

**OPERATING AGREEMENT
FOR**

[REDACTED], LLC

AN IDAHO MANAGER-MANAGED LIMITED LIABILITY COMPANY

Effective Date: [REDACTED] day of [REDACTED], 20[REDACTED]

ARTICLE I — FORMATION AND ORGANIZATION

1.01 Formation

This LLC was formed by filing a Certificate of Organization with the Idaho Secretary of State pursuant to the Idaho Uniform Limited Liability Company Act, Idaho Code Title 30, Chapter 25. This Agreement governs the Company's affairs under § 30-25-105. Per § 30-25-106, an operating agreement may exist before the LLC is formed; upon filing, it becomes operative. This Agreement is not filed with the Idaho Secretary of State.

Filing Date: [REDACTED] day of [REDACTED], 20[REDACTED]

1.02 Name

LLC Name: [REDACTED]

1.03 Registered Agent and Principal Office

Registered Agent: [REDACTED]

Registered Agent / Principal Office Address:

[REDACTED]

1.04 Business Purpose

Specific Purpose (if any): [REDACTED]

The LLC may engage in any lawful business activity under Idaho Code Title 30, Chapter 25, and all other applicable state and federal law.

1.05 Duration

Perpetual, unless dissolved per this Agreement or pursuant to § 30-25-701 of the Idaho Uniform Limited Liability Company Act.

1.06 Principal Office

Principal Office Address:

[REDACTED]

ARTICLE II — MEMBERS

2.01 Members and Ownership

| Member Name | Address | Contribution (\$) | % Interest |
|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

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

2.02 Non-Liability

No Member is personally liable for Company debts or obligations pursuant to Idaho Code Title 30, Chapter 25.

2.03 Member Voting on Reserved Matters

Members vote in proportion to percentage interest on matters reserved under Article V, Section 5.04. "Majority" means combined votes exceeding 50% of total membership interests. Under § 30-25-407(d), Members may act without a formal meeting and may appoint a proxy.

2.04 Governor

In this manager-managed LLC, the governor(s) listed in Article V, Section 5.02 are the governors for purposes of the Certificate of Organization filed with the Idaho Secretary of State.

2.05 Members' Meetings

Days' written notice required to call a meeting:

Any Member or the Manager may call a meeting. Written minutes kept in Company records.

ARTICLE III — CAPITAL CONTRIBUTIONS

3.01 Initial Contributions

As listed in Section 2.01. Under § 30-25-402, contributions may be in any form including cash, property, services, or a promise to contribute in the future.

Contributions due on or by: day of , 20

3.02 Additional Contributions

May be required by:

Majority vote Unanimous vote

3.03 Failure to Contribute

Remaining Members may by unanimous vote:

(a) Reschedule payment:

Late penalty (\$):

Interest rate: % per annum

(b) Cancel the delinquent Member's membership (with refund of prior payments).

3.04 No Interest on Capital

No interest shall be paid on capital contributions.

3.05 Capital Accounts

Maintained per IRC regulations. Reflects contributions + profits – losses – distributions. Absent this Agreement, § 30-25-404(a) would split all distributions in equal shares regardless of capital contributed — the most dangerous Idaho default.

3.06 Withdrawal Restrictions

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

ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

4.01 Allocation

Profits, losses, income, gain, deduction, and credit allocated per each Member's percentage interest as listed in Section 2.01. No priority or preference among Members. This Agreement overrides § 30-25-404(a)'s equal-share default — the single most important provision for any multi-member Idaho LLC.

4.02 Distributions

Per percentage interest, at times determined by the Manager, subject to:

Majority vote Unanimous vote

Per § 30-25-404(c), no member has a right to demand a distribution, and the Company may only distribute in the form of cash unless this Agreement provides otherwise. Idaho imposes no franchise tax on LLCs. The annual report costs \$0, due at the end of the Company's anniversary month.

Distribution Schedule:

4.03 Tax Distribution

The Company shall distribute to each Member an amount sufficient to cover their estimated Idaho income tax liability on allocated Company income. Idaho applies a flat 5.3% income tax rate. Members pay tax on allocated income whether or not cash is actually distributed.

4.04 Tax Classification

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

Other classification (specify):

4.05 Tax Year

Calendar year Fiscal year ending:

Fiscal year end date (if selected):

4.06 Tax Matters Partner

Name:

4.07 Pass-Through Entity Tax Election

Since 2022, Idaho permits a pass-through entity tax (PTET) election under § 63-3026B, allowing the Company to pay state income tax at the entity level, providing a workaround for the federal \$10,000 SALT deduction cap.

Elect PTET under § 63-3026B Do not elect PTET

PTET allocation method (if elected):

4.08 Annual Returns

Copies of all returns and Schedule K-1 forms provided to each Member within 60 days of tax year end.

4.09 Bank Accounts

Designated Member(s) authorized for banking:

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

4.10 Title to Assets

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

ARTICLE V — MANAGEMENT (MANAGER-MANAGED)

5.01 Manager-Managed Designation

IMPORTANT: Under § 30-25-407(a), a manager-managed structure may ONLY be created by the operating agreement — the Certificate of Organization cannot designate this structure on its

own. This Agreement hereby designates the Company as manager-managed. Members who are not Managers do NOT participate in daily management and have NO authority to bind the Company except as provided in Section 5.04.

5.02 Appointment of Manager(s)

| Manager Name | Address | Status |
|----------------------|----------------------|-------------------------------------|
| <input type="text"/> | <input type="text"/> | <input type="checkbox"/> Member |
| | | <input type="checkbox"/> Non-Member |
| <input type="text"/> | <input type="text"/> | <input type="checkbox"/> Member |
| | | <input type="checkbox"/> Non-Member |

Per § 30-25-106(a), a non-member manager who accepts the role is deemed to have assented to this Agreement's terms and is bound by its provisions.

5.03 Manager Authority

The Manager has exclusive authority to:

- (a) Manage day-to-day operations and affairs of the Company;
- (b) Bind the Company in contracts and agreements;
- (c) Execute contracts, leases, checks, drafts, notes, and instruments;
- (d) Hire and terminate employees, consultants, and contractors;
- (e) Open and manage bank accounts; Company funds shall not be commingled with personal funds;
- (f) Acquire, sell, lease, or manage Company assets;
- (g) Borrow money and grant security interests in Company assets;
- (h) Settle claims and compromise debts on behalf of the Company;
- (i) Under § 30-25-407(d), take any action without a formal meeting and appoint a proxy to act on the Manager's behalf; and
- (j) Take any other action necessary to carry out the Company's purposes.

5.04 Reserved Powers (Require Member Approval)

The following require:

- Majority vote of Members Unanimous vote of Members

Actions subject to Member approval:

- Sale or disposition of all or substantially all Company assets
- Merger, conversion, or domestication (§ 30-22-403(a)(2) — cannot be overridden)

- Amendment of this Operating Agreement (unanimous consent per § 30-25-407(b)(4))
- Admission of new Members
- Voluntary dissolution of the Company (unanimous consent required § 30-25-701)
- Filing for bankruptcy
- Changing the Company's tax classification
- Acts outside the ordinary course of business
- Transactions between Company and a Manager or Member

Incurring debt or liability exceeding (\$):

Other reserved powers (specify):

5.05 Manager Compensation

- No compensation

Compensation amount and period (if any):

Reimbursement for reasonable out-of-pocket expenses.

5.06 Removal of Manager

IMPORTANT: Under § 30-25-407(c)(4), a manager can be removed at any time by a majority of members without notice or cause, unless this Agreement modifies that removal process. This Agreement sets the following removal standard:

- Majority vote of Members — without notice or cause (statutory default)
- Majority vote of Members — v

Other removal procedure:

5.07 Resignation of Manager

Days' written notice to all Members required:

5.08 Vacancy

Replacement Manager appointed by:

- Majority vote of Members
- Unanimous vote of Members

Days to appoint replacement Manager:

If no replacement is appointed, the LLC shall be managed by Members until a new Manager is designated.

5.09 Multiple Managers

If more than one Manager is appointed, decisions shall be made by:

- Majority vote of Managers
- Unanimous vote of Managers

Chief Executive Manager (if applicable):

5.10 Officers (Optional)

President:

Secretary:

Treasurer:

ARTICLE VI — MANAGER LIABILITY, FIDUCIARY DUTIES, AND INDEMNIFICATION

6.01 Manager Not Personally Liable

The Manager is not personally liable for Company obligations solely by reason of being a Manager pursuant to Idaho Code Title 30, Chapter 25.

6.02 Fiduciary Duties

In a manager-managed LLC, fiduciary duties apply to the Manager(s):

- (a) Duty of Care: Act with the care and diligence of a person in a like position who would reasonably believe the conduct is in the best interests of the Company.
- (b) Duty of Loyalty: Act in good faith in the Company's best interests. The Manager shall not compete with the Company, self-deal, or usurp Company opportunities.

The obligation of good faith and fair dealing under § 30-25-409(d) cannot be eliminated. Per § 30-25-105(c), no clause may exonerate any person from liability for bad faith, willful misconduct, or knowing violation of law. Per § 30-25-105(e), courts apply a 'manifestly unreasonable' test. Aaron Kra, JD notes: Idaho allows alteration of the duty of care and aspects of loyalty, but cannot authorize willful misconduct.

6.03 Exculpation

No liability for good-faith acts unless fraud, gross negligence, recklessness, or intentional misconduct.

6.04 Indemnification

The Company indemnifies the Manager per Idaho Code Title 30, Chapter 25. The Company may advance defense costs upon the Manager's undertaking to repay if not entitled to indemnification.

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; tax returns (3 years); financial statements (3 years); membership register; meeting minutes.

8.03 Member Inspection Rights

Any Member may inspect Company records upon reasonable notice pursuant to § 30-25-410. This right may be restricted as to timing and manner but cannot be unreasonably eliminated. Liquidated damages for misuse of confidential information are permitted.

8.04 Annual Report

The Company shall file an annual report with the Idaho Secretary of State through SOSBiz (sosbiz.idaho.gov) by the last day of the Company's anniversary month. The filing fee is \$0. Failure to file may result in administrative dissolution under § 30-21-602.

ARTICLE IX — TRANSFER AND WITHDRAWAL

9.01 Withdrawal

Written notice required — days before effective date:

9.02 Transfer Restrictions

Per § 30-25-102(11), a transferable interest is strictly the economic right to receive distributions. Per § 30-25-502, a Member may transfer their transferable interest without other Members' consent. Transfer of full membership interest — including voting and management rights — requires all non-transferring Members' written approval.

9.03 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:

Mutual agreement Fair market value by independent appraiser Book value

Other price method (if selected):

9.04 Charging Order

Per § 30-25-503, a charging order is the exclusive remedy for a judgment creditor of a member's interest. A creditor holding a charging order has only the rights of an assignee of a transferable interest — no voting or management rights.

ARTICLE X — DISSOLUTION

10.01 Dissolution Triggers

The Company shall dissolve upon:

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

- (a) An event or circumstance specified in this Agreement pursuant to § 30-25-701(a)(1);
- (b) Death, incapacity, bankruptcy, resignation, or expulsion of a Member, UNLESS within the number of days above remaining Members vote to continue;
- (c) Written agreement of ALL Members to dissolve (unanimous consent required per § 30-25-701);
- (d) A period of 90 consecutive days during which the LLC has no members per § 30-25-701(a)(3);
- (e) Judicial dissolution ordered pursuant to § 30-25-701(a)(4).

10.02 Winding Up

Liquidator (or as designated by majority vote):

Order of distribution: (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 arising under this Agreement shall first be submitted to mediation.

Mediator: Mutually agreed by parties Mediator: Court-appointed

10.02 Arbitration

If mediation fails, binding arbitration per AAA rules. All parties share initial costs equally. Prevailing party awarded attorney fees and expenses.

10.03 Binding

All arbitration decisions are final and binding on all Members.

ARTICLE XI — GENERAL PROVISIONS

11.01 Governing Law

This Agreement shall be governed by the laws of the State of Idaho, including the Idaho Uniform

Limited Liability Company Act, Idaho Code Title 30, Chapter 25.

11.02 Amendment

Written amendment signed by all Members. Under § 30-25-407(b)(4), amending the operating agreement requires unanimous consent of all members by default.

11.03 Venue

County: , Idaho.

11.04 Severability

If any provision is held invalid or unenforceable (including under the 'manifestly unreasonable' standard of § 30-25-105(e)), it shall be severed.

11.05 Entire Agreement

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

11.06 No Filing Required

This Agreement shall not be filed with the Idaho Secretary of State. Members shall retain the signed original with Company records.

SIGNATURE BLOCKS

IN WITNESS WHEREOF, the Manager(s) and Members of the Company have executed this Operating Agreement as of the date first written above.

MANAGER(S)

Date — Manager 1: day of , 20

Signature — Manager 1:

Printed Name — Manager 1:

Manager Type: Member-Manager Non-Member Manager

Date — Manager 2: day of , 20

Signature — Manager 2:

Printed Name — Manager 2:

Manager Type: Member-Manager Non-Member Manager

MEMBERS

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):

Idaho Manager-Managed Limited Liability Company.

Description of Contribution

Amount (\$)

| | |
|--|--|
| | |
| | |
| | |
| | |

TOTAL INITIAL CONTRIBUTION

SIGNED this: day of , 20

Signature:

Printed Name:

LEGAL DISCLAIMER

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This template is customized with Idaho-specific statute references under the Idaho Uniform Limited Liability Company Act, Idaho Code Title 30, Chapter 25. It may not address all legal requirements specific to your LLC or situation.

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Your Idaho LLC Resources:

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