

MICHIGAN LIMITED LIABILITY COMPANY MULTI-MEMBER OPERATING AGREEMENT

(Member-Managed)

Governed by the Michigan Limited Liability Company Act, 1993 PA 23, MCL 450.4101 et seq.

ARTICLE I ORGANIZATION

1.01 Formation and Governing Law.

This Limited Liability Company (the “Company”) is organized under the Michigan Limited Liability Company Act, 1993 PA 23, MCL 450.4101 et seq. (the “Act”). The rights and obligations of the Members and the governance of the Company are subject to the Act except as expressly modified by this Operating Agreement.

1.02 Company Name.

The legal name of the Company is:

The name in this Agreement must match the Articles of Organization filed with LARA exactly, including punctuation and designator.

1.03 Articles of Organization.

The Company was formed by filing Articles of Organization (Form CSCL/CD-700) with the Michigan Department of Licensing and Regulatory Affairs (LARA), Corporations, Securities & Commercial Licensing Bureau. The current Articles of Organization filing fee is \$50. The Articles of Organization are the public-record document filed with LARA. This Operating Agreement is an internal governance document and is NOT filed with LARA.

CRITICAL — ARTICLES CONTROL RULE: Under MCL 450.4214, if any provision of the Articles of Organization conflicts with a provision of this Operating Agreement, the Articles of Organization control. Before executing this Agreement, compare both documents to confirm they are consistent.

1.04 LARA as Filing Authority.

Michigan routes LLC filings through Michigan Department of Licensing and Regulatory Affairs (LARA), not the Secretary of State. The filing portal is the MiBusiness Registry Portal (MiBRP). All amendments, annual statements, and other filings must be submitted through LARA.

1.05 Resident Agent and Registered Office.

Michigan law requires every LLC to maintain a resident agent and a registered office within the State of Michigan. The Company’s resident agent is:

Resident Agent Name:

Registered Office Address:

1.06 Principal Office.

The principal office of the Company is:

Principal Office Address:

1.07 Purpose.

The Company is organized to engage in:

and any lawful activity permitted under the Act.

1.08 Written Agreement Required.

Under MCL 450.4102(r), a Michigan operating agreement means a WRITTEN agreement by the sole member, or between all members. Oral or implied agreements do not qualify as operating agreements under Michigan law. This written Operating Agreement is the controlling internal governance document.

**ARTICLE II
DEFINITIONS**

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

- (a) “Act” means the Michigan Limited Liability Company Act, 1993 PA 23, MCL 450.4101 et seq., as amended.
- (b) “Agreement” means this written Operating Agreement, as amended from time to time.
- (c) “Articles” means the Company’s Articles of Organization (Form CSCL/CD-700) filed with LARA, as amended. Under MCL 450.4214, the Articles control over this Agreement if they conflict.
- (d) “Capital Account” means the account maintained for each Member reflecting contributions, allocations, and distributions.
- (e) “Capital Contribution” means any cash, property, or services contributed by a Member, documented in Exhibit 1.

- (f) “Membership Interest” means a Member’s interest in the Company under MCL 450.4505, including economic and governance rights.
- (g) “Majority in Interest” means members holding more than 50% of Membership Interests entitled to vote.
- (h) “LARA” means the Michigan Department of Licensing and Regulatory Affairs, Corporations Division.
- (i) “Charging Order” means the exclusive creditor remedy under MCL 450.4507, which bars foreclosure on a Membership Interest under the Act.

ARTICLE III

CAPITAL CONTRIBUTIONS AND ACCOUNTS

III.01 Initial Capital Contributions.

Each Member’s initial Capital Contribution and Membership Interest percentage are set forth in Exhibit 1. Because Michigan defaults to equal-share distributions under MCL 450.4303 regardless of capital invested, explicitly documenting ownership percentages and overriding that default in this Agreement is essential.

III.02 Equal-Share Distribution Default Override.

Under MCL 450.4303, distributions are allocated in equal shares to all members for LLCs formed after July 1, 1997, unless the operating agreement provides otherwise. The Members expressly override this default: distributions shall be allocated in proportion to each Member’s Membership Interest percentage as set forth in Exhibit 1.

III.03 Capital Accounts.

The Company shall maintain a separate Capital Account for each Member. Capital Accounts shall be 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 Capital Contribution without the written consent of all Members. Any additional contributions shall be documented in a written amendment to Exhibit 1.

III.05 No Interest on Contributions.

No Member is entitled to receive interest on any Capital Contribution unless separately agreed in writing by all Members.

**ARTICLE IV
ALLOCATIONS AND DISTRIBUTIONS**

IV.01 Profit and Loss Allocation.

Profits and losses shall be allocated among the Members in proportion to their Membership Interest percentages as set forth in Exhibit 1.

IV.02 Distributions.

Distributions shall be made at such times and amounts as determined by:

Authorized by:

in proportion to each Member's Membership Interest percentage in Exhibit 1, expressly overriding the equal-share default of MCL 450.4303.

IV.03 Tax Distributions.

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

IV.04 Annual Statement.

The Company shall file an Annual Statement with LARA by February 15 each year after organization. LLCs formed after September 30 skip the immediately following February 15 filing. The Annual Statement fee is \$25 for LLCs (\$75 for PLLCs). A \$50 late penalty applies if received after February 15. Online filing through the MiBusiness Registry Portal begins October 15.

IV.05 Michigan Tax Compliance.

Michigan LLCs taxed as partnerships or S corporations may elect the Michigan Flow-Through Entity Tax (FTE tax). Following 2024 PA 216, the election deadline and timing rules changed for tax years beginning on or after January 1, 2024. Members claiming the FTE credit must use Form 6072 and, if applicable, Form 6074 beginning with 2025 returns. LLCs electing C corporation status pay Michigan Corporate Income Tax (CIT), with the annual return due April 30.

**ARTICLE V
MANAGEMENT — MEMBER-MANAGED**

V.01 Member-Managed Structure.

The Company is member-managed. Under MCL 450.4401, Michigan LLCs are member-managed by default. Each Member acts as an agent of the Company and may bind the Company in the usual course of business.

V.02 One-Vote-Per-Member Default Override.

Under MCL 450.4502, each member has one vote and a majority in interest is required for matters submitted to a member vote, unless the operating agreement provides otherwise. The Members elect the following voting basis:

Voting basis:

V.03 Ordinary Decisions.

Ordinary-course business decisions shall be approved by a majority in interest of Members entitled to vote, or by the voting threshold elected above.

V.04 Actions Requiring Higher Approval.

The following actions require the approval specified:

- (a) Admitting a new Member (if operating agreement is silent): unanimous vote of all Members entitled to vote (MCL 450.4501).
- (b) Amending this Agreement: unanimous written consent of all Members, unless this Agreement specifies otherwise.
- (c) Sale, exchange, lease, or transfer of all or substantially all assets outside the ordinary course: vote of Members entitled to vote (MCL 450.4502).
- (d) Dissolving the Company: unanimous vote of all Members entitled to vote (MCL 450.4801).
- (e) Merger or conversion:

Threshold:

V.05 Fiduciary Duties (Member-Managed).

In a member-managed LLC, Members owe duties under MCL 450.4401, including the duty to act in good faith and with the care an ordinarily prudent person would exercise in a like position under similar circumstances. Liability limitations apply, but MCL 450.4407 carve-outs cannot be eliminated: improper personal financial benefit, liability under MCL 450.4308, and knowing violations of law.

V.06 Withdrawal — Critical Michigan Rule.

Under MCL 450.4509, a Member may withdraw ONLY as provided in this Operating Agreement. The Act does NOT supply a default withdrawal right. Without an express withdrawal clause, a Member has no statutory mechanism to exit the Company.

Withdrawal conditions:

V.07 Buyout Upon Withdrawal.

Upon permitted withdrawal, the withdrawing Member shall receive:

Buyout method:

within

Days to pay:

V.08 Charging Order — Exclusive Creditor Remedy.

Under MCL 450.4507, the charging order is the EXCLUSIVE remedy for a judgment creditor of a Member. Foreclosure on a Membership Interest is barred under the Act. This protection applies when the LLC maintains a signed, written operating agreement and clean financial records.

V.09 Member Oppression.

Under MCL 450.4515, a Member may petition a Michigan circuit court when those in control engage in conduct that is illegal, fraudulent, or willfully unfair and oppressive. The court may order a buyout, appoint a custodian, or grant other relief. A dispute-resolution clause in this Agreement can resolve such conflicts before court proceedings.

V.10 Meetings.

Meetings may be called by any Member with:

Advance notice (days):

Meetings may be held in person, by telephone, or by video conference. Action without a meeting requires unanimous written consent.

ARTICLE VI TRANSFER OF MEMBERSHIP INTERESTS

VI.01 Assignability — Economic Rights Only.

Under MCL 450.4505, a Membership Interest is assignable in whole or in part unless this Operating Agreement restricts it. However, assignment alone transfers only economic rights (the right to receive distributions). An assignee does NOT gain management rights, voting rights, or access to records.

VI.02 Admission of Assignee as Member.

An Assignee may become a full Member only under MCL 450.4506 by: (a) unanimous vote of existing Members entitled to vote, if this Agreement is silent; or (b) compliance with an admission procedure in this Agreement.

Admission procedure:

VI.03 Right of First Refusal.

Before transferring any Membership Interest to a third party, the transferring Member shall first offer it to the remaining Members pro-rata at the proposed price. Remaining Members shall have:

Days to exercise ROFR:

VI.04 Transfer Restrictions.

The following transfers are prohibited without unanimous written consent: (a) transfers to a competitor; (b) transfers to a person under legal disability; (c) involuntary transfers, except as required by applicable law.

ARTICLE VII ADMISSION OF NEW MEMBERS

7.01 Admission Directly from the LLC.

A person acquiring a Membership Interest directly from the LLC becomes a Member by compliance with this Agreement's admission procedure, or if silent, by unanimous vote of all Members entitled to vote (MCL 450.4501).

Admission procedure:

7.02 Assignee Admission.

An Assignee may become a full Member only by: (a) unanimous vote of existing Members entitled to vote, if this Agreement is silent (MCL 450.4506); or (b) compliance with an admission procedure in this Agreement. Execution of a counterpart to this Agreement is also required.

ARTICLE VIII BOOKS, RECORDS, AND TAX MATTERS

VIII.01 Books and Records.

The Company shall maintain at its principal office, per MCL 450.4503: (a) Articles of Organization and all amendments; (b) this written Operating Agreement and all amendments; (c) a current list of each Member’s name and last-known address; (d) federal, state, and local tax returns for the three most recent fiscal years. Members have inspection, copying, and accounting rights under MCL 450.4503.

VIII.02 Fiscal Year and Accounting Method.

The Company’s fiscal year ends December 31. Accounting method:

Method:

VIII.03 Federal Tax Classification.

The Company shall be classified for federal income tax purposes as a:

VIII.04 Michigan Tax Compliance.

Michigan LLCs taxed as partnerships or S corporations may elect the Michigan FTE tax. Following 2024 PA 216, members claiming FTE credits must use Form 6072 and, if applicable, Form 6074 beginning with 2025 returns. LLCs electing C corporation status file the Michigan CIT annual return by April 30, with quarterly estimated payments due April 15, July 15, October 15, and January 15.

VIII.05 Tax Matters Representative.

The Tax Matters Representative of the Company is:

Tax Matters Rep:

**ARTICLE IX
INDEMNIFICATION AND LIABILITY**

IX.01 Indemnification.

Under MCL 450.4216, unless otherwise provided in the operating agreement, the LLC may indemnify, hold harmless, and defend Members, Managers, employees, or agents, and may purchase insurance. The Members elect to make indemnification:

Indemnification:

IX.02 Limitation of Liability.

Members and Managers are not personally liable for the acts, debts, or obligations of the Company solely by reason of their status as Member or Manager.

IX.03 MCL 450.4407 Carve-Outs — Non-Eliminable.

Under MCL 450.4407, Manager (and Member-as-Manager) liability CANNOT be eliminated for: (a) receiving an improper personal financial benefit; (b) liability under MCL 450.4308; (c) knowing violations of law; or (d) pre-effective date conduct. No provision of this Agreement may eliminate these.

IX.04 Veil-Piercing.

Michigan veil-piercing principles apply to LLCs. The leading authority is *Florence Cement Co. v. Vettrano*, 292 Mich App 461 (2011). Courts examine commingling of funds, undercapitalization, and failure to observe formalities. A signed written operating agreement and clean financial records strengthen the argument that the LLC operates as a separate legal entity.

IX.05 Insurance.

The Company may purchase and maintain insurance on behalf of any Member, Manager, or agent against any liability asserted against them in such capacity.

ARTICLE X DISSOLUTION AND WINDING UP

X.01 Dissolution Events.

The Company shall dissolve upon the first of the following (MCL 450.4801):

- (a) A time or date stated in the Articles of Organization.
- (b) A vote or event specified in the Articles or this Operating Agreement.
- (c) Unanimous vote of all Members entitled to vote.
- (d) Judicial dissolution ordered by a Michigan circuit court.
- (e) An organizer vote in the narrow pre-business scenario described by the Act.

X.02 Continuation Clause.

Notwithstanding the foregoing, the Members may elect to continue the Company upon the death, disability, withdrawal, or dissociation of a Member by unanimous written consent within 90 days of such event.

X.03 Dissolution Publication Notice.

Michigan does NOT require newspaper publication to form an LLC. The publication rule in MCL 450.4807 applies only after dissolution, as a claims-bar notice to creditors. Upon dissolution, the Members or Manager shall comply with MCL 450.4807.

X.04 Winding Up and Distribution.

Upon dissolution: (a) collect and liquidate assets; (b) pay creditors; (c) establish reserves for contingent liabilities; (d) distribute remaining assets to Members in proportion to their positive Capital Account balances, then in proportion to Membership Interest percentages.

X.05 Certificate of Dissolution.

Upon completion of winding up, file a Certificate of Dissolution (Form CSCL/CD-731) with LARA to terminate the Company’s legal existence.

**ARTICLE XI
AMENDMENTS**

XI.01 Amendment Procedure.

This Agreement may be amended by:

Amendment threshold:

XI.02 Articles of Organization Must Be Updated.

CRITICAL: Under MCL 450.4214, the Articles of Organization control over this Agreement if they conflict. Any amendment to this Agreement that touches a provision also addressed in the Articles must be accompanied by a corresponding amendment to the Articles (Form CSCL/CD-715, \$10 fee). Failure to update both documents creates a governance mismatch.

XI.03 Records Requirement.

All amendments to this written Operating Agreement shall be maintained at the Company’s principal office alongside the Articles of Organization and Annual Statements, per MCL 450.4503.

**ARTICLE XII
GENERAL PROVISIONS**

XII.01 Entire Agreement.

This Agreement, the Articles of Organization, and all Exhibits constitute the entire agreement among the Members and supersede all prior negotiations. Note: under MCL 450.4214, the Articles control over this Agreement if they conflict.

XII.02 Severability.

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

XII.03 Governing Law.

This Agreement shall be governed by the laws of the State of Michigan, specifically the Michigan Limited Liability Company Act, 1993 PA 23, MCL 450.4101 et seq.

XII.04 Dispute Resolution.

Disputes shall first be submitted to:

Method:

before commencing arbitration or litigation. Venue:

Venue county:

XII.05 Notices.

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

XII.06 Counterparts and Signatures.

This Agreement may be executed in counterparts, including electronically. Michigan does not require notarization; the agreement is NOT filed with LARA.

XII.07 No Third-Party Beneficiaries.

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

XII.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 as required by MCL 450.4102(r). Michigan does not require notarization. This Agreement is NOT filed with LARA. The signed original shall be maintained at the Company's principal office per MCL 450.4503.

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.)

EXHIBIT 1 ■ CAPITAL CONTRIBUTIONS AND MEMBERSHIP INTERESTS

Company Name:

Member Name	Address	Contribution (\$)	Ownership Interest (%)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Total Ownership: %

This Exhibit expressly overrides Michigan’s equal-share distribution default (MCL 450.4303) and one-vote-per-member default (MCL 450.4502). The allocations and voting rights set forth above control.

LEGAL DISCLAIMER

This Multi-Member (Member-Managed) Operating Agreement template for a Michigan 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 Michigan Limited Liability Company Act, 1993 PA 23, MCL 450.4101 et seq., including MCL 450.4102(r), 450.4203, 450.4214, 450.4215, 450.4303, 450.4401, 450.4402, 450.4404, 450.4407, 450.4501, 450.4502, 450.4505, 450.4506, 450.4507, 450.4509, 450.4515, and 450.4801. Laws change; Boost Suite does not guarantee that this template reflects the most current version of Michigan law. Multi-member LLCs and LLCs with complex structures should have this Agreement reviewed by a licensed Michigan attorney.

Your Michigan LLC Resources:

- <https://boostsuite.com/llc-operating-agreement/michigan/>
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