

**TENNESSEE LIMITED LIABILITY COMPANY  
MULTI-MEMBER OPERATING AGREEMENT**

*(Member-Managed)*

*Governed by the Tennessee Revised Limited Liability Company Act (TRLCA), Tenn. Code Ann. § 48-249-101 et seq.*

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**ARTICLE I  
ORGANIZATION**

**1.01 Formation and Governing Law.**

This Limited Liability Company (the “Company”) is organized under the Tennessee Revised Limited Liability Company Act (TRLCA), Title 48, Chapter 249 et seq. (the “Act”). IMPORTANT: Tennessee has TWO PARALLEL LLC STATUTES. The TRLCA governs all LLCs formed on or after January 1, 2006 (Tenn. Code Ann. § 48-249-1002). LLCs formed before January 1, 2006 remain under the older Tennessee LLC Act (Tenn. Code Ann. §§ 48-201 et seq.) unless they elected into the TRLCA by amending their Articles. This Agreement is adopted under the TRLCA.

VERIFY: Pull the LLC’s exact formation date from the Tennessee Secretary of State business search before relying on this Agreement, to confirm the correct governing statute.

**1.02 Company Name.**

The legal name of the Company is:

**1.03 Articles of Organization.**

The Company was formed by filing Articles of Organization (Form SS-4270) with the Tennessee Secretary of State, Division of Business Services. Tennessee uses “Articles of Organization,” NOT “Certificate of Formation.” Filing fee: \$50 per member, MINIMUM \$300, MAXIMUM \$3,000. This Operating Agreement is an internal document and is NOT filed with the Tennessee Secretary of State, Division of Business Services.

COUNTY FILING QUIRK: If the Company’s principal office is in Tennessee, a copy of the Articles must also be filed with the county government of that county. If the principal office is outside Tennessee, no county filing is required.

**1.04 Operating Agreement — Oral or Written; TRLCA.**

Under Tenn. Code Ann. § 48-249-203 (TRLCA), members “may” enter into an operating agreement. Unless the Articles or an existing WRITTEN OA provision require otherwise, the agreement NEED NOT BE IN WRITING — oral and implied agreements are valid. Under § 48-249-203, a single-member LLC may adopt an operating agreement and the agreement binds both the member and the Company. This Agreement is adopted in WRITTEN form for evidentiary clarity, banking, and enforceability.

**1.05 Three-Way Management Structure.**

Tennessee uniquely recognizes THREE management structures under Tenn. Code Ann. § 48-249-401: (1) MEMBER-MANAGED, (2) MANAGER-MANAGED, and (3) DIRECTOR-MANAGED (also called board-managed). Form SS-4270 requires the LLC to state whether it is board-managed or member-managed. This Agreement must match the management structure stated in the Articles. The management structure elected by this Agreement is stated in Article V.

**1.06 Nonwaivable Provisions (§ 48-249-205).**

Under Tenn. Code Ann. § 48-249-205, members may modify or waive most TRLCA provisions in the LLC documents, except for certain nonwaivable items including: requirements that directors and officers be individuals; certain statutory notice requirements (Tenn. Code Ann. § 48-249-103); name requirements; restrictions on eliminating personal liability in specified circumstances; and restrictions on indemnification limitations (Tenn. Code Ann. § 48-249-115). The duty of loyalty and duty of care can be narrowed but not entirely eliminated.

**1.07 Registered Agent and Registered Office.**

Under Tenn. Code Ann. § 48-249-112, the Company must continuously maintain a registered agent with a PHYSICAL STREET ADDRESS in Tennessee (no P.O. boxes). If the LLC fails to maintain an agent, or the agent cannot be found, the Tennessee Secretary of State, Division of Business Services becomes the default agent for service of process.

**Registered Agent Name:**

**Registered Office Address:**

**1.08 Principal Office.**

The principal office of the Company is:

**Principal Office Address:**

**1.09 Purpose.**

The Company is organized to engage in:

and any lawful activity permitted under the Act.

### **1.10 Annual Report.**

Under Tenn. Code Ann. § 48-228-203, every Tennessee LLC must file an annual report with the Tennessee Secretary of State, Division of Business Services. Due date: FIRST DAY OF THE FOURTH MONTH following the close of the LLC's fiscal year. For calendar-year LLCs (Dec. 31 year-end), this is APRIL 1. Annual report fee: \$50 per member, MINIMUM \$300, MAXIMUM \$3,000. Late or missed filings can lead to administrative dissolution. Name the member or manager responsible for filing:

**Annual report filer:**

### **1.11 Franchise and Excise Tax.**

Most Tennessee LLCs are subject to the combined Franchise and Excise Tax administered by the Tennessee Department of Revenue. For tax years ending on or after January 1, 2024 (per Public Chapter 950, HB 1893/SB 2103): FRANCHISE TAX: 0.25% of Tennessee net worth, minimum \$100. EXCISE TAX: 6.5% of Tennessee taxable income. F&E returns (Form FAE170) are due on the 15TH DAY OF THE FOURTH MONTH following the close of the tax year (April 15 for calendar-year filers). An automatic 7-month extension is available for the return, but PAYMENT is due on the original due date. The older alternative property-based franchise tax measure was ELIMINATED for tax years ending on or after January 1, 2024.

This Agreement includes a TAX RESERVE CLAUSE (Section 4.04) and a TAX DISTRIBUTION CLAUSE (Section 4.03) to ensure the Company retains funds sufficient to cover F&E obligations before distributions to members.

### **1.12 BOI and No Publication Requirement.**

BOI Reporting: Under FinCEN's March 2025 interim final rule, domestic U.S. entities (including domestic Tennessee LLCs) are currently EXEMPT from BOI reporting. Foreign entities registered to do business in Tennessee should verify current obligations at [fincen.gov/boi](https://fincen.gov/boi). Tennessee has NO newspaper publication requirement for forming a domestic LLC.

## **ARTICLE II DEFINITIONS**

As used in this Agreement, the following terms have the meanings set forth below:

- (a) "Act" or "TRLCA" means the Tennessee Revised Limited Liability Company Act, Title 48, Chapter 249 et seq., as amended. The TRLCA governs LLCs formed on or after January 1, 2006 (Tenn. Code Ann. § 48-249-1002).

- (b) “Agreement” means this written Operating Agreement, as amended.
- (c) “Articles” means the Company’s Articles of Organization (Form SS-4270) filed with the Tennessee Secretary of State, Division of Business Services. Tennessee uses “Articles of Organization,” NOT “Certificate of Formation.”
- (d) “Capital Account” means the account maintained for each Member reflecting contributions, allocated profits/losses, and distributions.
- (e) “Contribution” means cash, property, or services contributed by a Member as documented in Exhibit 1.
- (f) “Ownership Interest” means a Member’s interest as set forth in Exhibit 1.
- (g) “Equal-Share Default” means the TRLCA rule under Tenn. Code Ann. § 48-249-304 that profits and losses are allocated EQUALLY among members when LLC documents are silent, regardless of capital contributions.
- (h) “Equal Voting Default” means the TRLCA rule under Tenn. Code Ann. § 48-249-401 that in a member-managed LLC each member has EQUAL RIGHTS in management with ordinary matters decided by MAJORITY VOTE, regardless of ownership percentage.
- (i) “SOS” means the Tennessee Secretary of State, Division of Business Services.

## **ARTICLE III CAPITAL CONTRIBUTIONS AND ACCOUNTS**

### **III.01 Initial Capital Contributions.**

Each Member’s initial Contribution and Ownership Interest are set forth in Exhibit 1. TENNESSEE DEFAULT: Under Tenn. Code Ann. § 48-249-304, if this Agreement were silent, profits and losses would be allocated EQUALLY among members regardless of capital contributions. A Member contributing \$100,000 and one contributing \$5,000 would each receive the same share of profits by default. This Agreement overrides that default.

### **III.02 Equal-Share Default Override.**

The Members expressly override the equal-share default of Tenn. Code Ann. § 48-249-304: all profit and loss allocations shall follow the Ownership Interest percentages in Exhibit 1.

### **III.03 Capital Accounts.**

The Company shall maintain a separate Capital Account for each Member, credited with contributions and allocated profits, and debited with distributions and allocated losses, consistent with Treasury Regulation § 1.704-1(b)(2)(iv).

**III.04 Additional Contributions.**

No Member shall be required to make any additional Contribution without the written consent of all Members.

**III.05 No Remuneration Without Agreement.**

No Member is entitled to remuneration for services performed for the Company solely by reason of being a Member unless this Agreement separately provides.

**ARTICLE IV  
ALLOCATIONS AND DISTRIBUTIONS**

**IV.01 Profit and Loss Allocation.**

Profits and losses shall be allocated in proportion to each Member’s Ownership Interest in Exhibit 1, overriding the equal-share default of Tenn. Code Ann. § 48-249-304.

**IV.02 Distributions.**

Distributions shall be authorized by the Authorized Persons and allocated in proportion to each Member’s Ownership Interest. Authorized by:

**Authorized by:**

**IV.03 Tax Distribution Clause.**

To the extent funds are available, the Company shall make annual tax distributions estimated to cover each Member’s share of pass-through income tax liability attributable to Company income, before any discretionary distributions. This clause accounts for Tennessee Franchise and Excise Tax obligations of the members.

**IV.04 Tax Reserve Clause.**

Before making any member distribution, the Company shall set aside a reserve sufficient to cover the Company’s projected annual Franchise and Excise Tax obligations (0.25% of Tennessee net worth franchise tax plus 6.5% of Tennessee taxable income excise tax). Reserve percentage:

**Reserve percentage:**

**IV.05 Tennessee Franchise and Excise Tax.**

For tax years ending on or after January 1, 2024: Franchise tax: 0.25% of Tennessee net worth, minimum \$100. Excise tax: 6.5% of Tennessee taxable income. Form FAE170 due April 15 (calendar-year filers). The property-based franchise tax measure was ELIMINATED by Public Chapter 950 (HB 1893/SB 2103) for tax years ending on or after January 1, 2024. Federal classification: disregarded entity (single-member) or partnership (multi-member) by default; corporate treatment via Form 8832 or Form 2553.

The following person is responsible for F&E tax filings:

**F&E tax filer:**

## **ARTICLE V MANAGEMENT — MEMBER-MANAGED**

### **V.01 Member-Managed Structure.**

Under Tenn. Code Ann. § 48-249-401(b), this Company is MEMBER-MANAGED. Each Member has equal rights in management. This choice must match the management structure stated in the Articles of Organization (Form SS-4270).

### **V.02 Equal Voting Default Override.**

TENNESSEE TRAP: Under Tenn. Code Ann. § 48-249-401, the default gives each member EQUAL RIGHTS in management regardless of ownership percentage, with ordinary matters decided by MAJORITY VOTE of members (one vote per member). A minority member can outvote a majority owner. This Agreement overrides that default. Elected voting basis:

**Voting basis:**

### **V.03 Agency Authority (§ 48-249-402).**

Under Tenn. Code Ann. § 48-249-402, in a member-managed LLC each Member is an agent of the LLC for apparently carrying on ordinary-course business. Authorized signatories:

**Authorized signatories:**

### **V.04 Ordinary vs. Major Decisions.**

Ordinary decisions (majority vote per elected basis):

- (a) Day-to-day business operations.
- (b) Vendor contracts up to the signing cap.
- (c) Hiring and terminating employees.

Major decisions requiring supermajority or unanimous consent:

- (a) Admitting a new Member.

- (b) Amending this Operating Agreement.
- (c) Borrowing above the signing cap.
- (d) Selling substantially all Company assets.
- (e) Merging, converting, or dissolving the Company.

**Major decisions threshold:**

**V.05 Fiduciary Duties (§ 48-249-403).**

Under Tenn. Code Ann. § 48-249-403, in a member-managed LLC, the only fiduciary duties a Member owes are the statutory DUTY OF LOYALTY and DUTY OF CARE. Holders of purely economic rights owe no duties. The OA can narrow how those duties apply but cannot eliminate them under § 48-249-205.

**Fiduciary duty modification:**

**V.06 Liability Shield.**

Members are not personally liable for the Company’s debts solely by reason of being Members, except as otherwise provided by statute or this Agreement.

**V.07 Records (§ 48-249-205 / § 48-249-115).**

The Company shall maintain this Operating Agreement, the Articles, financial records, contribution records, and Member lists at the Company’s principal office.

**ARTICLE VI  
TRANSFER OF MEMBERSHIP INTERESTS**

**VI.01 Assignment of Financial Rights Only.**

Tennessee law allows assignment of a membership interest, but an assignee does NOT automatically become a Member or obtain management rights. Assignment conveys only ECONOMIC RIGHTS (distributions). An assignee gains membership and governance rights only if admitted as a Member under this Agreement.

**VI.02 Transfer Restrictions.**

The Members impose the following restrictions on transfers:

**Transfer restrictions:**

**VI.03 Right of First Refusal.**

Before transferring any interest to a third party, the transferring Member shall offer it pro-rata to remaining Members. Remaining Members have:

**Days to exercise ROFR:**

**VI.04 Buy-Sell Provisions.**

Buy-sell trigger events:

- (a) Voluntary sale or transfer.
- (b) Death of a Member.
- (c) Disability or incapacity.
- (d) Bankruptcy.
- (e) Divorce (involuntary transfer).
- (f) Expulsion under this Agreement.

**Valuation method:**

**Payment timeline:**

**VI.05 Fee Impact of Membership Changes.**

TENNESSEE COST NOTE: Both formation and annual report fees are \$50 per member (minimum \$300, maximum \$3,000). Adding members increases the next annual report fee. Removing members may decrease it. This Agreement should coordinate admission and withdrawal with annual report planning.

**ARTICLE VII  
ADMISSION OF NEW MEMBERS**

**7.01 Admission Requirements.**

New Members may be admitted only by consent of the current Members. Elected threshold:

**Admission threshold:**

**7.02 Tennessee Default Warning Summary.**

TENNESSEE TRAPS (all overridden by this Agreement): (1) EQUAL-SHARE PROFITS (Tenn. Code Ann. § 48-249-304) — overridden by Articles III/IV. (2) EQUAL VOTING RIGHTS regardless of ownership % (Tenn. Code Ann. § 48-249-401) — overridden in Section V.02. (3) FEE STRUCTURE: \$50 per member (minimum \$300, maximum \$3,000) both at formation and annually — admission and withdrawal clauses carry direct cost implications. (4) COUNTY FILING: if principal office is in Tennessee, a copy of the Articles must be filed with the county.

**ARTICLE VIII  
LIABILITY AND INDEMNIFICATION**

**VIII.01 Liability Shield.**

Members are not personally liable for the Company's debts solely by reason of being Members. Managers are not personally liable solely by reason of being Managers.

**VIII.02 Indemnification (§ 48-249-115).**

Under Tenn. Code Ann. § 48-249-115 and § 48-249-205, the Company may indemnify and hold harmless any Member, Manager, or agent. Indemnification is not permitted for bad faith, willful misconduct, or knowing violation of law. Scope:

**Indemnification scope:**

**VIII.03 Fiduciary Duty Floor (§ 48-249-205).**

Under Tenn. Code Ann. § 48-249-205(b), certain provisions cannot be eliminated: restrictions on eliminating personal liability in specified circumstances, and restrictions on indemnification limitations. The duty of loyalty and duty of care can be narrowed but not entirely eliminated.

**VIII.04 Insurance.**

The Company may purchase and maintain liability insurance on behalf of any Member, Manager, or agent.

**ARTICLE IX  
DISSOLUTION AND WINDING UP**

**IX.01 Dissolution Events.**

The Company dissolves upon (Tenn. Code Ann. § 48-249-601):

- (a) Expiration of the stated term (if any).
- (b) An event specified in this Agreement.
- (c) Member action as provided in this Agreement or by statute.
- (d) Judicial dissolution or administrative dissolution.
- (e) Loss of all members without cure within the statutory period.

Custom dissolution triggers layered on the statutory list:

- (i) Deadlock among members or managers lasting more than:

**Deadlock period:**

(ii) Loss of a required professional license (for PLLCs).

Elected voluntary dissolution threshold:

**Dissolution threshold:**

**IX.02 Winding Up.**

Upon dissolution: (a) collect and liquidate assets; (b) pay creditors; (c) pay any F&E tax obligation from remaining assets; (d) distribute remaining assets to Members in proportion to their Ownership Interest percentages. File Articles of Dissolution with the Tennessee Secretary of State, Division of Business Services.

**IX.03 Dispute Resolution and Deadlock.**

To resolve disputes or deadlock before judicial dissolution:

**Dispute method:**

**ARTICLE X  
AMENDMENTS**

**X.01 Amendment Threshold.**

Elected amendment threshold:

**Amendment threshold:**

**X.02 Written Amendments Recommended.**

Although Tenn. Code Ann. § 48-249-203 permits oral or implied amendments, all amendments to this written Operating Agreement should be IN WRITING. If amendments are not required to be in writing, oral modifications remain valid under the TRLCA.

**X.03 Articles Alignment.**

Amending the management structure (member, manager, or director-managed) ALSO requires filing an Articles of Amendment with the Tennessee Secretary of State, Division of Business Services. Amending the OA alone does not change the management structure on the public record.

**ARTICLE XI  
GENERAL PROVISIONS**

**XI.01 Entire Agreement.**

This Agreement and the Articles of Organization constitute the entire agreement among the Members and supersede all prior oral, written, and implied arrangements.

**XI.02 Severability.**

If any provision is found invalid or unenforceable, the remaining provisions continue in full force.

**XI.03 Governing Law.**

This Agreement shall be governed by the laws of the State of Tennessee, specifically the Tennessee Revised Limited Liability Company Act (TRLCA), Title 48, Chapter 249.

**XI.04 Dispute Resolution.**

Disputes arising out of or relating to this Agreement shall be resolved as follows:

**Method:**

**XI.05 Notices.**

All notices shall be in writing and delivered by personal delivery, certified U.S. mail, or e-mail with confirmation.

**XI.06 Counterparts and Signatures.**

Tennessee law does not require notarization of an operating agreement. This Agreement is NOT filed with the Tennessee Secretary of State, Division of Business Services. All Members should sign.

**XI.07 No Third-Party Beneficiaries.**

This Agreement is for the benefit of the Members and the Company.

**XI.08 Further Assurances.**

Each Member shall execute additional documents and take actions reasonably necessary to carry out the purposes of this Agreement.

**SIGNATURE PAGE**

IN WITNESS WHEREOF, all Members have executed this written Operating Agreement. Tennessee law does not require notarization. NOT filed with the Tennessee Secretary of State, Division of Business Services. Annual report due April 1; F&E tax due April 15.

**Company Name:**

**Effective Date:**

**Member 1 Signature:** \_\_\_\_\_

**Printed Name:**

**Date:**

**Address:**

**Member 2 Signature:** \_\_\_\_\_

**Printed Name:**

**Date:**

**Address:**

**Member 3 Signature:** \_\_\_\_\_

**Printed Name:**

**Date:**

**Address:**

*(Attach additional signature pages for additional Members.)*

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**EXHIBIT 1**  
**CAPITAL CONTRIBUTIONS AND OWNERSHIP INTERESTS**

**Company Name:**

Member Name	Address	Contribution (\$)	Ownership Interest (%)
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 155px; height: 20px;" type="text"/>	<input style="width: 115px; height: 20px;" type="text"/>
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 155px; height: 20px;" type="text"/>	<input style="width: 115px; height: 20px;" type="text"/>
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 155px; height: 20px;" type="text"/>	<input style="width: 115px; height: 20px;" type="text"/>
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 155px; height: 20px;" type="text"/>	<input style="width: 115px; height: 20px;" type="text"/>

**Total Ownership:**  %

TENNESSEE TRAP OVERRIDES: (1) Profit/loss allocation overrides equal-share default (Tenn. Code Ann. § 48-249-304). (2) Voting basis overrides equal-rights default (Tenn. Code Ann. § 48-249-401). (3) Annual report: \$50 per member (min \$300, max \$3,000) — membership changes affect fee. (4) F&E tax reserve clause (Section 4.04) holds funds before distributions.

## LEGAL DISCLAIMER

This Multi-Member (Member-Managed) Operating Agreement template for a Tennessee limited liability company is provided by Boost Suite for informational and educational purposes only. It does not constitute legal advice and does not create an attorney-client relationship. Boost Suite is not a law firm. This template is based on the Tennessee Revised Limited Liability Company Act (TRLCA), Title 48, Chapter 249, including Tenn. Code Ann. §§ 48-249-112, 48-249-203, 48-249-205, 48-249-304, 48-249-401, 48-249-402, 48-249-403, 48-249-601, 48-249-1002, 48-249-1007, 48-249-1013, and 48-228-203, and (where applicable) the older Tennessee LLC Act, Tenn. Code Ann. § 48-206-101 et seq. Public Chapter 950 (HB 1893/SB 2103) changed the franchise tax base for tax years ending on or after January 1, 2024. Laws change; Boost Suite does not guarantee that this template reflects the most current version of Tennessee law. LLCs with complex structures should have this Agreement reviewed by a licensed Tennessee attorney before execution.

### Your Tennessee LLC Resources:

- <https://boostsuite.com/llc-operating-agreement/tennessee/>
- <https://boostsuite.com/how-to-start-an-llc/tennessee/>
- <https://boostsuite.com/how-to-start-an-llc/cost/tennessee/>

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