

**DISCLAIMER:** This sample document is provided for informational purposes only, and may not be suitable for all circumstances. This sample document may have legal or tax consequences that should be discussed with an attorney and/or accountant prior to executing the document.



# Minnesota Multi-Member LLC Operating Agreement Manager-Managed

Thank you for downloading TRUiC's operating agreement sample PDF. This document provides an outline for you to create a suitable operating agreement for your business.



## \*Better Option: Create a Custom Operating Agreement

Use our **free**, easy-to-use tool to create a custom operating agreement for your LLC. Features of the tool include:

- Single-member or multiple-member LLCs
- Member-managed or manager-managed LLCs
- Ability to add custom sections and clauses

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To begin creating your custom LLC operating agreement, create an account in the TRUiC Business Center. This account will grant you access to many other free tools and special discounted business services.

[CREATE AN ACCOUNT](#)

[howtostartanllc.com/account/register](http://howtostartanllc.com/account/register)

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## How to Sign this Operating Agreement

Outlining the responsibilities of LLC members is an important step in establishing your business; now you and the other owners simply need to sign it correctly. Follow the sample provided below.

**Each LLC member must sign both for the company and for themselves.**

THE COMPANY:	MEMBERS:
 _____ Company Name, LLC By: John Smith Its: Member	 _____ John Smith
 _____ Company Name, LLC By: Jane Doe Its: Member	 _____ Jane Doe

**The manager signs here. If the manager is also an owner of the company, they must sign for the company and for themselves in addition to signing as the manager.**

**ACCEPTANCE OF APPOINTMENT AS MANAGER**

The undersigned accepts the appointment as Manager of the Company on the terms and conditions set forth in this Operating Agreement and under applicable law.

Dated: 01-20-2023 \_\_\_\_\_

  
\_\_\_\_\_  
John Smith

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**OPERATING AGREEMENT OF**

\_\_\_\_\_, LLC  
This Operating Agreement is made and adopted effective \_\_\_\_\_ [date] by \_\_\_\_\_, LLC, a limited liability company organized under the laws of Minnesota (the Company) and \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, its members (each a Member, together the Members).

**ARTICLE I - ORGANIZATION**

Section 1.1 – Company Formation and Duration. The Company has been organized as a limited liability company managed by a manager. The Company shall commence on the date of filing of the Articles of Organization and shall exist until the Company dissolves and its affairs are wound up in accordance with this Operating Agreement or applicable law.

Section 1.2 – Members and LLC Units. “LLC Units” or “Units” means measures of ownership in the LLC. The ownership of the Company shall consist of Units with equal rights for all purposes under this Operating Agreement. “LLC Unit Percentage” means, with respect to a Member, the percentage derived by dividing number of LLC Units held by such Member by the total number of LLC Units held by all Members and, thereafter, multiplying the resulting fraction by 100 to arrive at a percentage.

Section 1.3 – Table of Members, LLC Units, and LLC Unit Percentages. The Members of the Company are set forth below, alongside the number of LLC Units and the LLC Unit Percentage for each Member. Any time there is a change in the membership in the Company (for example, admission of a new member, withdrawal of a member, issuance of new LLC Units, etc.), the Company shall create an updated table of Members, LLC Units, and LLC Unit Percentages, circulate a copy to all Members, and maintain a copy with the Company’s official records.

<b>Member Name</b>	<b>LLC Units</b>	<b>LLC Unit Percentage</b>
Totals:		100%

Section 1.4 – Books and Records. The Company shall maintain complete and accurate books and records of the Company’s business and affairs.

Section 1.5 – Amendment; Entire Agreement. This Operating Agreement may be amended at any time by a majority Vote in interest of LLC Units (as defined below), for any reason. This Operating Agreement, as may be amended, constitutes the entire agreement between the Members and Company with respect to the subject matter hereof.

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## **ARTICLE II – MANAGEMENT AND VOTING**

**Section 2.1 – Management by Manager.** The Company shall be managed by a Manager, who may be known as and hold any title(s) approved by a majority Vote in interest of LLC Units. The initial appointed Manager is set forth below:

\_\_\_\_\_ [Manager Name]

**Section 2.2 – Voting.** Although the affairs and business of the Company shall be conducted by a Manager in accordance to this Operating Agreement, the specific actions set forth below shall be decided by a Vote in interest of LLC Units and not by the Manager. “Vote in interest of LLC Units” means a vote of the LLC Members in which each LLC Member shall have one vote per LLC Unit possessed; for example, a Member possessing 15 LLC Units would have 15 votes in interest. Unless another percentage is given elsewhere in this Operating Agreement or by applicable state law, all Member votes on any matter shall require an affirmative vote in interest by LLC Members of more than 50% of the outstanding total of LLC Units to pass or approve the motion, resolution, or otherwise take action by the Members (a majority Vote in interest of LLC Units). The actions to be decided by a Vote in interest of LLC Units and not by the Manager are as follows:

- a. Any merger, conversion, or dissolution of the Company;
- b. Any amendment to the articles of organization or this Operating Agreement;
- c. Any admission of a new Member or change in membership of the Company;
- d. Any sale or disposition of all or substantially all of the assets of the Company;
- e. The appointment or removal of Manager(s) and changes to the scope of authority delegated to Manager(s).

**Section 2.3 – Manager Authority.** Any and all decisions concerning the affairs of the Company shall, except as set forth in this Operating Agreement or applicable law, be made by the Manager alone. The Members may, by Vote in interest of LLC Units, remove the Manager at any time, for any reason or no reason whatsoever, with or without prior notice. The Manager may resign at any time with prior written notice to the Members. If the Manager is removed, resigns, or is unwilling or unable to continue serving as the Manager, the Members shall appoint a successor Manager by Vote in interest of LLC Units.

**Section 2.4 – Indemnification.** Unless otherwise provided by law, the Members are not liable for the acts, debts, or obligations of the Company. The Company shall indemnify, defend, and hold the each Member harmless from and against any losses, claims, costs, damages, and liabilities, including, without limitation, judgments, fines, amounts paid in settlement, and expenses incurred by each Member in any civil, criminal, or investigative proceeding in which the Member is involved or threatened to be involved by reason of the Member’s membership in or management of the Company.

### **ARTICLE III – CAPITAL CONTRIBUTIONS**

Section 3.1 – Initial Capital Contributions. The Members have made or will make an initial contribution to the capital of the Company, as set forth in Company records.

Section 3.2 – Additional Capital Contributions by Members. The Members may, by majority Vote in interest of LLC Units, raise additional capital by issuing additional LLC Units to existing members in exchange for capital contributions specified by resolution.

Section 3.3 – Additional Capital by Admission of New Members. The Members may, by majority Vote in interest of LLC Units, raise additional capital by issuing additional LLC Units to a newly admitted member in exchange for capital contributions specified by resolution and in accordance with Section 5.1.

### **ARTICLE IV – DISTRIBUTIONS**

Section 4.1 – Allocations. Except as may be required by the Internal Revenue Code (Title 26 of the United States Code) or the Treasury Regulations (Title 26 of the Code of Federal Regulations) or this Operating Agreement, net profits, net losses, and other items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members in proportion to each Member's LLC Unit Percentage.

Section 4.2 – Distributions. The Members, by resolution issued pursuant to this Operating Agreement, may make distributions to the Members from time to time in the total amount the Members deem appropriate. Such distributions shall be allocated among the Members in proportion to each Member's LLC Unit Percentage. No distribution shall be declared or made if, after making the distribution, the Company would not be able to pay its debts as they become due or the Company's total assets would be less than the sum of its total liabilities.

### **ARTICLE V – MEMBERSHIP CHANGES**

Section 5.1 – New Members. The Members may by majority Vote in interest of LLC Units admit a new member in the Company and issue additional LLC Units to new members. Any new members shall, before being admitted and as a condition to admission, execute any document or documents required by the Company, agree to be and become a member of the Company, and agree to be bound by the terms of the Company Operating Agreement.

Section 5.2 – Transfers of LLC Units. The Member may voluntarily sell, transfer, assign, encumber, pledge, convey, or otherwise dispose of part or all of Member's membership interest, but only upon a majority Vote in interest of LLC Units allowing the transfer and admitting the new Member in accordance with Section 5.1, if the new Member does not already hold LLC Units in the Company.

Section 5.3 – Voluntary Withdrawal. Members shall have the unilateral right to withdraw at any time from the Company subject to the terms of this Operating Agreement and applicable law.

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## ARTICLE VI – DISSOLUTION

Section 6.1 – Dissolution. Upon a majority Vote in interest of LLC Units, the Company shall dissolve and its affairs shall be wound up. On dissolution, the Company shall cease carrying on its business and affairs and shall begin to wind them up. The Company shall complete the winding up as soon as practicable. On the winding up of the Company, its assets shall be distributed in a manner consistent with applicable law.

### THE COMPANY:

\_\_\_\_\_  
Member 1 Signature  
\_\_\_\_\_, LLC  
Company Name  
By: \_\_\_\_\_  
Member 1 Printed Name

Its: Member

\_\_\_\_\_  
Member 2 Signature  
\_\_\_\_\_, LLC  
Company Name  
By: \_\_\_\_\_  
Member 2 Printed Name

Its: Member

\_\_\_\_\_  
Member 3 Signature  
\_\_\_\_\_, LLC  
Company Name  
By: \_\_\_\_\_  
Member 3 Printed Name

Its: Member

\_\_\_\_\_  
Member 4 Signature  
\_\_\_\_\_, LLC  
Company Name  
By: \_\_\_\_\_  
Member 4 Printed Name

Its: Member

### MEMBERS:

\_\_\_\_\_  
Member 1 Signature  
\_\_\_\_\_  
Member 1 Printed Name

\_\_\_\_\_  
Member 2 Signature  
\_\_\_\_\_  
Member 2 Printed Name

\_\_\_\_\_  
Member 3 Signature  
\_\_\_\_\_  
Member 3 Printed Name

\_\_\_\_\_  
Member 4 Signature  
\_\_\_\_\_  
Member 4 Printed Name

## ACCEPTANCE OF APPOINTMENT AS MANAGER

The undersigned accepts the appointment as Manager of the Company on the terms and conditions set forth in this Operating Agreement and under applicable law.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Manager Signature

\_\_\_\_\_  
Manager Printed Name