

STATE OF SOUTH CAROLINA
**SINGLE-MEMBER LIMITED LIABILITY COMPANY
OPERATING AGREEMENT**

Pursuant to Title 33, Chapter 44 of the South Carolina Code of Laws
(South Carolina Uniform Limited Liability Company Act of 1996)

**ARTICLE I
ORGANIZATION**

1.01 Formation.

This Limited Liability Company (the "Company") has been formed as a South Carolina limited liability company by filing Articles of Organization with the South Carolina Secretary of State pursuant to Title 33, Chapter 44 of the South Carolina Code of Laws, known as the South Carolina Uniform Limited Liability Company Act of 1996 (the "Act"), and this Operating Agreement is entered into pursuant to Section 33-44-103 of the Act.

1.02 Company Name.

The name of the Company is:

1.03 Principal Office.

The principal office and place of business of the Company is located at:

City:

State:

Zip Code:

1.04 Registered Agent.

The Company shall at all times maintain a registered agent with a physical street address in the State of South Carolina (no post office box), who is available during normal business hours to receive service of process, as required by Chapter 44 of the Act. The name and street address of the initial registered agent is:

Name:

Street Address:

City, State, Zip:

1.05 Term and Company Type.

The Company is organized as a single-member limited liability company. The Company is organized as an "at-will company" as defined in Section 33-44-101 of the Act. The sole Member may convert the Company to a "term company" by amending the Articles of Organization filed with the South Carolina Secretary of State.

1.06 Purpose.

The purpose of the Company is to engage in any lawful business or activity permitted under the laws of the State of South Carolina and any other applicable jurisdiction. The specific business purpose, if any, is:

1.07 Effective Date.

This Operating Agreement is effective as of the date of filing of the Articles of Organization with the South Carolina Secretary of State, or such other effective date as is:

Effective Date:

ARTICLE II DEFINITIONS

As used in this Operating Agreement, the following terms shall have the meanings set forth below. Capitalized terms not defined herein shall have the meanings ascribed to them in the Act.

"Act" means Title 33, Chapter 44 of the South Carolina Code of Laws, as amended, the South Carolina Uniform Limited Liability Company Act of 1996.

"Articles of Organization" means the Articles of Organization filed with the South Carolina Secretary of State for the formation of the Company as a domestic limited liability company, as may be amended from time to time.

"At-will company" has the meaning ascribed to it in Section 33-44-101 of the Act, referring to an LLC that is not a term company and whose members may dissociate at any time.

"Capital Account" means the account maintained for each Member reflecting initial capital contributions, additional contributions, allocated profits and losses, and distributions.

"Capital Contribution" means any contribution of money, property, services, or a promissory note that a Member makes to the Company as reflected in Exhibit 1 to this Agreement.

"Charging Order" has the meaning ascribed to it in Section 33-44-504 of the Act, which provides the exclusive remedy for a judgment creditor to reach a Member's distributional interest.

"Distributional Interest" has the meaning ascribed to it in Section 33-44-501 of the Act, referring to a Member's right to receive distributions from the Company, which is the only transferable interest without member admission.

"Member" means a person who has been admitted to the Company as a member and holds a membership interest in the Company pursuant to the Act and this Agreement.

"Membership Interest" means a Member's entire interest in the Company, including both the distributional interest and any management and voting rights.

"Operating Agreement" means this Operating Agreement as defined in and authorized by Section 33-44-103 of the Act, including all exhibits and amendments hereto.

"Secretary of State" means the South Carolina Secretary of State, Division of Business Filings, the filing authority for South Carolina limited liability companies.

"Transfer" means an assignment, sale, conveyance, pledge, hypothecation, or other disposition of a Membership Interest or Distributional Interest.

ARTICLE III CAPITAL CONTRIBUTIONS

3.01 Initial Capital Contributions.

The sole Member's initial Capital Contribution to the Company is set forth in Exhibit 1 attached hereto and incorporated herein by reference.

3.02 Form of Contributions.

Capital Contributions may be made in the form of cash, property, services rendered, or a promissory note or other obligation to contribute cash or property, as permitted by Section 33-44-401 of the Act. The agreed value of any non-cash contribution shall be noted in Exhibit 1.

3.03 Additional Capital Contributions.

The sole Member may make additional Capital Contributions to the Company at any time and in any amount in the Member's sole discretion.

3.04 No Interest on Capital.

No Member shall be entitled to receive interest on any Capital Contribution unless otherwise unanimously agreed in writing.

3.05 Capital Accounts.

The Company shall maintain a separate Capital Account for each Member. Each Member's Capital Account shall be credited with the Member's Capital Contributions and allocated net income, and charged with the Member's distributions and allocated net losses. Capital Accounts shall be maintained in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv) to the extent applicable.

3.06 No Right to Return of Contributions.

Except as expressly provided in this Agreement or required by the Act, no Member shall have any right to demand or receive the return of any Capital Contribution, whether in cash or property. The liability of each Member for Capital Contributions is governed by Section 33-44-402 of the Act.

ARTICLE IV ALLOCATIONS AND DISTRIBUTIONS

4.01 Allocation of Profits and Losses.

OVERRIDE OF SECTION 33-44-405 DEFAULT: Section 33-44-405 of the Act provides that, absent a contrary operating agreement, distributions are made in equal shares (per capita) without regard to capital contributions. This Agreement expressly overrides that default rule. The Company's net profits and net losses for each fiscal year shall be allocated among the Members in proportion to their respective ownership percentages as set forth in Exhibit 1, and not equally.

4.02 Distributions.

Distributions of cash or other assets shall be made to the sole Member at such times and in such amounts as the sole Member determines in the Member's discretion, subject to the limitations of Section 4.03 of this Agreement.

4.03 Limitations on Distributions.

No distribution shall be made if, after giving effect to the distribution: (a) the Company would not be able to pay its debts as they become due in the ordinary course of business; or (b) the Company's total assets would be less than the sum of its total liabilities. Any Member who receives an unlawful distribution shall be liable to the Company as provided in Section

33-44-407 of the Act.

4.04 Tax Distributions.

4.05 Withholding.

The Company may withhold from any distribution to a Member any amount required to be withheld under applicable federal or South Carolina tax law, including withholding related to the pass-through entity tax election under Form I-435 if applicable. Amounts withheld shall be treated as distributions to the affected Member.

ARTICLE V MANAGEMENT

5.01 Member-Managed; Sole Authority.

The Company is a member-managed limited liability company. The sole Member has full, exclusive, and complete authority to manage, control, and make all decisions concerning the business and affairs of the Company without the vote or approval of any other person.

5.02 Actions of the Sole Member.

Any instrument, agreement, or document executed by the sole Member in the name of or on behalf of the Company shall be fully binding on the Company. Third parties dealing with the Company are entitled to rely on the authority of the sole Member under Section 33-44-301 of the Act.

5.03 Compensation.

The sole Member shall not be entitled to compensation for managing the Company unless separately agreed in writing. The sole Member may be reimbursed for reasonable expenses incurred on behalf of the Company.

5.04 Liability of Member.

The sole Member shall not be personally liable for the debts, obligations, or liabilities of the Company solely by reason of being the sole Member, as provided in Section 33-44-303 of the Act. The sole Member acknowledges that maintaining the liability protection afforded by the Act requires observance of LLC formalities, including keeping personal and Company finances separate, consistent with the veil-piercing analysis applied by South Carolina courts under *Sturkie v. Sifly* and *Pertuis v. Front Roe Restaurants* as applied to LLCs through Section 33-44-303.

5.05 Books and Records.

The Company shall maintain complete and accurate books of account and other records at its principal office. The sole Member's right to inspect books and records is non-waivable under Section 33-44-103(b) of the Act.

5.06 Fiscal Year.

The fiscal year of the Company shall be the calendar year, unless the sole Member elects otherwise in writing.

ARTICLE VI FIDUCIARY DUTIES

6.01 Duty of Loyalty.

The sole Member owes a duty of loyalty to the Company as provided in Section 33-44-409 of the Act. This duty of loyalty includes: (a) accounting for and holding as trustee any property, profit, or benefit derived from the conduct of Company business or from use of Company property, without the consent of the other Members; (b) refraining from dealing with the Company as or on behalf of a party having an interest adverse to the Company; and (c) refraining from competing with the Company in the conduct of Company business before the dissolution of the Company, without unanimous written consent. This duty of loyalty may be defined and limited in this Agreement but cannot be eliminated under Section 33-44-103(b) of the Act. Note: South Carolina Bills 4275/4335 (2023-24) and Bill 4659 (2025-26) propose a carve-out from the duty of loyalty when a Member is also a member of another LLC and there is no enforceable non-compete agreement in effect; the parties should consult counsel regarding whether any such exception applies.

6.02 Duty of Care.

The sole Member owes a duty of care in the conduct of Company business and affairs to act in good faith and in a manner the The sole Member reasonably believes to be in the best interests of the Company, and with the care that a person in a like position would reasonably exercise under similar circumstances. This duty of care cannot be unreasonably reduced by this Agreement under Section 33-44-103(b) of the Act.

6.03 Obligation of Good Faith and Fair Dealing.

Each Member and the sole Member shall discharge all duties under this Agreement and the Act and exercise all rights consistent with the obligation of good faith and fair dealing. This obligation cannot be eliminated by this Agreement under Section 33-44-103(b) of the Act.

6.04 Indemnification.

The Company shall indemnify and hold harmless each Member from and against any claim, liability, damage, cost, or expense (including reasonable attorneys' fees) arising from acts or

omissionstaken in good faith on behalf of the Company and within the scope of authority conferred by this Agreement, except to the extent such liability arises from gross negligence, willful misconduct, fraud, or a knowing violation of law. Indemnification shall be paid from Company assets only.

6.05 Non-Waivable Provisions Under Section 33-44-103(b).

The parties acknowledge that the following provisions of Chapter 44 of the Act cannot be modified or eliminated by this Operating Agreement under Section 33-44-103(b): (a) the right of Members to inspect Company books and records; (b) the duty of loyalty (may be defined, not eliminated); (c) the duty of care (may not be unreasonably reduced); (d) the obligation of good faith and fair dealing; (e) the right to seek judicial expulsion of a Member in appropriate circumstances; (f) events causing mandatory winding up under Section 33-44-801; and (g) rights of third parties and non-members under the Act.

ARTICLE VII TRANSFER OF MEMBERSHIP INTEREST

7.01 Restriction on Transfer.

The sole Member may assign, sell, transfer, gift, or otherwise dispose of the Membership Interest, in whole or in part, without restriction. Any transferee of the entire Membership Interest who executes a joinder to this Agreement shall be admitted as the sole Member of the Company and shall succeed to all rights and obligations of the transferring Member.

7.02 Right of First Refusal.

7.03 Charging Order — Exclusive Creditor Remedy.

Pursuant to Section 33-44-504 of the Act, a charging order against a Member's Distributional Interest is the exclusive remedy by which a judgment creditor may satisfy a judgment against a Member's interest in the Company. A creditor obtaining a charging order is entitled only to receive distributions to which the Member would otherwise be entitled. The charging order does not entitle the creditor to participate in management, vote, or obtain information rights. Foreclosure of a charging order converts the creditor to a transferee with Distributional Interest rights only.

7.04 Death or Incapacity of a Member.

Upon the death or legal incapacity of the sole Member, the Member's Distributional Interest shall pass to the estate or named beneficiary under Section 33-44-503 of the Act. The legal representative or beneficiary shall have the rights of a transferee of a Distributional Interest. To maintain continuity of operations, the sole Member is encouraged to execute a Certification of Sole Member designating a successor.

ARTICLE VIII DISSOCIATION AND BUYOUT

8.01 Events of Dissociation.

A Member dissociates from the Company upon the occurrence of any event specified in Section 33-44-601 of the Act, including: (a) the Member's voluntary notice of withdrawal delivered to the Company; (b) the Member's expulsion pursuant to Section 8.05; (c) the Member's bankruptcy; (d) in the case of an individual Member, the Member's death; or (e) a judicial order of dissociation under Section 33-44-601(6) upon a finding that the Member engaged in wrongful conduct materially affecting the Company or has wilfully or persistently committed a material breach of the operating agreement or of a duty owed to the Company or the other Members.

8.02 Effect of Dissociation — Single Member.

The sole Member's dissociation shall trigger dissolution of the Company unless, prior to such dissociation, the sole Member has designated a successor Member and taken steps necessary to continue Company operations.

ARTICLE IX DISSOLUTION AND WINDING UP

9.01 Events Causing Dissolution.

The Company shall be dissolved and its affairs wound up upon the occurrence of any of the following events as provided in Section 33-44-801 of the Act:

- (a) The occurrence of any event specified in this Operating Agreement as causing dissolution;
- (b) The written consent of the sole Member to dissolve;
- (c) An event making it unlawful for all or substantially all of the Company's business to be continued;
- (d) A judicial decree of dissolution by the South Carolina courts upon application by a Member, finding that: (i) the economic purpose of the Company is likely to be unreasonably frustrated; (ii) another Member has engaged in conduct relating to the Company's business making it not reasonably practicable to carry on the business with that Member; or (iii) it is not otherwise reasonably practicable to carry on the Company's business in conformity with the Articles of Organization and this Operating Agreement.

9.02 Winding Up.

Upon dissolution, the Company shall be wound up by the sole Member or, upon application, by a person appointed by the South Carolina courts. During winding up, the Company shall: (a) collect all amounts owed to the Company; (b) pay and discharge all Company debts and obligations; (c) distribute any remaining assets to Members in accordance with their respective Capital Account balances and then in proportion to ownership percentages.

9.03 Notice to Creditors and Claimants.

Upon dissolution, the Company may give written notice to known creditors under Section 33-44-807 of the Act. The Company may also publish notice of dissolution in a newspaper of general circulation in the county of the Company's principal or designated office under Section 33-44-808 of the Act. Pursuant to Section 33-44-808, claims of unknown creditors who do not commence a proceeding within five (5) years after publication of the notice are time-barred.

9.04 Articles of Dissolution.

Upon the completion of winding up, the Company shall file Articles of Dissolution with the South Carolina Secretary of State as required by the Act to formally terminate the Company's existence.

9.05 Continuation After Dissolution.

Dissolution does not terminate the Company's existence for the purpose of winding up. The Company may take any action reasonably necessary to wind up its affairs, including prosecuting and defending civil, criminal, and administrative proceedings.

ARTICLE X TAX MATTERS

10.01 Tax Classification.

For federal income tax purposes, the Company shall be treated as:

- Disregarded entity (default for single-member LLC — no separate federal or South Carolina entity-level return; income reported on owner's SC1040)
- C Corporation (elected via IRS Form 8832; requires Form CL-1 within 60 days of commencing business, then annual SC1120)
- S Corporation (requires Form 8832 and Form 2553; requires Form CL-1 within 60 days, then annual SC1120S)

10.02 South Carolina Tax Filings.

The applicable South Carolina tax filings are summarized as follows based on the Company's federal tax classification: (a) Disregarded entity: no entity-level South Carolina return; income reported on the owner's individual SC1040 return; (b) Partnership: Form SC1065 (and SC1065

K-1s for each member) filed with the South Carolina Department of Revenue (SCDOR) by the 15th day of the third month after year-end (March 15 for calendar-year LLCs); (c) C Corporation: Form CL-1 (Initial Report of Corporations) filed within 60 days of commencing business in South Carolina, accompanied by the corporate license fee (minimum \$25), then annual Form SC1120; (d) S Corporation: Form CL-1 within 60 days, then annual Form SC1120S; (e) Pass-through entity (PTE) tax election: if the Company is taxed as a partnership or S corporation and elects the optional PTE tax, it must file Form I-435 annually; each participating Member reports the PTE tax credit via Form I-335.

10.03 No Franchise Tax for Standard LLCs.

South Carolina does not impose a franchise tax or annual report filing fee on limited liability companies taxed as disregarded entities or partnerships. This is one of the compliance advantages of maintaining South Carolina LLC status. LLCs taxed as corporations are subject to the corporate license fee described in Section 10.02.

10.04 Employer Identification Number.

The Company's EIN is:

EIN:

10.05 Tax Matters Representative.

The Tax Matters Representative (or "partnership representative" for BBA audit purposes) of the Company is:

Name:

10.06 SCDOR Correspondence.

All correspondence with the South Carolina Department of Revenue (SCDOR) and with federal tax authorities shall be directed to the Tax Matters Representative named in Section 10.05.

10.07 PTE Election.

If the Company is eligible for the optional South Carolina pass-through entity tax election under Form I-435, the decision to make or revoke such election shall be made by the sole Member.

**ARTICLE XI
MISCELLANEOUS**

11.01 Amendments.

OVERRIDE OF SECTION 33-44-404(c)(1) DEFAULT: By statute, absent a different operating agreement provision, amendments to the operating agreement require unanimous consent of all Members. This Agreement requires approval by Members holding at least sixty-six and two-thirds percent (66.67%) of total ownership interests (as the sole Member) to amend this Operating Agreement. All amendments shall be in writing, signed by the requisite Members, and attached to this Agreement. The Articles of Organization may be amended by the filing of amended articles with the South Carolina Secretary of State.

11.02 Governing Law.

This Operating Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, including Title 33, Chapter 44 of the South Carolina Code of Laws (the Act), without regard to any conflict of law principles that would require or permit application of the laws of another jurisdiction.

11.03 Dispute Resolution.

The parties agree to attempt in good faith to resolve any dispute arising out of or related to this Operating Agreement through negotiation before pursuing formal legal proceedings. If negotiation fails within thirty (30) days of written notice of a dispute:

- Mediation before a mutually agreed mediator in the county of the Company's principal office, before proceeding to litigation.
- Binding arbitration in the county of the Company's principal office under the rules of the American Arbitration Association.
- State or federal courts of South Carolina (no mandatory mediation or arbitration).

Nothing herein prevents any party from seeking emergency injunctive or equitable relief from a court of competent jurisdiction.

11.04 Integration with Articles of Organization.

This Operating Agreement and the Articles of Organization together constitute the governing documents of the Company. In the event of any conflict between this Agreement and the Articles of Organization, the Articles of Organization shall control with respect to matters required by the Act to appear in the Articles, and this Agreement shall control with respect to all other matters. The parties agree to promptly amend the Articles of Organization if any material inconsistency arises.

11.05 Entire Agreement.

This Operating Agreement, together with the Articles of Organization and all exhibits and amendments hereto, constitutes the entire agreement of the Members with respect to the Company and supersedes all prior agreements, representations, and understandings, whether oral, implied, or written. The parties acknowledge that South Carolina recognizes oral and implied operating agreements under Section 33-44-103(a), but agree that this written Agreement shall

control.

11.06 Severability.

If any provision of this Operating Agreement is held invalid, illegal, or unenforceable, the remaining provisions shall continue in full force and effect. Any invalid provision shall be modified to the minimum extent necessary to make it enforceable, consistent with the intent of the parties.

11.07 No Third-Party Beneficiaries.

This Agreement is for the exclusive benefit of the parties hereto and their permitted successors and assigns. Nothing in this Agreement creates any right or benefit in any third party, except as otherwise required by Section 33-44-103(b) of the Act with respect to rights of non-members.

11.08 Waiver.

No failure or delay by any party in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof. No single or partial exercise of any right shall preclude any other or further exercise of any right.

11.09 Counterparts and Electronic Signatures.

This Agreement may be executed in counterparts, each of which shall constitute an original. Electronic signatures and PDF signatures shall be deemed original signatures for all purposes.

11.10 Notices.

All notices required or permitted under this Agreement shall be in writing and shall be deemed given when: (a) delivered personally; (b) sent by overnight courier with tracking; or (c) sent by email with confirmation of receipt. Notices shall be sent to the address of record on file with the Company.

11.11 Authority.

Each person executing this Agreement represents and warrants that the person has full power and authority to execute and deliver this Agreement and to perform the obligations set forth herein, and that execution does not violate any agreement to which the person is a party.

CERTIFICATION OF SOLE MEMBER

The undersigned, being the sole Member of the Company, hereby certifies that: (1) the above Operating Agreement was adopted effective as of the date set forth in Section 1.07; (2) the information set forth in Exhibit 1 accurately reflects the sole Member's Capital Contribution; (3) the Articles of Organization have been or will be filed with the South Carolina Secretary of State; and (4) the sole Member has the full authority to execute this Agreement.

Signature of Sole Member

Printed Name:

Date:

Capacity:

EXHIBIT 1 — INITIAL CAPITAL CONTRIBUTION

The following sets forth the sole Member's initial Capital Contribution to the Company:

Member Name	Address	Contribution Amount	Form of Contribution

(Attach additional sheet if needed)

EXHIBIT 2 — BANK RESOLUTION

RESOLVED, that the Company is authorized to open and maintain bank and financial accounts, and that the following individual(s) are authorized to sign checks, make deposits, and otherwise transact business on behalf of the Company:

Authorized Signatory 1:

Title:

Authorized Signatory 2:

Title:

FURTHER RESOLVED, that the Company's operating account shall be maintained at:

Bank Name:

Branch Address:

Sole Member Signature

Date:

LEGAL DISCLAIMER

This South Carolina LLC Operating Agreement template is provided by Boost Suite for informational and general reference purposes only. It does not constitute legal advice and does not create an attorney-client relationship. This template is based on Title 33, Chapter 44 of the South Carolina Code of Laws (the South Carolina Uniform Limited Liability Company Act of 1996) as in effect at the time of publication. Laws may change and this template may not reflect the most recent legislative amendments, including pending South Carolina Bills 4659 and 4766 (2025-26 session). You should consult a licensed South Carolina attorney before executing this Agreement, particularly if your LLC has more than three members, involves complex ownership structures, multi-state operations, or asset-protection considerations. The South Carolina Bar Lawyer Referral Service (lrs.scbar.org) connects business owners with vetted attorneys at a flat \$50 rate for a 30-minute consultation. Boost Suite makes no representation that this template is suitable for your specific circumstances. Use is at your own risk.

Your South Carolina LLC Resources:

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