

Family LLC Operating Agreement

This Family LLC Operating Agreement ("Agreement") is entered into and becomes effective on

("Effective Date") by and among the following individuals (collectively, the "Members"):

_____, of _____,
_____, of _____,
_____, of _____.

The Members establish this Agreement to govern the ownership, management, operation, and internal affairs of _____
(the "Company"), a limited liability company organized under the laws of _____.

Recitals

WHEREAS, the Members are family members who wish to jointly own and operate the Company for lawful business, investment, estate planning, asset management, or other family-related purposes;

WHEREAS, the Members desire to define their respective rights, duties, ownership interests, management authority, and procedures for the operation of the Company;

NOW, THEREFORE, in consideration of the mutual promises and obligations contained in this Agreement, the Members agree as follows.

1. Formation

The Company has been formed as a limited liability company under the applicable laws of its jurisdiction of formation.

The Members intend that this Agreement shall govern the internal affairs of the Company from the Effective Date and shall remain effective until amended or terminated in accordance with this Agreement.

2. Purpose

The Company is organized to engage in any lawful business activity permitted under applicable law, including but not limited to:

- Owning and managing family investments;
- Holding real estate or other assets;
- Operating businesses;
- Managing financial resources for the benefit of the Members; and
- Any related lawful activities approved by the Members.

3. Principal Office

The principal office of the Company shall be located at:

The Members may relocate the principal office by mutual approval.

4. Term

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

5. Members

The Members of the Company are identified below.

Member	Address	Ownership Interest

The ownership interests listed above represent each Member's percentage interest in the Company unless modified by a written amendment to this Agreement.

6. Capital Contributions

Each Member shall contribute the cash, property, services, or other assets described below.

Member	Initial Contribution	Estimated Value

No Member shall be required to make additional capital contributions unless all Members agree in writing.

7. Ownership Interests

Ownership interests shall determine each Member's share of profits, losses, and distributions unless otherwise provided in this Agreement.

Ownership interests may not be changed except through a written amendment approved by the Members in accordance with this Agreement.

8. Management

The Company shall be managed by managing members. The managing members shall be responsible for the day-to-day operation of the Company, including:

- Managing Company assets;
- Entering into contracts;
- Maintaining financial records;
- Paying Company obligations;
- Making operational decisions consistent with this Agreement; and
- Performing all duties reasonably necessary for the Company's operation.

All managing members shall act in good faith and in the best interests of the Company.

9. Member Decisions

The following matters require approval of Members holding at least _____ % of the ownership interests unless a higher approval threshold is specified in this Agreement:

- Admission of a new Member;
- Sale of substantially all Company assets;
- Merger or conversion of the Company;
- Amendment of this Agreement;
- Dissolution of the Company;
- Incurring significant debt exceeding ; and
- Any other extraordinary business transaction.

Routine operational matters may be decided by the Manager unless reserved for Member approval. All managing members shall act in good faith and in the best interests of the Company.

10. Meetings

The Members shall meet as necessary to discuss Company affairs. Meetings may be conducted in person or through electronic communication. Reasonable notice of each meeting shall be provided to all Members.

Written minutes or written records of major decisions shall be maintained with the Company's records.

11. Profits, Losses, and Distributions

Profits and losses shall be allocated among the Members according to their ownership interests unless otherwise agreed in writing.

Cash distributions shall be made at such times and in such amounts as determined by the Members after considering:

- Company operating needs;
- Existing liabilities;
- Planned investments;
- Required reserves; and
- Applicable legal requirements.

No Member has a guaranteed right to periodic distributions.

12. Company Records

The Company shall maintain accurate records including:

- Financial statements;
- Tax records;
- Ownership records;
- Meeting records;
- Capital contribution records; and
- Other records reasonably necessary for Company operations.

Each Member may inspect Company records upon reasonable notice during normal business hours.

13. Banking and Financial Matters

Company funds shall be maintained separately from the personal funds of any Member.

All Company accounts shall be held in the Company's name. Authorized signatories shall be designated by the Members.

14. Taxes

The Company shall maintain all tax records required by applicable law.

The Members shall cooperate in providing information reasonably necessary for tax reporting.

The Members may appoint one Member or another authorized representative to coordinate tax matters on behalf of the Company.

15. Duties of Members

Each Member agrees to:

- Act honestly and in good faith regarding Company matters;
- Avoid using Company property for unauthorized personal purposes;
- Protect confidential Company information;
- Cooperate with reasonable Company decisions made under this Agreement; and
- Comply with applicable laws affecting Company operations.

16. Transfer of Membership Interests

Because the Company is family-owned, preserving family ownership is an important objective.

A Member may not sell, assign, transfer, pledge, or otherwise dispose of any ownership interest without the prior written approval required under this Agreement.

Before transferring an ownership interest to any person who is not already a Member, the transferring Member shall first provide the remaining Members with written notice of the proposed transfer, including the proposed terms. The remaining Members shall have the right to purchase all or part of the offered interest on substantially the same terms before any transfer to a non-Member may occur.

Any approved transferee shall become a Member only after accepting this Agreement in writing and receiving any required Member approval.

17. Withdrawal, Death, or Incapacity of a Member

If a Member voluntarily withdraws, dies, or becomes legally incapable of managing their affairs, the remaining Members may continue the Company.

The remaining Members may purchase the affected Member's ownership interest at a value determined by a valuation method agreed upon by the Members or, if none has been established, by an independent qualified appraiser selected by the Members.

Until the ownership interest is transferred or redeemed, the rights associated with that interest shall be governed by applicable law and this Agreement.

18. Admission of New Members

A new Member may be admitted only with the approval required under the Member Decisions clause.

Each new Member shall:

- Execute a written agreement to be bound by this Agreement;
- Make any agreed capital contribution; and
- Receive the ownership interest approved by the Members.

19. Limitation of Liability

No Member shall be personally liable for the debts, liabilities, or obligations of the Company solely because of their status as a Member, except to the extent required by applicable law or by the Member's own actions or agreements.

20. Indemnification

To the fullest extent permitted by applicable law, the Company shall indemnify any Member, Manager, officer, or authorized representative for claims, losses, liabilities, costs, or expenses reasonably incurred while acting on behalf of the Company in good faith and within the scope of their authority.

Indemnification shall not apply to conduct involving fraud, intentional misconduct, willful violation of law, or a material breach of this Agreement.

21. Confidentiality

Each Member shall keep confidential all non-public Company information, financial information, business strategies, customer information, and other proprietary information obtained through participation in the Company.

This obligation continues after a Member ceases to hold an ownership interest, except where disclosure is required by law or authorized in writing by the Company.

22. Insurance

The Company may obtain insurance coverage considered appropriate by the Members, including property, liability, business, or key-person insurance.

23. Dissolution

The Company may be dissolved upon:

- Approval of the Members as required under this Agreement;
- The occurrence of an event requiring dissolution under applicable law; or
- Any other event specified in this Agreement.

Upon dissolution, the Company's affairs shall be wound up in an orderly manner. Company assets shall be used to satisfy outstanding obligations before any remaining assets are distributed to the Members according to their respective ownership interests or as otherwise required by law.

24. Amendment

This Agreement may be amended only by a written agreement signed by the Members holding the approval required under the Member Decisions clause.

No oral modification shall be effective.

25. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of _____, without regard to conflict of law principles.

Any dispute arising from or relating to this Agreement shall be resolved in the courts or other legally authorized dispute resolution forum located in _____, unless the Members agree in writing to another method of dispute resolution.

26. Notices

Any notice required under this Agreement shall be in writing and delivered personally, by recognized courier, by certified or registered mail, or by electronic mail to the contact information designated by the receiving Member.

A notice shall be considered received on the date of delivery, the date confirmed by the delivery service, or the date electronic transmission is confirmed, as applicable.

27. Entire Agreement

This Agreement constitutes the complete understanding among the Members concerning the Company and supersedes all prior oral and written discussions, negotiations, and agreements relating to its subject matter.

If any provision of this Agreement is determined to be unenforceable, the remaining provisions shall continue in effect to the fullest extent permitted by law.

28. Signatures

By signing below, the Members acknowledge that they have read, understood, and voluntarily agree to be bound by this Family LLC Operating Agreement.

Member 1

Name:

Date:

Member 2

Name:

Date:

Member 3

Name:

Date: