

SOLE PROPRIETOR OPERATING AGREEMENT

Location: _____ Effective Date: _____

Parties:

This Sole Proprietor Operating Agreement (the "Agreement") is made by and between:

Proprietor Name: _____

Business Name (if any): _____

Address: _____

Phone/Email: _____

Section 1 – Formation

The Proprietor hereby forms a sole proprietorship business (the "Business") to be conducted under the Business Name, if any, and agrees to operate the Business subject to the terms and conditions set forth in this Agreement.

Section 2 – Purpose

The purpose of the Business is to engage in any lawful business activity for which a sole proprietorship may be organized under the laws of the State of _____.

Section 3 – Term

This Agreement shall commence on the Effective Date and shall continue until terminated as provided herein.

Section 4 – Proprietor's Rights and Duties

The Proprietor shall have full control of the Business and is responsible for the management and operation of the Business. The Proprietor shall devote such time and effort as necessary to operate the Business effectively.

Section 5 – Capital Contributions

The Proprietor has contributed or will contribute capital to the Business as deemed necessary and appropriate. No additional contributions are required unless agreed in writing by the Proprietor.

Section 6 – Profits and Losses

All profits and losses of the Business shall be the sole property and responsibility of the Proprietor.

Section 7 – Banking and Records

The Proprietor shall maintain complete and accurate books and records of the Business and shall maintain any Business banking accounts separate from personal accounts.

Section 8 – Taxation

The Business is a sole proprietorship and all income, deductions, and credits shall be reported on the Proprietor's individual income tax returns in accordance with applicable federal, state, and local tax laws.

Section 9 – Liability

The Proprietor acknowledges that the Business is not a separate legal entity and that the Proprietor is personally liable for all debts, obligations, and liabilities of the Business.

Section 10 – Permits and Licenses

The Proprietor shall obtain and maintain all necessary permits, licenses, and registrations required to operate the

Business legally.

Section 11 – Insurance

The Proprietor shall maintain appropriate insurance coverage for the Business as deemed necessary to protect against risks and liabilities.

Section 12 – Indemnification

The Proprietor agrees to indemnify and hold harmless the Business from any liabilities, claims, or losses arising from the operation of the Business.

Section 13 – Termination

This Agreement and the Business may be terminated by the Proprietor at any time, with or without cause, by providing written notice or by ceasing business operations.

Section 14 – Disposition of Assets

Upon termination of the Business, the Proprietor shall liquidate and distribute Business assets to the Proprietor after payment of all liabilities and obligations.

Section 15 – Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without regard to its conflict of laws principles.

Section 16 – Amendments

Any amendments or modifications to this Agreement must be in writing and signed by the Proprietor.

Section 17 – Entire Agreement

This Agreement constitutes the entire agreement between the Proprietor and supersedes all prior agreements, understandings, and negotiations relating to the Business.

Section 18 – Severability

If any provision of this Agreement is held invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

Section 19 – Waiver

No waiver of any breach or default shall be deemed a waiver of any subsequent breach or default.

Section 20 – Signatures

The Proprietor hereby executes this Sole Proprietor Operating Agreement as of the Effective Date.

PROPRIETOR'S SIGNATURE

Signature: _____

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