# OPERATING AGREEMENT

FOR

**:** _____

A COLORADO MANAGER-MANAGED LIMITED LIABILITY COMPANY

**Effective Date:** _____

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## ARTICLE I — FORMATION AND ORGANIZATION

### 1.01 Formation

This LLC was formed by filing Articles of Organization with the Colorado Secretary of State, designating the Company as manager-managed, pursuant to the Colorado Limited Liability Company Act, CRS Title 7, Article 80. This Agreement governs the Company's affairs. Pursuant to § 7-80-108(1)(b) of the Colorado Limited Liability Company Act, the Company is bound by the terms of this Agreement. Where this Agreement conflicts with the Colorado Limited Liability Company Act, this Agreement controls to the extent permitted by law.

*Note: Pursuant to § 7-80-102, an operating agreement need not be in writing; however, this executed written Agreement is strongly recommended for banking, liability protection, and evidentiary purposes. Per LaFond v. Sweeney (2015 CO 3), absent a written OA, Colorado default rules apply. Pursuant to § 7-80-108(3), restrictions on the transfer of membership interest must be in written form to be enforceable.*

**Filing Date:** _____

### 1.02 Name

**LLC Name:** _____

### 1.03 Registered Agent and Office

**Registered Agent:** _____

**Registered Office:** _____

### 1.04 Business Purpose

**Specific Purpose (if any):** _____

The LLC may engage in any lawful business activity under the Colorado Limited Liability Company Act, CRS Title 7, Article 80, and all other applicable state and federal law.

**1.05 Duration**
Perpetual, unless dissolved per this Agreement or pursuant to the Colorado Limited Liability Company Act, CRS Title 7, Article 80.

**1.06 Principal Office**
**Address:**

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## ARTICLE II — MEMBERS

**2.01 Members and Ownership**
The initial Members, their addresses, capital contributions, and percentage interests are set forth in the table below. Absent this Agreement, § 7-80-503 of the Colorado Limited Liability Company Act would allocate profits and losses on a per-capita basis regardless of capital contributed; this Agreement overrides that default.

| Member Name | Address | Contribution ($) | % Interest |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

**(Attach additional pages as needed for LLCs with more than 4 members)**

**2.02 Non-Liability**
No Member is personally liable for Company debts or obligations pursuant to the Colorado Limited Liability Company Act, CRS Title 7, Article 80.

**2.03 Member Voting on Reserved Matters**
Members vote in proportion to percentage interest on matters reserved under Article V, Section 5.04. 'Majority' means combined votes exceeding 50% of total membership interests. Absent this Agreement, § 7-80-401 of the Colorado Limited Liability Company Act would apply to extraordinary actions.

**2.04 Members' Meetings**
Any Member or the Manager may call a meeting upon advance written

notice. Written minutes shall be kept in Company records.

**Days' written notice required:** _____

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## ARTICLE III — CAPITAL CONTRIBUTIONS

**3.01 Initial Contributions**
As listed in Section 2.01. Pursuant to § 7-80-501 of the Colorado Limited Liability Company Act, contributions may be in any form including cash, property, or services.

**Contributions due on or by:** _____

**3.02 Additional Contributions**
Additional contributions may be required by:

☐ Majority vote ☐ Unanimous vote

**3.03 Failure to Contribute**
Remaining Members may by unanimous vote reschedule or cancel delinquent membership.

☐ Late penalty of $ _____

☐ Interest at _____ % per annum

**3.04 No Interest on Capital**
No interest shall be paid on capital contributions.

**3.05 Capital Accounts**
Maintained per IRC regulations. Reflects contributions + profits − losses − distributions. Absent this Agreement, § 7-80-503 of the Colorado Limited Liability Company Act would allocate profits and losses on a per-capita basis regardless of capital contributed.

**3.06 Withdrawal Restrictions**
No withdrawal of capital except with written consent of all Members.

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## ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

**4.01 Allocation**
Profits, losses, income, gain, deduction, and credit allocated per

each Member's percentage interest as listed in Section 2.01. No priority or preference among Members. This overrides the per-capita default under § 7-80-503 of the Colorado Limited Liability Company Act.

**4.02 Distributions**
Per percentage interest, at times determined by the Manager, subject to:

☐ Majority vote of Members ☐ Unanimous vote of Members

**Distribution Schedule:**

**4.03 Tax Classification**
☐ Partnership (default) ☐ S-Corporation (IRS Form 2553)

**Other classification (specify):**

**4.04 Tax Year**
☐ Calendar year ☐ Fiscal year ending:

**Fiscal year end date (if selected):**

**4.05 Tax Matters Partner**
**Name:**

**4.06 Annual Returns**
Copies of all returns and Schedule K-1 forms provided to each Member within 60 days of the tax year end.

**4.07 Bank Accounts**
**Designated Member(s) authorized for banking:**

Company funds shall NOT be commingled with personal funds of any Member or other person.

**4.08 Title to Assets**
All property shall be held in the Company's name, not in the names of individual Members.

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## ARTICLE V — MANAGEMENT (MANAGER-MANAGED)

**5.01 Manager-Managed Designation**
Pursuant to § 7-80-401 of the Colorado Limited Liability Company Act, this LLC is managed by one or more Managers. Members who are not Managers do NOT participate in daily management and have NO authority to bind the Company except as provided in Section 5.04.

**5.02 Appointment of Manager(s)**
The initial Manager(s) are identified in the table below. Initial Manager(s) serve until removed, resignation, death, or incapacity.

| Manager Name | Address | Status |
|---|---|---|
| | | ☐ Member ☐ Non-Member |
| | | ☐ Member ☐ Non-Member |

**5.03 Manager Authority**
The Manager has exclusive authority to:

(a) Manage day-to-day operations and affairs of the Company;

(b) Bind the Company in contracts and agreements;

(c) Execute contracts, leases, checks, drafts, notes, and instruments;

(d) Hire and terminate employees, consultants, and contractors;

(e) Open and manage bank accounts; Company funds shall not be commingled with personal funds;

(f) Acquire, sell, lease, or manage Company assets;

(g) Borrow money and grant security interests in Company assets;

(h) Settle claims and compromise debts on behalf of the Company; and

(i) Take any action necessary to carry out the Company's purposes.

**5.04 Reserved Powers (Require Member Approval)**
The following require:

☐ Majority vote of Members ☐ Unanimous vote of Members

Actions subject to Member approval:

☐ Sale or disposition of all or substantially all Company assets

☐ Merger, conversion, or domestication of the Company

☐ Amendment of this Operating Agreement

☐ Admission of new Members

☐ Voluntary dissolution of the Company

☐ Filing for bankruptcy

☐ Changing the Company's tax classification

☐ Acts outside the ordinary course of business

☐ Transactions between Company and a Manager or Member

☐ Incurring debt or liability exceeding $ _____

**Other reserved powers (specify):** _____

**5.05 Manager Compensation**

☐ No compensation

☐ $ _____ per:

☐ per year ☐ per month ☐ other:

**Other compensation period (specify):** _____

Reimbursement for reasonable out-of-pocket expenses.

**5.06 Removal of Manager**

The Manager may be removed with or without cause by:

☐ Majority vote of Members ☐ Unanimous vote of Members

**5.07 Resignation of Manager**

**Days' written notice to all Members required:** _____

**5.08 Vacancy**

Replacement Manager appointed by:

☐ Majority vote of Members ☐ Unanimous vote of Members

**Days to appoint replacement Manager:** _____

If no replacement is appointed within that period, the LLC shall be managed by Members until a new Manager is designated.

**5.09 Multiple Managers**

If more than one Manager is appointed, decisions shall be made by:

☐ Majority vote of Managers ☐ Unanimous vote of Managers

**Chief Executive Manager (if applicable):** _____

**5.10 Officers (Optional)**

**President:**

**Secretary:**

**Treasurer:**

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## ARTICLE VI — MANAGER LIABILITY, FIDUCIARY DUTIES, AND INDEMNIFICATION

**6.01 Manager Not Personally Liable**

Pursuant to the Colorado Limited Liability Company Act, CRS Title 7, Article 80, the Manager is not personally liable for Company obligations solely by reason of being a Manager.

**6.02 Fiduciary Duties**

Pursuant to § 7-80-404 of the Colorado Limited Liability Company Act, in a manager-managed LLC, fiduciary duties apply to the Manager(s). Non-managing Members owe no fiduciary duties to the Company or to other Members unless they also serve as Manager:

(a) Duty of Care: The Manager shall act with the diligence, care, and skill of an ordinarily prudent person under similar circumstances.

(b) Duty of Loyalty: The Manager shall act in good faith in the Company's best interests. The Manager shall not compete with the Company, self-deal, or usurp Company opportunities.

Pursuant to § 7-80-108(1.5) of the Colorado Limited Liability Company Act, any modification of fiduciary duties must not be manifestly unreasonable. Pursuant to § 7-80-108(2), the obligation of good faith and fair dealing under § 7-80-404(3) may not be eliminated, though it may be defined within reasonable limits.

**6.03 Exculpation**

No liability for good-faith acts unless fraud, gross negligence, recklessness, or intentional misconduct.

**6.04 Indemnification**

The Company indemnifies the Manager to the fullest extent permitted by the Colorado Limited Liability Company Act, CRS Title 7, Article 80. The Company may advance defense costs upon the Manager's undertaking to repay if not entitled to indemnification.

## ARTICLE VII — BOOKS AND RECORDS

**7.01 Records Location**
**Address:**

**7.02 Required Records**
Articles of Organization; this Agreement and all amendments; tax returns (3 years); financial statements (3 years); membership and manager register; and meeting minutes.

*Note: Pursuant to § 7-90-908 of the Colorado Limited Liability Company Act, failure to file three (3) consecutive Periodic Reports ($25/year) may result in administrative dissolution. This Agreement shall not be filed with the Colorado Secretary of State.*

**7.03 Member Inspection**
Any Member may inspect Company records upon reasonable notice. Copying costs at the requesting Member's expense.

**7.04 Fiscal Year**
Calendar year ending December 31.

## ARTICLE VIII — TRANSFER AND WITHDRAWAL

**8.01 Withdrawal**
A Member may withdraw upon written notice to all other Members. Pursuant to § 7-80-801 of the Colorado Limited Liability Company Act, withdrawal may trigger dissolution unless remaining Members vote to continue within 90 days.

**Days' written notice required before effective date:**

**8.02 Transfer Restrictions**
No transfer of full membership interest unless all non-transferring Members approve in writing. Pursuant to § 7-80-108(3) of the Colorado Limited Liability Company Act, transfer restrictions must be in written form to be enforceable.

**8.03 Right of First Refusal**

A Member wishing to transfer all or part of their interest must first offer the interest in writing to the remaining Members.

**Days for other Members to accept ROFR offer:**

Purchase price determined by:

☐ Mutual agreement ☐ Fair market value by independent appraiser

☐ Book value ☐ Other:

**Other price method (specify):**

### 8.04 Economic Interest Only

A Member may assign economic interest (right to distributions only) without approval. An assignee does NOT become a Member and receives no voting or management rights.

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## ARTICLE IX — DISSOLUTION

### 9.01 Dissolution Triggers

The Company shall dissolve upon:

(a) Death, incapacity, bankruptcy, resignation, or expulsion of a Member, UNLESS within the number of days specified below the remaining Members vote to continue. Pursuant to § 7-80-801 of the Colorado Limited Liability Company Act, the default continuation window is 90 days; it may be extended but not beyond one (1) year per § 7-80-108(2):

**Days for remaining Members to vote to continue:**

(b) Written agreement of all Members to dissolve;

(c) Judicial dissolution ordered pursuant to the Colorado Limited Liability Company Act, CRS Title 7, Article 80; or

(d) Expiration of term, if specified in this Agreement.

### 9.02 Winding Up

**Liquidator (or Manager, or as designated by Member vote):**

Order of distribution: (1) Pay all creditors; (2) Allocate remaining income/loss to capital accounts; (3) Distribute per positive capital account balances.

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## ARTICLE X — DISPUTE RESOLUTION

**10.01 Mediation**
All disputes arising under this Agreement shall first be submitted to mediation before any other proceeding.

☐ Mediator: Mutually agreed by parties ☐ Mediator: Court-appointed

**10.02 Arbitration**
If mediation fails to resolve the dispute, the matter shall be submitted to binding arbitration per American Arbitration Association (AAA) rules. All parties share initial costs equally. The prevailing party shall be awarded attorney fees and expenses.

**10.03 Binding**
All arbitration decisions are final and binding on all Members.

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## ARTICLE XI — GENERAL PROVISIONS

**11.01 Governing Law**
This Agreement shall be governed by the laws of the State of Colorado, including the Colorado Limited Liability Company Act, CRS Title 7, Article 80.

**11.02 Amendment**
Written amendment signed by all Members and Manager(s). Kept with Company records.

**11.03 Venue**
**County:** _____

Colorado.

**11.04 Severability**
If any provision is held invalid or unenforceable pursuant to § 7-80-108(2) of the Colorado Limited Liability Company Act or otherwise, it shall be severed; the remainder shall continue in full force and effect.

**11.05 Entire Agreement**

This Agreement, the Articles of Organization, and all exhibits hereto constitute the complete agreement.

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## SIGNATURE BLOCKS

IN WITNESS WHEREOF, the Manager(s) and Members of the Company have executed this Operating Agreement as of the date first written above.

### MANAGER(S)

**Manager 1**

**Date:** _____

**Signature:** _____

**Printed Name:** _____

☐ Member-Manager ☐ Non-Member Manager

**Manager 2**

**Date:** _____

**Signature:** _____

**Printed Name:** _____

☐ Member-Manager ☐ Non-Member Manager

### MEMBERS

**Member 1**

**Date:** _____

**Signature:** _____

**Printed Name:** _____

**Percentage Interest:** _____ %

**Member 2**

**Date:**

**Signature:**

**Printed Name:**

**Percentage Interest:** %

**Member 3**

**Date:**

**Signature:**

**Printed Name:**

**Percentage Interest:** %

[Attach additional signature pages as needed]

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# EXHIBIT 1 — CAPITAL CONTRIBUTIONS

This Exhibit is attached to the Operating Agreement for (LLC Name):

**LLC Name (Exhibit 1):**

Colorado Manager-Managed Limited Liability Company.

| Description of Contribution | Amount ($) |
|---|---|
| | |
| | |
| | |
| | |
| **TOTAL INITIAL CONTRIBUTION** | |

**SIGNED this:**

**Signature:**

**Printed Name:**

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## LEGAL DISCLAIMER

This Operating Agreement template is provided by Boost Suite (boostsuite.com) for informational and educational purposes only. It does not constitute legal advice and should not be relied upon as a substitute for consultation with a licensed attorney.

This template is customized with Colorado-specific statute references under the Colorado Limited Liability Company Act, CRS Title 7, Article 80. It may not address all legal requirements specific to your LLC or situation.

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