHDRAWAL

8.01 Withdrawal of a Member

A Member may withdraw from the Company upon written notice to all Members. Notice period:
Required written notice: days before the effective withdrawal date.

8.02 Transfer Restrictions

No Member may transfer, assign, sell, pledge, or otherwise dispose of all or any portion of their membership interest without the prior written approval of all non-transferring Members, consistent with A.R.S. § 29-3502.

8.03 Right of First Refusal

Before transferring any membership interest to a third party, the selling Member shall first offer the interest in writing to the remaining Members. The remaining Members shall have the right to purchase the interest on the same terms and conditions as the proposed third-party transfer.

Acceptance period: days to accept.

Purchase price determination:

Mutual agreement Fair market value by independent appraiser

Book value Other:

If Other, specify:

8.04 Economic Interest Only — Assignment Without Approval

Pursuant to A.R.S. § 29-3502, a Member may freely assign only their economic interest (the right to receive distributions) without Member approval. An assignee of economic interest only does not become a Member, receives no voting or management rights, and has no right to participate in management or inspect Company records.

ARTICLE IX — DISSOLUTION

9.01 Events Triggering Dissolution

The Company shall be dissolved upon the occurrence of any of the following:

- (a) Death, permanent incapacity, bankruptcy, resignation, or expulsion of a Member, UNLESS within Continue-period: days the remaining Members vote unanimously to continue;
- (b) Written agreement of all Members to dissolve;
- (c) Judicial dissolution ordered pursuant to A.R.S. § 29-3701;
- (d) Expiration of the Company's stated term, if any.

9.02 Winding Up

Liquidator:

(or as designated by majority vote of Members at time of dissolution)

Winding up shall proceed in the following order: (1) pay and discharge all Company creditors and liabilities; (2) allocate any remaining income or loss to the Members' capital accounts; (3) distribute remaining assets to Members in proportion to their positive capital account balances, pursuant to A.R.S. § 29-3707 of the Act.

ARTICLE X — DISPUTE RESOLUTION

10.01 Mediation

Any dispute, claim, or controversy arising out of or related to this Agreement, or the breach thereof, shall first be submitted to non-binding mediation before a mutually agreed-upon mediator. Mediator selection:

Mutually agreed by the parties Court-appointed

10.02 Arbitration

If mediation does not resolve the dispute within sixty (60) days of initiation, the dispute shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. All parties shall share initial arbitration costs equally. The prevailing party shall be entitled to an award of reasonable attorney fees and expenses.

10.03 Binding Decision

All arbitration decisions shall be final and binding upon the parties and may be entered as a judgment in any court of competent jurisdiction.

ARTICLE XI — GENERAL PROVISIONS

11.01 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, including Title 29, Chapter 7 of the Arizona Revised Statutes.

11.02 Amendment

This Agreement may be amended only by a written instrument signed by all Members. All amendments shall be kept with Company records.

11.03 Venue

County:

11.04 Severability

If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

11.05 Entire Agreement

This Agreement, together with the Articles of Organization and all exhibits, constitutes the entire agreement among the parties and supersedes all prior agreements relating to the subject matter hereof.

SIGNATURES OF ALL MEMBERS

Attach additional signature pages as needed for more than 3 members.

Member 1

Date: Day Month Year 20

Signature

Printed Name

Percentage Interest: %

Member 2

Date: Day Month Year 20

Signature

Printed Name

Percentage Interest: %

Member 3

Date: Day Month Year 20

Signature

Printed Name

Percentage Interest: %

EXHIBIT 1 — CAPITAL CONTRIBUTIONS

The following schedule sets forth the initial capital contribution of each Member:

Member Name			
TOTALS			100%

SIGNED this Day Month Year 20

Each Member signs on the signature page. Attach additional pages as needed.

EXHIBIT 2 — BANK RESOLUTION

Company Name:

Bank Name:

Bank Address:

Account Title:

Principal Office:

Resolution Date: Day Month Year 20

RESOLVED, that the financial institution named above is hereby designated as a depository of funds for the Company, and that authorized signer(s) may sign checks, drafts, and payment orders on behalf of the Company.

RESOLVED FURTHER, that this authorization shall remain in full force and effect until written notice of any change is received by the financial institution.

RESOLVED FURTHER, that Company funds shall not be commingled with the personal funds of any Member.

Authorized Signer(s):

Title(s):

Date: Day Month Year 20

Authorized Member Signature

Printed Name

LEGAL DISCLAIMER

This Operating Agreement template is provided by Boost Suite (boostsuite.com) for informational and educational purposes only. It does not constitute legal advice and should not be relied upon as a substitute for consultation with a licensed attorney.

This template is customized with Arizona-specific statute references under Title 29, Chapter 7 of the Arizona Revised Statutes (Arizona LLC Act). It may not address all legal requirements specific to your LLC or situation.

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Your Arizona LLC Resources

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