

**OPERATING AGREEMENT
FOR**

[REDACTED], LLC
**AN IDAHO MULTI-MEMBER LIMITED LIABILITY COMPANY
(MEMBER-MANAGED)**

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:

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"/>
<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, obligations, or liabilities pursuant to Idaho Code Title 30, Chapter 25.

2.03 Compensation

Members are not compensated solely for being Members. Members may be compensated as employees, officers, or independent contractors by separate written agreement.

2.04 Governor

In this member-managed LLC, each Member listed above is a governor for purposes of the Certificate of Organization filed with the Idaho Secretary of State.

2.05 Other Business Activities

Each Member agrees not to engage in competing business activity that would materially diminish their ability to perform obligations to the Company.

Non-Compete Terms (if any):

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

Distributed per percentage interest, as decided by:

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 (MEMBER-MANAGED)

5.01 Management by Members

Pursuant to § 30-25-407, this Company is member-managed. ALL Members participate in management. A manager-managed structure may ONLY be created by the operating agreement, not by the Certificate of Organization, per § 30-25-407(a). Under § 30-25-407(d), any action may be taken without a formal meeting, and a member may appoint a proxy to vote on their behalf.

5.02 Voting

Each Member votes in proportion to their percentage interest. "Majority" means combined votes exceeding 50% of total membership interests. Ordinary-course business decisions require a majority vote. This Agreement overrides the statutory default of equal management rights per member.

5.03 Actions Requiring Unanimous Consent

The following require the unanimous written consent of all Members per § 30-25-407(b)(4):

- Amending this Operating Agreement
- Admitting new Members
- Filing for bankruptcy
- Sale or disposition of substantially all Company assets
- Merger, conversion, or domestication
- Voluntary dissolution of the Company
- Acts outside the ordinary course of business

Other unanimous consent items (specify):

5.04 Deadlock Prevention

If Members holding equal interests deadlock on any majority-vote matter, Idaho's § 30-25-407 provides no statutory resolution mechanism. The Members shall first submit such disputes to mediation before seeking judicial dissolution under § 30-25-701.

Mediator selection method:

5.05 Members' Meetings

Days' written notice required to call a meeting:

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

Meeting frequency:

Annual As needed Other:

Other frequency:

Written minutes of all meetings shall be kept in Company records.

5.06 Officers (Optional)

President:

Secretary:

Treasurer:

Officers serve at the pleasure of the Members.

5.07 Fiduciary Duties

In a member-managed LLC, ALL Members share fiduciary duties. 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. Under § 30-25-105(e), courts apply a 'manifestly unreasonable' test to operating agreement provisions.

ARTICLE VI — LIABILITY AND INDEMNIFICATION

6.01 Non-Liability

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

6.02 Indemnification

The Company indemnifies Members, officers, agents, and employees for costs incurred in connection with Company business, except for fraud, gross negligence, or intentional misconduct.

ARTICLE VII — BOOKS AND RECORDS

7.01 Records Location

Address:

7.02 Required Records

Certificate of Organization and all amendments; this Agreement and all amendments; tax returns (3 years); financial statements (3 years); membership register; minutes.

7.03 Member Inspection Rights

Any Member may inspect Company records upon reasonable notice per § 30-25-410. This right may be restricted in manner and timing but cannot be unreasonably eliminated.

7.04 Annual Report

The Company shall file an annual report with the Idaho Secretary of State through SOSBiz by the last day of the Company's anniversary month. Filing fee: \$0. Failure 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 before any other proceeding. This clause satisfies the deadlock prevention mechanism under § 30-25-407, avoiding judicial dissolution under § 30-25-701.

Mediator: Mutually agreed by parties Mediator: Court-appointed

10.02 Arbitration

If mediation fails, the matter shall be submitted to binding arbitration per American Arbitration Association (AAA) rules. All parties share initial costs equally. The prevailing party shall be 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 Members of the Company have executed this Operating Agreement as of the date first written above.

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 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 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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