

Multi Member Operating Agreement

[Company Name]

[Date]

[Company Name]

[Company Address]

[Company Address Continued]

[Company Phone #]

[Company Website]

PURPOSE. The purpose of this limited liability company (the "Company") is to engage in a business of [insert purpose of the company]. The Company is formed for the purpose of carrying on any lawful act or activity for which limited liability companies may be organized under the laws of [insert state]. The specific business activities in which the Company may engage are not limited to those described in this Agreement, but may include any other lawful act or activity not prohibited by law.

Operating Agreement

Formed in the State of [Insert State]

WHEREAS: The undersigned members, desiring to form a limited liability company under the laws of [insert state], hereby execute this Limited Liability Company Operating Agreement (the "Agreement"). The members recognize the benefits of forming a limited liability company, including the limited liability protection provided to its members, the flexibility of management and operation provided by the laws of [insert state], and the opportunity to carry on a business as a separate legal entity.

NOW, THEREFORE: In consideration of the mutual covenants contained herein and for other good and valuable consideration, the parties hereto agree as follows:

1. COMPANY DETAILS.

- a. NAME: The name of the Company is [insert company name]. The Company shall conduct its business under this name, or under any other name as may be designated from time to time by the members.
- b. OFFICE: The principal office of the Company is located at [insert address]. The Company may also have such other offices, either within or outside of [insert state], as the members may from time to time determine.
- c. REGISTERED AGENT: The Company's registered agent for service of process is [insert name and address of registered agent]. The registered agent shall be authorized to accept service of process on behalf of the Company and to forward such service to the members.

2. OWNERSHIP STRUCTURE.

- a. MEMBER 1: [Insert name of Member 1], with a mailing address of [insert address], owns [insert percentage of ownership] of the Company.
- b. MEMBER 2: [Insert name of Member 2], with a mailing address of [insert address], owns [insert percentage of ownership] of the Company.
- c. MEMBER 3: [Insert name of Member 3], with a mailing address of [insert address], owns [insert percentage of ownership] of the Company.

The ownership interests of the members are evidenced by their respective membership certificates, which shall be held by each member as evidence of their ownership in the Company.

3. MANAGEMENT STRUCTURE.

The Company shall be member-managed, with the members having equal authority and responsibility for the management of the Company. Each member shall have the right to participate in the management and direction of the Company, and to make decisions

affecting the Company. The members shall use their best efforts to promote the interests of the Company and to make decisions that are in the best interests of the Company.

The members may, at any time and by a vote of [insert majority vote requirement], elect to convert the Company from a member-managed structure to a manager-managed structure. Upon the election to convert, the members shall appoint one or more managers to manage and control the Company on behalf of the members. The managers shall have the same powers and responsibilities as the members had under the member-managed structure, and the members shall have no further management responsibilities or powers.

The members may, at any time and by a vote of [insert majority vote requirement], elect to revert the Company back to a member-managed structure. Upon the election to revert, the members shall regain all management responsibilities and powers.

This provision shall not limit the members' obligations under this Agreement or any other agreement entered into by the members on behalf of the Company. The members shall be entitled to receive all profits and benefits arising from the operation of the Company, and shall be responsible for all losses and liabilities incurred in connection with the operation of the Company, regardless of whether the Company is member-managed or manager-managed.

4. DECISION MAKING.

Decisions regarding the management and direction of the Company shall be made by a vote of the members. Each member shall have a number of votes equal to their ownership percentage in the Company. For example, if Member 1 owns 50% of the Company, they shall have 50% of the voting power. The members shall cast their votes on all matters requiring a vote of the members, either in person or by proxy. A majority vote of the members, based on the number of votes held by the members, shall be required for any action to be taken on behalf of the Company, except as otherwise provided in this Agreement.

5. BANK ACCOUNTS.

The members shall have the authority to open and maintain bank accounts in the name of the Company, and to make deposits and withdrawals from such accounts. The members shall have the right to sign checks, drafts, and other instruments for the withdrawal of funds from the Company's bank accounts. The members shall keep accurate and complete records of all transactions involving the Company's bank accounts, and shall provide each other with regular statements of such transactions.

6. CAPITAL CONTRIBUTIONS.

Each member shall make the following capital contributions to the Company:

- a. MEMBER 1: [Insert name of Member 1], [insert details of capital contributions]
- b. MEMBER 2: [Insert name of Member 2], [insert details of capital contributions]
- c. MEMBER 3: [Insert name of Member 3], [insert details of capital contributions]

The capital contributions shall be made within [insert time period]. The capital contributions shall be used to fund the operations of the Company and shall not be refundable to the members unless and until the Company is dissolved.

In the event that a member fails to make a capital contribution as required by this provision, the other members may take any action necessary to enforce this provision, including but not limited to, pursuing legal action against the non-compliant member.

The members' capital accounts shall be maintained to reflect their respective capital contributions and the results of operations of the Company. The members' capital accounts shall be credited with their respective shares of the Company's profits and charged with their respective shares of the Company's losses.

7. DISTRIBUTION OF PROFITS & LOSSES.

The profits and losses of the Company shall be distributed among the members in accordance with their respective ownership interests. The members shall share in the profits and losses of the Company in proportion to their respective ownership interests, as evidenced by their membership certificates.

8. TERM.

The term of the Company shall commence on [insert date] and shall continue until dissolved in accordance with this Agreement. The Company may be dissolved at any time by the vote of the members, or upon the occurrence of any other event specified in this Agreement.

9. TERMINATION.

The membership of a member in the Company may be terminated as provided in this Agreement. In the event of the termination of a member's membership, the remaining members shall have the right to purchase the terminating member's ownership interest in the Company, in accordance with the provisions of this Agreement.

10. DISTRIBUTIONS.

The profits and losses of the Company shall be distributed among the members in accordance with their respective ownership interests. Unless otherwise provided in this Agreement, distributions shall be made on a monthly basis, or at such other times as the members may determine.

In the event that the Company has insufficient funds to make a full distribution to the members, distributions shall be made in accordance with the priority established by the members in this Agreement, or in the absence of such priority, in accordance with the priority established by applicable law.

The members shall be entitled to receive regular financial statements showing the financial condition of the Company, including a statement of income and expenses and a balance sheet. The members shall also be entitled to receive such other financial information as they may reasonably request from time to time.

11. NOTICE.

Any notice required or permitted to be given under this Agreement shall be in writing and shall be delivered either personally or by recognized overnight courier, or sent by registered or certified mail, return receipt requested, to the addresses of the parties set forth in this Agreement, or to such other address as either party may have furnished to the other in writing. Notices shall be effective upon receipt, as evidenced by a written receipt or by the return receipt requested by mail.

12. MEETINGS & VOTING.

Meetings of the members may be held from time to time at such place and on such date as the members may determine. Notice of each meeting shall be given to each member not less than thirty (30) days prior to the date of the meeting. The notice shall specify the date, time, and place of the meeting, and shall include an agenda of the matters to be discussed at the meeting. The members shall have the right to vote on all matters requiring a vote of the members, either in person or by proxy. Each member shall have a number of votes equal to their ownership percentage in the Company, as outlined in the Decision Making provision.

13. CONFIDENTIALITY.

The members shall maintain the confidentiality of all confidential information of the Company, and shall not disclose such information to any third party without the prior written consent of the other members. The members shall use the confidential information of the Company solely for the benefit of the Company, and shall not use such information for their own personal benefit or for the benefit of any other person or entity.

14. MEMBER DUTIES.

Each member shall be responsible for performing the duties and responsibilities assigned to them. The members shall act in good faith and with the diligence and care that a reasonable and prudent person would use in similar circumstances. The members shall work together to achieve the objectives of the Company, and shall not take any actions that are adverse to the interests of the Company or the other members.

The members shall promptly notify the other members of any material changes in their personal or financial circumstances that may impact their ability to perform their duties and responsibilities under this Agreement. The members shall keep the other members informed of the affairs of the Company and shall provide the other members with such

information and access to the books and records of the Company as the other members may reasonably request.

15. NON-COMPETITION.

The members shall not engage in any business that competes with the Company during the term of this Agreement and for [insert number of years] thereafter. The members acknowledge that their activities with the Company may give them access to confidential information and trade secrets of the Company, and that their engagement in a competing business would cause irreparable harm to the Company.

16. INDEMNIFICATION.

The members shall indemnify and hold harmless each other from and against any and all claims, damages, and expenses arising from their respective actions or omissions in connection with the Company. The members shall be responsible for their own acts and omissions, and shall be liable for any damages or expenses incurred by the Company as a result of their acts or omissions.

17. TRANSFER OF OWNERSHIP.

The ownership interests of the members in the Company are personal property and may be transferred by the members to any person or entity, subject to the terms and conditions of this Agreement. Any transfer of ownership interests shall be made in accordance with the procedures set forth in this Agreement and shall be subject to the approval of the other members.

In the event that a member wishes to transfer their ownership interest in the Company, they shall provide written notice of the transfer to the other members, including the name of the proposed transferee and the terms of the transfer. The other members shall have the right to approve or reject the proposed transfer within [insert time period], and their approval or rejection shall be based on their good faith determination of whether the proposed transfer is in the best interests of the Company and the other members.

If the transfer of ownership is approved by the other members, the transferring member shall execute all necessary documents and take all necessary steps to effect the transfer, and the transferee shall become a party to this Agreement and shall be bound by its terms and conditions. If the transfer of ownership is rejected by the other members, the transferring member shall not be entitled to transfer their ownership interest in the Company without the prior written consent of the other members.

In the event of a member's death, the ownership interest of the deceased member shall automatically be transferred to the deceased member's legal representative or, if no legal representative is appointed, to the deceased member's estate. The transfer of ownership in the event of a member's death shall be governed by the applicable laws of the [State or jurisdiction], and shall not be subject to the approval of the other

members. The transferee of the deceased member's ownership interest shall become a party to this Agreement and shall be bound by its terms and conditions.

18. TAX TREATMENT.

The Company shall be taxed as [insert tax treatment, such as a partnership or a disregarded entity]. The members shall be responsible for the preparation and filing of all tax returns and other tax-related documents required in connection with the Company's operations, and for the payment of all taxes and other obligations arising from such operations. The members shall allocate the profits and losses of the Company among themselves in a manner that is consistent with the provisions of this Agreement and the applicable tax laws.

19. DISSOLUTION.

The Company may be dissolved at any time by the vote of the members, or upon the occurrence of any other event specified in this Agreement. Some examples of events that may trigger the dissolution of the Company include the death or incapacity of a member, the bankruptcy of a member, or a material breach of this Agreement by a member. In the event of the dissolution of the Company, the members shall wind up the affairs of the Company, and shall distribute the assets of the Company among the members in accordance with their respective ownership interests. The members shall take all necessary steps to effect the dissolution of the Company in accordance with the applicable laws.

20. AMENDMENT.

This Agreement may be amended from time to time by the vote of the members. Any amendment to this Agreement shall be binding upon all of the members, and shall be reflected in a written instrument executed by all of the members.

21. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement among the members with respect to the subject matter hereof and supersedes all prior negotiations, understandings, and agreements, whether written or oral, among the members. This Agreement may not be amended or modified except in writing signed by all of the members.

Each member acknowledges that, in executing this Agreement, they have not relied on any representations or warranties, whether express or implied, made by any member or any other person or entity, except as set forth in this Agreement. Each member agrees that this Agreement is the result of their own independent investigation and analysis and that they are not relying on any representations or warranties made by any other member or any other person or entity.

22. DISPUTE RESOLUTION.

Any disputes arising under or in connection with this Agreement shall be resolved through arbitration in accordance with the rules of the American Arbitration Association. The arbitrator's award shall be binding and final, and may be entered as a judgment in any court of competent jurisdiction.

23. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of [insert state]. The members submit to the jurisdiction of [insert state], and agree that any legal action arising under or in connection with this Agreement shall be brought in such courts.

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

MEMBER 1: _____

Signature

Printed Name

MEMBER 2: _____

Signature

Printed Name

MEMBER 3: _____

Signature

Printed Name

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