

MULTI-MEMBER LLC OPERATING AGREEMENT

LLC Name: [LLC NAME] **State of Formation:** DE **Effective Date:**

This Operating Agreement (this "Agreement") of [LLC NAME] (the "Company"), a limited liability company organized under the laws of the State of DE, is entered into effective as of , by and among the Members listed below.

1. Formation

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

State of formation. The Company is organized under the DE Limited Liability Company Act and such other laws as are applicable. Articles of Organization have been filed with the DE Secretary of State.

Principal office. The principal office of the Company is located at [PRINCIPAL OFFICE ADDRESS], or such other place as the Members may designate.

Registered agent. The registered agent of the Company in the State of DE is [REGISTERED AGENT NAME], located at [REGISTERED AGENT ADDRESS IN STATE OF].

Purpose. To engage in any lawful business for which a limited liability company may be organized under applicable state law.

Term. The Company shall continue in perpetuity until dissolved in accordance with this Agreement or applicable law.

2. Members and Capital Contributions

The Members of the Company, their addresses, initial capital contributions, and membership interests are:

Member	Address	Initial Contribution	Membership Interest
[MEMBER 1 FULL LEGAL NAME]	[MEMBER 1 ADDRESS]	\$0.00	100%

Additional capital. Additional capital contributions shall be made only with the unanimous written consent of the Members, in proportion to their respective membership interests unless the Members agree otherwise in writing.

Capital accounts. A capital account shall be maintained for each Member in accordance with Treasury Regulation §1.704-1(b)(2)(iv). No Member shall have the right to demand the return of any capital contribution except as expressly provided in this Agreement.

No interest on contributions. No Member shall be paid interest on any capital contribution, and no Member shall be obligated to restore a negative capital-account balance unless required by Treasury

Regulation §1.704-1(b)(2)(ii)(c) or other applicable law.

3. Management

Member-managed. The Company is a member-managed LLC. All Members shall have the right to participate in the management of the Company's business. Decisions of the Members shall be made by majority vote, weighted by membership interest, except where this Agreement or applicable law requires a greater vote.

Meetings. Members may hold meetings at any time and location, in person or by telephone, videoconference, or other means of remote communication that permits all participants to hear or see each other. Action may also be taken by unanimous written consent in lieu of a meeting, including by email or electronic signature.

4. Distributions and Allocations

Profit and loss allocation. Profits and losses shall be allocated among the Members in proportion to their respective membership interests.

Distributions of available cash. The Company shall distribute available cash to the Members from time to time, as determined by the Members, in proportion to their membership interests, subject to the tax-distribution requirements below.

Tax distributions (phantom-income protection). Notwithstanding any other provision, for each taxable year the Company shall distribute to each Member, by April 1 of the following year, an amount sufficient to enable the Member to pay federal and state income tax on the Member's share of Company taxable income, calculated at an assumed combined rate of **40%** (or such higher rate as the Members unanimously designate). Tax distributions shall be treated as advances against subsequent distributions and shall be paid even if the Company has not otherwise made distributions during the taxable year. This provision protects Members from bearing tax liability on phantom income — taxable income allocated to Members that has not yet been distributed as cash.

Restrictions on distributions. No distribution shall be made if it would render the Company unable to pay its debts as they become due in the ordinary course of business or if total liabilities would exceed total assets (solvency test — consistent with ULLCA §405).

5. Tax Classification

Pass-through tax treatment. The Members intend that the Company be treated as a partnership for federal income tax purposes (reported on IRS Form 1065 with K-1s issued to each Member). No Member shall take any position inconsistent with this classification without the written consent of all Members.

Fiscal year. The Company's fiscal year shall end on December 31.

6. Partnership Representative (BBA / Centralized Partnership Audit Regime)

The Company designates **** as the Partnership Representative under the Bipartisan Budget Act of 2015 (26 U.S.C. §6223) and the Centralized Partnership Audit Regime. The Partnership Representative shall have sole authority to act on behalf of the Company in all matters before the Internal Revenue Service. The Partnership Representative shall promptly notify the Members of any audit, notice of proposed adjustment, or other material IRS communication and shall consult with the Members before making any election that affects Member tax liability (including the "push-out" election under §6226). If the Partnership Representative ceases to serve, a successor shall be designated by majority vote of the Members.

7. Corporate Transparency Act — Beneficial Ownership Information

The Company is subject to the Corporate Transparency Act (31 U.S.C. §5336) and shall file a Beneficial Ownership Information (BOI) Report with the Financial Crimes Enforcement Network (FinCEN) within the applicable deadline (generally 30 days of formation for new entities formed on or after January 1, 2024, and within 30 days of any change in beneficial ownership thereafter). Failure to file may result in civil penalties of up to **\$500 per day** and criminal penalties of up to **\$10,000** plus imprisonment.

Designated filer. The Members shall designate, by written resolution, a Member or officer responsible for BOI compliance. Each Member shall cooperate fully by providing the personal information required for the BOI Report (legal name, date of birth, residential address, and a unique identifying number from an acceptable identification document).

Transfer Restrictions and Buy-Sell

Right of First Refusal. No Member may transfer, sell, or encumber all or any portion of the Member's membership interest without first offering the interest to the other Members on the same terms. The selling Member shall deliver written notice to the Company specifying the proposed transferee, price, and terms. The other Members shall have thirty (30) days from receipt of such notice to elect, by written notice, to purchase the offered interest pro rata (by membership interest) on the same terms.

Buy-sell triggers. Upon the occurrence of any of the following events as to a Member (a "Triggering Event"), the Company (or, at the Company's election, the remaining Members) shall have the option to purchase the affected Member's interest:

1. Death of a Member;
2. Permanent disability of a Member (as certified by two independent physicians);
3. Divorce of a Member, to the extent the divorce decree awards any portion of the Member's interest to the non-member spouse;
4. Personal bankruptcy or insolvency of a Member;

5. Voluntary withdrawal of a Member with [sixty (60)] days' prior written notice;
6. Expulsion of a Member for cause (by vote of the other Members representing at least 75% of the remaining membership interest).

Valuation method. The purchase price of the transferring interest shall be determined by an independent appraiser selected by mutual agreement, whose determination shall be final.

Payment terms. The purchase price shall be paid within ninety (90) days, or, at the Company's election, in equal monthly installments over thirty-six (36) months with interest at the Applicable Federal Rate in effect on the purchase date.

General Provisions

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of DE, without regard to its conflict-of-laws rules.

Delaware charging-order exclusivity. The Members acknowledge that, under 6 Del. C. §18-703, a charging order is the exclusive remedy of a Member's judgment creditor with respect to the Member's membership interest — a judgment creditor cannot force a liquidation or seize management rights.

Arbitration. Any dispute arising out of or relating to this Agreement shall be resolved by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules in [VENUE CITY], DE. Judgment on the award may be entered in any court of competent jurisdiction.

Amendment. This Agreement may be amended only by a written instrument signed by Members holding at least a majority of the membership interests (or such greater vote as this Agreement or applicable law requires for the specific amendment).

Severability. If any provision is held invalid, the remainder shall continue in full force, and the invalid provision shall be modified to the minimum extent necessary to be enforceable while preserving the Members' original intent.

Entire Agreement. This Agreement constitutes the entire agreement between the Members concerning the Company and supersedes all prior or contemporaneous agreements and understandings, whether oral or written.

Counterparts and Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original. Electronic signatures are valid and binding under the federal E-SIGN Act (15 U.S.C. §7001 et seq.) and applicable state law.

Indemnification. Each Member, acting on behalf of the Company, shall be indemnified by the Company against any loss, liability, or expense (including reasonable attorneys' fees) arising from any act or

omission performed in good faith in furtherance of the Company's business, except in the case of fraud, willful misconduct, or gross negligence.

Signatures

IN WITNESS WHEREOF, the Members have executed this Agreement as of the Effective Date.

Member 1

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE