

**MICHIGAN LIMITED LIABILITY COMPANY
SINGLE-MEMBER OPERATING AGREEMENT**

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 AND AUTHORITY

5.01 Sole Member as Manager.

The Company is managed by its Sole Member. Under MCL 450.4401, the Sole Member acts as the manager of the Company and may execute all documents and bind the Company in the ordinary course of business.

5.02 Single-Member Enforceability (MCL 450.4215).

MCL 450.4215 expressly provides that an operating agreement of a one-member LLC is not unenforceable merely because only one person is a party to it. This written Agreement is enforceable and constitutes evidence that the Company operates as a separate legal entity.

5.03 Fiduciary Duties.

The Sole Member owes duties under MCL 450.4401, including the duty to act in good faith. MCL 450.4407 carve-outs apply and cannot be eliminated by this Agreement.

5.04 Withdrawal.

Under MCL 450.4509, withdrawal is only available as provided in this Agreement. The Sole Member may withdraw by providing written notice to all creditors and winding up as required by law.

5.05 Articles-Control Rule.

Under MCL 450.4214, the Articles of Organization control over this Agreement if they conflict. The Sole Member shall maintain consistency between both documents.

5.06 Charging Order.

Under MCL 450.4507, the charging order is the exclusive remedy for a judgment creditor of the Sole Member. Foreclosure on the Membership Interest is barred.

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
BOOKS, RECORDS, AND TAX MATTERS**

VII.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.

VII.02 Fiscal Year and Accounting Method.

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

Method:

VII.03 Federal Tax Classification.

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

VII.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.

VII.05 Tax Matters Representative.

The Tax Matters Representative of the Company is:

Tax Matters Rep:

ARTICLE VIII INDEMNIFICATION AND LIABILITY

VIII.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:

VIII.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.

VIII.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.

VIII.04 Veil-Piercing.

Michigan veil-piercing principles apply to LLCs. The leading authority is *Florence Cement Co. v. Vettraino*, 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.

VIII.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 IX DISSOLUTION AND WINDING UP

IX.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.

IX.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.

IX.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.

IX.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.

IX.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 X
AMENDMENTS**

X.01 Amendment Procedure.

This Agreement may be amended by:

Amendment threshold:

X.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.

X.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 XI GENERAL PROVISIONS

XI.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.

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

XI.04 Dispute Resolution.

Disputes shall first be submitted to:

Method:

before commencing arbitration or litigation. Venue:

Venue county:

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. Michigan does not require notarization; the agreement is NOT filed with LARA.

XI.07 No Third-Party Beneficiaries.

This Agreement is for the sole 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.

CERTIFICATION OF SOLE MEMBER

The undersigned, being the Sole Member of the Company, hereby adopts this written Operating Agreement as required by MCL 450.4102(r). This Agreement is enforceable pursuant to MCL 450.4215. It is maintained at the Company's principal office pursuant to MCL 450.4503 and is NOT filed with LARA.

Company Name:

State:

Date of Adoption:

Sole Member Signature: _____

Printed Name:

Date:

Address:

EXHIBIT 1 ■ CAPITAL CONTRIBUTION AND MEMBERSHIP INTEREST

Company Name:

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

This Exhibit overrides the equal-share distribution default of MCL 450.4303 and documents the Sole Member’s 100% Membership Interest.

LEGAL DISCLAIMER

This Single-Member 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/>
- <https://boostsuite.com/how-to-start-an-llc/michigan/>
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