

COMMONWEALTH OF VIRGINIA  
**SINGLE-MEMBER LIMITED LIABILITY COMPANY  
OPERATING AGREEMENT**

Pursuant to Va. Code Title 13.1, Chapter 12  
(Virginia Limited Liability Company Act)

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**ARTICLE I  
ORGANIZATION**

**1.01 Formation.**

This Limited Liability Company (the "Company") has been formed as a Virginia limited liability company by filing Articles of Organization (Form LLC-1011) with the Virginia State Corporation Commission (SCC), pursuant to the Virginia Limited Liability Company Act, Code of Virginia, Title 13.1, Chapter 12 (the "Act"). This Operating Agreement is entered into pursuant to Va. Code § 13.1-1023. Pursuant to Va. Code § 13.1-1001.1(C), this Agreement shall be construed to give "maximum effect to the principle of freedom of contract and of enforcing operating agreements."

**1.02 Company Name.**

The name of the Company as it appears on the Articles of Organization filed with the Virginia SCC is:

NOTE: The LLC name in this Agreement must match Form LLC-1011 exactly, including punctuation and the exact form of 'LLC' or 'L.L.C.' A mismatch is the most common cause of bank account opening delays.

**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 and Registered Office.**

The Company shall at all times maintain a registered agent and registered office in the Commonwealth of Virginia, as required by the Virginia LLC Act. The registered agent is authorized to receive service of process on behalf of the Company. The registered agent and office must match the information on the Articles of Organization (Form LLC-1011) on file with the SCC. The current registered agent is:

Registered Agent Name:

Registered Office Address:

City, State, Zip:

**1.05 Management Structure.**

The Company is organized as a single-member, member-managed limited liability company. The sole Member has full and exclusive management authority as described in Article V, pursuant to Va. Code § 13.1-1022. SINGLE-MEMBER CAUTION: Va. Code § 13.1-1023(A)(2) provides that any writing signed by the sole Member relating to LLC affairs is deemed part of this Operating Agreement. To avoid informal writings (emails, memos, side letters) being treated as binding OA terms, the sole Member should maintain a single consolidated written agreement and include the integration clause at Section 11.05.

**1.06 Purpose.**

The purpose of the Company is to engage in any lawful business or activity permitted under Virginia law 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 the Articles of Organization were accepted by the Virginia State Corporation Commission, as reflected in the Certificate of Organization issued by the SCC, or such other date as stated below:

Effective Date:

**ARTICLE II  
DEFINITIONS**

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

**"Act"** means the Virginia Limited Liability Company Act, Code of Virginia, Title 13.1, Chapter 12, §§ 13.1-1000 et seq., as amended from time to time.

**"Annual Registration Fee"** means the \$50 annual registration fee assessed on the Company under Va. Code § 13.1-1062, due by the last day of the anniversary month of organization each year and payable to the Virginia State Corporation Commission through the Clerk's Information System (CIS). NOTE: Virginia LLCs do not file an 'annual report'; they pay an annual registration fee. Late payment triggers a \$25 penalty under § 13.1-1064.

**"Articles of Organization"** means the Articles of Organization of the Company (Form LLC-1011) filed with the Virginia State Corporation Commission, as may be amended from time to time.

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

**"Capital Contribution"** means any contribution of money, property, services, or a promissory note made to the Company by a Member, as recorded in the LLC's required records and reflected in Exhibit 1. Under Va. Code Article 6, profit/loss allocation and distributions default to the recorded value of contributions absent written provisions to the contrary.

**"Certificate of Organization"** means the certificate issued by the Virginia State Corporation Commission upon acceptance of the Articles of Organization.

**"Charging Order"** has the meaning set forth in Va. Code § 13.1-1041.1, which provides the exclusive remedy by which a judgment creditor may reach a Member's transferable interest. A charging order gives a creditor only a lien on distributions; it does not confer management rights or permit seizure of LLC property.

**"Member"** means a person admitted to the Company as a member in accordance with the Act and this Agreement.

**"Membership Interest"** means a Member's entire interest in the Company, including the transferable interest (right to share in profits, losses, and distributions) and any management and voting rights.

**"Operating Agreement"** means this Operating Agreement as authorized by Va. Code § 13.1-1023. NOTE: Va. Code § 13.1-1023(B)(1) provides that an operating agreement "need not be in writing." However, oral and implied agreements are extremely difficult to enforce. This

written Agreement is intended to constitute the complete and exclusive statement of the Members' agreement, superseding all prior oral, implied, written, or electronic understandings. See the integration clause in Section 11.05.

"SCC" means the Virginia State Corporation Commission, the filing authority for Virginia limited liability companies.

"**Transferable Interest**" means a Member's right to share in profits, losses, and distributions from the Company under Va. Code § 13.1-1038. An assignment of a transferable interest transfers only these economic rights; it does not transfer management rights or the right to become a Member without consent under § 13.1-1040.

## **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. The recorded value of this contribution is the basis for profit/loss allocation and distributions under Virginia's default rules (Va. Code Article 6, § 13.1-1030).

### **3.02 Form of Contributions.**

Capital Contributions may be made in cash, property, services, or a promissory note. The agreed value of any non-cash contribution shall be noted in Exhibit 1 and maintained in the Company's required records.

### **3.03 Additional Capital Contributions.**

The sole Member may make additional Capital Contributions 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 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 in accordance with Treasury Regulation § 1.704-1(b)(2)(iv) to the extent applicable. Capital Accounts shall be credited with contributions and allocated net income, and charged with distributions and allocated net losses.

### **3.06 No Right to Return of Contributions.**

No Member shall have any right to demand or receive the return of any Capital Contribution except as expressly provided in this Agreement or required by the Act.

## **ARTICLE IV ALLOCATIONS AND DISTRIBUTIONS**

### **4.01 Allocation of Profits and Losses.**

OVERRIDE OF VIRGINIA DEFAULT (Va. Code Article 6, § 13.1-1030): Under Virginia's default rules, if the Articles of Organization and Operating Agreement do not specify otherwise in writing, profits and losses are allocated among Members based on the RECORDED VALUE of each Member's contributions, NOT in equal shares. This Agreement expressly overrides that default: net profits and losses shall be allocated in proportion to each Member's ownership percentage as set forth in Exhibit 1.

### **4.02 Distributions.**

Distributions 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 solvency limitations of Section 4.03.

### **4.03 Restrictions on Distributions.**

No distribution shall be made under Va. Code § 13.1-1035 if, after giving effect to the distribution: (a) the Company would be unable 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 plus the amount needed to satisfy the preferential rights of Members upon dissolution. Any Member who receives a distribution in violation of § 13.1-1035 shall be liable to the Company for the amount of the wrongful distribution for a period of two (2) years under Va. Code § 13.1-1036.

### **4.04 Withholding.**

The Company may withhold from any distribution any amount required by applicable federal or Virginia tax law. 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 LLC pursuant to Va. Code § 13.1-1022, which provides that management is vested in members unless the Articles of Organization or this Operating Agreement provides otherwise. The sole Member has full, exclusive, and complete authority to manage and control all business and affairs of the Company.

### **5.02 Agency Authority.**

In a member-managed Virginia LLC, each member is an agent of the LLC for purposes of its business pursuant to Agency principles under the Virginia LLC Act (Article 4). The sole Member is authorized to execute contracts, agreements, deeds, mortgages, leases, and all other instruments on behalf of the Company. Third parties may rely on the sole Member's authority to bind the Company.

### **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 and documented expenses incurred on behalf of the Company.

### **5.04 Limitation of Liability.**

Pursuant to Va. Code § 13.1-1025, 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, regardless of whether the Company has a single member or multiple members. The liability shield may be limited or eliminated for willful misconduct or a knowing violation of criminal law under § 13.1-1025(B), which cannot be overridden by this Agreement. Maintaining limited liability requires observance of LLC formalities and separation of Company and personal finances (see *A.G. Dillard v. Stonehaus Construction, LLC*).

### **5.05 Books and Records.**

The Company shall maintain complete and accurate books and records at its principal office, including required records of capital contributions as mandated by the Virginia LLC Act. These records are critical because Virginia's default profit/loss and distribution rules reference the recorded value of contributions.

### **5.06 Annual Registration Fee Compliance.**

VIRGINIA COMPLIANCE NOTE: Virginia LLCs do NOT file an annual report. The Company's sole recurring SCC filing obligation is the \$50 Annual Registration Fee under Va. Code § 13.1-1062, due by the last day of the anniversary month of organization each year, payable through the Clerk's Information System (CIS). A \$25 late penalty applies under § 13.1-1064. Failure to pay may result in administrative cancellation of the LLC's existence by the SCC.

### **5.07 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, including: (a) accounting for and holding as trustee any property or benefit derived from Company business without consent; (b) refraining from dealing with the Company as an adverse party; and (c) refraining from competing with the Company before dissolution without unanimous written consent.

### **6.02 Duty of Care.**

The sole Member shall act in good faith, in a manner reasonably believed to be in the best interests of the Company, and with the care a person in a like position would reasonably exercise under similar circumstances.

### **6.03 Good Faith and Fair Dealing.**

Each Member and the sole Member shall discharge all duties consistent with the obligation of good faith and fair dealing.

### **6.04 Limitation of Liability.**

Pursuant to Va. Code § 13.1-1025, this Agreement limits the personal liability of Members for money damages in any proceeding brought by or in the right of the Company or brought by or on behalf of Members, to the greatest extent permitted by Virginia law. Such limitation shall not exceed the greater of \$100,000 or the cash compensation paid to the Member during the 12 months preceding the act or omission at issue. **STATUTORY CARVE-OUT (NON-WAIVABLE):** Pursuant to Va. Code § 13.1-1025(B), this limitation of liability **DOES NOT** apply to, and **CANNOT** be modified to cover: (a) willful misconduct; or (b) a knowing violation of criminal law. These carve-outs cannot be overridden by any provision of this Agreement.

### **6.05 Indemnification.**

The Company shall indemnify and hold harmless each Member from and against any claim, liability, cost, or expense (including reasonable attorneys' fees) arising from good-faith acts within the scope of authority conferred by this Agreement, to the extent permitted by Va. Code § 13.1-1025. No indemnification shall be available for willful misconduct or a knowing violation of criminal law.

## **ARTICLE VII TRANSFER OF MEMBERSHIP INTEREST**

### **7.01 Nature of Membership Interest.**

A membership interest is personal property under Va. Code § 13.1-1038. The only aspect of a membership interest that is transferable without member consent is the Transferable Interest (economic rights). Management rights, voting rights, and the right to participate in the conduct of Company business do not transfer automatically with an assignment of the Transferable Interest.

### **7.02 Restriction on Transfer.**

The sole Member may transfer all or any portion of the Membership Interest without restriction. Any transferee who executes a joinder to this Agreement and assumes all obligations shall be admitted as the sole Member.

### **7.03 Charging Order — Exclusive Creditor Remedy.**

Pursuant to Va. Code § 13.1-1041.1(D), a charging order against a Member's Transferable 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 receives only a lien on distributions when the LLC chooses to make them. The charging order does NOT: (a) give the creditor management rights; (b) permit seizure of LLC property; or (c) make the creditor a Member. Foreclosure on a charging order converts the creditor to an assignee with only Transferable Interest rights. Note: Virginia law overrides UCC §§ 9-406 and 9-408 to keep operating-agreement transfer restrictions enforceable against all persons.

### **7.04 Death or Incapacity — Economic Rights Only.**

Upon death or legal incapacity of the sole Member, the Transferable Interest passes to the estate or named beneficiary. To maintain continuity of operations, the sole Member is encouraged to designate a successor in a separate written instrument.

## **ARTICLE VIII DISSOCIATION AND BUYOUT**

### **8.01 Events of Dissociation.**

A Member dissociates under Va. Code § 13.1-1040.1 upon: (a) delivery of written notice of resignation to the Company; (b) the Member's expulsion pursuant to Section 8.05; (c) the Member's bankruptcy or insolvency; (d) in the case of an individual Member, the Member's death; (e) appointment of a guardian or general conservator for the Member; or (f) a judicial order of dissociation.

## **8.02 Effect of Dissociation — Single Member.**

The sole Member's dissociation shall trigger dissolution of the Company under Va. Code § 13.1-1046 unless the sole Member has designated a successor and taken all necessary steps to continue operations prior to dissociation.

# **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 under Va. Code § 13.1-1046:

- (a) The occurrence of any dissolution event specified in the Articles of Organization or this Agreement;
- (b) The written consent of the sole Member to dissolve;
- (c) Judicial dissolution by a Virginia court;
- (d) Administrative cancellation by the Virginia SCC for failure to pay the Annual Registration Fee or maintain a registered agent.

## **9.02 Waiver of Dissolution — Virginia Statutory Right.**

Pursuant to Va. Code § 13.1-1047.1, the Members may WAIVE a dissolution event and resume the Company's business if all Members agree in writing before winding up is completed. The parties agree that if dissolution is triggered, the Members shall consider exercising this statutory right before proceeding with winding up.

## **9.03 Winding Up.**

Upon dissolution, the Company shall be wound up by the sole Member, or upon application by a Member, by a person appointed by a Virginia court. During winding up the Company shall: (a) collect all amounts owed; (b) pay and discharge all debts and obligations in the priority required by law; (c) distribute remaining assets to Members in accordance with Capital Account balances and then ownership percentages, consistent with Va. Code Article 9.

## **9.04 Articles of Cancellation.**

Upon completion of winding up, the Company shall file Articles of Cancellation with the Virginia State Corporation Commission to formally terminate the Company's existence and remove it from the SCC's records.

**ARTICLE X  
TAX MATTERS**

**10.01 Federal Tax Classification.**

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

- Disregarded entity (default for single-member LLC — income reported on owner's Schedule C of Form 1040; no Virginia Form 502 pass-through entity return required for single-member LLCs)
- C Corporation (elected via IRS Form 8832; subject to federal corporate tax and Virginia corporation income tax)
- S Corporation (requires IRS Form 8832 and Form 2553; subject to Virginia S-corp rules)

**10.02 Virginia Pass-Through Entity Tax (PTET).**

Virginia's elective Pass-Through Entity Tax (PTET) applies for taxable years beginning on or after January 1, 2022 and before January 1, 2027. If eligible and elected, the Company must file Form 502PTET, due by the 15th day of the 4th month after the close of the taxable year. Payments must be made by the original due date even if a filing extension is obtained. Each Member who participates in the PTET election may claim a Virginia individual income tax credit. NOTE: Single-member LLCs are treated as disregarded entities and are NOT eligible for the PTET election. Multi-member LLCs filing as partnerships may elect PTET.

**10.03 Virginia Annual Registration Fee — NOT an Annual Report.**

VIRGINIA-SPECIFIC DISTINCTION: Virginia LLCs do not file an annual report. The Company's only recurring SCC compliance obligation is the \$50 Annual Registration Fee under Va. Code § 13.1-1062, due by the last day of the anniversary month through the Clerk's Information System (CIS). Virginia has no separate LLC franchise tax.

**10.04 Employer Identification Number.**

Company EIN:

**10.05 Tax Matters Representative.**

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

Name:

**10.06 Tax Elections.**

All federal and state tax elections materially affecting the Company's tax treatment shall be made by the sole Member and documented in writing.

## **ARTICLE XI MISCELLANEOUS**

### **11.01 Amendments.**

This Operating Agreement may be amended by the sole Member. All amendments shall be in writing, signed by the requisite Member, and attached to this Agreement. The Articles of Organization (Form LLC-1011) shall be amended with the SCC as necessary.

### **11.02 Governing Law; Freedom of Contract.**

This Operating Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, including the Virginia Limited Liability Company Act (Va. Code Title 13.1, Chapter 12). Pursuant to Va. Code § 13.1-1001.1(C), this Agreement shall be construed to give 'maximum effect to the principle of freedom of contract and of enforcing operating agreements.'

### **11.03 Consistency with Articles of Organization.**

The management structure, registered agent, and other provisions of this Agreement must at all times remain consistent with the Articles of Organization on file with the SCC. In the event of any conflict, the Articles shall control with respect to matters required by law to appear in the Articles.

### **11.04 Dispute Resolution.**

The parties agree to attempt in good faith to resolve any dispute through negotiation before formal proceedings. If negotiation fails within thirty (30) days of written notice:

- Mediation before a mutually agreed mediator in a Virginia county, before proceeding to litigation.
- Binding arbitration in a Virginia county under the rules of the American Arbitration Association.
- Virginia circuit courts (no mandatory mediation or arbitration); venue: county of the Company's principal office.

### **11.05 Integration Clause.**

VIRGINIA § 13.1-1023(B)(1) AND § 13.1-1023(A)(2) ORAL/INFORMAL WRITING RISK: Va. Code § 13.1-1023(B)(1) provides that a Virginia operating agreement 'need not be in writing.' For single-member LLCs, § 13.1-1023(A)(2) deems any writing signed by the sole Member relating to LLC affairs as part of the operating agreement — including emails, memos,

and side letters. This creates a significant risk that informal documents could be treated as binding OA terms. This Section expressly negates that risk: THIS WRITTEN OPERATING AGREEMENT, together with the Articles of Organization and all exhibits and amendments signed in writing, constitutes the ENTIRE, COMPLETE, AND EXCLUSIVE agreement of the Members with respect to the internal affairs and governance of the Company, and supersedes ALL prior and contemporaneous oral, implied, written, email, electronic, text-message, memo, or side-letter understanding and arrangements, regardless of form. No prior course of dealing, pattern of conduct, oral statement, email, or informal writing shall constitute or be deemed part of the operating agreement.

#### **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.

#### **11.07 No Third-Party Beneficiaries.**

This Agreement is for the exclusive benefit of the parties hereto and their permitted successors and assigns, except as otherwise required by the Act.

#### **11.08 Waiver.**

No failure or delay in exercising any right under this Agreement shall operate as a waiver thereof.

#### **11.09 Counterparts and Electronic Signatures.**

This Agreement may be executed in counterparts, each constituting an original. Electronic signatures are valid under Virginia's Uniform Electronic Transactions Act and shall be deemed original signatures for all purposes.

#### **11.10 Notices.**

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

#### **11.11 Authority.**

Each person executing this Agreement represents that the person has full power and authority to execute and deliver this Agreement and that execution does not violate any other 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) this Operating Agreement was adopted effective as of the date in Section 1.07; (2) Exhibit 1 accurately reflects the sole Member's Capital Contribution; (3) the Articles of Organization (Form LLC-1011) have been or will be accepted by the Virginia SCC; and (4) the sole Member has full authority to execute this Agreement. VIRGINIA SINGLE-MEMBER NOTE: This written Agreement constitutes the complete and exclusive operating agreement pursuant to the integration clause at Section 11.05, superseding any prior or subsequent informal writings or emails about LLC affairs under Va. Code § 13.1-1023(A)(2).

\_\_\_\_\_  
Signature of Sole Member

Printed Name:

Date:

Capacity:

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**EXHIBIT 1 — INITIAL CAPITAL CONTRIBUTION**

The following sets forth the sole Member's initial Capital Contribution to the Company. VIRGINIA NOTE: The recorded value of this contribution is the reference point for Virginia's default profit/loss and distribution rules under Article 6, § 13.1-1030, absent contrary written provisions.

Member Name	Address	Contribution Amount	Form of Contribution
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(Attach additional sheet if needed)

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**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

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This Virginia 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 the Virginia Limited Liability Company Act, Code of Virginia, Title 13.1, Chapter 12, as in effect at the time of publication. Laws may change after publication. You should consult a licensed Virginia attorney before executing this Agreement, particularly if your LLC has complex ownership structures, passive investors, a series LLC structure (see §§ 13.1-1092 and 13.1-1093), or multi-state operations. The Virginia Lawyer Referral Service (vsb.org) can connect you with a licensed Virginia business attorney. Boost Suite makes no representation that this template is suitable for your specific circumstances. Use is at your own risk.

### **Your Virginia LLC Resources:**

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