

**MONTANA LIMITED LIABILITY COMPANY
MANAGER-MANAGED OPERATING AGREEMENT**

Governed by the Montana Limited Liability Company Act, Title 35, Chapter 8, MCA

**ARTICLE I
ORGANIZATION**

1.01 Formation and Governing Law.

This Limited Liability Company (the “Company”) is organized under the Montana Limited Liability Company Act, Title 35, Chapter 8, MCA (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:

1.03 Articles of Organization.

The Company was formed by filing Articles of Organization with the Montana Secretary of State, Business Services Division through the biz.sosmt.gov filing portal. Filing fee: \$35 (plus \$50 per series member named in a series LLC). The articles must include the management structure statement and relevant member/manager names and addresses per 35-8-202(1)(d), MCA. This Operating Agreement is an internal document and is NOT filed with the Montana Secretary of State, Business Services Division.

1.04 Operating Agreement — Not Required, Written Overrides Critical.

Under 35-8-109(1), MCA, a Montana LLC is NOT required to adopt an operating agreement, and the operating agreement NEED NOT BE IN WRITING for most purposes. However, certain overrides are ONLY effective if in writing:

- (a) Varying records/information access rules under 35-8-405, MCA.
- (b) Varying distribution rights under 35-8-601 or 35-8-903, MCA.
- (c) Varying member-admission mechanics under 35-8-707, MCA.

The Members have elected to execute this WRITTEN Operating Agreement to ensure enforceability of all overrides and for banking, governance, and succession purposes.

1.05 2025 Amendments Notice.

House Bill 898 (Chapter 749, Laws of Montana 2025) amended 35-8-109 and 35-8-307 MCA: (a) 35-8-109(2), MCA now ties operating-agreement interpretation to Montana’s general contract-law rules in Title 28, Chapter 3, MCA; (b) 35-8-307, MCA amendments address dissolution ambiguity. If this Agreement was drafted before 2025, review the amendment and interpretation clauses.

1.06 Nonwaivable Provisions.

Under 35-8-109(3), MCA, this Agreement may NOT: (a) eliminate the duty of loyalty; (b) unreasonably reduce the duty of care; (c) eliminate the obligation of good faith and fair dealing; (d) unreasonably restrict records rights under 35-8-405, MCA; (e) vary the right to expel a member under 35-8-803(2)(c), MCA; (f) restrict winding-up requirements under 35-8-902(2)(b), MCA; or (g) restrict rights of third persons (other than managers, members, and transferees).

1.07 Registered Agent.

Every Montana LLC must maintain a registered agent and registered office per 35-7-105(1), MCA and 35-8-202(1)(c), MCA. The Company’s registered agent is:

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.

Annual reports are due January 1 through April 15 of each year beginning the year after formation (35-8-208, MCA). Standard fees per SOS schedule: \$20 by April 15 / \$35 if filed late. IMPORTANT: the Montana Secretary of State, Business Services Division’s official 2026 announcement states the 2026 annual report filing fee is WAIVED. File by April 15 regardless — the waiver may not continue in future years.

1.11 No Publication / No Franchise Tax.

No Montana LLC publication requirement was identified in current Montana Secretary of State, Business Services Division materials or the Montana LLC formation statutes. Montana does NOT impose a separate LLC franchise tax. Montana LLCs are pass-through entities by default; state business taxes are administered by the Montana Department of Revenue.

ARTICLE II DEFINITIONS

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

- (a) “Act” means the Montana Limited Liability Company Act, Title 35, Chapter 8, MCA, as amended, including the 2025 amendments.
- (b) “Agreement” means this written Operating Agreement, as amended.
- (c) “Articles” means the Company’s Articles of Organization filed with the Montana Secretary of State, Business Services Division, as amended.
- (d) “Capital Account” means the account maintained for each Member reflecting contributions, allocated profits/losses, and distributions.
- (e) “Capital Contribution” means any cash, property, or services contributed by a Member, as documented in Exhibit 1.
- (f) “Ownership Interest” means a Member’s percentage interest in the Company as set forth in Exhibit 1.
- (g) “Distributional Interest” means the right to receive distributions from the Company. Under 35-8-707, MCA, a transferee of a distributional interest does NOT automatically become a Member.
- (h) “Dissociation” means an event causing a Member to cease being a member under 35-8-803, MCA, including withdrawal, expulsion, bankruptcy, death, or incapacity.
- (i) “SOS” means the Montana Secretary of State, Business Services Division.
- (j) “Equal-Sharing Default” means the statutory rule under 35-8-503 and 35-8-601, MCA that, absent a written operating agreement, profits, losses, surpluses, and distributions are shared EQUALLY among members — not proportionally to contributions.

ARTICLE III CAPITAL CONTRIBUTIONS AND ACCOUNTS

III.01 Initial Capital Contributions.

Each Member’s initial Capital Contribution and Ownership Interest are set forth in Exhibit 1. CRITICAL MONTANA TRAP: Under 35-8-503, MCA, if this Agreement did not exist, profits, losses, and surpluses would first return contributions to members, then be shared EQUALLY — not proportionally to contributions. Under 35-8-601(1), MCA, interim distributions would likewise be equal. This written Agreement expressly overrides both defaults.

III.02 Equal-Sharing Default Override.

Under 35-8-503, MCA, the default splits profits, losses, and surpluses equally after returning contributions. Under 35-8-601(1), MCA, interim distributions default to equal shares. A written operating agreement is REQUIRED to override both defaults (35-8-109(1), MCA). The Members override these defaults: all 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. 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.

III.05 No Interest on Contributions.

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

**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-sharing default of 35-8-503, MCA. A WRITTEN operating agreement is required for this override to be effective per 35-8-109(1), MCA.

IV.02 Distributions.

Distributions shall be authorized by the Authorized Persons and allocated in proportion to each Member’s Ownership Interest in Exhibit 1, overriding the equal-sharing default of 35-8-601(1), MCA. A WRITTEN OA is required for this override. 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 Montana Tax Compliance.

Federal tax classification follows IRS check-the-box rules: single-member LLCs are disregarded entities; multi-member LLCs are partnerships by default. Corporate treatment: IRS Form 8832 (C corp) or IRS Form 2553 (S corp). Montana follows the federal pass-through classification. Each Member reports their share of profits and losses on individual returns using the Montana Schedule K-1. Montana does NOT impose a separate LLC franchise tax.

**ARTICLE V
MANAGEMENT — MANAGER-MANAGED**

V.01 Manager-Managed Structure.

The Company is manager-managed. CRITICAL: under 35-8-202(1)(d), MCA, manager-managed status MUST BE STATED IN THE ARTICLES OF ORGANIZATION. The Articles list all initial managers by name and address. If the Articles do not contain this statement, the Company defaults to member-managed.

V.02 Initial Manager(s).

The initial Manager(s) listed in the Articles of Organization are:

Manager 1 Name:

Manager 1 Address:

Manager 2 Name (if any):

Manager 2 Address:

V.03 Manager Authority — Ordinary Course.

Under 35-8-307(4), MCA, each Manager has equal rights in management and conduct of Company activities. Ordinary-course matters are decided by a MAJORITY OF MANAGERS. Each Manager may bind the Company in the ordinary course:

- (a) Executing contracts and instruments on behalf of the Company.
- (b) Opening and managing bank accounts and credit facilities.
- (c) Hiring, supervising, and terminating employees and contractors.
- (d) Acquiring, encumbering, and disposing of Company assets in the ordinary course.

- (e) Filing the annual report with the SOS (January 1–April 15 window; 2026 fee waived by SOS; standard fee \$20/\$35).

V.04 Actions Requiring Unanimous Member Consent.

Under 35-8-307(5), MCA, notwithstanding Manager authority, the following require UNANIMOUS Member consent by default:

- (a) Amending this Operating Agreement.
- (b) Amending the Articles of Organization.
- (c) Admitting a new Member.
- (d) Consenting to dissolve the Company.
- (e) Approving a merger or sale of substantially all Company property.

Members elect the following threshold:

Extraordinary threshold:

V.05 Manager Fiduciary Duties.

Managers owe duties under the Act. The operating agreement may modify but not eliminate the duty of loyalty, duty of care, or good faith and fair dealing obligation (35-8-109(3), MCA).

V.06 Manager Selection and Removal.

Under 35-8-307(4), MCA, Managers are designated, appointed, elected, removed, and replaced by a MAJORITY OF THE MEMBERS. Elected threshold:

Manager selection/removal:

V.07 Member Dissociation and Records.

Events of dissociation are governed by 35-8-803, MCA. A member’s dissociation does NOT automatically dissolve the Company (Doll v. Little Big Warm Ranch, LLC, Mont. 2024). Records rights under 35-8-405, MCA: a WRITTEN OA is required to vary these.

**ARTICLE VI
TRANSFER OF MEMBERSHIP INTERESTS**

VI.01 Distributional Interest vs. Full Membership.

Under 35-8-707, MCA, a transferee of a distributional interest does NOT automatically become a Member. The transferee receives only the right to distributions. A WRITTEN operating agreement is REQUIRED to vary member-admission mechanics per 35-8-109(1), MCA.

VI.02 Charging Order.

A charging order is the exclusive creditor remedy against a Member’s distributional interest. The holder of a charging order has no voting or management rights.

VI.03 Transfer Restrictions.

The Members impose the following restrictions on transfers of Membership Interests:

Transfer restrictions:

VI.04 Buy-Sell Provisions.

Custom buy-sell provisions control transfer on the following trigger events:

- (a) Death or incapacity of a Member.
- (b) Voluntary withdrawal or retirement.
- (c) Involuntary transfer (divorce, bankruptcy, judgment lien).

Valuation method:

Payment timeline:

VI.05 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.06 Dissociation Events.

Under 35-8-803, MCA, dissociation events include: withdrawal, expulsion, bankruptcy, death, incapacity, and certain transfers. A dissociation does NOT automatically dissolve the Company (Doll v. Little Big Warm Ranch, LLC, 2024). Herbert v. Shield Arms (Mont. 2025) confirms that valuation disputes and wrongful dissociation require explicit buy-sell and exit drafting.

**ARTICLE VII
MEMBER RIGHTS AND OBLIGATIONS**

7.01 Limitation on Member Authority.

In a manager-managed LLC, Members do not manage the Company as Authorized Persons for ordinary-course matters. Management authority is vested in the Manager(s) per Article V (35-8-307(4), MCA).

7.02 Member Reserved Voting Rights.

Members retain unanimous consent rights on the major actions listed in Section 5.04 (35-8-307(5), MCA), subject to any elected reduced threshold.

7.03 Opt-In Personal Liability — Montana Unique Provision.

Under 35-8-304(3), MCA, all or specified Members may be personally liable for LLC debts if the Articles so provide and the affected Member consents in writing. Members elect:

Personal liability opt-in:

**ARTICLE VIII
ADMISSION OF NEW MEMBERS**

8.01 Admission Requirements.

Under 35-8-307(5), MCA, admitting a new Member requires unanimous consent by default. A WRITTEN OA is required to vary admission mechanics (35-8-109(1) and 35-8-707, MCA). Elected threshold:

Admission threshold:

**ARTICLE IX
LIABILITY SHIELD AND INDEMNIFICATION**

IX.01 Liability Shield.

Under 35-8-304(1), MCA, a Member or Manager is NOT personally liable for the Company’s debts, obligations, or liabilities solely by reason of their status as Member or Manager.

IX.02 Formalities Not Required for Shield.

Under 35-8-304(2), MCA, failure to observe the usual company formalities (meetings, minutes, etc.) is NOT by itself a ground for imposing personal liability on a Member or Manager. This is a notable pro-LLC Montana feature.

IX.03 Opt-In Personal Liability — Montana Unique Provision.

Under 35-8-304(3), MCA, all or specified members may agree to be PERSONALLY LIABLE for LLC debts if the Articles of Organization so provide AND the affected person CONSENTS IN WRITING. This is an unusual Montana drafting option not available in most states. The Members elect:

Personal liability opt-in:

IX.04 Indemnification.

Montana’s LLC Act does not impose a mandatory indemnification checklist. Indemnification is handled contractually here, consistent with the fiduciary-duty limits of 35-8-109(3), MCA. The Company shall indemnify Members, Managers, officers, and agents acting in good faith as follows:

Indemnification scope:

Exclusions: no indemnification for willful misconduct, fraud, or bad faith.

IX.05 Insurance.

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

ARTICLE X DISSOLUTION AND WINDING UP

X.01 Dissolution Events.

The Company shall dissolve upon (35-8-901, MCA):

- (a) Consent of all Members (or the elected threshold below).
- (b) Expiration of a stated term in the Articles or this Agreement.
- (c) A judicial dissolution order under 35-8-902, MCA.
- (d) An event specified in the Articles or this Agreement.

Members elect the following dissolution threshold:

Dissolution threshold:

X.02 Judicial Dissolution.

Under 35-8-902, MCA, a Montana district court may order dissolution if the Company is not operated in conformity with the operating agreement. In *Gordon v. Kuzara* (Mont. 2012), the Montana Supreme Court addressed judicial dissolution on this basis. Custom dissolution triggers, deadlock provisions, and buyout mechanics in this Agreement reduce judicial-dissolution risk.

X.03 Dissociation ≠ Dissolution.

A Member’s dissociation (35-8-803, MCA) does NOT automatically dissolve the Company (*Doll v. Little Big Warm Ranch, LLC*, Mont. 2024). The remaining Members may continue Company operations per this Agreement.

X.04 Winding Up.

Upon dissolution (35-8-903, MCA): (a) collect and liquidate assets; (b) pay creditors; (c) establish reserves for contingent liabilities; (d) distribute remaining assets to Members in proportion to their Ownership Interest percentages. File Articles of Termination with the Montana Secretary of State, Business Services Division after winding up is complete.

X.05 Dispute Resolution and Deadlock.

To resolve disputes or deadlock before judicial dissolution:

Dispute method:

**ARTICLE XI
AMENDMENTS**

XI.01 Amendment Procedure.

Under 35-8-307(5), MCA, amending this Operating Agreement requires UNANIMOUS consent of all Members by default. In *Barbier v. Burns* (Mont. 2025), the Montana Supreme Court upheld an amendment threshold set by the original OA that allowed amendment without full unanimity. The Members elect:

Amendment threshold:

XI.02 Written Amendment Required.

All amendments to this written Operating Agreement must be in writing. While 35-8-109(1), MCA allows non-written operating-agreement terms in general, once the Members have adopted a written OA, written amendments are required for certainty and enforceability.

XI.03 2025 Amendment Interpretation Rule.

Under 35-8-109(2), MCA (as amended in 2025), this Agreement is interpreted according to Montana’s general contract-law rules in Title 28, Chapter 3, MCA: plain meaning, course of dealing, and good faith doctrines apply.

XI.04 Records.

All amendments shall be maintained with Company records per 35-8-405, MCA.

**ARTICLE XII
GENERAL PROVISIONS**

XII.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.

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 Montana, specifically the Montana Limited Liability Company Act, Title 35, Chapter 8, MCA, and interpreted pursuant to Title 28, Chapter 3, MCA (35-8-109(2), MCA, 2025 amendment).

XII.04 Dispute Resolution.

Disputes shall first be submitted to mediation, then binding arbitration, before litigation. Venue:

Venue:

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. Montana does not require notarization of an LLC operating agreement. This Agreement is NOT filed with the Montana Secretary of State, Business Services Division. All Members should sign for enforceability and banking purposes.

XII.07 No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the Members and the Company, except as provided in 35-8-109(3)(g), MCA.

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 — MANAGERS

IN WITNESS WHEREOF, the Manager(s) have executed this Operating Agreement. **CRITICAL:** Articles of Organization **MUST** state 'manager-managed' and list **ALL** initial managers (35-8-202(1)(d), MCA). Montana does not require notarization. This Agreement is **NOT** filed with the Montana Secretary of State, Business Services Division.

Company Name:

Effective Date:

Manager 1 Signature: _____

Printed Name:

Date:

Address:

Manager 2 (if any) Signature: _____

Printed Name:

Date:

Address:

SIGNATURE PAGE — MEMBERS

The Members hereby adopt this Operating Agreement.

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 OWNERSHIP INTERESTS

Company Name:

Member / Manager Name	Address	Role	Contribution (\$)	Ownership (%)
<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>	<input style="width: 130px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>
<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>	<input style="width: 130px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>
<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>	<input style="width: 130px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>
<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 180px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>	<input style="width: 130px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>

Total Ownership: %

Articles of Organization MUST state 'manager-managed' and list ALL initial managers (35-8-202(1)(d), MCA). This Exhibit overrides the equal-sharing defaults of 35-8-503 and 35-8-601(1), MCA. A WRITTEN OA is required (35-8-109(1), MCA).

LEGAL DISCLAIMER

This Manager-Managed Operating Agreement template for a Montana 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 Montana Limited Liability Company Act, Title 35, Chapter 8, MCA, including 35-8-109, 35-8-201, 35-8-202, 35-8-304, 35-8-307, 35-8-405, 35-8-503, 35-8-601, 35-8-707, 35-8-803, 35-8-901, 35-8-902, 35-8-903, and 35-7-105, MCA. The 2025 amendments (HB 898 / Chapter 749, Laws of Montana 2025) to 35-8-109 and 35-8-307 MCA are reflected here. Laws change; Boost Suite does not guarantee that this template reflects the most current version of Montana law. LLCs with complex structures should have this Agreement reviewed by a licensed Montana attorney before execution.

Your Montana LLC Resources:

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

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