

# OPERATING AGREEMENT

FOR

A CALIFORNIA SINGLE-MEMBER LIMITED LIABILITY COMPANY

Effective Date: the [ ] day of [ ], 20 [ ]

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## ARTICLE I — COMPANY FORMATION

### 1.01 Formation

The Member formed a Limited Liability Company (the "Company") by filing Articles of Organization (Form LLC-1) with the California Secretary of State, subject to the Revised Uniform Limited Liability Company Act (RULLCA), Title 2.6 of the California Corporations Code. This Agreement governs the Company's affairs. Where this Agreement conflicts with RULLCA, this Agreement controls to the extent permitted by law.

Filing Date: the [ ] day of [ ], 20 [ ]

### 1.02 Company Name

LLC Name:

The Member may change the Company name provided it complies with California naming requirements under RULLCA, Title 2.6 of the California Corporations Code.

### 1.03 Registered Agent and Registered Office

Registered Agent Name:

Registered Office Address (physical street address, no P.O. box):

### 1.04 Term

The Company continues perpetually unless dissolved under this Agreement or pursuant to Title 2.6 of the California Corporations Code (RULLCA).

### 1.05 Business Purpose

The Company may engage in any lawful business activity permitted under Title 2.6 of the California Corporations Code (RULLCA) and all other applicable state and federal law.

### 1.06 Principal Place of Business

Principal Office Address (physical street address, no P.O. box):

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## ARTICLE II — THE MEMBER

### 2.01 Member Information

**Member Name:**

\_\_\_\_\_

**Member Address:**

\_\_\_\_\_

Ownership Interest: 100%

**2.02 Admission of Additional Members**

New members may be admitted only by written amendment signed by the Member and the incoming member. A transferee receiving only a transferable interest does not become a Member and receives no voting or management rights pursuant to Title 2.6 of the California Corporations Code (RULLCA).

**Amendment Date (if applicable):**

\_\_\_\_\_

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**ARTICLE III — CAPITAL CONTRIBUTIONS**

**3.01 Initial Contributions**

The Member's initial contribution is described in Exhibit 1.

**Total Initial Contribution:**

\$ \_\_\_\_\_

**3.02 Additional Contributions**

Any additional contribution shall be documented in writing.

**Additional Contribution Terms:**

\_\_\_\_\_

**3.03 Withdrawal of Capital**

Capital may be withdrawn only through distributions pursuant to Article IV or dissolution pursuant to Article X. No withdrawal shall render the Company unable to pay debts as they come due in the ordinary course of business.

**3.04 Return of Capital**

Return of capital is limited to Company assets remaining after satisfaction of all Company obligations.

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**ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS**

**4.01 Profits and Losses**

Profits and losses shall be determined annually and allocated entirely to the Member per Treasury Regulation § 1.704-1. The Member acknowledges that, absent this Agreement, § 17704.04(a)(1) of the California Corporations Code (RULLCA) would allocate profits and losses on an equal per capita basis.

**4.02 Distributions**

The Member may distribute available funds at any time, provided sufficient funds remain for the Company's debts, liabilities, and working capital. The Company owes an annual minimum franchise tax

of \$800.00 to the California Franchise Tax Board (FTB) regardless of revenue, payable using FTB Form 3522 by the 15th day of the fourth month following formation. The distribution schedule shall account for this obligation.

**Distribution Schedule / Notes:**

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**4.03 In-Kind Distributions**

In-kind distributions are permitted if fair market value is determined before distribution and the capital account is adjusted accordingly.

**4.04 Withholdings**

The Company may withhold amounts required by federal, state, or local law. Withheld amounts shall be treated as distributed to the Member.

**4.05 Liquidation Distributions**

Upon dissolution, liquidation distributions shall follow Title 2.6 of the California Corporations Code (RULLCA) and the Member's positive capital account balance per Treasury Regulation § 1.704-1(b)(2)(iv).

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**ARTICLE V — MANAGEMENT**

**5.01 Member-Managed Structure**

Pursuant to Title 2.6 of the California Corporations Code (RULLCA), the Company is member-managed, which is the default under RULLCA. The Member has full authority over the Company's daily operations. The management structure reflected in this Agreement must be consistent with the Statement of Information (Form LLC-12) filed through BizFile Online with the California Secretary of State.

**5.02 Powers of the Member**

The Member is authorized to:

- (a) Make all decisions regarding operations, including the sale, acquisition, lease, or disposition of assets; borrowing funds; hiring and terminating employees; and settling claims.
- (b) Execute all contracts, checks, drafts, notes, leases, mortgages, and other instruments on behalf of the Company.
- (c) Open, maintain, and close bank accounts. Company funds shall not be commingled with personal funds.
- (d) Take any other action necessary to carry out the business and purposes of the Company.

**5.03 Authorized Persons**

The Member may appoint officers or agents for limited operational or banking purposes.

**Authorized Person(s):**

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**Title(s):**

#### **5.04 Fiduciary Duties**

Pursuant to § 17704.07 of the California Corporations Code (RULLCA), the Member shall act in good faith consistent with the duty of loyalty and duty of care. The duty of loyalty requires that the Member not self-deal, compete with the Company, or take business opportunities belonging to the Company. The duty of care requires informed, good-faith decision-making in all management actions.

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### **ARTICLE VI — LIABILITY AND INDEMNIFICATION**

#### **6.01 Limitation of Liability**

The Member shall not be personally liable for the Company's debts or obligations solely by reason of being a Member, pursuant to Title 2.6 of the California Corporations Code (RULLCA). Maintaining the Company as a separate entity — including separate bank accounts, documented capital contributions, and formal distribution records — is essential to this protection.

#### **6.02 Exculpation**

Acts or omissions undertaken in good faith to promote the Company's interests shall not subject the Member to personal liability, provided the conduct does not constitute fraud, gross negligence, or intentional misconduct.

#### **6.03 Indemnification**

To the fullest extent permitted by Title 2.6 of the California Corporations Code (RULLCA), the Company may indemnify the Member, employees, officers, and agents for costs incurred in connection with Company business, except where liability arises from fraud, gross negligence, or intentional misconduct.

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### **ARTICLE VII — COMPENSATION AND REIMBURSEMENT**

#### **7.01 Compensation**

**Compensation Amount / Terms:**

#### **7.02 Reimbursement**

The Company shall reimburse the Member for documented out-of-pocket expenses incurred in connection with Company business, upon presentation of appropriate receipts or records.

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### **ARTICLE VIII — BOOKS AND RECORDS**

#### **8.01 Accounting**

The Company shall maintain complete and accurate books and records at its principal office. The accounting period shall be the calendar year.

## Records Location:

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### 8.02 Required Records

The Company shall maintain: (a) this signed Agreement and all amendments; (b) Articles of Organization (Form LLC-1); (c) the most recently filed Statement of Information (Form LLC-12); (d) federal, state, and local tax returns for the three (3) most recent years; (e) financial statements for the three (3) most recent years; and (f) records of all Member resolutions.

### 8.03 Tax Treatment

The Company is a disregarded entity (sole proprietorship) for federal and California income tax purposes per FTB Publication 3556. The Company shall file FTB Form 568 annually with the California Franchise Tax Board. The Member may elect an alternative classification:

- S-Corporation (IRS Form 2553)    C-Corporation (IRS Form 8832)  
 Default — Disregarded Entity (no election)

### 8.04 Capital Account

The Member's capital account shall be maintained per Treasury Regulation § 1.704-1(b)(2)(iv). Increased by contributions and income; decreased by distributions and losses.

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## ARTICLE IX — TRANSFER OF INTEREST

### 9.01 Transferable Interest

Pursuant to Title 2.6 of the California Corporations Code (RULLCA), only the Member's transferable interest — the right to receive distributions — is freely transferable.

### 9.02 Admission of Transferee

Transfer of a transferable interest alone does not admit the transferee as a Member. Full membership requires written admission per Section 2.02. Until admitted, a transferee has no voting or management rights.

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## ARTICLE X — DISSOLUTION

### 10.01 Events Triggering Dissolution

The Company shall be dissolved upon:

- (a) The Member elects dissolution in writing;
- (b) No remaining member exists for ninety (90) consecutive days, unless transferable interest holders consent in writing to continue and admit a new member;
- (c) Judicial dissolution ordered by a court pursuant to Title 2.6 of the California Corporations Code (RULLCA); or
- (d) Any other event specified in the Articles of Organization (Form LLC-1) or this Agreement.

### 10.02 Distributions After Dissolution

Upon dissolution, creditors shall be paid first (including the Member as a creditor), then remaining assets

distributed to the Member pursuant to Title 2.6 of the California Corporations Code (RULLCA).

### 10.03 Winding Up

**Liquidator Name (if other than the Member):**

\_\_\_\_\_

The liquidator's authority shall be documented in Company records and be consistent with Title 2.6 of the California Corporations Code (RULLCA).

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## ARTICLE XI — GENERAL PROVISIONS

### 11.01 Governing Law

This Agreement shall be governed by the laws of the State of California, including the Revised Uniform Limited Liability Company Act (RULLCA), Title 2.6 of the California Corporations Code.

### 11.02 Amendment

This Agreement may be amended only by a written amendment signed by the Member, dated and maintained with Company records.

### 11.03 Venue

**County:**

\_\_\_\_\_, California.

### 11.04 Severability

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

### 11.05 Entire Agreement

This Agreement, the Articles of Organization (Form LLC-1), and all exhibits hereto constitute the complete agreement of the Member.

### 11.06 No Filing Required

This Agreement shall not be filed with the California Secretary of State. The Member shall retain the signed original with Company records. Notarization is not required under California law.

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## CERTIFICATION OF SOLE MEMBER

IN WITNESS WHEREOF, the undersigned, being the sole Member of the Company, has adopted and agreed to be bound by the terms of this Operating Agreement as of the date first written above. No notarization is required under California law.

**Date:** the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

**Signature:**

\_\_\_\_\_

**Printed Name:**

Ownership Interest: 100%

**Address:**

## EXHIBIT 1 — CAPITAL CONTRIBUTIONS

**This Exhibit is attached to the Operating Agreement for (LLC Name):**

California Single-Member Limited Liability Company.

Description of Contribution	Amount (\$)
<b>TOTAL INITIAL CONTRIBUTION</b>	

**SIGNED this:** the [ ] day of [ ], 20 [ ]

**Signature:**

**Printed Name:**

## EXHIBIT 2 — BANK RESOLUTION

This Bank Resolution is adopted by the sole Member of the Company identified below.

**Company Name:**

**Bank Name:**

**Bank Address:**

**Account Title:**

**Principal Office:**

**Resolution Date:** the [ ] day of [ ], 20 [ ]

RESOLVED, the financial institution identified above is hereby designated as the official depository for this Company.

RESOLVED FURTHER, the authorized signer(s) listed below are authorized to sign checks, drafts, and payment orders on behalf of the Company.

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

**Authorized Signer(s):**

[ ]

**Title(s):**

[ ]

This authorization remains in effect until written notice of change is received by the financial institution.

**Date:** the [ ] day of [ ], 20 [ ]

**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 California-specific statute references under the Revised Uniform Limited Liability Company Act (RULLCA), Title 2.6 of the California Corporations Code. It may not address all legal requirements specific to your LLC or situation.

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### **Your California LLC Resources:**

- <https://boostsuite.com/california-llc/operating-agreement/>
- <https://boostsuite.com/how-to-start-an-llc/california/>
- <https://boostsuite.com/best-llc-services/>
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