OPERATING AGREEMENT
FOR
, LLC
AN IOWA MULTI-MEMBER LIMITED LIABILITY COMPANY
(MEMBER-MANAGED)

Effective Date: day of , 20

ARTICLE I — FORMATION AND ORGANIZATION

1.01 Formation

This LLC was formed by filing a Certificate of Organization (NOT "Articles of Organization") with the Iowa Secretary of State through Fast Track Filing pursuant to Iowa Code Chapter 489, the Revised Uniform Limited Liability Company Act (§489.201). This Agreement governs the Company's affairs per §489.105. Under §489.106, this Agreement binds the Company even if it never formally signed it. Under §489.107, this Agreement prevails over a conflicting filed record as to members, managers, and transferees.

Certificate of Organization Filing Date: day of , 20

1.02 Name

LLC Name:

The LLC name on this Agreement must match the Certificate of Organization exactly. A mismatch can delay bank account openings.

1.03 Registered Agent and Registered Office

Registered Agent:

Registered Office Address (Iowa street address — no P.O. box):

1.04 Principal Office

Principal Office Address:

1.05 Business Purpose

Specific Purpose (if any):

The LLC may engage in any lawful business activity under Iowa Code Chapter 489 and all other

applicable law.

1.06 Duration

Perpetual, unless dissolved per this Agreement or pursuant to §489.701.

1.07 Deemed Assent — §489.106

Under §489.106, any person who becomes a member after formation is deemed to have assented to the terms of this Agreement, whether or not they signed it. Under §489.301, a member is NOT an agent of the LLC solely by reason of being a member. Only persons authorized by this Agreement or by member vote may bind the LLC in ordinary-course transactions.

ARTICLE II — MEMBERS

2.01 Members and Ownership

Member Name	Address	Contribution ($)	% Interest

*(Attach additional pages as needed for LLCs with more than 4 members)

2.02 Non-Liability

No Member is personally liable for Company debts, obligations, or liabilities under Iowa Code Chapter 489.

2.03 Equal-Share Distribution Trap — §489.404

WARNING: Iowa's §489.404 default allocates distributions in EQUAL SHARES among all members regardless of contribution. This Agreement OVERRIDES that default in Article IV to tie distributions to percentage interests.

2.04 Compensation

Members are not compensated solely for being Members. Compensation must be set by written agreement.

2.05 Admission of New Members — §489.401

After formation, a person becomes a member as provided in this Agreement, or by the affirmative vote or consent of all members (§489.401).

☐ Unanimous consent required (§489.407 default) ☐ Supermajority: ___% of members (written override)

2.06 Other Business Activities

Non-Compete Terms (if any): _____

ARTICLE III — CAPITAL CONTRIBUTIONS

3.01 Initial Contributions

As listed in Section 2.01 and Exhibit 1. Assign a stated fair-market value to any contributed property. Iowa's statute is silent on capital-call mechanics; whatever this Agreement provides controls entirely.

Contributions due on or by: _____ day of _____, 20_____

3.02 Additional Contributions / Capital Calls

☐ Majority vote of members ☐ Unanimous consent of all members

Capital call process and consequences for non-participation: _____

3.03 No Interest on Capital

No interest shall be paid on capital contributions.

3.04 Capital Accounts

Maintained per Treasury Regulation § 1.704-1(b)(2)(iv). Reflects each Member's contributions, distributions, and allocated profits or losses.

3.05 Withdrawal Restrictions

No withdrawal of capital except with written consent of all Members.

ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

4.01 Allocation — §489.404 Equal-Shares Override

IOWA DEFAULT TRAP: §489.404 distributes profits in EQUAL SHARES among all members regardless of investment. A member who contributed $150,000 gets the same share as one who contributed $5,000. This Agreement OVERRIDES that default: profits, losses, income, gain, deduction, and credit are allocated per each Member's PERCENTAGE INTEREST as listed in Section 2.01. No priority or preference among Members.

4.02 Distributions — §489.404 Override

Distributed per percentage interest, as decided by:

☐ Majority vote of members ☐ Unanimous consent

Iowa's §489.404 default is equal shares. This Agreement overrides that default and ties distributions to each Member's percentage interest.

Distribution Schedule: _____

4.03 Tax Distribution Clause

The Company shall distribute to each Member an amount sufficient to cover their estimated federal and Iowa income tax liability on allocated Company income each year. If a PTET election is made, the tax distribution clause shall account for any increased member liability.

4.04 Iowa PTET Election

Iowa offers a voluntary Pass-Through Entity Tax (PTET) election (tax years 2023+, GovConnectIowa portal) for LLCs taxed as partnerships or S-corps. Voting threshold for PTET election:

☐ Majority vote of members ☐ Unanimous consent of all members

4.05 Tax Classification

☐ Partnership (default) ☐ S-Corporation (IRS Form 2553)

Other classification (specify): _____

4.06 Tax Year

☐ Calendar year ☐ Fiscal year ending:

Fiscal year end date (if selected): _____

4.07 Tax Matters Partner

Name: _____

4.08 Bank Accounts

Designated Member(s) authorized for banking: _____

Company funds shall NOT be commingled with personal funds of any Member.

4.09 Title to Assets

All property shall be held in the Company's name, not individual Members' names.

ARTICLE V — MANAGEMENT (MEMBER-MANAGED)

5.01 Member-Managed Structure — §489.407

Pursuant to §489.407, this Company is MEMBER-MANAGED. Iowa LLCs are member-managed by default. To switch to manager-managed, the operating agreement must expressly state 'manager-managed,' 'managed by managers,' 'vested in managers,' or words of similar import. This Agreement does not contain that language — all Members participate in management.

5.02 Equal Management Rights and Voting — §489.407

In a member-managed LLC under §489.407, each member has EQUAL management rights. This Agreement overrides the one-member-one-vote default to weight votes by percentage interest. Ordinary-course matters: majority of members by percentage interest (>50%).

5.03 Actions Requiring Unanimous Consent — §489.407

Under §489.407, the following require UNANIMOUS member approval regardless of this Agreement:

- ☐ Sell or lease substantially all company property outside the ordinary course
- ☐ Undertake any act outside the ordinary course of business
- ☐ Approve a merger, interest exchange, conversion, or domestication
- ☐ Amend this Operating Agreement

This Agreement may lower the threshold for the following acts below unanimity:

☐ Retain unanimity for all above (§489.407 default) ☐ Lower threshold to supermajority for non-merger acts

Supermajority threshold (if selected): _____ %

Other actions requiring approval (specify): _____

5.04 Deadlock Prevention

If members deadlock on a majority vote, the dispute shall be submitted to mediation before either member seeks judicial dissolution under §489.701(1)(d) — a ground that cannot be varied by this Agreement.

Mediator selection method: _____

5.05 Members' Meetings

Days' written notice required: _____

Quorum: Members holding _____ % or more of total interests.

☐ Annual ☐ As needed ☐ Other:

Written minutes kept in Company records.

5.06 Real-Estate Authority — §489.407A

Iowa §489.407A: in a member-managed LLC where the operating agreement is silent, ALL members must consent to a real-estate transfer. This Agreement grants the following authority for real-property transactions:

☐ All Members must approve real-estate transfers (§489.407A default) ☐ Majority vote of Members sufficie

The Company may also file a Statement of Authority under §489.302 with the Iowa Secretary of State to clarify real-property signing authority for title companies and lenders.

5.07 Officers (Optional)

President: _____

Secretary: _____

Treasurer: _____

5.08 Fiduciary Duties — §489.105 Non-Waivable

Under §489.105, the operating agreement may NOT eliminate the contractual obligation of good faith and fair dealing, may NOT unreasonably restrict information rights under §489.410, and may NOT vary judicial dissolution grounds under §489.701(1)(d). All Members shall act in good faith and with care in all management decisions.

ARTICLE VI — LIABILITY AND INDEMNIFICATION

6.01 Non-Liability

No Member is personally liable for Company obligations under Iowa Code Chapter 489.

6.02 Charging Order — Exclusive Remedy

A charging order is the EXCLUSIVE remedy against a Member's interest under Iowa Code Chapter 489.

6.03 Indemnification — §489.408

Per §489.408, the Company shall reimburse and indemnify Members, managers, officers, and agents for judgments, settlements, penalties, fines, and expenses incurred in their roles, subject to §489.408.

ARTICLE VIII — BOOKS AND RECORDS

8.01 Records Location

Address: _____

8.02 Required Records

Certificate of Organization and all amendments; this Agreement and all amendments; federal and Iowa tax returns (3 years); financial statements (3 years); membership register; meeting minutes. Under §489.105, information rights under §489.410 may NOT be unreasonably restricted by this Agreement.

8.03 Biennial Report — §489.212

Iowa LLCs file a BIENNIAL report (not annual). Fee: $30 online / $45 paper. First report due: January 1 – April 1 of the first odd-numbered year after the calendar year of formation. Each subsequent report: January 1 – April 1 of each following odd-numbered year. Under §489.708/709, failure to file triggers administrative dissolution after a 60-day notice and 60-day cure period. Iowa imposes NO franchise tax; the biennial report is the only recurring SOS charge.

ARTICLE IX — TRANSFER AND WITHDRAWAL

9.01 Withdrawal / Dissociation — §489.602

Section §489.602 lists dissociation events: withdrawal notice, events stated in this Agreement, expulsion, death, incapacity (in member-managed LLC), bankruptcy triggers (member-managed), and termination of a non-individual member. Withdrawal process:

Written notice required — days before effective date: _____

9.02 Transfer of Economic Rights Only

Under Iowa Code Chapter 489, a transferee receives only the economic rights of the transferred interest (the right to receive distributions). A transferee cannot vote, attend meetings, or access Company records unless this Agreement or all members grant those rights. Under §489.107, this Agreement prevails over conflicting filed records as to transferees.

9.03 Admission of Transferee as Member — §489.401

After formation, a transferee becomes a member as provided in this Agreement, or by the affirmative vote or consent of all members.

☐ Unanimous consent of all non-transferring Members required ☐ Majority vote of members sufficient

9.04 Right of First Refusal

A selling Member must first offer the interest to other Members in writing.

Days for other Members to accept ROFR offer: _____

Purchase price determined by:

☐ Fair market value by independent appraiser ☐ Book value ☐ Agreed value

Other price method: _____

9.05 Charging Order — Exclusive Remedy

A charging order against a Member's interest is the EXCLUSIVE remedy available to a judgment creditor of that Member under Iowa Code Chapter 489. Build in ROFR triggers and buy-sell provisions for death, disability, bankruptcy, or voluntary withdrawal.

ARTICLE X — DISSOLUTION AND CONTINUATION

10.01 90-Day No-Member Dissolution Trap — §489.701(1)(c)

CRITICAL IOWA RULE: Under §489.701(1)(c), if the LLC has no members for 90 consecutive days after the last member dissociates, the Company dissolves automatically unless the statutory rescue path is satisfied. For Iowa LLCs, a continuation clause is essential. This Agreement provides:

Days for remaining Members to vote to continue (upon Member departure): _____

10.02 Dissolution Triggers — §489.701

(a) An event stated in this Agreement;

(b) Unanimous member vote or consent to dissolve;

(c) No members for 90 consecutive days and the §489.701(1)(c) rescue path is not satisfied;

(d) District-court dissolution under §489.701(1)(d) — NON-WAIVABLE by this Agreement;

(e) Administrative dissolution by the Iowa Secretary of State under §489.708.

10.03 Winding Up — §489.702

Liquidator (or as designated by majority vote): _____

Order per §489.702: (1) pay all creditors; (2) allocate remaining income/loss to capital accounts; (3) distribute per positive capital account balances.

ARTICLE X — DISPUTE RESOLUTION

10.01 Mediation

All disputes shall first be submitted to mediation before any proceeding.

☐ Mutually agreed mediator ☐ Court-appointed mediator

10.02 Arbitration

If mediation fails, binding arbitration per AAA rules. Prevailing party awarded attorney fees and expenses.

ARTICLE XI — GENERAL PROVISIONS

11.01 Governing Law

This Agreement shall be governed by the laws of the State of Iowa, including Iowa Code Chapter 489, the Revised Uniform Limited Liability Company Act.

11.02 Amendment — §489.407

Unless this Agreement specifies a different process, §489.407 requires unanimous consent from all members to amend the operating agreement. This Agreement may be amended by:

11.03 Operating Agreement vs. Filed Record — §489.107

Under §489.107, this Agreement prevails over a conflicting Certificate of Organization or filed record as to members, managers, and transferees. For third parties who reasonably rely on a filed record, the filed record prevails. Draft the Certificate and this Agreement consistently.

11.04 Venue

County: _____ , Iowa.

11.05 Severability

If any provision is held invalid, it shall be severed; the remainder shall continue in full force.

11.06 Entire Agreement

This Agreement, the Certificate of Organization, and all exhibits hereto constitute the complete agreement.

11.07 No Filing Required

This Agreement shall not be filed with the Iowa Secretary of State. Keep a signed copy with the Company's records. No notarization is required.

☐ Unanimous consent (§489.407 default) ☐ Supermajority: ___% (for LLCs with 3+ members)

SIGNATURE BLOCKS

IN WITNESS WHEREOF, the Members of the Company have adopted this Operating Agreement. Under §489.106, the Company is bound even if it did not separately sign this Agreement.

Date — Member 1: _____ day of _____, 20____

Signature — Member 1: _____

Printed Name — Member 1: _____

Percentage Interest — Member 1: _____ %

Date — Member 2: _____ day of _____, 20____

Signature — Member 2: _____

Printed Name — Member 2: _____

Percentage Interest — Member 2: _____ %

Date — Member 3: _____ day of _____, 20____

Signature — Member 3: _____

Printed Name — Member 3: _____

Percentage Interest — Member 3: _____ %

[Attach additional signature pages as needed]

EXHIBIT 1 — CAPITAL CONTRIBUTIONS

This Exhibit is attached to the Operating Agreement for (LLC Name):

Iowa Multi-Member Limited Liability Company.

Description of Contribution	**Amount ($)**
TOTAL INITIAL CONTRIBUTION	

SIGNED this: day of , 20

Signature:

Printed Name:

LEGAL DISCLAIMER

This Operating Agreement template is provided by Boost Suite (boostsuite.com) for informational and educational purposes only. It does not constitute legal advice and should not be relied upon as a substitute for consultation with a licensed attorney.

This template is customized with Iowa-specific statute references under Iowa Code Chapter 489, the Revised Uniform Limited Liability Company Act. It may not address all legal requirements specific to your LLC or situation.

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