# Illinois Single-Member LLC Amended and Restated Operating Agreement

Sample template · Not legal advice

For the new sole individual member after an approved 100% ownership transfer. The same Illinois LLC continues with an existing valid S corporation tax election. Choose member management or an accepted manager appointment.

Complete the labeled blanks and schedules, mark the applicable choices, and write "None" where appropriate. Use a signed attachment if more space is needed. Do not enter Social Security numbers. Read the separate README before signing.

## 1 Adoption and company

The Illinois limited liability company identified below is the “Company.” The new sole member identified below (“Member”), having been validly admitted and acquired the entire interest, adopts this Agreement at the effective date and time stated below, immediately after completion of the ownership transfer.

This Agreement amends and restates the prior operating agreement and amendments identified below prospectively from that time. It does not retroactively cure an invalid admission or transfer, release accrued claims, or alter rights of third parties. The Company continues under the Illinois Limited Liability Company Act (“Act”).

**Company legal name**

_____

**Illinois file number and formation date**

_____

**New sole member full legal name**

_____

**Agreement effective date, exact time and time zone**

_____

**Prior operating agreement and amendments dates or description**

_____

## 2 Business and offices

The Company may conduct any lawful activity within its formation documents and applicable law. Its principal office, registered agent and Illinois registered office are identified in Schedule 1. Authorized persons shall maintain required filings and registrations. Conducting regulated activity requires the applicable authority, insurance and approvals.

## 3 Sole membership

The Member owns 100% of the Company’s membership and distributional interest, as recorded in Schedule 1. No other person is admitted as a member by this Agreement. The Member’s ownership does not make the Member the owner of specific Company property. The Company shall maintain its separate legal existence, accounts and records.

## 4 Management election

Illinois law ordinarily provides for member management unless the operating agreement expressly provides for manager management. For this restatement, choose exactly one arrangement in Schedule 1 and reconcile it with existing Company documents and filings. If neither or both arrangements are selected, this restatement does not take effect until the Member resolves the choice. A blank form does not change the Company’s existing management arrangement.

If member managed, the Member manages the Company and may delegate specific authority in writing. If manager managed, management is vested in the manager named in Schedule 1 (“Manager”), who may be the Member or another person and must accept the appointment in writing. A manager-managed election without an accepted Manager appointment must be completed before this Agreement takes effect. The Member retains the reserved decisions in Section 5 and may appoint, replace or remove a Manager by written action.

The person authorized to manage may conduct ordinary Company business, enter contracts, maintain accounts, hire personnel and engage advisers within the authority and spending limits in Schedule 1. Membership alone does not authorize a person to bind the Company to a third party. Authority must arise from this Agreement, a valid delegation or applicable law. Banks and counterparties may require separate resolutions or evidence of authority.

## 5 Decisions reserved to the member

Only the Member may approve an amendment of this Agreement; admission of another member; issuance or transfer approval of an ownership interest; a merger, conversion or dissolution; sale of substantially all assets outside ordinary operations; a material change in tax election; or borrowing, guarantees and transactions above the limits in Schedule 1. The Member shall document these decisions in signed written actions kept with Company records.

No Manager or agent may pledge the Member’s personal credit, make a personal guarantee for the Member, or act beyond delegated authority. A transaction between the Company and the Member, Manager or a related person must be documented on terms disclosed to and approved by the Member, subject to applicable duties and law.

## 6 Standards and compensation

The Member, Manager and agents shall act within their authority and comply with duties imposed by the Act and other applicable law. This Agreement does not eliminate nonwaivable duties or authorize fraud, intentional misconduct or a knowing violation of law. A Manager shall disclose material conflicts and maintain Company confidentiality subject to legal requirements.

Compensation and reimbursement must be reasonable, documented and approved by the Member. Employment wages, expense reimbursement, loan payments and ownership distributions shall be separately recorded. Any required payroll withholding and reporting shall be handled through the Company’s payroll process.

## 7 Capital and company property

Schedule 1 records the Member’s capital contribution to the Company, if any, and the Company’s records of contributed capital. A purchase price paid to the former owner is not itself a contribution to the Company. No additional contribution is required without the Member’s written decision. A member loan must be separately documented and reviewed for its debt treatment and effect on the S election; a loan label alone does not determine tax treatment.

Company funds shall be held in accounts in the Company’s name and used for Company purposes. Personal and Company funds shall not be commingled. The Company shall keep adequate records of assets, liabilities, receipts, expenses, contributions, loans and distributions.

## 8 Distributions

Subject to law, debt covenants and reasonable operating reserves, the Member may authorize distributions to the Member as the sole holder of all economic rights. No distribution may be made when prohibited by the Act, including its solvency limitations. A tax liability attributable to Company income does not itself require a distribution.

All ownership interests shall have identical rights to distribution and liquidation proceeds to the extent required for S corporation eligibility. No preferred distribution, special allocation or second economic class is authorized by this Agreement. Any future admission or economic arrangement must be reviewed for its effect on the election before it becomes effective.

## 9 Tax treatment and returns

The Company intends to maintain its existing valid election to be taxed as an S corporation for federal income tax purposes. This Agreement does not make, renew or guarantee a tax election. The Company and Member shall confirm the election’s validity and the Member’s eligibility with a qualified tax adviser. No ineligible person may become an owner, and no arrangement may be implemented that would knowingly terminate the election without the Member’s informed written decision and appropriate professional advice.

The Company shall use the tax year and accounting methods required or permitted by law, maintain tax records, timely file required returns and provide required shareholder information. The responsible person is identified in Schedule 1. The Member shall provide necessary information securely and cooperate with required filings. Personal tax identifiers should not be entered in this Agreement.

Income and deductions for a transfer year shall be reported under applicable federal and state rules. Any election to close the books or treat a transaction as an asset sale requires separate eligibility analysis, consents and filings; this Agreement makes no such election. The Company shall review responsible-party reporting and other tax account updates after a change of ownership or control.

## 10 Records and information

The Company shall retain its articles, operating agreements, member and manager records, written actions, accounting records, tax returns, contracts and required regulatory records at its principal office or a designated secure location. The Member shall have access to Company records as provided by law. Access by the former owner is governed by law and any separate transaction agreement, with appropriate confidentiality protections.

## 11 Liability and indemnification

Company obligations are obligations of the Company. A person is not liable solely because the person is or acts as a member or manager, except as applicable law or an express undertaking provides. This Agreement does not shield a person from that person’s own actionable conduct, a personal guarantee, a statutory liability or another legally recognized basis of liability.

The Company shall provide reimbursement and indemnification only to the extent required by the Act or a separately approved written arrangement permitted by law. This Agreement creates no additional right to indemnification or advancement. Any broader protection must be drafted separately and must not impair creditor rights or override statutory limitations.

## 12 Future transfers and succession

A proposed transfer must comply with this Agreement, applicable law, any lien or contractual restriction, and S corporation eligibility requirements. The Member shall approve the terms in writing. An economic transfer alone does not admit a transferee as a member or confer management rights. A complete transfer must be coordinated with valid admission of a successor and continuity of authorized management.

The Member should maintain a separate succession plan for death, incapacity or another event affecting membership. An heir, personal representative or economic transferee does not automatically receive all management rights merely under this Agreement. The Act and a properly prepared succession plan govern. This Agreement does not appoint a successor member or a personal representative.

## 13 Dissolution and winding up

The Company shall dissolve when required by the Act or upon the Member’s valid written decision. The authorized person shall wind up its affairs, provide for liabilities and creditor claims, and distribute any remainder to the person entitled to it under this Agreement and law. No distribution may defeat applicable creditor rights. Required final returns and termination filings must be completed.

## 14 Amendments and governing law

Illinois law governs this Agreement. The Member may amend it by signed written action subject to applicable law and third-party rights. If another member is to be admitted, replace or amend this single-member agreement before admission as needed. An unenforceable provision does not invalidate the rest to the extent permitted by law. Counterparts and legally effective electronic signatures may be used.

## Schedule 1 Member and authority record

**Company legal name**

_____

**Member notice address**

_____

_____

Ownership and distributional interest: 100%.

**Admission effective date, time and time zone**

_____

**Principal office address**

_____

_____

**Registered agent name**

_____

**Illinois registered office address**

_____

_____

**Contribution to the Company on adoption description and value**
Enter None if no contribution is made. The price paid to the seller is not itself a contribution.

_____

_____

**Company record of contributed capital reference or amount**

_____

☐ Member managed ☐ Manager managed

**Manager name and notice address if applicable**

_____

_____

Choose exactly one management arrangement. If manager managed the Manager must accept the appointment before this Agreement takes effect. Continue the authority record on the next page.

## Schedule 1 Authority record continued

**Ordinary transaction spending limit**
State a dollar amount or No separate limit.

_____

**Borrowing and guarantee approval threshold**
State the limit or All reserved.

_____

**Authorized bank signers and limits**

_____

_____

**Other delegated authority and limits**
Enter None if not applicable.

_____

_____

**Tax and records coordinator name and role**

_____

**Records location and fiscal year**

_____

An uncompleted spending, borrowing or guarantee limit reserves that action to the Member’s written approval. Delegated authority does not override Section 5 or applicable law. Complete this schedule and mark unused choices before signing.

## 15 Adoption and acceptance

The Member adopts this Agreement and its completed Schedule 1 effective at the time stated in Section 1.

**Sole member**

Signature: _____ Date: _____

Printed legal name: _____

If manager managed the undersigned accepts the appointment and the duties and authority stated in this Agreement. This signature alone conveys no membership or economic interest.

**Manager acceptance if manager managed**

Signature: _____ Date: _____

Printed legal name: _____