

**RHODE ISLAND LIMITED LIABILITY COMPANY
MULTI-MEMBER OPERATING AGREEMENT**

(Member-Managed)

Governed by the Rhode Island Limited Liability Company Act, R.I. Gen. Laws Title 7, Chapter 7-16

**ARTICLE I
ORGANIZATION**

1.01 Formation and Governing Law.

This Limited Liability Company (the “Company”) is organized under the Rhode Island Limited Liability Company Act, Title 7, Chapter 7-16 (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 Agreement.

1.02 Company Name.

The legal name of the Company is (must match Form 400 exactly, including “LLC,” “L.L.C.,” or “Limited Liability Company”):

1.03 Articles of Organization.

The Company was formed by filing Form 400 – Articles of Organization for a Domestic Limited Liability Company with the Rhode Island Department of State, Business Services Division under R.I. Gen. Laws § 7-16-5 and § 7-16-6. Filing fee: \$150 (paper) or \$156 (online, including \$6 enhanced service fee). This Operating Agreement is an internal document and is NOT filed with the Rhode Island Department of State, Business Services Division.

1.04 Operating Agreement — Written, Oral, or Sole-Member.

Under R.I. Gen. Laws § 7-16-2(15), an operating agreement means any written or oral agreement of the members as to the affairs of the LLC and the conduct of its business, and includes a document adopted by the sole member of a single-member LLC. Managers who are not members may also be parties. This Agreement is adopted in WRITTEN form for evidentiary clarity, banking, and enforceability. The Rhode Island Department of State does NOT record ownership information; this Agreement is the de facto ownership record for the Company.

1.05 Rhode Island Does Not Track Ownership.

The Rhode Island Department of State, Business Services Division’s “LLC Ownership and Operating Agreements” brochure explicitly states that the Department does NOT record business ownership information. This Agreement is the primary evidence of membership, ownership percentages, and capital value for all Members.

1.06 Resident Agent and Registered Office.

Under R.I. Gen. Laws § 7-16-11, the Company must maintain a RESIDENT AGENT (Rhode Island’s term for registered agent) with a physical street address in Rhode Island (no P.O. boxes). Residents or entities authorized to do business in Rhode Island may serve as resident agent. Changes require filing Form 642 with a \$20 fee.

Resident Agent Name:

Resident Office Address:

1.07 Principal Office.

The principal office of the Company (where records required under R.I. Gen. Laws § 7-16-22 must be kept) is:

Principal Office Address:

1.08 Purpose.

The Company is organized to engage in:

and any lawful activity permitted under the Act.

1.09 Federal Tax Classification (as Stated on Form 400).

Rhode Island’s LLC Articles of Organization Filing Guide requires the LLC to state its intended federal income tax classification at formation. The Company’s Form 400 indicates treatment as:

Federal tax classification:

This Agreement reflects that classification. Any change requires a separate IRS election (Form 8832 or Form 2553) and may affect the annual charge obligation under R.I. Gen. Laws § 7-16-67.

1.10 Annual Report and Annual Charge.

Annual Report: under R.I. Gen. Laws § 7-16-66, every Rhode Island LLC must file an annual report with the Rhode Island Department of State, Business Services Division between February 1 and May 1 each year. Fee: \$50. NOTE: Some secondary sources cite “due by March 1” — the correct statutory window is February 1 to May 1. Annual Charge (Minimum Corporate Tax): under R.I. Gen. Laws § 7-16-67, the Company must file a return with the Rhode Island Division of Taxation and pay an annual charge equal to the minimum corporate tax (currently \$400) by the 15th day of the fourth month following the close of the fiscal year (April 15 for calendar-year filers). This charge applies even if the Company earns zero revenue. It is collected by the Rhode Island Division of Taxation, NOT the Department of State.

NAME the member or officer responsible for annual compliance filings:

Annual compliance filer:

1.11 No Publication Requirement; No Franchise Tax Label.

Rhode Island does NOT impose a newspaper publication requirement for forming or maintaining a domestic LLC. The \$400 annual charge under § 7-16-67 is sometimes described as a “minimum corporate tax” rather than a “franchise tax,” but it is a real annual obligation owed by every LLC regardless of revenue.

1.12 Pending Legislation [VERIFY].

Bills H 8116 (2024) and H 6344 (2025) pending in the Rhode Island General Assembly would replace current Chapter 7-16 with a new Chapter 7-16.1 modeled on the Uniform Limited Liability Company Act. Until enacted, this Agreement is drafted against current Chapter 7-16. VERIFY current enactment status at rilegislature.gov before relying on any 7-16.1 provisions.

ARTICLE II DEFINITIONS

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

- (a) “Act” means the Rhode Island Limited Liability Company Act, Title 7, Chapter 7-16, as amended.
- (b) “Agreement” means this written Operating Agreement, as amended.
- (c) “Articles” means the Company’s Articles of Organization (Form 400) filed with the Rhode Island Department of State, Business Services Division under R.I. Gen. Laws § 7-16-6.
- (d) “Capital Value” means, as defined in R.I. Gen. Laws § 7-16-2, the fair market value of each Member’s contributions to the Company minus the value of distributions received. Capital Value is the basis for all default allocations (profits, losses, distributions) and default voting under R.I. Gen. Laws §§ 7-16-21, 7-16-26, and 7-16-27.

- (e) “Contribution” means any cash, property, services, or other benefit contributed by a Member, as documented in Exhibit 1.
- (f) “Ownership Interest” means a Member’s interest in the Company as set forth in Exhibit 1.
- (g) “Resident Agent” means the Rhode Island-specific term for the Company’s statutory agent for service of process, as required by R.I. Gen. Laws § 7-16-11. Rhode Island uses “resident agent,” not “registered agent.”
- (h) “Annual Charge” means the minimum corporate tax/annual charge payable to the Rhode Island Division of Taxation under R.I. Gen. Laws § 7-16-67, currently \$400, due by the 15th day of the 4th month after fiscal year-end.
- (i) “DOS” means the Rhode Island Department of State, Business Services Division.

ARTICLE III

CAPITAL CONTRIBUTIONS AND CAPITAL VALUE

III.01 Initial Capital Contributions.

Each Member’s initial Contribution, Capital Value, and Ownership Interest are set forth in Exhibit 1. **CRITICAL RHODE ISLAND RULE:** Under R.I. Gen. Laws §§ 7-16-26 and 7-16-27, if this Agreement were silent on allocations and distributions, profits, losses, AND distributions would all default to CAPITAL VALUE — the fair market value of each Member’s contributions minus distributions received. This is NOT an equal share and is NOT necessarily proportional to ownership percentages. This Agreement overrides those defaults.

III.02 Capital Value Override.

The Members expressly override the capital-value defaults of R.I. Gen. Laws §§ 7-16-26 and 7-16-27: all profit and loss allocations and distributions shall follow the Ownership Interest percentages set forth in Exhibit 1, NOT the statutory capital value formula.

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 Annual Capital Value Review.

The Members shall review and recalculate the Capital Value of each Member’s interest annually before the May 1 annual report deadline to account for any additional contributions or distributions during the prior year. This prevents unexpected reallocation of voting rights and distributions under the statutory capital-value formula.

III.05 Additional Contributions.

No Member shall be required to make any additional Contribution without the written consent of 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 Ownership Interest percentages in Exhibit 1, overriding the capital-value default of R.I. Gen. Laws § 7-16-26.

IV.02 Distributions.

Distributions shall be declared by the Authorized Persons and allocated in proportion to each Member's Ownership Interest, overriding the capital-value default of § 7-16-27. Authorized by:

Authorized by:

IV.03 Solvency Test — Statutory Floor (§ 7-16-31).

Under R.I. Gen. Laws § 7-16-31, NO distribution may be made if, after the distribution: (a) the Company cannot pay its debts as they become due in the ordinary course; or (b) the Company's total assets would be less than the sum of its total liabilities plus preferential rights upon dissolution. This solvency test CANNOT be overridden by this Agreement or any indemnification clause.

IV.04 Personal Liability for Wrongful Distributions (§ 7-16-32).

CRITICAL: Under R.I. Gen. Laws § 7-16-32, any member or manager who votes for or assents to a distribution that violates § 7-16-31 is personally liable to the Company for the amount of the wrongful distribution. This personal liability CANNOT be eliminated by any indemnification clause in this Agreement. The Company shall obtain written solvency confirmation before any distribution exceeding:

Solvency-confirmation threshold:

IV.05 Tax Distributions.

To the extent funds are available, the Company shall make annual tax distributions to cover each Member's share of pass-through income tax liability, before any discretionary distributions, subject to the solvency test of § 7-16-31.

ARTICLE V
MANAGEMENT — MEMBER-MANAGED

V.01 Member-Managed Structure (Default).

Under R.I. Gen. Laws § 7-16-14, an LLC is MEMBER-MANAGED by default unless the articles or a WRITTEN operating agreement provide for management by one or more managers. Under § 7-16-14, in a member-managed LLC each member is deemed a MANAGER for purposes of the Act and has the rights, powers, and duties of a manager. This must match the management designation on Form 400.

V.02 Voting Rights — Capital Value Default Override.

CRITICAL RHODE ISLAND TRAP: Under R.I. Gen. Laws § 7-16-21, the default voting weight for each member is proportional to CAPITAL VALUE — not ownership percentage, not per-capita. For major decisions (dissolution, asset sales, mergers, OA amendments), a MAJORITY IN CAPITAL VALUE is required by default. This Agreement overrides that default. Elected voting basis:

Voting basis:

V.03 Major Decisions Requiring Approval.

Under R.I. Gen. Laws § 7-16-21, the following require a majority in capital value by default (overridden by elected threshold below):

- (a) Dissolution and winding up.
- (b) Sale or transfer of all or substantially all Company assets.
- (c) Merger or consolidation.
- (d) Conflict-of-interest transactions involving a manager.
- (e) Amendments to the Articles of Organization or this Agreement.

Elected threshold for major decisions:

Major decisions threshold:

V.04 Ordinary Decisions.

Ordinary decisions threshold:

V.05 Agency Power.

Under R.I. Gen. Laws § 7-16-20, in a member-managed LLC each member is an agent of the LLC for the purpose of its business in the usual course. Authorized signatories:

Authorized signatories:

V.06 Duties of Managers/Members.

Under R.I. Gen. Laws § 7-16-17, managers (including members deemed managers under § 7-16-14) must act in good faith, with the care of an ordinarily prudent person in a like position, and in a manner they reasonably believe is in the best interests of the Company.

V.07 Liability Shield.

Under R.I. Gen. Laws § 7-16-23, a member or manager is not liable for the obligations of the LLC solely by reason of being a member or manager.

**ARTICLE VI
TRANSFER OF MEMBERSHIP INTERESTS**

VI.01 Economic Rights vs. Membership.

Under R.I. Gen. Laws § 7-16-36, an assignee of a membership interest receives only economic rights (distributions and liquidation proceeds) but does NOT automatically become a Member or gain management rights. To become a full Member, unanimous consent of existing members is required by default (§ 7-16-36) unless this Agreement provides otherwise.

VI.02 Admission Threshold Override.

Elected admission threshold for assignee to become a full Member:

Admission threshold:

VI.03 Transfer Restrictions.

The Members impose the following restrictions on transfers:

Transfer restrictions:

VI.04 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.05 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:

ARTICLE VII ADMISSION OF NEW MEMBERS

7.01 Admission Requirements.

Under R.I. Gen. Laws § 7-16-36, admission of an assignee as a full Member requires UNANIMOUS consent of existing members by default. Elected threshold:

Admission threshold:

7.02 Rhode Island Default Warnings.

RHODE ISLAND TRAPS (all overridden by this Agreement): (1) CAPITAL VALUE drives voting, profit/loss, and distributions by default (R.I. Gen. Laws §§ 7-16-21, 7-16-26, 7-16-27) — a handshake 50/50 split is legally irrelevant without this Agreement. (2) JUDICIAL DISSOLUTION is available to ANY MEMBER when it is not reasonably practicable to carry on business (§ 7-16-40) — include deadlock resolution language. (3) WRONGFUL DISTRIBUTION personal liability under § 7-16-32 cannot be eliminated by any indemnification clause. (4) ANNUAL CHARGE: \$400 to RI Division of Taxation even with zero revenue.

ARTICLE VIII LIABILITY AND INDEMNIFICATION

VIII.01 Liability Shield.

Under R.I. Gen. Laws § 7-16-23, Members and Managers are not personally liable for the Company's debts, obligations, or liabilities solely by reason of their membership or management status.

VIII.02 Indemnification.

Subject to the statutory floor in § 7-16-32 (see Section 4.04 above), the Company may indemnify and hold harmless any Member, Manager, or agent for acts taken in good faith in the best interests of the Company. Scope:

Indemnification scope:

VIII.03 Wrongful Distribution Carve-Out — Non-Overridable (§ 7-16-32).

CRITICAL: Under R.I. Gen. Laws § 7-16-32, personal liability for WRONGFUL DISTRIBUTIONS (distributions made in violation of § 7-16-31) CANNOT be eliminated by any indemnification clause in this Agreement. Any indemnification language that purports to eliminate this liability is void as to that extent. The solvency confirmation requirement in Section 4.04 is designed to prevent this outcome.

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 (R.I. Gen. Laws § 7-16-39):

- (a) An event specified in the Articles or this Agreement.
- (b) Member action to dissolve as provided in this Agreement.
- (c) Death or withdrawal of members without replacement, unless continuation language applies.
- (d) Judicial dissolution under § 7-16-40.

Elected voluntary dissolution threshold:

Dissolution threshold:

IX.02 Judicial Dissolution (§ 7-16-40).

Under R.I. Gen. Laws § 7-16-40, ANY MEMBER may apply to the Superior Court for judicial dissolution when it is NOT REASONABLY PRACTICABLE to carry on the Company's business in conformity with the Articles or this Agreement. This is a relatively low standard. Clear management and deadlock-resolution provisions in this Agreement help prevent judicial dissolution claims.

IX.03 Winding Up.

Upon dissolution (R.I. Gen. Laws § 7-16-46): (a) pay creditors (including members as creditors); (b) satisfy member liabilities for distributions; (c) distribute remaining assets to members first to return capital, then by distribution shares, unless this Agreement provides otherwise. File Articles of Dissolution within 30 days of completing winding up (R.I. Gen. Laws § 7-16-47).

IX.04 Dispute Resolution.

To resolve disputes or deadlock before judicial dissolution:

Dispute method:

ARTICLE X AMENDMENTS

X.01 Amendment Threshold.

Under R.I. Gen. Laws § 7-16-21, amendments to this Agreement require a MAJORITY IN CAPITAL VALUE by default. This Agreement overrides that default. Elected threshold:

Amendment threshold:

X.02 Written Amendments.

All amendments to this Agreement must be IN WRITING and signed by the required threshold of Members.

X.03 Pending Legislation.

Bills H 8116 and H 6344 may enact a new Chapter 7-16.1. Upon enactment, Members should review this Agreement and amend as needed. This Agreement includes a flexible amendment clause to facilitate that update.

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 Rhode Island, specifically the Rhode Island Limited Liability Company Act, Title 7, Chapter 7-16.

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.

Rhode Island law does not require notarization. This Agreement is NOT filed with the Rhode Island Department of State, Business Services Division. All Members should sign. Record the executed copy at the principal office per R.I. Gen. Laws § 7-16-22.

XI.07 Record-Keeping (§ 7-16-22).

Under R.I. Gen. Laws § 7-16-22, the Company must keep the following at its principal office: this Agreement and all amendments, a list of current Members and their contributions, and tax returns for the prior three years. Members have statutory inspection rights.

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. Rhode Island law does not require notarization. NOT filed with the Rhode Island Department of State, Business Services Division. Annual report: \$50, February 1 to May 1. Annual charge: \$400 to RI Division of Taxation.

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 OWNERSHIP INTERESTS

Company Name:

Member Name	Address	Contribution (\$)	Capital Value (%)
<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: 115px; 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: 115px; 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: 115px; height: 20px;" type="text"/>
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Total Capital Value: %

RHODE ISLAND: Without this Agreement, profits, losses, distributions, AND voting all default to CAPITAL VALUE (R.I. Gen. Laws §§ 7-16-21, 7-16-26, 7-16-27) — NOT equal shares, NOT necessarily Ownership %. Capital Value = FMV of contributions minus distributions (R.I. Gen. Laws § 7-16-2). ANNUAL REVIEW of Capital Value required (see Section 3.04).

LEGAL DISCLAIMER

This Multi-Member (Member-Managed) Operating Agreement template for a Rhode Island 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 Rhode Island Limited Liability Company Act, Title 7, Chapter 7-16, including R.I. Gen. Laws §§ 7-16-2, 7-16-5, 7-16-6, 7-16-11, 7-16-14, 7-16-15, 7-16-17, 7-16-20, 7-16-21, 7-16-22, 7-16-23, 7-16-24, 7-16-26, 7-16-27, 7-16-30, 7-16-31, 7-16-32, 7-16-33, 7-16-36, 7-16-39, 7-16-40, 7-16-46, 7-16-47, 7-16-66, and 7-16-67. Bills H 8116 (2024) and H 6344 (2025) may replace Chapter 7-16 with a new Chapter 7-16.1 modeled on the Uniform LLC Act [VERIFY at rilegislature.gov]. Laws change; Boost Suite does not guarantee that this template reflects the most current version of Rhode Island law. LLCs with complex structures should have this Agreement reviewed by a licensed Rhode Island attorney before execution.

Your Rhode Island LLC Resources:

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

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