

S Corp Operating Agreement

This S Corporation Operating Agreement (the "**Agreement**") is entered into as of _____ ("**Effective Date**"), by and among the following parties:

Shareholder 1

Shareholder 2

Each individually referred to as a "**Shareholder**" and collectively as the "**Shareholders.**"

The Shareholders hereby agree as follows:

1. Formation and Status

The Shareholders confirm that _____ (the "**Company**") has been duly incorporated as a corporation under the laws of _____. The Company has elected to be taxed as an S Corporation in accordance with applicable tax regulations.

This Agreement governs the internal operations of the Company and the rights and obligations of the Shareholders.

2. Purpose

The purpose of the Company is to engage in any lawful business activity permitted under applicable law, including but not limited to _____.

3. Principal Office

The principal place of business of the Company shall be located at _____, or at such other location as determined by the Shareholders.

4. Share Ownership

The ownership of the Company is divided among the Shareholders as follows:

Shareholder Name	Number of Shares	Ownership Percentage

No Shareholder shall hold shares in a manner that violates S Corporation eligibility requirements.

5. Capital Contributions

Each Shareholder has contributed the following capital to the Company:

Shareholder Name	Contribution Description	Value

No additional contributions shall be required unless agreed upon in writing by all Shareholders.

6. Management and Authority

All Shareholders shall participate in the management of the Company. Each person acting on behalf of the Company must do so in good faith and in the best interests of the Company.

7. Voting Rights

Each Shareholder shall have voting rights proportional to their ownership percentage.

Unless otherwise stated in this Agreement, decisions shall be made by a majority vote of the Shareholders. Decisions involving significant matters—including amendments, dissolution, or sale of substantial assets—require unanimous approval.

8. Distributions

Profits and losses shall be allocated among the Shareholders in proportion to their ownership percentages.

Distributions shall be made at such times and in such amounts as determined by the Shareholders, subject to applicable law and the financial condition of the Company.

9. Compensation

Shareholders actively involved in the Company's operations may receive reasonable compensation for services rendered, as determined by mutual agreement.

Compensation shall comply with applicable tax requirements for S Corporations.

10. Restrictions on Transfer of Shares

No Shareholder may sell, transfer, assign, or otherwise dispose of their shares without the prior written consent of the other Shareholders.

Any proposed transfer must comply with S Corporation eligibility requirements, including limitations on the type and number of shareholders.

11. Admission of New Shareholders

New Shareholders may be admitted only with the unanimous written consent of the existing Shareholders and must meet all legal requirements applicable to S Corporation shareholders.

12. Withdrawal, Death, or Incapacity

The Company shall maintain accurate and complete records of its operations, finances, and ownership. Financial records shall be made available to Shareholders upon reasonable request. The fiscal year of the Company shall end on _____.

13. Records and Accounting

In the event a Shareholder withdraws, becomes incapacitated, or dies:

- The remaining Shareholders shall have the option to purchase the departing Shareholder's interest.
- The purchase price shall be determined based on _____.
- Payment terms shall be mutually agreed upon in writing.

14. Tax Treatment

The Shareholders intend that the Company be treated as an S Corporation for tax purposes.

All Shareholders agree to comply with the requirements necessary to maintain this status, including restrictions on ownership and share structure.

15. Liability of Shareholders

No Shareholder shall be personally liable for the debts, obligations, or liabilities of the Company beyond their capital contributions, except as required by law.

16. Termination and Dissolution

The Company may be dissolved upon the occurrence of any of the following:

- Unanimous written consent of the Shareholders
- Sale of substantially all Company assets
- Any event requiring dissolution under applicable law

Upon dissolution, the Company's assets shall be distributed in the following order:

1. Payment of debts and liabilities
2. Return of capital contributions
3. Distribution of remaining assets according to ownership percentages

17. Governing Law and Dispute Resolution

This Agreement shall be governed by and interpreted in accordance with the laws of

_____.

Any disputes arising out of this Agreement shall be resolved through good faith negotiation. If unresolved, the dispute shall be submitted to mediation, and if necessary, binding arbitration, unless otherwise agreed by the Shareholders.

18. Amendments

This Agreement may be amended only by a written document signed by all Shareholders.

19. Entire Agreement

This Agreement constitutes the entire understanding among the Shareholders concerning the subject matter and supersedes all prior agreements or understandings.

20. Execution

This Agreement may be executed in counterparts, each of which shall be considered an original.

Signatures

IN WITNESS WHEREOF, the Shareholders have executed this S Corporation Operating Agreement as of the Effective Date first written above.

Shareholder 1

Name

Date

Signature

Shareholder 2

Name

Date

Signature



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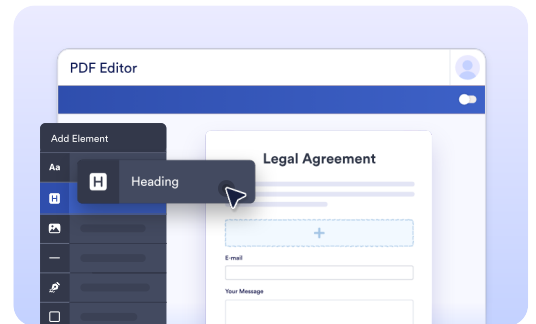
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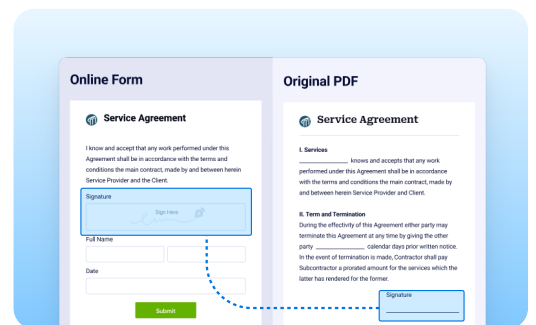
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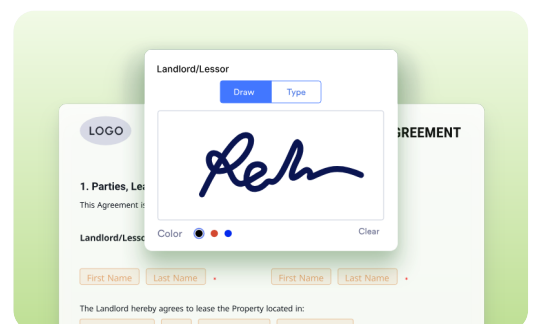
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