

ORDINANCE NO. 41

Limited Liability Company Ordinance

SECTION 1. Purpose.

The purpose of this Ordinance is to provide the legal framework, under tribal law, for organizing and regulating a lawful Limited Liability Company by the Saginaw Chippewa Indian Tribe any wholly owned enterprise of the Tribe.

SECTION 2. Definition of Isabella Reservation.

As used in this Ordinance, "Isabella Indian Reservation" means all lands and waters within the Isabella Indian Reservation ("Reservation" as established by the Treaties of August 2, 1855 (11 Stat. 633) and October 18, 1864 (14 Stat. 657), and any other lands that have been or may hereafter be added to the Reservation by the Secretary of the Interior.

SECTION 3. Other Definitions.

- a. "Articles of Operation" means the agreement in writing among all of the members as to the conduct of the business of a Limited Liability Company and its relationships with its members
- b. "Articles of Organization" means the original documents filed to organize a Limited Liability Company, as amended or restated.
- c. "Corporation" means a for profit organized under Ordinance 30, the Tribal Business Corporation Ordinance or a foreign corporation formed under the laws of any other jurisdiction.
- d. "Director" means the position of the Director of Tribal Business Regulation and Tax as established pursuant to Tribal Ordinances 26 and 30.
- e. "Limited Liability Company" means an organization formed under this Ordinance.
- f. "LLC" means a limited liability company.
- g. "Majority Interest" means a majority of the votes allocated by an operating agreement, or by the ordinance in absence of an allocation by operating agreement, and held by members entitled to vote on a matter submitted for a vote by its members.
- h. "Manager" or "managers" means a person or persons designated to manage the limited liability company pursuant to a provision in the

articles of organization stating that the business is to be managed by or under the authority of managers

- i. "Member" or "Owner" means a person that is a member of a Limited Liability Company or has ownership interest in a Limited Liability Company.
- j. "Operating Agreement" means a written agreement by the member of a Limited Liability Company that has one member, or between all of the members of a Limited Liability Company that has more than one member, pertaining to the affairs of the Limited Liability Company and the conduct of its business. The term includes any provision of the articles of organization pertaining to the affairs of the Limited Liability Company and the conduct of its business.
- k. "Organizers" means the entity(ies) which signs and delivers the Articles of Organization to the Office of Business Regulations for filing.
- l. "Person" means an individual, partnership, Limited Liability Company, trust, custodian, estate, association, corporation, governmental entity, or other legal entity.
- m. "Tribe" means the Saginaw Chippewa Indian Tribe of Michigan.
- n. "Tribal Law Corporation" means a corporation incorporated under Ordinance 30.

SECTION 4. Duties of Director

The Director shall have the authority to do the following:

- a. Implement this Ordinance and collect and be the repository of all documents required to be filed pursuant to this Ordinance.
- b. Issue Orders to enforce the provisions of, and aid in implementation of, this Ordinance.
- c. Make or cause to be made examinations of places, records or documents relating to the implementation of this Ordinance.
- d. Develop or promulgate such rules and procedures as are necessary to implement this Ordinance. The Director may promulgate rules and procedures by orders that are approved in writing by the Tribal Administrator or the Assistant Tribal Administrator. Promulgated

rules and procedures will become valid and binding laws of the Tribe upon approval by the Tribal Council and shall be filed with the Tribal Clerk.

- e. Make recommendations to the Tribal Council regarding the establishment and regulation of Limited Liability Companies.
- f. Undertake any other activity that is reasonable and necessary to implement this Ordinance.

SECTION 5. Purpose.

A Limited Liability Company may be formed under this Ordinance for any lawful business purpose or purposes , except as otherwise provided by law. Unless otherwise provided by its Articles of Organization, a Limited Liability Company shall have general business purposes.

SECTION 6. Name.

The name of a Limited Liability Company as set forth in its articles of organization must contain the words "Limited Liability Company" or end with the abbreviation "LLC" or "L.L.C."

SECTION 7. Tribe as Member

- a. The Tribe shall form or become a member of a Limited Liability Company formed under this Ordinance only upon approval of such action by resolution of the Tribal Council.
- b. If the Tribe is a member of any Limited Liability Company formed under this Ordinance, any action which the Tribe is required or permitted to take with respect of any vote, approval, consent, appointment, direction, or other matter shall be taken as stated by a resolution of the Tribal Council or, as to actions related to the managers of a manager-managed Limited Liability Company, as stated in the Limited Liability Company's Operating Agreement approved by the Tribal Council.
- c. If the Tribe is the sole Owner of a Limited Liability Company formed under this Ordinance, such tribally owned Limited Liability Company shall be considered to be an instrumentality of the Tribe and their officers and employees considered officers and employees of the Tribe, created for the purpose of carrying out authorities and responsibilities of the Tribal Council for economic development of the Tribe and advancement of its tribal Owners. Such Limited Liability Company's directors, officers and employees shall, therefore, shall possess all of the privilege and immunities of the Tribe, including the Tribe's sovereign immunity

from suit except to the extent otherwise provided in its Operating Agreement.

- d. If the Tribe or a wholly owned enterprise of the Tribe is an Owner with a Majority Interest in a Limited Liability Company formed under this Resolution, such Limited Liability Company shall possess privileges and immunities of the Tribe, including sovereign immunity from suit, to the extent allowed by Federal law, this Ordinance, or the Limited Liability Company's Operating Agreement.
- e. Nothing contained in this Ordinance shall be construed as creating any liability or waiving of sovereign immunity of the Tribe in any manner; provided that the assets of the Limited Liability Company in which the Tribe holds an interest may be subject to liabilities and claims except as otherwise provided herein and only if and to the extent sovereign immunity is expressly waived by the Limited Liability Company. In no event shall any action taken by the Tribe as Owner concerning the exercise of any right or privilege or discharge of any duty with respect to an interest in a Limited Liability Company be construed as a waiver of immunity or creation of a liability on the part of the Tribe separate and apart from its interest as an Owner of the Limited Liability Company.
- f. All interests in any Tribally owned Limited Liability Company shall be held by and for the Tribe, or in the case of a wholly owned subsidiary Limited Liability Company, by the parent Tribally owned Limited Liability Company or parent Tribal Corporation. No individual member of the Tribe shall have any personal ownership interest in any Limited Liability Company organized hereunder, whether by virtue of such person's status as a member of the Tribe, or as an officer of the Tribe, or otherwise.
- g. A Tribally owned Limited Liability Company shall file annual reports with the Tribal Council concerning the Company's actions, plans and objectives.
- h. The Board of Directors of a Tribally owned Limited Liability Company or Tribal Corporation may create by Resolution, a subsidiary Limited Liability Company to be wholly owned by the parent Tribally owned Limited Liability Company or parent Tribal Corporation, which shall be instrumentalities of the Tribe. The organizer of such a Tribally owned subsidiary Limited Liability Company, a certified copy of a Resolution of the Board of Directors of the parent Tribally owned Limited Liability Company or parent Tribal Corporation authorizing the formation of the

subsidiary Limited Liability Company and approving the articles shall be included.

SECTION 8. Status of Limited Liability Company

For the purpose of this Ordinance, court jurisdiction, and similar matters, a Limited Liability Company established under this Ordinance shall have the same status as a member of the Saginaw Chippewa Indian Tribe.

SECTION 9. Articles of Organization.

- a. One or more person may organize a Limited Liability Company by signing and delivering Articles of Organization to the Director of Business Regulations for filing accompanied by a \$100 filing fee. The organizer(s) need not be members of the Limited Liability Company at the time of organization or thereafter.
- b. A Limited Liability Company shall have one or more members.
- c. The Articles of Organization shall contain all of and only the following information:
 - i. A statement that the Limited Liability Company is organized under this Ordinance.
 - ii. A name for the Limited Liability Company that satisfies the provisions of this act.
 - iii. The street address of the registered office, which shall be within the Isabella Reservation, and the name of the registered agent at that office.
 - iv. If management of the Limited Liability Company is vested in one or more managers, a statement to that effect.
 - v. The name and address of each person organizing the Limited Liability Company.
 - vi. Whether the Limited Liability Company is wholly owned by the Saginaw Chippewa Indian Tribe.
 - vii. If wholly owned by the Saginaw Chippewa Indian Tribe, whether the Limited Liability Company is to enjoy the Tribe's sovereign immunity and the scope of any waiver of that immunity.

- d. A Limited Liability Company may amend its Articles of Organization at any time by delivering an amendment for filing to the Director of Business Regulations.
- e. Effect of Delivery or Filing.
 - i. A Limited Liability Company is formed when the Articles of Organization become effective.
 - ii. The Director of Business Regulation's filing of the Articles of Organization is conclusive proof that the Limited Liability Company is organized and formed under this Ordinance.

SECTION 10. Registered Office and Agent.

The Limited Liability Company shall continuously maintain a registered office within the Isabella Reservation, and a registered agent. A Limited Liability Company may change its registered office or registered agent by filing a statement with the Director identifying the change. The registered agent, at the registered office, is considered to be an agent of the Limited Liability Company upon whom any process, notice, or demand required or permitted by law to be served upon the Limited Liability Company may be served. The agent may be the same person then serving in a designated office of the Saginaw Chippewa Indian Tribe rather than a specified person if the Tribe is a Member of the Limited Liability Company of which the Tribe's officer is the appointed agent. In the event the Limited Liability Company fails to maintain a registered office and a registered agent, the Director shall be considered the agent of the Limited Liability Company, and the Director shall mail such process, notice, or demand to any organizer of the Limited Liability Company at the most recent address of the files of the Director within five days of service upon the Director.

SECTION 11. Limited Liability Company Powers

Subject to the limitations provided in this Ordinance, any other statute of the tribe, or its articles of organization, a limited liability company has all powers necessary or convenient to effect any purpose for which the company is formed, including all powers granted to corporations in Ordinance 30, including to consent to be sued, complain and defend in its name; provided, however, that if a limited liability company is owned by the Saginaw Chippewa Indian Tribe, or wholly owned by another entity which itself is wholly owned by the Tribe, it shall be entitled to and shall enjoy the Tribe's sovereign immunity from suit unless the operating agreement otherwise provides.

SECTION 12. Membership and Voting.

- a. A person may be admitted as a member of a Limited Liability Company in connection with the formation of the Limited Liability Company through an Operating Agreement that includes

requirements for admission, by complying with those requirements; or if the person signs the initial operating agreement and the person's status as a member is reflected in the records, tax filings, or other written statements of the Limited Liability Company. A person may be admitted as a member after formation if the person is acquiring a membership interest by complying with the provisions of an Operating Agreement prescribing the requirements for admission, or upon the unanimous vote of the members. A person that is a member of a Limited Liability Company is not liable for the acts, debts, or obligations of the Limited Liability Company.

- b. An Operating Agreement may establish and allocate voting rights of members. If the Operating Agreement does not address voting rights, each member of a Limited Liability Company has one vote. Unless the Articles of Organization or Operating Agreement provide otherwise, an affirmative vote, approval, or consent by a majority in interest of the members is required to approve any matter submitted for a vote of the members. Unless the Articles of Organization or Operating Agreement provide otherwise, if management of a Limited Liability Company is vested in one or more managers, the affirmative vote, approval, or consent of more than fifty percent (50%) of the managers is required to approve any matter.
- c. Unless otherwise provided in the Articles of Organization or this Ordinance, the affirmative vote, approval, or consent of all members shall be required to do any of the following:
 - i. Amend the Articles of Organization.
 - ii. Adopt, amend or revoke an Operating Agreement.

SECTION 13.

Admission of Members.

- a. In connection with formation of a Limited Liability Company, a person acquiring Limited Liability Company interest is admitted as a member upon formation unless the Articles of Organization otherwise provide.
- b. After the formation of a Limited Liability Company, a person acquiring a Limited Liability Company interest is admitted as a member of the Limited Liability Company as provided in the Articles of Organization or, if not specified, by a majority in interest of members.

SECTION 14.

Managers.

- a. Management vested in members. Unless the articles of organization state that the business of the limited liability company is to be managed by one or more managers, the business of the limited liability company shall be managed by the members, subject to any provision in an operating agreement restricting or enlarging the management rights and duties of any member or group of members. If management is vested in the members, both of the following apply:
 - i. The members are considered managers for purposes of applying this Ordinance, unless the context clearly requires otherwise.
 - ii. The members have, and are subject to, all duties and liabilities of managers and to all limitations on liability and indemnification rights of managers.
- b. Managers; delegation; qualifications; number; notice of delegation
 - i. The articles of organization may provide that the business of the limited liability company shall be managed by or under the authority of one or more managers. The delegation of the management of a limited liability company to managers is subject to any provision in the articles of organization or in an operating agreement restricting or enlarging the management rights and duties of any manager or group of managers.
 - ii. An operating agreement may prescribe qualifications for managers, including a requirement that the managers be members.
 - iii. The number of managers shall be specified or fixed in accordance with an operating agreement.
 - iv. If the articles of organization delegate management of a limited liability company to managers, the articles of organization constitute notice to third parties that managers, not members, have the agency authority for the Limited Liability Company. .
- c. Managers; selection; vote; removal; notice.
 - i. A vote of a majority in interest of the members entitled to vote is required to select one or more managers to fill initial

positions or vacancies.

- ii. The members may remove one or more managers with or without cause unless an operating agreement provides that managers may be removed only for cause.
- iii. The members may remove a manager for cause only at a meeting called expressly for that purpose, and the manager shall have reasonable advance notice of the allegations against that manager and an opportunity to be heard at the meeting.

d. Managers; duties; action for failure to perform duties

- i. A manager shall discharge the duties of manager in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the manager reasonably believes to be in the best interests of the limited liability company.
- ii. In discharging the manager's duties, a manager may rely on information, opinions, reports, or statements, including, but not limited to, financial statements or other financial data, if prepared or presented by any of the following:
 - (a) One or more other managers or members or employees of the limited liability company whom the manager reasonably believes to be reliable and competent in the matter presented.
 - (b) Legal counsel, public accountants, engineers, or other persons as to matters the manager reasonably believes are within the person's professional or expert competence.
 - (c) A committee of managers of which the manager is not a member if the manager reasonably believes the committee merits confidence.
- iii. A manager is not entitled to rely on the information, opinions, reports, or statements described in this Section if the manager has knowledge concerning the matter in question that makes reliance otherwise permitted by this Section unwarranted.
- iv. A manager is not liable for an action taken as a manager or

the failure to take an action if the manager performs the duties of the manager's office in compliance with this Section.

- v. Except as otherwise provided in an operating agreement or by vote of the members a manager shall account to the limited liability company and hold as trustee for it any profit or benefit derived by the manager from any transaction connected with the conduct or winding up of the limited liability company or from any personal use by the manager of its property.
- vi. An action against a manager for failure to perform the duties imposed by this Ordinance shall be commenced within three years after the cause of action has accrued or within two years after the cause of action is discovered or should reasonably have been discovered by the complainant, whichever occurs first.

e. Managers; voting requirements

- i. Except as otherwise provided in the articles of organization or an operating agreement, voting by managers shall be as provided in this section.
- ii. If management of a limited liability company is delegated to managers and the limited liability company has more than one manager, each manager has one vote and the vote of a majority of all managers is required to decide or resolve any difference on any matter connected with carrying on the business of the limited liability company that is within the scope of the managers' authority.

f. Manager as agent. A manager is an agent of the limited liability company for the purpose of its business, and the act of a manager, including the execution in the limited liability company name of any instrument, that apparently carries on in the usual way the business of the limited liability company of which the manager is a manager binds the limited liability company, unless both of the following apply:

- i. The manager does not have the authority to act for the limited liability company in that particular matter.
- ii. The person with whom the manager is dealing has actual knowledge that the manager lacks authority to act or the

articles of organization or this Code establishes that the manager lacks authority to act.

- g. Managers; eliminating or limiting liability; exceptions. A provision in the articles of organization or an operating agreement may eliminate or limit the monetary liability of a manager to the limited liability company or its members for breach of any duty established in this Ordinance, except that the provision does not eliminate or limit the liability of a manager under Section 15 of this Ordinance.

SECTION 15 Prohibited Acts of Members and Managers

- a. No member or manager shall act or fail to act in a manner that constitutes the following:
 - i. A willful failure to fairly deal with the Limited Liability Company or its members in connection with a matter in which the member or manager has a material conflict of interest.
 - ii. A violation of law, unless the member or manager had reasonable cause to believe that the person's conduct was lawful or no reasonable cause to believe that the person's conduct was unlawful.
 - iii. A transaction in which the member or manager derived improper personal profit.
 - iv. Willful misconduct.

SECTION 16. Liability to Third Parties.

The debts, obligations, and liabilities of a limited liability company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the limited liability company. Except as otherwise specifically provided in this Ordinance, an Owner or manager of a limited liability company is not personally liable for any debt, obligation, or liability of a limited liability company, as defined in the operating agreement.

SECTION 17. Dissolution

A limited liability company is dissolved and its affairs shall be wound up upon the happening of the first of the following:

- a. The occurrence of events specified in the articles of operation.
- b. The written consent of all members.

- c. An event of dissociation of a member, unless otherwise provided in articles of operation or continuation is consented to by all remaining members.
- d. Entry of a decree of judicial dissolution.

LEGISLATIVE HISTORY

Ordinance 41 Limited Liability Company Ordinance. Enacted by Resolution 26-008, approved on October 15, 2025.