

# Manager-Managed LLC Operating Agreement Template

for a California Limited Liability Company (LLC)

This Operating Agreement (the "Agreement") is entered into as of [date] by and between [LLC Name], a California limited liability company (the "Company"), and its members (the "Members").

## Article I: Formation

- Formation:** The Company was formed under the provisions of the California Revised Uniform Limited Liability Company Act ("RULLCA") pursuant to its Articles of Organization filed with the California Secretary of State on [date].
- Legal Capacity:** The Company has the legal capacity to sue and be sued in its own name. (Cal. Corp. Code § 17701.05(b)).
- Governing Law:** The internal affairs of the Company, liabilities, and authorities of Members and Managers shall be governed by California law. (Cal. Corp. Code § 17701.06).

## Article II: Purpose and Powers

- Purpose:** The Company is organized to engage in any lawful business permitted under California law.
- Powers:** The Company may conduct all activities permitted by law and as outlined in this Agreement.

## Article III: Management Structure

- Management:** The Company is manager-managed, with Managers designated by the Members.
- Authority:** Managers shall have exclusive authority to manage the Company's operations, subject to limitations in this Agreement and applicable law. (Cal. Corp. Code § 17704.07(c)).
- Member Roles:** Members not serving as Managers shall have limited involvement, retaining voting rights on major decisions as defined herein.

## Article IV: Duties and Responsibilities

1. **Fiduciary Duties:**
  - Managers and Members owe duties of loyalty and care to the Company. (Cal. Corp. Code §§ 17704.09(b), 17704.09(c)).
  - Permissible activities and approval processes for conflict-of-interest transactions may be specified by resolution.
2. **Good Faith:** Managers and Members must act in good faith and deal fairly in their contractual obligations.

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## Article V: Records and Information

1. **Record Keeping:** The Company shall maintain **internal company records**, including the operating agreement, articles of organization, financial statements, and minutes. (Cal. Corp. Code § 17704.10).
2. **Information Rights:** Members have the right to inspect and copy records as provided under RULLCA.

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## Article VI: Offices and Agents

1. **Registered Office:** The Company shall designate and maintain an office and agent for service of process in compliance with California law. (Cal. Corp. Code §§ 17701.13–17701.16).

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## Article VII: Allocations, Distributions, and Ownership

1. **Allocations and Distributions:** Profits and losses shall be allocated proportionally to Members based on their ownership interest percentages, unless otherwise agreed.
2. **Ownership Interests:** Ownership percentages and any changes must be documented and approved by a majority of Members.

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## Article VIII: Voting and Decision-Making

1. **Major Decisions:** Members retain voting rights on:
  - Dissolution of the Company.
  - Conversion or merger of the Company.
  - Amendments to the Articles of Organization. (Cal. Corp. Code § 17704.07(s), (t)).
2. **Approval Threshold:** Major decisions require approval by a majority of Members unless specified otherwise.

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## Article IX: Amendments and Modifications

1. **Amendments:** Amendments to this Agreement or the Articles of Organization must be approved by a majority of Members.
2. **Effect on Third Parties:** Modifications to default rules shall not adversely affect third parties unless explicitly allowed under RULLCA. (Cal. Corp. Code § 17701.10).

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## Article X: Dissolution and Winding Up

1. **Dissolution:** Dissolution shall occur in compliance with RULLCA provisions. (Cal. Corp. Code § 17707.01 et seq.).
2. **Court-Ordered Dissolution:** Efforts shall be made to prevent dissolution through court intervention. (Cal. Corp. Code § 17707.03).

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## Article XI: Liability and Indemnification

1. **Prohibited Limitations:** The Agreement shall not eliminate liability for:
  - Breaches of the duty of loyalty.
  - Unlawful financial benefits.
  - Criminal violations or intentional harm. (Cal. Corp. Code § 17701.10(c), (d), (g)).
2. **Indemnification:** The Company may indemnify Members and Managers for actions taken in good faith within their authority.

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## Article XIII: Miscellaneous

1. **Compliance with RULLCA:** This Agreement incorporates all RULLCA provisions not explicitly modified herein. (Cal. Corp. Code § 17701.02).
2. **Class Actions:** Members retain rights to class actions under RULLCA provisions. (Cal. Corp. Code § 17709.01).

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

**Signatures:**

[Name], Member  
[Name], Manager