

**OPERATING AGREEMENT
FOR**

[REDACTED], LLC

A HAWAII MANAGER-MANAGED LIMITED LIABILITY COMPANY

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

ARTICLE I — FORMATION AND ORGANIZATION

1.01 Formation

This LLC was formed by filing Articles of Organization (Form LLC-1) with the DCCA Business Registration Division pursuant to HRS Chapter 428, Uniform Limited Liability Company Act. Under § 428-203(c), this Operating Agreement controls over the Articles of Organization for all internal disputes. The Articles of Organization control only for third parties who relied on them. This Operating Agreement is not filed with the DCCA.

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

1.02 Name

LLC Name: [REDACTED]

The LLC name in this Agreement must match the name on the approved Articles of Organization exactly, down to punctuation.

1.03 Registered Agent

Registered Agent: [REDACTED]

Registered Agent Address (physical street address):

[REDACTED]

1.04 Term and Duration

Pursuant to § 428-203(d), Hawaii treats every LLC as an at-will entity unless the Articles of Organization specify a fixed term. This Agreement overrides that default and designates the Company as perpetual in duration.

1.05 Business Purpose

Specific Purpose (if any): [REDACTED]

The LLC may engage in any lawful business activity under HRS Chapter 428 and all other applicable state and federal law.

1.06 Principal Office

Principal Office Address (physical street address):

ARTICLE II — MEMBERS

2.01 Members and Ownership

Member Name	Address	Contribution (\$)	% Interest
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

*(Attach additional pages as needed for LLCs with more than 4 members)

2.02 Non-Liability

No Member is personally liable for Company debts or obligations pursuant to HRS Chapter 428.

2.03 Member Voting on Reserved Matters

Members vote on matters reserved under Article V, Section 5.04. Under § 428-404(d), decisions may be taken by written consent without a formal meeting. "Majority" means combined membership interests exceeding 50%.

2.04 Members' Meetings

Days' written notice required to call a meeting:

Any Member or the Manager may call a meeting. Written minutes kept in records.

ARTICLE III — CAPITAL CONTRIBUTIONS

3.01 Initial Contributions

As listed in Section 2.01. Under § 428-401, contributions may take any form the members agree on, including cash, property, or services. Under § 428-402(b), each Member's contribution obligation is enforceable even if the Member cannot perform.

Contributions due on or by: day of , 20

3.02 Additional Contributions

May be required by:

Majority vote Unanimous vote

3.03 Failure to Contribute

Remaining Members may by unanimous vote:

(a) Reschedule payment:

Late penalty (\$):

Interest rate: % per annum

(b) Cancel the delinquent Member's membership.

3.04 No Interest on Capital

No interest shall be paid on capital contributions.

3.05 Capital Accounts

Maintained per IRC regulations. Reflects contributions + profits – losses – distributions. This Agreement overrides § 428-405(a)'s equal-share default.

3.06 Withdrawal Restrictions

No withdrawal of capital except with written consent of all Members.

ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

4.01 Allocation — Override of § 428-405(a)

CRITICAL CLAUSE: Absent this Agreement, § 428-405(a) would split ALL distributions in equal shares among members, regardless of capital contributed. This Agreement overrides that default. Profits, losses, income, gain, deduction, and credit are allocated per each Member's percentage interest as listed in Section 2.01. No priority or preference among Members.

4.02 Distributions

Per percentage interest, at times determined by the Manager, subject to:

Majority vote Unanimous vote

Hawaii imposes no franchise tax on LLCs. The Company must file an annual report with the DCCA Business Registration Division each year (fee: approximately \$15), due at the end of the quarter in which the Company was originally formed. A \$10 late fee applies for missed deadlines.

Distribution Schedule:

4.03 GET and Tax Allocation

The Company is subject to Hawaii's General Excise Tax (GET) on gross income at 4% (4.5% for

Oahu, Kauai, and Hawaii County). The operating agreement specifies that GET obligations are allocated to each Member in proportion to their percentage interest, and quarterly GET estimated payments shall be funded from Company funds before distributions. Register for GET via Form BB-1 (\$20). Hawaii's top individual income tax rate reaches 11%.

4.04 Tax Distribution

The Company shall distribute to each Member an amount sufficient to cover their estimated Hawaii income tax liability on allocated Company income each year.

4.05 Tax Classification

Partnership (default) S-Corporation (IRS Form 2553)

Other classification (specify):

4.06 Tax Year

Calendar year Fiscal year ending:

Fiscal year end date (if selected):

4.07 Tax Matters Partner

Name:

4.08 Annual Returns

Copies of all returns and Schedule K-1 forms provided to each Member within 60 days of tax year end.

4.09 Bank Accounts

Designated Member(s) authorized for banking:

Company funds shall NOT be commingled with personal funds of any Member.

4.10 Title to Assets

All property shall be held in the Company's name, not in the names of individual Members.

ARTICLE V — MANAGEMENT (MANAGER-MANAGED)

5.01 Manager-Managed Designation — Critical Hawaii Requirement

IMPORTANT: Under § 428-404, a manager-managed structure must be designated in the Articles of Organization (Form LLC-1) at the time of filing with the DCCA. It cannot be created through this Operating Agreement alone. If the Articles of Organization designate this LLC as manager-managed, this Article governs. If not yet designated, file Articles of Amendment (Form

LLC-3) with the DCCA first. In a manager-managed LLC, Members who are not Managers do NOT have authority to bind the Company — only designated Managers do.

5.02 Appointment of Manager(s)

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

Managers serve until removed or resignation. A non-member Manager who accepts the role is bound by this Agreement's terms.

5.03 Manager Authority

The Manager has exclusive authority to:

- (a) Manage day-to-day operations and affairs of the Company;
- (b) Bind the Company in contracts and agreements;
- (c) Execute contracts, leases, checks, drafts, notes, and instruments;
- (d) Hire and terminate employees, consultants, and contractors;
- (e) Open and manage bank accounts; Company funds shall not be commingled with personal funds;
- (f) Acquire, sell, lease, or manage Company assets;
- (g) Borrow money and grant security interests in Company assets;
- (h) Settle claims and compromise debts on behalf of the Company;
- (i) Under § 428-404(d), take any action by written consent without a formal meeting; and
- (j) Take any other action necessary to carry out the Company's purposes.

5.04 Reserved Powers (Require Member Approval)

The following require ALL Members' consent (§ 428-404(c)) unless a lower threshold is specified below:

Majority vote of Members Unanimous vote of Members

Actions subject to Member approval:

- Sale or disposition of all or substantially all Company assets (§ 428-404(c))
- Merger, conversion, or domestication
- Amendment of this Operating Agreement

- Admission of new Members
- Voluntary dissolution
- Filing for bankruptcy
- Changing the Company's tax classification
- Acts outside the ordinary course of business
- Transactions between Company and a Manager or Member

Incurring debt or liability exceeding (\$):

Other reserved powers (specify):

5.05 Manager Compensation

- No compensation

Compensation amount and period (if any):

Reimbursement for reasonable out-of-pocket expenses.

5.06 Removal of Manager

The Manager may be removed by:

- Majority vote of Members
- Unanimous vote of Members

5.07 Resignation of Manager

Days' written notice to all Members required:

5.08 Vacancy

Replacement Manager appointed by:

- Majority vote of Members
- Unanimous vote of Members

Days to appoint replacement Manager:

If no replacement is appointed, the LLC shall be managed by Members.

5.09 Multiple Managers

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

- Majority vote of Managers
- Unanimous vote of Managers

Chief Executive Manager (if applicable):

5.10 Officers (Optional)

President:

Secretary:

Treasurer:

ARTICLE VI — MANAGER LIABILITY, FIDUCIARY DUTIES, AND INDEMNIFICATION

6.01 Manager Not Personally Liable

The Manager is not personally liable for Company obligations solely by reason of being a Manager pursuant to HRS Chapter 428.

6.02 Fiduciary Duties

Pursuant to § 428-409, the Manager owes the duty of loyalty and duty of care to the Company and Members:

- (a) Duty of Care: Act with the care of a prudent person in a like position under similar circumstances.
- (b) Duty of Loyalty: Act in good faith in the Company's best interests. The Manager shall not compete with the Company, self-deal, or usurp opportunities.

Under § 428-103(b), these duties may be narrowed but not eliminated. Any limitation must not be 'manifestly unreasonable.' No clause may exonerate anyone from liability for bad faith, willful misconduct, or knowing violation of law.

6.03 Exculpation

No liability for good-faith acts unless bad faith, willful misconduct, or knowing violation of law.

6.04 Indemnification

The Company indemnifies the Manager per HRS Chapter 428. The Company may advance defense costs upon the Manager's undertaking to repay if not entitled.

ARTICLE VIII — BOOKS AND RECORDS

8.01 Records Location

Address:

8.02 Required Records

Articles of Organization (Form LLC-1) and all amendments; this Agreement and all amendments; Hawaii and federal tax returns (3 years); financial statements (3 years); membership register; meeting minutes.

8.03 Inspection Rights

Any Member may inspect Company records upon reasonable notice. Per § 428-408 and §

428-103(b), this right is non-waivable. The Agreement may impose reasonable restrictions on timing and manner but cannot eliminate the right.

8.04 Annual Report

The Company shall file an annual report with the DCCA Business Registration Division each year (fee: approximately \$15), due at the end of the quarter in which the Company was originally formed. A \$10 late fee applies. Persistent failure may result in administrative dissolution.

ARTICLE IX — TRANSFER AND WITHDRAWAL

9.01 Withdrawal

Written notice required — days before effective date:

9.02 Distributional Interest Transfer

Under § 428-501, a Member may transfer their distributional interest (the right to receive distributions) to any person. Under § 428-502, a transferee cannot vote, inspect records, or participate in management without all members' consent. Transfer of full membership interest requires all non-transferring Members' approval.

9.03 Right of First Refusal

Before transferring any distributional interest to a third party, the selling Member must first offer the interest to other Members in writing.

Days for other Members to accept ROFR offer:

Purchase price determined by:

Mutual agreement Fair market value by independent appraiser Book value

Other price method (if selected):

9.04 Company Purchase Upon Dissociation

Upon a Member's dissociation under § 428-601, the Company shall purchase the dissociating Member's distributional interest at fair value pursuant to § 428-701. The buyout method is:

Fair market value by independent appraiser Book value Other:

Other buyout method:

ARTICLE X — DISSOLUTION AND CONTINUATION

10.01 Continuation Clause

This Agreement overrides Hawaii's at-will default under § 428-203(d). Upon any Member's

departure, the remaining Members shall vote within _____ days on whether to continue or wind up the Company.

Days for remaining Members to vote to continue:

10.02 Dissolution Triggers

The Company shall dissolve upon:

- (a) Written agreement of ALL Members to dissolve;
- (b) Administrative dissolution by the DCCA for failure to maintain compliance;
- (c) Judicial dissolution ordered pursuant to § 428-801(4) when controlling members have acted in a manner that is illegal, oppressive, fraudulent, or unfairly prejudicial — this right cannot be restricted by this Agreement;
- (d) Any other event specified in this Agreement or the Articles of Organization.

10.03 Winding Up

Liquidator (or as designated by majority vote):

Order of distribution: (1) Pay all creditors; (2) Allocate remaining income/loss to capital accounts; (3) Distribute per positive capital account balances.

ARTICLE X — DISPUTE RESOLUTION

10.01 Mediation

All disputes arising under this Agreement shall first be submitted to mediation before any other proceeding, including judicial dissolution under § 428-801(4).

Mediator: Mutually agreed by parties Mediator: Court-appointed

10.02 Arbitration

If mediation fails, binding arbitration per AAA rules. All parties share initial costs equally. Prevailing party awarded attorney fees and expenses.

10.03 Binding

All arbitration decisions are final and binding.

ARTICLE XI — GENERAL PROVISIONS

11.01 Governing Law

This Agreement shall be governed by the laws of the State of Hawaii, including the Hawaii Uniform Limited Liability Company Act, HRS Chapter 428.

11.02 Amendment

Written amendment signed by all Members and Manager(s). Review annually alongside the DCCA annual report filing.

11.03 Venue

County: [], Hawaii.

11.04 Severability

If any provision is held invalid, 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.

11.06 No Filing Required

This Agreement shall not be filed with the DCCA. It is a private, internal document. Hawaii law does not require notarization, but a notarized signature adds authentication if the Agreement is challenged.

SIGNATURE BLOCKS

IN WITNESS WHEREOF, the Manager(s) and Members of the Company have executed this Operating Agreement as of the date first written above.

MANAGER(S)

Date — Manager 1: [] day of [], 20[]

Signature — Manager 1: []

Printed Name — Manager 1: []

Manager Type: Member-Manager Non-Member Manager

Date — Manager 2: [] day of [], 20[]

Signature — Manager 2: []

Printed Name — Manager 2: []

Manager Type: Member-Manager Non-Member Manager

MEMBERS

Date — Member 1: day of , 20

Signature — Member 1:

Printed Name — Member 1:

Percentage Interest — Member 1: %

Date — Member 2: day of , 20

Signature — Member 2:

Printed Name — Member 2:

Percentage Interest — Member 2: %

Date — Member 3: day of , 20

Signature — Member 3:

Printed Name — Member 3:

Percentage Interest — Member 3: %

[Attach additional signature pages as needed]

EXHIBIT 1 — CAPITAL CONTRIBUTIONS

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

Hawaii Manager-Managed Limited Liability Company.

Description of Contribution

Amount (\$)

TOTAL INITIAL CONTRIBUTION

SIGNED this: 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 Hawaii-specific statute references under the Hawaii Uniform Limited Liability Company Act, HRS Chapter 428.

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 Hawaii 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 Hawaii LLC Resources:

→ <https://boostsuite.com/operating-agreement/hawaii/>

→ <https://boostsuite.com/how-to-start-an-llc/hawaii/>

→ <https://boostsuite.com/how-to-start-an-llc/cost/hawaii/>

© 2026 Boost Suite — All rights reserved.