

**OPERATING AGREEMENT
FOR**

[REDACTED], LLC
A KENTUCKY 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 (Form KLC) with the Kentucky Secretary of State pursuant to KRS Chapter 275, the Kentucky Limited Liability Company Act. This written Agreement is adopted pursuant to KRS 275.003, which directs courts to give "maximum effect" to freedom of contract and the enforceability of operating agreements. This Agreement is not filed with the Kentucky 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 (Form KLC) exactly.

1.03 Registered Agent and Registered Office

Registered Agent: [REDACTED]

Registered Office Address (physical Kentucky street address):

[REDACTED]

1.04 Principal Office

Principal Office Mailing Address:

[REDACTED]

1.05 Business Purpose

Specific Purpose (if any): [REDACTED]

The LLC may engage in any lawful business activity under KRS Chapter 275 and all other applicable state and federal law.

1.06 Duration

Perpetual, unless dissolved per this written Agreement or pursuant to KRS 275.285.

1.07 Written OA — Why It Matters (KRS 275.177)

KRS 275.015(21) recognizes oral and written operating agreements. However, critical override provisions — including indemnification (KRS 275.180), compensation (KRS 275.165(4)), assignee admission (KRS 275.265), dissolution override (KRS 275.285), withdrawal (KRS 275.280), and profit allocation (KRS 275.205) — ONLY operate via a WRITTEN operating agreement. Under KRS 275.177, any oral side deal contradicting this Agreement is VOID.

ARTICLE II — MEMBERS

2.01 Members, Agreed Contribution Values, and Ownership

Member Name	Address	Agreed Value (\$)	% Interest

*(KRS 275.205/175/210 defaults hinge on 'agreed value in records' — this column is required.)

2.02 Non-Liability — KRS 275.150

KRS 275.150 provides: no Member is personally liable for the Company's debts solely by reason of being a Member. CAUTION: clear operating agreement language can alter this shield (Racing Investment Fund 2000, Ky. 2010; VanWinkle, Ky. Ct. App. 2018). No clause in this Agreement is intended to impose personal liability on any Member.

2.03 Compensation — Written OA Required (KRS 275.165(4))

Members are not entitled to remuneration unless set forth in a WRITTEN operating agreement per KRS 275.165(4). This written provision covers compensation in Article IV, Section 4.09.

2.04 Admission of New Members — KRS 275.275

Under KRS 275.275, a person becomes a member upon compliance with this written operating agreement. If this Agreement does not provide the rule in writing, ALL members must give written consent. This Agreement requires:

Written consent of all Members (default, KRS 275.275) Majority-in-interest consent (written OA overri

2.05 Other Business Activities

Non-Compete Terms (if any):

ARTICLE III — CAPITAL CONTRIBUTIONS

3.01 Initial Contributions and Agreed Value

As listed in Section 2.01 and Exhibit 1. CRITICAL FOR KENTUCKY: KRS 275.205 (profit/loss), KRS 275.210 (distributions), and KRS 275.175 (voting) all default to the 'agreed value of contributions stated in LLC records.' Accurate capital account records are therefore essential for every Kentucky LLC. The Agreed Value column in Section 2.01 is the authoritative record.

Contributions due on or by: day of , 20

3.02 Additional Contributions

May be required by:

- Majority-in-interest
- Unanimous written consent

3.03 Contribution Penalties — Written OA Required (KRS 275.003(2))

Under KRS 275.003(2), contribution-default penalties only apply if set forth in a WRITTEN operating agreement. This written provision establishes the following penalty for failure to contribute:

(a) Reschedule payment:

Late penalty (\$):

Interest rate: % per annum

(b) Reduce delinquent Member's percentage interest proportionally.

3.04 No Interest on Capital

No interest shall be paid on capital contributions.

3.05 Capital Accounts — KRS 275.185

Maintained per IRC regulations and KRS 275.185. Reflects each Member's agreed value of contributions, adjusted for profits, losses, and distributions.

3.06 Withdrawal Restrictions

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

ARTICLE IV — PROFITS, LOSSES, AND DISTRIBUTIONS

4.01 Allocation — Written Override of KRS 275.205

This WRITTEN operating agreement provides (as required by KRS 275.205): profits, losses, income, gain, deduction, and credit are allocated per each Member's PERCENTAGE INTEREST as listed in Section 2.01. Without this written provision, KRS 275.205 would default to the agreed value of contributions shown in LLC records. No priority or preference among Members.

4.02 Distributions

Distributed per percentage interest, as decided by:

Majority-in-interest Unanimous consent

This WRITTEN provision (required by KRS 275.210) overrides the default contribution-value allocation for distributions. Distributions shall not render the Company unable to pay its debts as they come due.

Distribution Schedule:

4.03 Tax Distribution

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

4.04 Kentucky LLET and Tax Filing — KRS 275

EVERY Kentucky LLC owes LLET. If gross receipts OR gross profits \leq \$3M, the minimum is \$175/year. Multi-member LLCs taxed as partnerships file Form PTE with the Kentucky Department of Revenue by the 15th day of the 4th month after year-end. Nonresident member withholding: Form 740NP-WH. Elective pass-through entity tax: Form 740-PTET.

Partnership (default — Form PTE) 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 Bank Accounts

Designated Member(s) authorized for banking:

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

4.08 Title to Assets

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

4.09 Compensation — Written OA Provision (KRS 275.165(4))

This WRITTEN provision establishes each Member's compensation (if any):

Member compensation terms:

ARTICLE V — MANAGEMENT (MEMBER-MANAGED)

5.01 Member-Managed Structure — KRS 275.165(1)

Pursuant to KRS 275.165(1), this Company is member-managed. IMPORTANT: switching to manager-managed requires an amendment to the Articles of Organization under KRS 275.030 — this Operating Agreement alone cannot change the management structure on file with the state.

5.02 Voting — Majority-in-Interest (KRS 275.175)

Under KRS 275.175, ordinary business decisions require a MAJORITY-IN-INTEREST of the members. Voting power defaults to agreed contribution value in records. This Agreement confirms: each Member's vote weight = their percentage interest as listed in Section 2.01.

5.03 Actions Requiring Member Approval — KRS 275.175

Under KRS 275.175, the following actions require member approval:

- Amending this WRITTEN Operating Agreement (KRS 275.177 — any oral amendment is VOID)
- Amending the Articles of Organization (KRS 275.030)
- Approving a merger or conversion
- Approving a sale of substantially all assets
- Admitting a new member (KRS 275.275)
- Approving voluntary dissolution (KRS 275.285)
- Authorizing any act that contradicts this written Agreement
- Filing for bankruptcy

Threshold for the above actions:

- Majority-in-interest Unanimous written consent

Other actions requiring approval (specify):

5.04 Deadlock Prevention

Kentucky provides no statutory tiebreaker. Members shall submit deadlocked majority-in-interest disputes to mediation before seeking judicial dissolution under KRS 275.290.

Mediator selection method:

5.05 Members' Meetings

Days' written notice required:

Quorum: Members holding % or more of total interests.

Annual As needed Other:

Other frequency:

Written minutes kept in Company records per KRS 275.185.

5.06 Officers

President:

Secretary:

Treasurer:

5.07 Duty of Care — KRS 275.170(1)

Under KRS 275.170(1), no member is liable for breach of the duty of care unless the act or omission constitutes WANTON OR RECKLESS MISCONDUCT. All Members shall act in good faith in the best interests of the Company.

ARTICLE VI — LIABILITY AND INDEMNIFICATION

6.01 Non-Liability — KRS 275.150

KRS 275.150: no Member is personally liable for the Company's obligations solely by reason of being a Member. No clause in this Agreement shall be construed to impose personal liability on any Member unless stated in clear, unequivocal terms (Racing Investment Fund 2000, Ky. 2010).

6.02 Charging Order — KRS 275.260

Per KRS 275.260, a charging order is the EXCLUSIVE creditor remedy. Kentucky also permits FORECLOSURE — the foreclosure buyer gets assignee rights only, not management or voting control. The ROFR in Article IX protects the Members from unwanted third parties on the cap table.

6.03 Indemnification — Written OA Required (KRS 275.180)

Pursuant to this WRITTEN operating agreement (required by KRS 275.180): the Company shall indemnify Members, officers, employees, and agents for judgments, settlements, penalties, fines, and legal expenses arising from their roles, except for wanton or reckless misconduct.

ARTICLE VIII — BOOKS AND RECORDS

8.01 Records Location

Address:

8.02 Required Records — KRS 275.185

Per KRS 275.185: this written Agreement and all amendments; Articles of Organization (Form KLC); federal and state tax returns (3 years); financial statements (3 years); membership register with each member's agreed contribution value; meeting minutes. The capital account ledger is critical because Kentucky's voting, profit, and distribution defaults all tie to 'agreed value in records.'

8.03 Annual Report

File annual report with the Kentucky Secretary of State between January 1 and June 30 each year. Fee: \$15. Missing June 30 triggers administrative dissolution. Reinstatement requires clearance from BOTH the Kentucky Department of Revenue AND the Division of Unemployment Insurance.

ARTICLE IX — TRANSFER AND WITHDRAWAL

9.01 Withdrawal — Written OA Required (KRS 275.280)

This WRITTEN provision (required by KRS 275.280) governs withdrawal. Without a written OA provision:

- Member-managed LLC: member may resign on 30 days' prior written notice
- Manager-managed LLC: member may NOT resign without all other members' consent

This Agreement provides:

Written notice required — days before effective date:

Member-managed: 30-day notice applies (default) Custom notice period stated above

9.02 Transfer of Economic Rights — KRS 275.255

Under KRS 275.255, an assignment transfers only economic rights (the right to receive

distributions). The assignee does not gain voting or management power until admitted as a full member.

9.03 Assignee Admission — Written OA Required (KRS 275.265)

Under KRS 275.265, unless this WRITTEN operating agreement provides otherwise, an assignee becomes a member only upon MAJORITY-IN-INTEREST consent. This Agreement specifies:

Majority-in-interest consent (default, KRS 275.265) Unanimous written consent required

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:

Agreed value of contributions (KRS 275.205 default) Fair market value by independent appraiser

Other price method:

9.05 Charging Order — KRS 275.260

Per KRS 275.260, a charging order is the EXCLUSIVE creditor remedy. Kentucky also permits FORECLOSURE on the interest. The foreclosure buyer gets only assignee rights — the right to receive distributions — NOT management or voting control. The ROFR in Section 9.04 allows Members to buy back the interest before foreclosure transfers it to a third party.

ARTICLE X — DISSOLUTION AND CONTINUATION

10.01 Dissolution Triggers — KRS 275.285

This WRITTEN operating agreement specifies the following dissolution triggers (as required by KRS 275.285):

- (a) Events specified in the Articles of Organization;
- (b) Unanimous written consent of all Members to dissolve (unless this written OA provides otherwise);
- (c) Loss of all members, unless a timely continuation mechanism saves the entity;
- (d) Judicial dissolution under KRS 275.290;
- (e) Administrative dissolution by the Kentucky Secretary of State for failure to file the annual report by June 30.

10.02 Continuation Vote

This WRITTEN provision overrides the 'no remaining members' dissolution trigger in KRS

275.285. Upon any Member's departure, remaining Members may vote within the following period to continue the Company:

Days for remaining Members to vote to continue:

10.03 Winding Up

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; (3) Distribute per positive capital account balances.

ARTICLE X — DISPUTE RESOLUTION

10.01 Mediation

All disputes shall first be submitted to mediation.

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 — KRS 275.003

This Agreement shall be governed by the laws of the Commonwealth of Kentucky, including KRS Chapter 275, the Kentucky Limited Liability Company Act. KRS 275.003 directs courts to give maximum effect to freedom of contract and the enforceability of operating agreements.

11.02 Amendment — KRS 275.177

This WRITTEN Agreement may be amended only by a written amendment signed by all Members. Under KRS 275.177, any oral amendment or unwritten side deal contradicting this Agreement is VOID and unenforceable.

11.03 Venue

County: , Kentucky.

11.04 Severability

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

11.05 Entire Agreement

This Agreement, the Articles of Organization (Form KLC), and all exhibits constitute the complete written agreement. No oral understanding contradicting this Agreement is enforceable (KRS 275.177).

11.06 No Filing Required

This Agreement shall not be filed with the Kentucky Secretary of State. No notarization is required. Keep signed copies with Company records per KRS 275.185.

SIGNATURE BLOCKS

IN WITNESS WHEREOF, the Members have executed this WRITTEN 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):

Kentucky Multi-Member Limited Liability Company.

NOTE: The 'Agreed Value' column is required under KRS 275.205/210/175. These records must be maintained per KRS 275.185.

Description of Contribution	Agreed Value (\$)

TOTAL AGREED VALUE	
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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 Kentucky-specific statute references under KRS Chapter 275, the Kentucky Limited Liability Company Act. It may not address all legal requirements specific to your LLC or situation.

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Your Kentucky LLC Resources:

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