

**TEXAS LIMITED LIABILITY COMPANY  
MULTI-MEMBER COMPANY AGREEMENT**

*(Also Called Operating Agreement — Member-Managed)*

*Governed by the Texas Business Organizations Code (TBOC), Title 3, Chapter 101*

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**ARTICLE I  
ORGANIZATION**

**1.01 Formation and Governing Law.**

This limited liability company is organized under the Texas Business Organizations Code (TBOC), Title 3, Chapter 101 (the “Act”). NOTE: Texas law calls this document a “COMPANY AGREEMENT,” not an “operating agreement.” Both terms are used here for clarity, but Tex. Bus. Orgs. Code § 101.001 and the statutory term “Company Agreement” control for any Texas court interpretation.

**1.02 Company Name.**

The legal name of the Company is (must match Certificate of Formation Form 205 exactly — NOT “Articles of Organization”):

**1.03 Certificate of Formation.**

The Company was formed by filing Certificate of Formation Form 205 (NOT “Articles of Organization”) with the Texas Secretary of State under Tex. Bus. Orgs. Code § 3.001. Filing fee: \$300. Online filing is available through SOSDirect 24/7. This Company Agreement is an internal document and is NOT filed with the Texas Secretary of State.

**1.04 Texas Company Agreement — Written, Oral, or Implied.**

Under Tex. Bus. Orgs. Code § 101.001, a company agreement is any agreement, WRITTEN, IMPLIED, OR ORAL, among the members concerning the affairs or conduct of the business of the LLC. Under § 101.001, a company agreement of an LLC with only one member is NOT UNENFORCEABLE merely because only one person is a party to it. Under § 101.052, this Agreement governs the internal affairs and relations of the Company; where silent, TBOC Title 3 and applicable Title 1 provisions control. This Agreement is adopted in WRITTEN form for evidentiary clarity, banking, and enforceability.

**1.05 Non-Overridable Provisions (§ 101.054).**

Under Tex. Bus. Orgs. Code § 101.054, certain TBOC provisions may not be waived or modified by a company agreement, including § 101.054 itself, § 101.101(b), § 101.206, § 101.501, § 101.502, Chapter 1 interpretive provisions, Chapter 2/3/4/5 (with limited exceptions), Chapter 10, Chapter 11/12 (with limited exceptions), Chapter 152 (with limited exceptions), and Subchapter M. At minimum, the Company must have at least one member at all times, any binding promise to contribute capital must be in a WRITING SIGNED BY THE MEMBER (Tex. Bus. Orgs. Code § 101.151), and the SOS filing requirements cannot be varied.

**1.06 Registered Agent and Registered Office.**

Under Tex. Bus. Orgs. Code § 5.201–5.202, the Company must continuously maintain a registered agent and a registered office in Texas.

**Registered Agent Name:**

**Registered Office Address:**

**1.07 Principal Office.**

The principal office (principal place of business) of the Company is:

**Principal Office Address:**

**1.08 Purpose.**

The Company is organized to engage in:

and any lawful activity permitted under the Act.

**1.09 Annual Franchise Tax and Reporting.**

Texas LLCs do NOT file a standard annual report with the Texas Secretary of State. Instead, franchise tax reporting is due to the Texas Comptroller of Public Accounts by MAY 15 each year (next business day if May 15 falls on a weekend or holiday). For 2026 reports: no-tax-due threshold is \$2,650,000 (also written \$2.65 million). The No Tax Due Report was DISCONTINUED for report year 2024 and later. Entities at or below the threshold generally still file Form 05-102 (Public Information Report) or Form 05-167 (Ownership Information Report) unless a specific exemption applies. This Company Agreement should name who files the franchise tax report and any required information reports.

**1.10 SB 29 — Fiduciary Duty Amendment (May 14, 2025).**

Senate Bill 29, effective May 14, 2025, amended Tex. Bus. Orgs. Code § 101.401. A company agreement may now EXPAND, RESTRICT, OR ELIMINATE duties, including FIDUCIARY DUTIES, and related liabilities of a member, manager, officer, or other person to the Company or to a member or manager. Company agreements drafted before May 14, 2025 should be reviewed to determine whether to take advantage of this new flexibility.

### **1.11 BOI Reporting; No Publication Requirement.**

Under FinCEN's March 2025 interim final rule, domestic U.S. entities (including domestic Texas LLCs) are currently EXEMPT from BOI reporting. Foreign entities registered to do business in Texas should verify their current obligations at [fincen.gov/boi](https://fincen.gov/boi). Texas does not impose a statewide newspaper publication requirement for forming a domestic LLC.

### **1.12 Texas Business Court.**

The Texas Business Court became operational September 1, 2024, for eligible high-value commercial disputes. For sophisticated LLCs, dispute-resolution clauses should consider venue, arbitration, and Texas Business Court eligibility.

## **ARTICLE II DEFINITIONS**

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

- (a) "Act" or "TBOC" means the Texas Business Organizations Code, as amended, including SB 29 effective May 14, 2025.
- (b) "Company Agreement" (also called "Operating Agreement") means this written agreement, as amended. Texas law uses "company agreement" as the statutory term.
- (c) "Certificate" means the Company's Certificate of Formation Form 205 filed with the Texas Secretary of State (NOT "Articles of Organization").
- (d) "Capital Account" means the account maintained for each Member reflecting contributions, allocated profits/losses, and distributions.
- (e) "Contribution" means the agreed value of each Member's capital contribution. Under Tex. Bus. Orgs. Code § 101.151, any BINDING PROMISE to contribute must be in a WRITING SIGNED BY THE MEMBER.
- (f) "Ownership Interest" means a Member's membership interest in the Company as set forth in Exhibit 1.
- (g) "Per-Capita Voting Default" means the Texas default rule under Tex. Bus. Orgs. Code § 101.354 that each Member has ONE EQUAL VOTE regardless of ownership percentage. This Agreement overrides that default.

- (h) “Contribution-Based Default” means the Texas default rules under Tex. Bus. Orgs. Code §§ 101.201 and 101.203 that profit/loss allocation and distributions are based on the AGREED VALUE OF CONTRIBUTIONS unless this Agreement provides otherwise.
- (i) “No-Withdrawal Default” means the rule under Tex. Bus. Orgs. Code § 101.107 that a Member MAY NOT WITHDRAW OR BE EXPELLED by default. This Agreement creates an exit process.
- (j) “SOS” means the Texas Secretary of State.

## **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. Under Tex. Bus. Orgs. Code § 101.151, any BINDING PROMISE to contribute capital must be in a WRITING SIGNED BY THE MEMBER. TEXAS DEFAULT: Under Tex. Bus. Orgs. Code §§ 101.201 and 101.203, if this Agreement were silent, profit/loss allocation and distributions would be based on the AGREED VALUE OF CONTRIBUTIONS — not equal shares and not necessarily ownership percentages. This Agreement overrides those defaults.

### **III.02 Contribution-Based Default Override.**

The Members expressly override the contribution-based defaults of Tex. Bus. Orgs. Code §§ 101.201 and 101.203: all profit/loss allocations and distributions 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. Any additional contribution must be evidenced by a writing signed by the contributing Member (Tex. Bus. Orgs. Code § 101.151).

### **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 contribution-based default of Tex. Bus. Orgs. Code § 101.201.

**IV.02 Distributions.**

Distributions shall be declared by the Authorized Persons and allocated in proportion to each Member's Ownership Interest, overriding the contribution-based default of § 101.203.

Authorized by:

**Authorized by:**

**IV.03 Tax Distributions.**

To the extent funds are available, the Company shall make annual tax distributions estimated to cover each Member's income tax liability attributable to Company income, before any discretionary distributions.

**IV.04 Texas Franchise Tax Compliance.**

The following Member or officer is responsible for filing the annual franchise tax report and required information reports with the Texas Comptroller by May 15 each year:

**Responsible person:**

2026 no-tax-due threshold: \$2,650,000. No Tax Due Report DISCONTINUED for report year 2024 and later. Entities at or below the threshold generally still file Form 05-102 (Public Information Report) or Form 05-167 (Ownership Information Report) unless exempt. Federal tax classification: single-member LLCs are disregarded entities by default; multi-member LLCs are partnerships by default; corporate treatment via Form 8832 or Form 2553.

**ARTICLE V  
MANAGEMENT — MEMBER-MANAGED**

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

This Company Agreement provides that the governing authority consists of the MEMBERS under Tex. Bus. Orgs. Code § 101.251. Each Member is an agent of the LLC for apparently carrying on usual business under Tex. Bus. Orgs. Code § 101.254. IMPORTANT: This Agreement must match the Certificate of Formation Form 205. If the Certificate lists members (not managers), the LLC is member-managed. If the Agreement and the Certificate conflict, the Certificate can control under § 101.251.

**V.02 Per-Capita Voting Default Override.**

CRITICAL TEXAS TRAP: Under Tex. Bus. Orgs. Code § 101.354, the default is that each member has ONE EQUAL VOTE regardless of ownership percentage. A 90% owner and a 10% owner each get one vote. This Agreement overrides that default by tying votes to Ownership Interest percentages. Elected voting basis:

**Voting basis:**

**V.03 Ordinary-Course Decisions.**

Under Tex. Bus. Orgs. Code § 101.355, ordinary-course matters are decided by a majority of those present at a quorum meeting. Elected threshold:

**Ordinary threshold:**

**V.04 Actions Requiring Special Approval.**

Under Tex. Bus. Orgs. Code § 101.356, the following require approval of a majority of ALL governing persons (not just those present) unless this Agreement provides otherwise:

- (a) Acts outside the ordinary course of Company business.
- (b) Fundamental business transactions (merger, conversion, etc.).
- (c) Actions that make it impossible to carry on ordinary business.

Amendments to the Certificate of Formation require approval of ALL MEMBERS under § 101.356.

Elected threshold:

**Extraordinary threshold:**

**V.05 Fiduciary Duties (SB 29, May 14, 2025).**

Under Tex. Bus. Orgs. Code § 101.401, as amended by SB 29 effective May 14, 2025, a company agreement may EXPAND, RESTRICT, OR ELIMINATE duties, including FIDUCIARY DUTIES, and related liabilities. Members elect:

**Fiduciary duty election:**

**V.06 No Withdrawal or Expulsion Default.**

TEXAS TRAP: Under Tex. Bus. Orgs. Code § 101.107, by default a Member may NOT withdraw from the Company AND may NOT be expelled. This Agreement creates an exit and expulsion process — see Article VI (Transfer and Withdrawal).

**V.07 Liability Shield.**

Under Tex. Bus. Orgs. Code § 101.114, except as and to the extent this Agreement specifically provides otherwise, a Member or Manager is NOT liable for a debt, obligation, or liability of the LLC.

**ARTICLE VI  
TRANSFER, WITHDRAWAL, AND MEMBER EXIT**

**VI.01 Assignment — Economic Rights Only.**

Under Tex. Bus. Orgs. Code §§ 101.108–101.112, a membership interest is assignable, but an assignee does NOT automatically become a Member or gain management rights. An assignee receives only ECONOMIC RIGHTS (distributions). An assignee does not gain voting rights, information rights, or member status unless 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 first 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 as provided in this Agreement.

**Valuation method:**

**Payment timeline:**

**VI.05 No-Withdrawal Default Override (§ 101.107).**

TEXAS TRAP: By default under Tex. Bus. Orgs. Code § 101.107, a Member may NOT withdraw from the Company AND may NOT be expelled. Without this Agreement, a difficult co-owner remains indefinitely. This Agreement creates the following exit process:

**Withdrawal conditions:**

**VI.06 Expulsion.**

A Member may be expelled upon:

**Expulsion conditions:**

**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 Texas Default Warning Summary.**

TEXAS TRAPS (all overridden by this Agreement): (1) PER-CAPITA VOTING (Tex. Bus. Orgs. Code § 101.354) — each member gets one equal vote regardless of ownership %. (2) NO WITHDRAWAL OR EXPULSION (Tex. Bus. Orgs. Code § 101.107). (3) CONTRIBUTION-BASED PROFIT/LOSS AND DISTRIBUTIONS (Tex. Bus. Orgs. Code §§ 101.201/101.203). (4) Certificate of Formation controls management structure if Agreement is silent (Tex. Bus. Orgs. Code § 101.251).

**ARTICLE VIII  
LIABILITY AND INDEMNIFICATION**

**VIII.01 Liability Shield.**

Under Tex. Bus. Orgs. Code § 101.114, a Member or Manager is not personally liable for the Company's debts, obligations, or liabilities except as and to the extent this Agreement specifically provides otherwise.

**VIII.02 Indemnification (§ 101.402).**

Under Tex. Bus. Orgs. Code § 101.402, the Company may permissively indemnify any person who was or is a member, manager, officer, or agent. Scope:

**Indemnification scope:**

Exclusion: no indemnification for fraud or intentional misconduct.

**VIII.03 Fiduciary Duty Modification (SB 29, May 14, 2025).**

Under Tex. Bus. Orgs. Code § 101.401, as amended by SB 29 effective May 14, 2025, this Company Agreement may EXPAND, RESTRICT, OR ELIMINATE fiduciary duties and related liabilities of any member, manager, officer, or other person. This is a material change from pre-2025 Texas law. Company agreements signed before May 14, 2025 should be reviewed.

**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:

- (a) An event specified in this Agreement.
- (b) An event rendering it impossible to carry on Company business.
- (c) Majority vote of all Members to voluntarily wind up under Tex. Bus. Orgs. Code § 101.552.
- (d) Judicial dissolution or administrative dissolution by the SOS.

Elected voluntary dissolution threshold:

**Dissolution threshold:**

**IX.02 Winding Up.**

Upon dissolution: (a) collect and liquidate assets; (b) pay creditors; (c) distribute remaining assets to Members in proportion to their Ownership Interest percentages. File Certificate of Termination Form 651 with the Texas Secretary of State.

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

To resolve disputes or deadlock before dissolution:

**Dispute method:**

## **ARTICLE X AMENDMENTS**

### **X.01 Amendment Threshold.**

Elected amendment threshold:

**Amendment threshold:**

### **X.02 Written Amendments Required.**

Although Tex. Bus. Orgs. Code § 101.052 permits oral or implied modifications, all amendments to this written Company Agreement must be IN WRITING and signed by the required threshold of Members. Texas courts give oral modifications very little weight when disputing members submit written terms against claimed oral modifications.

### **X.03 Storage.**

Under Tex. Bus. Orgs. Code § 101.501, Members have inspection rights. All amendments shall be maintained at the Company's principal office alongside the Certificate of Formation.

## **ARTICLE XI GENERAL PROVISIONS**

### **XI.01 Entire Agreement.**

This Company Agreement and the Certificate of Formation 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 Texas, specifically the Texas Business Organizations Code, Title 3, Chapter 101.

### **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.**

This Agreement may be executed in counterparts, including electronically. Texas law does not require notarization of a company agreement. This Agreement is NOT filed with the Texas Secretary of State. 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 Company Agreement (also called Operating Agreement). Texas law does not require notarization. This Agreement is NOT filed with the Texas Secretary of State. Franchise tax due May 15 annually to Texas Comptroller.

**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: 150px; height: 20px;" type="text"/>	<input style="width: 120px; height: 20px;" type="text"/>
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 120px; height: 20px;" type="text"/>
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 120px; height: 20px;" type="text"/>
<input style="width: 195px; height: 20px;" type="text"/>	<input style="width: 220px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 120px; height: 20px;" type="text"/>

**Total Ownership:**  %

TEXAS TRAP OVERRIDES: (1) Profit/loss allocation overrides contribution-based default (Tex. Bus. Orgs. Code § 101.201). (2) Distributions override contribution-based default (Tex. Bus. Orgs. Code § 101.203). (3) Voting basis overrides per-capita default (Tex. Bus. Orgs. Code § 101.354). Any binding promise to contribute must be signed in writing by the Member (Tex. Bus. Orgs. Code § 101.151).

## LEGAL DISCLAIMER

This Multi-Member (Member-Managed) Company Agreement (also called Operating Agreement) template for a Texas 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 Texas Business Organizations Code (TBOC), Title 3, Chapter 101, including Tex. Bus. Orgs. Code §§ 101.001, 101.052, 101.053, 101.054, 101.101, 101.106, 101.107, 101.108–101.112, 101.114, 101.151, 101.201, 101.203, 101.206, 101.251, 101.254, 101.354, 101.355, 101.356, 101.401, 101.402, 101.501, 101.502, 101.552, 101.601, and 5.201–5.202, as amended by SB 29 effective May 14, 2025. Laws change; Boost Suite does not guarantee that this template reflects the most current version of Texas law. LLCs with complex structures should have this Agreement reviewed by a licensed Texas attorney before execution.

### Your Texas LLC Resources:

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

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