

**Sunsets 1/1/2016**

**48-2c-804 Management by managers.**

In a manager-managed company, each manager and each member shall be subject to Section 48-2c-807 and:

- (1)
  - (a) the initial managers shall be designated in the articles of organization; and
  - (b) after the initial managers, the managers shall be those persons identified in documents filed with the division including:
    - (i) amendments to the articles of organization;
    - (ii) the annual reports required under Section 48-2c-203; and
    - (iii) the statements required or permitted under Section 48-2c-122;
- (2) when there is a change in the management structure from a member-managed company to a manager-managed company, the managers shall be those persons identified in the certificate of amendment to the articles of organization that makes the change;
- (3) each manager who is a natural person must have attained the age of majority under the laws of this state;
- (4) no manager shall have authority to do any act in contravention of the articles of organization or the operating agreement, except as provided in Subsection (6)(g);
- (5) a manager who is also a member shall have all of the rights of a member;
- (6) unless otherwise provided in the articles of organization or operating agreement of the company:
  - (a) except for the initial managers, each manager shall be elected at any time by the members holding at least a majority of the profits interests in the company, and any vacancy occurring in the position of manager shall be filled in the same manner;
  - (b) the number of managers:
    - (i) shall be fixed by the members in the operating agreement; or
    - (ii) shall be the number designated by members holding at least a majority of the profits interests in the company if the operating agreement fails to designate the number of managers;
  - (c) each manager shall serve until the earliest to occur of:
    - (i) the manager's death, withdrawal, or removal;
    - (ii) an event described in Subsection 48-2c-708(1)(f); or
    - (iii) if membership in the company is a condition to being a manager, an event described in Subsection 48-2c-708(1)(d) or (e);
  - (d) a manager need not be a member of the company or a resident of this state;
  - (e) any manager may be removed with or without cause by the members, at any time, by the decision of members owning a majority of the profits interests in the company;
  - (f) there shall be only one class of managers; and
  - (g) approval by:
    - (i) all of the members and all of the managers shall be required for matters described in Subsection 48-2c-803(2); and
    - (ii) members holding 2/3 of the profits interests in the company, and 2/3 of the managers shall be required for all matters described in Subsection 48-2c-803(3).