

VENTURE SMARTER

MULTI-MEMBER LLC OPERATING AGREEMENT TEMPLATE

[LLC NAME]

This Operating Agreement ("Agreement") is made effective as of [DATE], by and among the Members identified below (collectively, "Members") of [LLC NAME] ("Company"), a limited liability company formed under the laws of the State of [STATE].

ARTICLE I: FORMATION AND NAME

1.1 Formation. The Company was formed by filing Articles of Organization with the Secretary of State of [STATE] on [FORMATION DATE].

1.2 Name. The name of the Company is [LLC NAME].

1.3 Principal Office. The principal office of the Company is located at: [STREET ADDRESS] [CITY, STATE ZIP CODE]

1.4 Registered Agent. The registered agent and registered office are: [REGISTERED AGENT NAME] [REGISTERED AGENT ADDRESS] [CITY, STATE ZIP CODE]

1.5 Term. The Company shall continue in existence perpetually unless dissolved according to the terms of this Agreement or applicable state law.

ARTICLE II: PURPOSE AND POWERS

2.1 Business Purpose. The purpose of the Company is to [DESCRIBE BUSINESS PURPOSE] and to engage in any lawful business activity permitted under state law.

2.2 Powers. The Company shall have all powers necessary or convenient to carry out its business purpose as permitted under state law.

ARTICLE III: MEMBERS AND OWNERSHIP

3.1 Members and Membership Interests. The Members of the Company and their respective ownership percentages are as follows:

Member Name	Address	SSN/ Tax ID	Initial Capital	Ownership %	Units
MEMBER 1	[ADDRESS]	[SSN]	$[AMOUNT]	[%]	[NUMBER]
MEMBER 2	[ADDRESS]	[SSN]	$[AMOUNT]	[%]	[NUMBER]
MEMBER 3	[ADDRESS]	[SSN]	$[AMOUNT]	[%]	[NUMBER]
TOTAL			**$[TOTAL]**	**100%**	**[TOTAL]**

3.2 Membership Certificates. The Company may issue certificates evidencing membership interests, but such certificates are not required.

3.3 Single Class of Membership. The Company shall have only one class of membership interests. All membership interests shall have identical rights and privileges.

ARTICLE IV: MANAGEMENT

4.1 Management Structure. The Company shall be [MEMBER-MANAGED / MANAGER-MANAGED].

Member-Managed Structure (If Applicable)

4.2 Member Management. All Members shall have the right to participate in the management and control of the Company's business.

4.3 Voting Rights. Each Member shall have voting rights proportionate to their ownership percentage. Major decisions shall require [MAJORITY / SUPERMAJORITY / UNANIMOUS] vote of the Members.

4.4 Major Decisions Requiring Member Vote. The following actions require approval by [%] of the membership interests:

- Amending this Operating Agreement
- Admitting new members
- Selling, leasing, or disposing of substantially all Company assets
- Merging or consolidating with another entity
- Dissolving the Company
- Borrowing money exceeding $[AMOUNT]
- Entering into contracts exceeding $[AMOUNT]
- Making capital expenditures exceeding $[AMOUNT]
- Changing the Company's principal business
- Distributions exceeding ordinary course of business

4.5 Day-to-Day Operations. Routine business decisions not listed above may be made by any Member without consent of other Members.

Manager-Managed Structure (If Applicable)

4.6 Managers. The Company shall be managed by the following Manager(s):

- [MANAGER NAME 1]
- [MANAGER NAME 2]

4.7 Manager Authority. Managers shall have full authority to manage the day-to-day operations of the Company and bind the Company in contracts and agreements in the ordinary course of business.

4.8 Manager Appointment and Removal. Managers may be appointed or removed by [MAJORITY / SUPERMAJORITY] vote of the Members.

4.9 Manager Compensation. Managers shall be entitled to reasonable compensation as determined by majority vote of the Members.

ARTICLE V: MEETINGS AND VOTING

5.1 Annual Meetings. An annual meeting of Members shall be held on [DATE/FREQUENCY] at [TIME] at the principal office or such other location as designated by the Members.

5.2 Special Meetings. Special meetings may be called by any Member holding at least [%] of the membership interests by providing [NUMBER] days written notice.

5.3 Notice. Written notice of all meetings shall be provided to all Members at least [NUMBER] days prior to the meeting date.

5.4 Quorum. A quorum for meetings shall consist of Members holding [%] of the membership interests.

5.5 Voting. Unless otherwise specified in this Agreement, decisions shall be made by [MAJORITY / SUPERMAJORITY] vote of the Members based on ownership percentages.

5.6 Written Consent. Any action that may be taken at a meeting may be taken without a meeting if written consent is signed by Members holding the required voting percentage.

5.7 Meeting Minutes. Minutes shall be kept of all Member meetings and decisions.

ARTICLE VI: CAPITAL CONTRIBUTIONS

6.1 Initial Capital Contributions. Each Member has made the initial capital contribution set forth in Article III above.

6.2 Additional Capital Contributions. If the Company requires additional capital, the Members may vote to require additional contributions. Each Member shall contribute additional capital in proportion to their ownership percentage, unless otherwise agreed.

6.3 Failure to Contribute. If a Member fails to make a required additional capital contribution within [NUMBER] days of notice, the following consequences shall apply:

- The non-contributing Member's ownership percentage may be diluted
- The Company may pursue legal remedies
- Other Members may contribute the shortfall and adjust ownership accordingly

6.4 No Interest on Contributions. No Member shall be entitled to interest on any capital contribution.

6.5 Return of Contributions. No Member shall have the right to demand the return of capital contributions except upon dissolution or as provided for in distributions.

6.6 Capital Accounts. A separate capital account shall be maintained for each Member reflecting contributions, distributions, and allocations of profits and losses.

ARTICLE VII: ALLOCATIONS AND DISTRIBUTIONS

7.1 Profit and Loss Allocation. Profits and losses shall be allocated to the Members in proportion to their ownership percentages as follows:

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7.2 Distribution of Cash. Distributions of available cash shall be made to Members in proportion to their ownership percentages, or as otherwise agreed by unanimous vote.

7.3 Timing of Distributions. Distributions shall be made [QUARTERLY / ANNUALLY / AS DETERMINED BY MEMBERS] or at such other times as approved by [MAJORITY / SUPERMAJORITY] vote.

7.4 Tax Distributions. The Company shall make distributions sufficient for Members to pay taxes on their allocated share of Company income ("Tax Distributions") at the highest applicable tax rate.

7.5 Limitation on Distributions. No distribution shall be made if it would violate state law or render the Company unable to pay its debts as they become due.

ARTICLE VIII: TAX MATTERS

8.1 Tax Classification. For federal income tax purposes, the Company shall be treated as a partnership unless the Members elect otherwise.

8.2 Tax Returns. The Company shall file all required federal and state tax returns. The Company shall provide each Member with a Schedule K-1 by [DATE] each year.

8.3 Tax Matters Partner. [MEMBER NAME] is designated as the Tax Matters Partner and shall represent the Company in all tax matters.

8.4 Tax Elections. The Members may elect S-Corporation status (Form 2553) or corporate tax treatment (Form 8832) by [MAJORITY / UNANIMOUS] vote.

8.5 Accounting Method. The Company shall use the [CASH / ACCRUAL] method of accounting for tax purposes.

ARTICLE IX: BOOKS, RECORDS, AND REPORTING

9.1 Books and Records. The Company shall maintain complete and accurate books and records, including:

- This Operating Agreement and Articles of Organization
- Financial statements and tax returns
- Minutes of Member meetings
- Capital account records
- List of Members and ownership interests

9.2 Fiscal Year. The fiscal year shall be [CALENDAR YEAR / fiscal year ending MONTH DAY].

9.3 Bank Accounts. The Company shall maintain bank accounts in the Company's name. [SPECIFY WHO] shall be authorized signers.

9.4 Financial Statements. The Company shall provide Members with [QUARTERLY / ANNUAL] financial statements including balance sheet, income statement, and cash flow statement.

9.5 Inspection Rights. Each Member shall have the right to inspect and copy Company books and records upon reasonable notice.

ARTICLE X: TRANSFER OF MEMBERSHIP INTERESTS

10.1 Restrictions on Transfer. No Member may sell, assign, transfer, pledge, or otherwise dispose of their membership interest without the prior written consent of Members holding [%] of the membership interests.

10.2 Right of First Refusal. If a Member desires to transfer their interest, they must first offer it to the other Members on the same terms and conditions as any third-party offer.

10.3 Notice of Proposed Transfer. The transferring Member must provide written notice to all Members including:

- Identity of proposed transferee
- Purchase price and terms
- Other material terms of the proposed transfer

10.4 Exercise Period. Other Members shall have [NUMBER] days to accept the offer in proportion to their ownership percentages.

10.5 Company Right of First Refusal. If Members decline, the Company may purchase the interest on the same terms.

10.6 Permitted Transfers. The following transfers are permitted without consent:

- Transfer to spouse, children, or trust for Member's benefit
- Transfer to entity owned by Member
- Transfer required by court order or operation of law

10.7 Transferee Rights. No transferee shall become a Member without approval of Members holding [%] of interests. Unapproved transferees receive only economic rights, not management or voting rights.

ARTICLE XI: BUYOUT PROVISIONS

11.1 Triggering Events. The Company or remaining Members may purchase a departing Member's interest upon:

- Death of a Member
- Disability or incapacity
- Bankruptcy or insolvency
- Voluntary withdrawal (if permitted)
- Breach of this Agreement
- Termination of employment (if applicable)

11.2 Valuation. The purchase price shall be the fair market value of the membership interest determined by:

- [FORMULA: e.g., book value, multiple of earnings, appraisal]
- An independent business appraiser mutually agreed upon
- [SPECIFY VALUATION METHOD]

11.3 Payment Terms. Payment shall be made as follows:

- [LUMP SUM / INSTALLMENTS]

- [%] down payment with balance over [NUMBER] [MONTHS/YEARS]
- Interest rate of [%] on unpaid balance

11.4 First Right to Purchase. Upon a triggering event, remaining Members shall have [NUMBER] days to elect to purchase the departing Member's interest in proportion to their ownership.

ARTICLE XII: ADMISSION OF NEW MEMBERS

12.1 Admission Requirements. New Members may be admitted only upon:

- [UNANIMOUS / SUPERMAJORITY] approval of existing Members
- Execution of this Operating Agreement or joinder agreement
- Payment of agreed-upon capital contribution

12.2 Amendment of Agreement. Upon admission of a new Member, this Agreement shall be amended to reflect the new Member's information and adjusted ownership percentages.

ARTICLE XIII: WITHDRAWAL AND RESIGNATION

13.1 Right to Withdraw. A Member may withdraw from the Company by providing [NUMBER] days written notice to all Members.

13.2 Effect of Withdrawal. Upon withdrawal:

- The Member's management and voting rights terminate
- The Member retains economic rights until buyout is completed
- Buyout provisions of Article XI shall apply

13.3 Limitation on Withdrawal. No Member may withdraw if it would violate this Agreement or state law.

ARTICLE XIV: DISSOLUTION AND LIQUIDATION

14.1 Events of Dissolution. The Company shall dissolve upon:

- Written consent of Members holding [%] of interests
- Entry of decree of judicial dissolution
- Any event requiring dissolution under state law
- Sale of substantially all Company assets

14.2 Winding Up. Upon dissolution, the [MEMBERS / DESIGNATED MANAGER] shall wind up the Company's affairs and liquidate its assets.

14.3 Order of Distribution. Proceeds from liquidation shall be distributed in the following order:

1. Payment of debts and obligations to creditors
2. Establishment of reasonable reserves for contingent liabilities
3. Return of capital contributions to Members
4. Distribution of remaining proceeds to Members in proportion to their capital account balances

14.4 Certificate of Dissolution. Upon completion of winding up, a certificate of dissolution shall be filed with the Secretary of State**.**

ARTICLE XV: DISPUTE RESOLUTION

15.1 Mediation. Any dispute arising under this Agreement shall first be submitted to mediation with a mutually agreed-upon mediator.

15.2 Arbitration. If mediation fails, disputes shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association.

15.3 Governing Law and Venue. This Agreement shall be governed by the laws of [STATE]. Any legal action shall be brought in [COUNTY], [STATE].

ARTICLE XVI: GENERAL PROVISIONS

16.1 Amendments. This Agreement may be amended only by written consent of Members holding [%] of the membership interests.

16.2 Entire Agreement. This Agreement constitutes the entire agreement among the Members regarding the Company.

16.3 Severability. If any provision is held invalid, the remaining provisions shall continue in full force.

16.4 Binding Effect. This Agreement binds and benefits the Members and their heirs, successors, and permitted assigns.

16.5 Notices. All notices shall be in writing and delivered to Members at their addresses listed in this Agreement.

16.6 Counterparts. This Agreement may be executed in counterparts, each deemed an original.

16.7 Confidentiality. Members shall maintain confidentiality of Company proprietary information and trade secrets.

SIGNATURES

IN WITNESS WHEREOF, the Members have executed this Operating Agreement as of the date first written above.

MEMBER 1:

[MEMBER 1 NAME] Date: _____

MEMBER 2:

[MEMBER 2 NAME] Date: _____

MEMBER 3:

[MEMBER 3 NAME] Date: _____

ACKNOWLEDGMENT (Optional - If Notarization Required)

STATE OF [STATE] COUNTY OF [COUNTY]

On this ___ day of _____, 20, before me personally appeared [NAMES OF ALL MEMBERS], known to me to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Notary Public My Commission Expires: _____

[NOTARY SEAL]

This template is for informational purposes only and does not constitute legal advice. Consult with a qualified attorney to ensure this Operating Agreement meets your specific needs and complies with applicable state law.