

OPERATING AGREEMENT

FOR , LLC

A ARKANSAS MULTI-MEMBER LIMITED LIABILITY COMPANY

(MEMBER-MANAGED)

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, subject 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. Profits, losses, and distributions shall be allocated per each Member's percentage interest, expressly 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 for LLCs with more than 4 Members.)

2.02 Non-Liability

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

2.03 Compensation

Members are not compensated solely by reason of being Members. Members may be compensated as employees, officers, or independent contractors as separately agreed.

2.04 Other Business Activities

Each Member agrees not to engage in competing business activity that would materially diminish their ability to perform obligations 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. 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 with late penalty:

Penalty: \$ or interest at % per annum

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

Each Member's capital account shall be maintained per Treasury Regulation § 1.704-1 and applicable IRC regulations. Capital accounts reflect contributions + profits – losses – distributions.

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, as decided by:

Majority vote Unanimous vote

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.

4.07 Bank Accounts

Designated Member(s) authorized for banking:

Company funds shall NOT be commingled with any Member's personal funds. Commingling may jeopardize the liability shield under Arkansas law.

4.08 Title to Assets

All property acquired by the Company shall be held in the Company's name and shall not be titled in the name of any individual Member.

ARTICLE V — MANAGEMENT (MEMBER-MANAGED)

5.01 Management by Members

Pursuant to § 4-38-407(b) of the Uniform Limited Liability Company Act, this LLC is member-managed. All Members participate in management. In a member-managed LLC, fiduciary duties under § 4-38-409 of the Uniform Limited Liability Company Act — including the duty of loyalty and duty of care — apply to ALL Members. The Certificate of Organization (Form LL-01) reflects this member-managed designation.

5.02 Voting

Each Member votes in proportion to their percentage interest as listed in Section 2.01. "Majority" means combined votes of Members holding more than 50% of total interests. Ordinary business decisions require a majority vote; extraordinary actions require unanimous consent as listed in Section 5.03.

5.03 Actions Requiring Unanimous Consent

The following actions require unanimous consent of all Members:

- Amending this Operating Agreement
- Admitting new Members pursuant to § 4-38-702 of the ULLCA
- Filing for bankruptcy

Sale of all or substantially all Company assets

Acts outside the ordinary course of business

Other:

5.04 Members' Meetings

Any Member may call a meeting by providing written notice to all Members.

Notice: at least days in advance. Quorum: Members holding % or more.

Meeting Frequency:

Annual

As needed

Other:

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

5.05 Officers (Optional)

The Members may elect the following officers. Officers serve at the pleasure of the Members.

President:

Secretary:

Treasurer:

ARTICLE VI — LIABILITY AND INDEMNIFICATION

6.01 Non-Liability

No Member is personally liable for Company obligations, debts, or liabilities pursuant to the Uniform Limited Liability Company Act (Arkansas Code § 4-38-101 et seq.). A written operating agreement and avoidance of commingling funds are critical to maintaining this protection under Arkansas veil-piercing case law.

6.02 Indemnification

The Company shall indemnify Members, officers, agents, and employees for costs, losses, and liabilities incurred in connection with Company business, except for acts constituting fraud, gross negligence, recklessness, or intentional misconduct as described in § 4-38-409 of the Uniform Limited Liability Company Act.

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 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.

ARTICLE VIII — TRANSFER AND WITHDRAWAL

8.01 Withdrawal

A Member wishing to withdraw shall provide written notice to all other Members 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. To become a full Member, the assignee must be admitted by written unanimous consent pursuant to § 4-38-702 of the Uniform Limited Liability Company Act. The estate of a deceased Member receives economic rights under § 4-38-602 of the ULLCA but does

not automatically become a Member.

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, resignation, or expulsion 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 as designated by majority vote of the Members.)

Winding-up order:

- (1) Pay all creditors (including any Member 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. 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.

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 Members have executed this Operating Agreement as of the Effective Date first written above.

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.

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