

OPERATING AGREEMENT

FOR , LLC

A ARKANSAS MANAGER-MANAGED LIMITED LIABILITY COMPANY

Effective Date: the day of , 20

ARTICLE I — FORMATION AND ORGANIZATION

1.01 Formation

This LLC was formed by filing a Certificate of Organization (Form LL-01) with the Business and Commercial Services division of the Arkansas Secretary of State on the date below, designating the Company as manager-managed pursuant to the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq., as enacted by Act 1041 of 2021). This Agreement governs the Company's affairs. Where this Agreement conflicts with the Uniform Limited Liability Company Act, this Agreement controls to the extent permitted by law.

Filing Date: the day of , 20

1.02 Name

LLC Name:

1.03 Registered Agent and Registered Office

Registered Agent:

Registered Office:

1.04 Business Purpose

Specific Purpose:

The LLC may engage in any lawful business activity under Arkansas Code § 4-38-101 et seq.

1.05 Duration

Perpetual, unless dissolved pursuant to this Agreement or § 4-38-701 of the Uniform Limited Liability Company Act.

1.06 Principal Office

Address:

ARTICLE II — MEMBERS

2.01 Members and Ownership

The Members, their addresses, capital contributions, and percentage interests are set forth in the table below. Members who are not Managers do NOT participate in daily management and have NO authority to bind the Company except on matters reserved under Article V, Section 5.04. Profits, losses, and distributions shall be allocated per each Member’s percentage interest, overriding the equal per-capita default of § 4-38-404 of the Uniform Limited Liability Company Act.

Name	Address	Capital (\$)	% Interest

(Attach additional pages as needed.)

2.02 Non-Liability

No Member is personally liable for Company debts or obligations pursuant to the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq.).

2.03 Member Voting on Reserved Matters

Members vote in proportion to their percentage interest only on matters reserved under Article V, Section 5.04. “Majority” means combined votes of Members holding more than 50% of total interests. In a manager-managed LLC, non-managing Members do not owe fiduciary duties to the Company or each other pursuant to § 4-38-409 of the Uniform Limited Liability Company Act; fiduciary duties apply only to the Manager(s).

2.04 Members’ Meetings

Any Member or the Manager may call a meeting by providing written notice.

Notice: at least days in advance.

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

ARTICLE III — CAPITAL CONTRIBUTIONS

3.01 Initial Contributions

Initial contributions are as listed in Section 2.01. All contributions are due on or by: the day of , 20

3.02 Additional Contributions

Additional 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 reschedule payment or cancel the delinquent Member's membership (with refund of prior contributions).

Late Penalty: \$ or interest at % per annum

3.04 No Interest on Capital

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

3.05 Capital Accounts

Each Member's capital account shall be maintained per Treasury Regulation § 1.704-1 and applicable IRC regulations.

3.06 Withdrawal Restrictions

No Member may withdraw capital except by written consent of all Members or as provided by dissolution under Article IX.

ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

4.01 Allocation

Profits, losses, income, gain, deduction, and credit shall be allocated among Members in proportion to each Member's percentage interest as set forth in Section 2.01. No Member holds priority or preference over another. This allocation expressly overrides the equal per-capita default of § 4-38-404 of the Uniform Limited Liability Company Act.

4.02 Distributions

Distributions shall be made per each Member's percentage interest at times determined by the Manager, subject to:

Majority Member approval Unanimous Member approval

Distribution Schedule:

4.03 Tax Classification

The Company shall be taxed as:

Partnership (default — Form 1065)

S-Corporation (Form 2553)

Other:

4.04 Tax Year

Calendar year (January 1 – December 31)

Fiscal year ending:

4.05 Tax Matters Partner

Name:

4.06 Annual Returns

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

ARTICLE V — MANAGEMENT (MANAGER-MANAGED)

5.01 Manager-Managed Designation

This LLC is manager-managed as designated in the Certificate of Organization (Form LL-01) filed with the Arkansas Secretary of State. Pursuant to the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq.), § 4-38-407(b) establishes member-managed as the default; this Agreement and the Certificate of Organization expressly elect manager-managed governance. Members who are not Managers do NOT participate in daily management and have NO authority to bind the Company except on Reserved Powers under Section 5.04.

5.02 Appointment of Manager(s)

The initial Manager(s) of the Company are:

Manager Name	Address	Status
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Member <input type="checkbox"/> Non-Member
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Member <input type="checkbox"/> Non-Member

Initial Manager(s) serve until removed, resignation, death, or incapacity.

5.03 Manager Exclusive Authority

The Manager has EXCLUSIVE authority to manage and conduct all Company business, including but not limited to:

- (a) Manage day-to-day operations and all Company affairs;
- (b) Bind the Company in contracts and agreements with third parties;
- (c) Execute contracts, leases, checks, drafts, notes, mortgages, deeds, and other instruments on behalf of the Company;

- (d) Hire and terminate employees, consultants, officers, and contractors; set compensation;
- (e) Open, maintain, and manage Company bank accounts and financial relationships;
- (f) Acquire, sell, lease, or otherwise manage Company assets in the ordinary course of business;
- (g) Borrow money and grant security interests in Company property in the ordinary course of business;
- (h) Settle claims, compromise debts, and initiate or defend litigation;
- (i) Take any action necessary or appropriate to carry out the Company's purposes.

5.04 Reserved Powers — Require Member Approval

The following actions are RESERVED and require Member approval before the Manager may act. Approval level:

- Majority vote of Members Unanimous vote of Members

Reserved actions:

- Sale or disposition of all or substantially all Company assets
- Merger, conversion, or domestication of the Company
- Amendment of this Operating Agreement
- Admission of new Members
- Voluntary dissolution of the Company
- Filing for bankruptcy protection
- Changing the Company's tax classification
- Transactions between the Company and a Manager or Member (self-dealing)
- Acts outside the ordinary course of business
- Incurring debt or liability exceeding \$

5.05 Manager Compensation

The Manager shall receive:

- No compensation
- Compensation: \$ per year month other:

The Manager shall be reimbursed for all reasonable and documented out-of-pocket expenses incurred in connection with Company business.

5.06 Removal of Manager

The Manager may be removed with or without cause by:

- Majority vote of Members Unanimous vote of Members

Written notice of removal shall be delivered to the Manager and filed with Company records.

5.07 Resignation of Manager

The Manager may resign by providing written notice to all Members at least:

Resignation notice: days before the effective resignation date.

5.08 Vacancy

Upon removal, resignation, death, or incapacity of the Manager, a replacement shall be appointed by:

Majority vote of Members Unanimous vote of Members

Replacement appointed within days of the vacancy.

If no replacement is appointed within the specified period, the LLC shall be managed collectively by the Members until a new Manager is designated.

5.09 Multiple Managers

If more than one Manager is appointed, decisions among Managers shall be made by:

Majority vote of Managers Unanimous vote of Managers

Chief Executive Manager (if any):

5.10 Officers (Optional)

The Manager may appoint the following officers. Officers serve at the pleasure of the Manager.

President:

Secretary:

Treasurer:

ARTICLE VI — MANAGER LIABILITY, FIDUCIARY DUTIES, AND INDEMNIFICATION

6.01 Manager Not Personally Liable

Pursuant to the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq.), the Manager is not personally liable for Company obligations, debts, or liabilities solely by reason of being a Manager.

6.02 Fiduciary Duties of the Manager

In a manager-managed LLC, fiduciary duties under § 4-38-409 of the Uniform Limited Liability Company Act apply to the Manager(s) only — NOT to non-managing Members. The Manager owes the Company and its Members the following duties:

(a) Duty of Care: The Manager shall act with the diligence, care, and skill of an ordinarily

prudent person in a similar position and under similar circumstances. Liability attaches only for grossly negligent, reckless, or intentionally wrongful conduct pursuant to § 4-38-409 of the Uniform Limited Liability Company Act.

(b) Duty of Loyalty: The Manager shall act in good faith in the best interests of the Company. The Manager shall not: (i) compete directly with the Company; (ii) engage in self-dealing transactions without Member approval; or (iii) usurp Company business opportunities for personal benefit.

Pursuant to § 4-38-105(d) of the Uniform Limited Liability Company Act, fiduciary duties may be modified by this Agreement; however, the duty of loyalty may not be eliminated entirely, and the duty of care may not be reduced below the grossly negligent or reckless conduct standard.

6.03 Exculpation

The Manager shall not be liable for any act or omission taken in good faith to promote the Company's interests, provided such conduct does not constitute fraud, gross negligence, recklessness, or intentional misconduct as described in § 4-38-409 of the Uniform Limited Liability Company Act.

6.04 Indemnification

The Company shall indemnify the Manager for costs, losses, and liabilities incurred in connection with the management of Company affairs to the fullest extent permitted by the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq.). The Company may advance defense costs upon the Manager's written undertaking to repay if ultimately not entitled to indemnification.

ARTICLE VII — BOOKS AND RECORDS

7.01 Records Location

Address:

7.02 Required Records

The Company shall maintain: Certificate of Organization (Form LL-01); this Agreement and all amendments; tax returns (3 years); financial statements; membership and manager register; and written minutes of all meetings.

7.03 Member Inspection

Any Member may inspect Company records upon reasonable written notice. Copying costs shall be borne by the requesting Member.

7.04 Fiscal Year

The fiscal year of the Company shall be the calendar year ending December 31, unless another year is elected and reported to the IRS.

ARTICLE VIII — TRANSFER AND WITHDRAWAL

8.01 Withdrawal

A Member wishing to withdraw shall provide written notice to all Members and the Manager at least:

Withdrawal notice: days before the effective withdrawal date.

8.02 Transfer Restrictions

No Member may transfer all or any portion of their membership interest unless ALL non-transferring Members approve the transfer in writing. Pursuant to § 4-38-702 of the Uniform Limited Liability Company Act, a transferee does not become a Member without such written approval.

8.03 Right of First Refusal

Before transferring any membership interest to any third party, the selling Member must first offer the interest in writing to the remaining Members.

Right of first refusal period: days for remaining Members to accept.

Purchase Price Determination:

- Mutual agreement of the parties
- Fair market value by independent appraiser
- Book value
- Other:

8.04 Economic Interest Only

A Member may assign their economic interest (the right to receive distributions) to any person without approval. The assignee does NOT become a Member and shall have no voting or management rights. The estate of a deceased Member receives economic rights under § 4-38-602 of the Uniform Limited Liability Company Act but does not automatically become a Member without unanimous written consent.

ARTICLE IX — DISSOLUTION

9.01 Dissolution Triggers

The Company shall be dissolved upon the occurrence of any of the following events pursuant to § 4-38-701 of the Uniform Limited Liability Company Act:

- (a) Death, permanent incapacity, bankruptcy, or resignation of a Member, UNLESS within:

days the remaining Members vote to continue;

- (b) Written agreement of all Members to dissolve;
- (c) Judicial dissolution ordered by a court pursuant to § 4-38-701 of the Uniform Limited Liability Company Act;
- (d) Administrative dissolution by the Arkansas Secretary of State for failure to file the annual franchise tax report by the May 1 deadline;
- (e) Expiration of a fixed term, if any, set forth in this Agreement.

9.02 Winding Up

Liquidator:

(or the Manager, or as designated by Member vote.)

Winding-up order:

- (1) Pay all creditors (including any Member or Manager creditors);
- (2) Allocate remaining income or loss to capital accounts;
- (3) Distribute remaining assets per positive capital account balances.

ARTICLE X — DISPUTE RESOLUTION

10.01 Mediation

Any dispute arising under or related to this Agreement shall first be submitted to mediation before any litigation or arbitration. Mediator selection:

- Mutually agreed by the parties Court-appointed

10.02 Arbitration

If mediation fails to resolve the dispute within sixty (60) days, the dispute shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association. All parties shall share initial arbitration costs equally. The prevailing party shall be awarded reasonable attorney fees and expenses.

10.03 Binding

Arbitration decisions are final and binding upon all parties and shall be enforceable in any court of competent jurisdiction in the State of Arkansas.

ARTICLE XI — GENERAL PROVISIONS

11.01 Governing Law

This Agreement shall be governed by the laws of the State of Arkansas, including the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq.).

11.02 Amendment

This Agreement may be amended only by a written instrument signed by all Members AND the Manager(s). All amendments shall be kept with Company records.

11.03 Venue

County:

11.04 Severability

If any provision is held invalid or unenforceable, it shall be severed; the remainder shall continue in full force and effect.

11.05 Entire Agreement

This Agreement, the Certificate of Organization (Form LL-01), and all exhibits constitute the complete agreement among the Members and Manager(s).

11.06 Annual Franchise Tax Obligation

The Company shall file the annual franchise tax report with the Arkansas Secretary of State, Business and Commercial Services division, by May 1 of each year. The minimum annual franchise tax is \$150.00. Failure to file may result in administrative dissolution pursuant to § 4-38-701 of the Uniform Limited Liability Company Act.

SIGNATURE BLOCKS

IN WITNESS WHEREOF, the undersigned Manager and Members have executed this Operating Agreement as of the Effective Date first written above.

MANAGER

Date: the day of , 20

Signature:

Printed Name:

Member-Manager Non-Member Manager

MEMBERS

Member 1 Date: the day of , 20

Member 1 Signature:

Member 1 Printed Name:

Percentage Interest:

Member 2 Date: the day of , 20

Member 2 Signature:

Member 2 Printed Name:

Percentage Interest:

Member 3 Date: the day of , 20

Member 3 Signature:

Member 3 Printed Name:

Percentage Interest:

[Attach additional signature pages as needed]

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 Arkansas-specific statute references under the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq., as enacted by Act 1041 of 2021). It may not address all legal requirements specific to your LLC or situation.

Boost Suite, Aaron Kra JD, and all affiliated parties are not a law firm and do not provide legal services. Consult a licensed Arkansas attorney before executing this Operating Agreement.

Use at your own risk. Boost Suite assumes no liability for any consequences resulting from the use of this document.

Your Arkansas LLC Resources:

- boostsuite.com/arkansas-llc/operating-agreement/
- boostsuite.com/how-to-start-an-llc/arkansas/
- boostsuite.com/best-llc-services/
- boostsuite.com/best-registered-agent/arkansas/

© 2026 Boost Suite — All rights reserved.