

**OPERATING AGREEMENT  
FOR**

[REDACTED], LLC  
AN INDIANA 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 Articles of Organization (State Form 49459) with the Indiana Secretary of State through INBiz, pursuant to Indiana Code Title 23, Article 18 (Indiana Business Flexibility Act). This WRITTEN Operating Agreement is adopted pursuant to IC 23-18-4-13 (freedom of contract). Under IC 23-18-4-8, a copy shall be kept at the LLC's principal office. This Agreement is not filed with the Indiana Secretary of State.

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

**1.02 Name**

LLC Name: [REDACTED]

The LLC name must match the Articles of Organization exactly.

**1.03 Registered Agent**

Registered Agent: [REDACTED]

Registered Agent Street Address (Indiana; P.O. Box alone insufficient):

[REDACTED]

**1.04 Business Purpose**

Specific Purpose (if any): [REDACTED]

The LLC may engage in any lawful business activity under Indiana Code Title 23, Article 18, and all other applicable state and federal law.

**1.05 Duration**

Perpetual, unless dissolved per this Agreement or pursuant to IC 23-18-9-1.1.

**1.06 Principal Office**

Principal Office Address:

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**1.07 Written Operating Agreement — Why It Matters**

Under IC 23-18-4-4, only a WRITTEN operating agreement can modify or eliminate fiduciary duties, establish indemnification protections, create officer positions, or grant approval rights to non-members. After *Nemeth v. Panzica* (Indiana Supreme Court, No. 24S-PL-356, Nov. 6, 2025), LLC membership requires either a written operating agreement or written consent. Each member's signature below constitutes written confirmation of membership.

**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)

NOTE: Indiana's default under IC 23-18-5-3 allocates profits by the agreed value of contributions. This table documents those agreed values and corresponding percentage interests, confirming the allocation formula used in Article IV.

**2.02 Non-Liability**

No Member is personally liable for Company debts, obligations, or liabilities pursuant to IC 23-18-4-2.

**2.03 Written Confirmation of Membership**

Per *Nemeth v. Panzica* (Indiana Supreme Court, No. 24S-PL-356, Nov. 6, 2025) and IC 23-18-6-1, each Member's signature below constitutes the written confirmation of their membership interest in the Company.

**2.04 Compensation**

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

## 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. The agreed value of each Member's contributions is documented in this Agreement and Exhibit 1.

Contributions due on or by:  day of , 20

### 3.02 Agreed Value and Default Allocation

IMPORTANT: Indiana's default under IC 23-18-5-3 allocates profits and losses by the AGREED VALUE of each member's contributions — not by equal per capita shares. If Member A contributes \$80,000 and Member B contributes \$20,000, Indiana's default split is 80/20, not 50/50. This Agreement overrides or confirms that default in Article IV.

### 3.03 Additional Contributions

May be required by:

Majority in interest     Unanimous consent

### 3.04 Failure to Contribute

Remaining Members may by unanimous consent:

(a) Reschedule payment:

Late penalty (\$):

Interest rate:  % per annum

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

### 3.05 No Interest on Capital

No interest shall be paid on capital contributions.

### 3.06 Capital Accounts

Maintained per IRC regulations and IC 23-18-5-3. Reflects each Member's agreed value of contributions, adjusted for profits, losses, and distributions.

### 3.07 Withdrawal Restrictions

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

## ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

### 4.01 Allocation — Confirmed Distribution Formula

Indiana's default under IC 23-18-5-3 allocates profits and losses by the agreed value of each member's contributions as reflected in company records. This Agreement confirms/overrides that default as follows: profits, losses, income, gain, deduction, and credit are allocated per each Member's PERCENTAGE INTEREST as listed in Section 2.01. This matches each Member's proportionate agreed contribution value. No priority or preference among Members.

### 4.02 Distributions

Distributed per percentage interest, as decided by:

Majority in interest     Unanimous consent

Indiana uses the same contribution-based formula for distributions by default (IC 23-18-5-4). This Agreement confirms that distribution allocation tracks each Member's percentage interest.

Distribution Schedule:

### 4.03 Solvency Test — Non-Waivable (IC 23-18-5-6)

No distribution may be made if the Company will be unable to pay its debts as they come due after the distribution, per IC 23-18-5-6. This restriction cannot be overridden by this Agreement. Members who approve an insolvent distribution may face personal liability.

### 4.04 Tax Distribution

The Company shall distribute to each Member an amount sufficient to cover their estimated federal and state income tax liability on allocated Company income each year.

### 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 Annual Returns**

Copies of all returns and Schedule K-1 forms provided to each Member within 60 days of tax year end. Indiana LLCs taxed as pass-through entities register with the Indiana Department of Revenue for state tax obligations.

#### **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 IC 23-18-4-1, this Company is member-managed, which is Indiana's default unless the Articles of Organization specifically provide for one or more managers. ALL Members participate in management with authority per IC 23-18-4-3. IMPORTANT: switching to manager-managed requires that designation in the Articles of Organization; the Articles control, not this Agreement alone.

#### **5.02 Voting — Majority in Interest**

Under IC 23-18-4-3, ordinary business decisions require a MAJORITY IN INTEREST vote. "Majority in interest" ties voting power to each Member's economic stake (percentage interest), not a headcount. "Majority in interest" means combined percentage interests exceeding 50%.

#### **5.03 Actions Requiring Unanimous Consent**

Under IC 23-18-4-3 and IC 23-18-4-6, the following require unanimous consent of all Members:

- Amending this Written Operating Agreement (IC 23-18-4-6)
- Admitting a new Member (IC 23-18-6-1)
- Acts that contradict the terms of this Agreement
- Filing for bankruptcy
- Sale or disposition of substantially all Company assets
- Merger, conversion, or domestication

Other unanimous consent items:

#### **5.04 Deadlock Prevention**

Indiana provides no statutory tiebreaker. Members shall submit deadlocked majority-in-interest disputes to mediation before seeking judicial dissolution.

Mediator selection method:

#### **5.05 Members' Meetings**

Days' written notice required:

Quorum: Members holding  % or more of total interests.

Meeting frequency:

Annual    As needed    Other:

Other frequency:

Written minutes kept in Company records.

#### **5.06 Officers — Written Provision Under IC 23-18-4-4**

Under IC 23-18-4-4, a WRITTEN operating agreement may create officer positions:

President:

Secretary:

Treasurer:

Officers serve at the pleasure of the Members.

#### **5.07 Fiduciary Duties — Written Modification Under IC 23-18-4-4**

Under IC 23-18-4-4, this WRITTEN Operating Agreement is the exclusive vehicle to modify, increase, decrease, limit, or eliminate duties, including fiduciary duties. Indiana is unusually flexible on this point compared to most states. This Agreement confirms: (a) the duty of loyalty applies to all Members in a member-managed LLC; (b) the duty of care applies to all Members; (c) no provision authorizes willful misconduct or recklessness. Indiana courts have generally expected members and managers to act in good faith.

### **ARTICLE VI — LIABILITY AND INDEMNIFICATION**

#### **6.01 Non-Liability**

No Member is personally liable for Company obligations pursuant to IC 23-18-4-2.

#### **6.02 Indemnification — Written Provision Under IC 23-18-4-4**

Under IC 23-18-4-4, this WRITTEN Operating Agreement establishes: The Company shall indemnify Members, officers, employees, and agents for judgments, settlements, penalties, fines, and legal expenses arising from their roles, except where liability arises from willful misconduct or recklessness. Without this written clause, only IC 23-18-4-2's default liability rules apply.

## ARTICLE VIII — BOOKS AND RECORDS

### 8.01 Records Location

Address:

### 8.02 Required Records — IC 23-18-4-8

Per IC 23-18-4-8, the Company shall keep at its principal office: (a) this written Agreement and all written amendments; (b) Articles of Organization (State Form 49459); (c) federal and state tax returns for the three (3) most recent years; (d) financial statements (3 years); (e) a list of members with addresses; and (f) any other documents required by Indiana law. Members have the right to inspect these records.

### 8.03 Business Entity Report

The Company shall file a Business Entity Report (Form 48725) with the Indiana Secretary of State through INBiz every two years, during the anniversary month of formation. Online fee: \$32 (\$20 statutory + \$11 Enhanced Access + \$1 processing). Failure to file can lead to administrative dissolution.

## ARTICLE IX — TRANSFER AND WITHDRAWAL

### 9.01 Withdrawal

Written notice required — days before effective date:

### 9.02 Cessation of Membership — IC 23-18-6-5

Under IC 23-18-6-5, membership ceases upon withdrawal, removal, death, and certain other events unless modified by a written operating agreement. This Agreement specifies the following procedure upon a member's cessation:

LLC purchases interest at agreed value     Remaining members have first right to purchase     Other procedure

Other procedure:

### 9.03 Transfer of Economic Interest

A Member may transfer economic rights (the right to receive distributions) without other Members' approval. The transferee does not acquire voting rights, management authority, or

access to company records.

#### **9.04 Full Membership Transfer — IC 23-18-6-1**

Full membership transfer, including governance rights, requires either compliance with this written operating agreement or written consent of all existing members per IC 23-18-6-1 and current Nemeth authority.

#### **9.05 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:

Agreed value of contributions (IC 23-18-5-3 default)  Fair market value by independent appraiser

Other price method:

### **ARTICLE X — DISSOLUTION AND CONTINUATION**

#### **10.01 Dissolution Triggers**

Under IC 23-18-9-1.1, the LLC faces dissolution if left without any members, unless action is taken within 90 days. Dissolution triggers:

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

- (a) Written agreement of all Members to dissolve;
- (b) Administrative dissolution by the Indiana Secretary of State for failure to file the Business Entity Report;
- (c) A judicial dissolution;
- (d) No member remains and no action is taken within 90 days per IC 23-18-9-1.1.

#### **10.02 Continuation Vote**

Upon any Member's departure, remaining Members holding a majority in interest may vote to continue the Company within the number of days stated above. The continuing Members shall execute a written amendment confirming continuation.

#### **10.03 Winding Up — IC 23-18-9-4**

Liquidator (or as designated by majority in interest):

Order of distribution: (1) Pay all creditors; (2) Allocate remaining income/loss to capital accounts per agreed value contributions; (3) Distribute per positive capital account balances.

Post-dissolution, the Company may publish optional notice under IC 23-18-9-9.

## ARTICLE X — DISPUTE RESOLUTION

### 10.01 Mediation

All disputes arising under this Agreement shall first be submitted to mediation before any other proceeding.

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.

## ARTICLE XI — GENERAL PROVISIONS

### 11.01 Governing Law

This Agreement shall be governed by the laws of the State of Indiana, including Indiana Code Title 23, Article 18 (Indiana Business Flexibility Act), the 2024 SEA 18 / P.L. 99-2024 amendments, and current Indiana Supreme Court authority including *Nemeth v. Panzica* (No. 24S-PL-356, 2025).

### 11.02 Amendment

Under IC 23-18-4-6, all amendments to this written Operating Agreement require written consent of all Members. Any amendment must be in writing and kept at the principal office per IC 23-18-4-8.

### 11.03 Venue

County: , Indiana.

### 11.04 Freedom of Contract — IC 23-18-4-13

Indiana's policy under IC 23-18-4-13 is to give maximum effect to the freedom of contract and to the enforceability of operating agreements. The provisions of this Agreement shall be enforced to the fullest extent permitted by law.

### 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 Articles of Organization (State Form 49459), and all exhibits hereto constitute the complete written agreement.

**11.07 No Filing Required**

This Agreement shall not be filed with the Indiana Secretary of State. A copy shall be kept at the principal office per IC 23-18-4-8. No notarization is required under Indiana law.

**SIGNATURE BLOCKS**

IN WITNESS WHEREOF, the Members have executed this WRITTEN Operating Agreement. Each signature constitutes written confirmation of membership per Nemeth v. Panzica (Indiana Supreme Court, 2025).

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):

Indiana Multi-Member Limited Liability Company.

**Description of Contribution**

**Amount (\$)**


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**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 Indiana-specific statute references under Indiana Code Title 23, Article 18 (Indiana Business Flexibility Act), including the 2024 SEA 18 / P.L. 99-2024 amendments and the 2025 Indiana Supreme Court decision in Nemeth v. Panzica (No. 24S-PL-356). It may not address all legal requirements specific to your LLC or situation.

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