



ARIZONA LIMITED LIABILITY COMPANY FORMATION AGREEMENT
ONLY USE FOR A MEDICAL MARIJUANA DISPENSARY
OVER 2,700 ARIZONA LLCs FORMED SINCE 2001
ATTORNEY FORMED, NOT DOCUMENT PREPARER FORMED



Complete this agreement to hire Arizona LLC attorney Richard Keyt & KEYTLaw, L.L.C. (the "Firm") to form an Arizona limited liability company to own and operate an Arizona medical marijuana dispensary for \$1,099. Paragraph 4 on this page states exactly what the Firm will do. Richard ("Rick") Keyt, a former partner in one of the largest law firms in Arizona, has practiced law and been forming entities in Arizona since 1980. After law school Rick obtained a masters degree (LL.M.) in federal income tax law from New York University School of Law.

For information about the Firm, see www.keytlaw.com and Rick's [biography](#). For in depth articles about Arizona LLCs, see the [Arizona LLC Library](#). If you have questions about LLCs or this Agreement or if you have any questions during the formation process, call Rick at 602-906-4953, ext. 1 (no charge for questions about forming and operating Arizona LLCs).

Complete this simple form in 5–10 minutes by typing the answers directly in the blank spaces or print the form and complete it with a pen. Instead of completing this form, you can call Rick at 602-906-4953, ext. 1 or Rick's LLC legal assistant Katie at 602-906-4953, ext. 7 and give your information over the phone.

Complete LLC Formation Services: The Firm will perform the following legal services for a guaranteed amount of \$1,099: (1) unlimited telephone calls with Arizona LLC attorney Richard Keyt about forming and operating the Company, (2) name selection advice, (3) prepare custom drafted [Articles of Organization](#) and file it with the Arizona Corporation Commission ("ACC") on an **expedited** basis, (4) prepare the [ACC cover sheet](#), (5) give you the Articles with the ACC's "received" stamp, (6) give you Rick Keyt's custom Bylaws for a medical marijuana dispensary plus one year of updates (see [Bylaws—We Don't Need No Stinking Bylaws or Do We?](#)) and [Bylaws for Arizona Medical Marijuana Dispensaries](#)," (7) give you Rick Keyt's custom-drafted **Arizona-specific** 170+ page book called the "[ARIZONA LLC QUICK START GUIDE](#)" that contains a detailed explanation of how to operate your new company and comply with applicable Arizona LLC law after formation, including how to obtain a federal employer ID number in a 5–10 minute phone call to the IRS, how to open the LLC's bank account, how to comply with Arizona LLC law to reduce the risk that a creditor may pierce the veil and hold the owners liable for the debts of the LLC, and a detailed discussion of the four possible ways LLCs can be taxed for federal income tax purposes, (8) give you the ACC's letter approving the Articles, (9) give you the Articles stamped with the ACC's "approved" stamp, (10) prepare a [Notice of Publication](#), (11) publish the Notice of Publication in a newspaper in the appropriate county, (12) obtain an Affidavit of Publication and file it with the ACC before the deadline, (13) prepare Rick Keyt's 40+ page **Charging Order Enhanced™** [Operating Agreement](#) custom drafted for your LLC, (14) act as the LLC's statutory agent for its first year, (15) prepare a Disclaimer of Membership Interest for each non-owner spouse to sign when a married member owns the LLC as separate property, (16) prepare [organizational resolutions](#) of the members, (17) prepare [membership certificates](#) for all members to prove ownership, (18) give you a high-quality [Arizona LLC Portfolio](#) with tabs in which to keep all important LLC documents, (19) give you a free one year membership in our LLC Concierge™ program (\$297 value). The \$1,099 includes **all formation costs** (\$85 ACC expedited filing fee & \$27 newspaper publication fee for Maricopa County publications), but if your LLC's place of business is not Maricopa county, we will bill you for the publication cost that exceeds \$27. After the first year, we charge \$99 a year payable in advance to continue as the statutory agent for the LLC, but the LLC can change its statutory agent at any time as explained in the Quick Start Guide.

We are not advising you with respect to and we are not responsible for selecting a name that does not infringe on a trademark or service mark. Before you select a name for your LLC, check the ACC's [Name Availability Database](#) to determine if your prospective LLC name is available in Arizona. The ACC will accept a proposed LLC name unless it is identical to the name of an existing Arizona entity or tradename.

We require payment in advance before we provide any services. Unless there are unforeseen costs (for example you want us to send documents to you via FedEx or out of the U.S.) or developments or you hire us for additional services unrelated to forming your company (at our current hourly rates), the amount you agree to pay

in this Agreement will be the only amount you pay us for forming your LLC. We will send itemized invoices. You agree to pay any unpaid amount within ten days after we mail the invoice. If you do not pay an invoice within thirty days, we may charge interest on unpaid amounts at the rate of 1.5% per month, and we may terminate our services and/or withdraw from further representation of the company. The entire amount you pay KEYTLaw, LLC, for fees and costs is nonrefundable, but you may nevertheless discharge KEYTLaw, LLC, and Richard Keyt at any time and in that event you may be entitled to a refund of all or part of the fee based upon the value of the representation. The person who pays our fees and costs by credit card confirms that the company that issued the credit card allows charges for future services, costs and expenses. After three years, we may destroy all documents we collect during the time we provide services.

We are not acting as your attorney in advising you with respect to this Agreement because we would have a conflict of interest in doing so. If the LLC has more than one member, we will represent only the LLC rather than the interests of any member even if we are paid by a party other than the LLC. If you or any person or entity affiliated with the company have questions about this Agreement, we recommend that each concerned person consult with other legal counsel. You are hiring the Firm only to form your Arizona LLC, not to advise the LLC or its members or managers with respect to federal or state income tax issues or securities law. The members and managers should consult with an experienced tax accountant as soon as possible for advice on federal and state income tax issues affecting the LLC and its members. You must consult with other attorneys to advise you on federal and state tax and securities laws.

SELECT YOUR DESIRED SERVICES & GUARANTEED FIXED FEE

- \$1,099 **Complete LLC Formation Service:** We provide all 19 of the services and items listed on page 1, paragraph 4. Normal time to prepare and file the Articles of Organization with the ACC is 7 - 10 days.
- \$500 **Buy-Sell Agreement:** See [Why Multi-Member LLCs Must Have a Buy-Sell Agreement](#). Buy now to save \$397 off the normal price. Without buy-sell provisions, members do not have an exit strategy & can't divorce easily. All multi-member LLCs must purchase this agreement to prevent ineligible people from acquiring ownership and the subsequent loss of the dispensary license.
- \$100 **KEYTLaw Address Service (Prevents Your Address from Being Displayed on the Internet on the ACC's Website):** Use KEYTLaw's address as the company's known place of business in Arizona and/or the address of members and managers. Arizona law requires that the LLC have a known place of business in Arizona and that the Articles of Organization contain the address of all managers and members who own 20%. Name and address information will be on the internet to anybody who searches the ACC's online database. Select this option if any member or manager does not want his or her address to be listed on the ACC's website. This is an annual fee. [See a sample of a typical ACC website report that displays addresses of members and managers](#). Tell everybody to send correspondence to the address where you want the LLC to receive its mail. If we receive correspondence for the company, we charge a \$35 handling fee to compensate us for our time to mail the correspondence to the company.
- \$200 **One Business Day Super Expedited Service** to file the Articles of Organization (normally 7 - 10 days)
- \$100 **Three Business Day Expedited Service** to file the Articles of Organization (normally 7 - 10 days)
- \$75 **Employer ID Number:** We get a federal employer ID number for the Company. You must complete IRS form SS-4 found at www.keytlaw.com/azllc/ss-4.pdf, sign and date the SS-4 and fax or email it to us.

\$_____ Total amount to be paid to KEYTLaw, LLC.

Completion Instructions

Complete Parts 1, 2 and 3 for all members. If any member is a corporation, LLC, or limited partnership, also complete Part 4 only for that entity. If any member is a trust, complete Part 5 only for the trust. Make sure that the information in Parts 2 - 5 on each line corresponds to the appropriate member's number that you enter for the member in Part 1. Member 1 in Part 1 is member 1 in all other Parts of this agreement. **It's best to enter all info for one member at a time so you make sure to put the member's info on the same line of each part.**

Part 1: Names of All Members & Members' Spouses

Complete for Each Member (Husband & Wife Owning as Separate Property Equals Two Members & Two Line Entries)

No.	Name of Member	Spouse's Name	CP/SP ¹
1	_____	<input type="checkbox"/> Single _____	<input type="checkbox"/> CP <input type="checkbox"/> SP
2	_____	<input type="checkbox"/> Single _____	<input type="checkbox"/> CP <input type="checkbox"/> SP
3	_____	<input type="checkbox"/> Single _____	<input type="checkbox"/> CP <input type="checkbox"/> SP
4	_____	<input type="checkbox"/> Single _____	<input type="checkbox"/> CP <input type="checkbox"/> SP
5	_____	<input type="checkbox"/> Single _____	<input type="checkbox"/> CP <input type="checkbox"/> SP
6	_____	<input type="checkbox"/> Single _____	<input type="checkbox"/> CP <input type="checkbox"/> SP

- Arizona Community Property vs. Separate Property (Not Applicable to Singles, Trusts or Entities):** Arizona law contains a presumption that property acquired by a spouse while married is community property unless it is acquired by inheritance or as a gift. This means that if you are married and an Arizona resident, your ownership interest in the LLC will be community property unless you: (1) select the radio button above to indicate you are to own your interest as separate property, and (2) get your spouse to sign the Disclaimer of Membership Interest that we will prepare and send to you. **If a member is married, select the appropriate box to indicate how the married member will own his or her interest in the LLC: community property (CP) or separate property (SP).** Under Arizona law: (A) community property with right of survivorship means: (i) each spouse owns an undivided 1/2 interest in the spouses' total ownership interest in the LLC, (ii) **the interest of the first spouse to die passes to the surviving spouse without a probate**, and (iii) if they divorce, each is entitled to his or her 1/2 interest in the total amount owned by the couple, and (B) separate property means: (iv) the spouse who owns as separate property owns 100% of the membership interest, (v) the other spouse has no ownership rights in or to that interest, (vi) if they divorce, the owner spouse gets all of the interest and the other spouse gets none of the owner spouse's interest, and (vii) if the spouse who owns the membership interest dies, the interest goes as provided in the deceased spouse's Will or trust, but if the deceased spouse does not have a Will or a trust, the interest goes according to the laws of intestate succession of the state where the deceased spouse resided immediately before death and a probate may be required to transfer ownership to the lawful heirs. If you select the Separate Property option for a member, we will prepare a Disclaimer of Membership Interest for the non-member spouse to sign, which if signed will cause the membership interest of the owner spouse to be the solely owned separate property of the owner spouse.

Part 2: Member Contact Information

Insert Address for Our Records Even if You Purchase Our Address Service

No.	Member's Address	Telephone	Email
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____
6	_____	_____	_____

Part 3: Membership Percentages & Capital Contributions
Indicate Ownership % of Each Member & Amount & Due Date of Payments of Money to the LLC

Note: Members are Not Required to Contribute Money or Property to an Arizona LLC. If you want a member to be legally obligated to contribute money or property to the LLC, the member must sign a written document by which the member agrees to contribute money or property. If you indicate below that a member is to contribute money, show the amounts and due dates and we will insert that information into the Operating Agreement, which if signed by the member, will create the legal obligation for the member to contribute the money. If you want a member to contribute specific property, send Richard Keyt an email message that states the member(s) who are to contribute the property, the due date of the contribution and a description of the property.

No.	Percentage Owned	Initial Capital Contribution	Pay on or Before	Future Capital Contribution	Pay on or Before
1	_____ %	\$ _____	_____	\$ _____	_____
2	_____ %	\$ _____	_____	\$ _____	_____
3	_____ %	\$ _____	_____	\$ _____	_____
4	_____ %	\$ _____	_____	\$ _____	_____
5	_____ %	\$ _____	_____	\$ _____	_____
6	_____ %	\$ _____	_____	\$ _____	_____

If the LLC Does Not Have a Member that is an Entity or a Trust, Skip to Page 5
Part 4: For Members that are Entities (Skip this part if all members are people)

No.	Type of Entity	Formation State	Who Signs for the Entity	Signer's Title
1	<input type="checkbox"/> LLC <input type="checkbox"/> Corp <input type="checkbox"/> LP	_____	_____	_____
2	<input type="checkbox"/> LLC <input type="checkbox"/> Corp <input type="checkbox"/> LP	_____	_____	_____
3	<input type="checkbox"/> LLC <input type="checkbox"/> Corp <input type="checkbox"/> LP	_____	_____	_____
4	<input type="checkbox"/> LLC <input type="checkbox"/> Corp <input type="checkbox"/> LP	_____	_____	_____
5	<input type="checkbox"/> LLC <input type="checkbox"/> Corp <input type="checkbox"/> LP	_____	_____	_____
6	<input type="checkbox"/> LLC <input type="checkbox"/> Corp <input type="checkbox"/> LP	_____	_____	_____

Part 5: For Members that are Trusts (Skip this part if all members are people)

No.	Name of Trust	Formation State	Names of Trustee	Date of Trust
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
4	_____	_____	_____	_____
5	_____	_____	_____	_____
6	_____	_____	_____	_____

COMPANY INFORMATION

1. **Company Name:**

2. **Type of business:**

_____ (for KEYTLaw's information only--not disclosed to the ACC)

3. **The LLC's known place of business in Arizona. This address appears on the ACC's website and public records:**

Street address City, State Zip Code

Use KEYTLaw's address for \$100 a year. If you select this option, members and managers may also use our address (at no additional cost) in the Articles of Organization so that their home addresses are not displayed on the Arizona Corporation Commission's website. The address will be c/o KEYTLaw, LLC, 3001 East Camelback, Suite 130, Phoenix, Arizona 85016. Use our address solely to satisfy the Arizona law that requires an LLC to have a known place of business in Arizona. Do not tell the IRS or your customers or others to send correspondence to our address. Tell them to send correspondence directly to the LLC.

4. **Contact Person:**

_____ For KEYTLaw use only. We will send documents & correspondence to this person and contact him or her if we need more information & instructions with respect to the company.

_____ Contact's Primary Voice Phone

_____ Contact's Email Address

5. **How did you find KEYTLaw?**

6. **List all Managers & Other Information:**

You must name at least one manager. Name all persons or entities you want to have the power to sign contracts and bind the company on legal obligations. Only managers may sign contracts for the LLC. Members who are not managers do not have any management power or authority and cannot sign contracts for the LLC. A manager does not have to be a member.

ABOUT THE SIGNATURE LINE BELOW

Chose one of the following three signature options:

1. **Digital Signature:** You can digitally sign this agreement using Adobe's free secure digital signature feature. To sign it digitally, click on the line below that is just above the text that says: **Signature of Member or Manager** then follow the instructions. Once you have digitally signed this agreement, it cannot be altered without your key.
2. **Old Fashioned Manual Signature:** Click on the print button below to print this agreement. Sign the agreement and then deliver it to Richard Keyt using one of the methods described on the last page of this agreement.
3. **No Signature:** If you pay for your new LLC by credit card, you do not have to actually sign this agreement. By paying for your new LLC, you agree to the terms and conditions in this agreement.

If you have any questions about this agreement or about forming an Arizona LLC or corporation, call Richard Keyt at 602-906-4953, press 1 or call Rick's LLC legal assistant Katie at 602-906-4953, ext. 7.

The undersigned signs this agreement on behalf of the undersigned and the to be formed company named above.

_____ Print Signer's Name

KEYTLaw, L.L.C., an Arizona limited liability company

_____ Signature of Member or Manager

By: _____
Richard Keyt, Manager

HOW TO DELIVER THIS AGREEMENT TO KEYTLAW

1. **Easy Email Method (only for Outlook & Outlook Express):** Click on the **Submit to KEYTLaw Via Email** button found at the end of this agreement. Clicking on the submit button will open **Outlook** or **Outlook Express** with an email message pre-addressed to Richard Keyt. Click on the SEND icon **IN YOUR EMAIL PROGRAM** to send the email to Richard with this agreement attached as an Adobe pdf file. Use the Harder Email Method if you do not use **Outlook** or **Outlook Express**.
2. **Harder Email Method:** Save this agreement as a file on your computer then send the saved pdf file to rk@keytlaw.com as an attachment to an email. **You must have Adobe Acrobat or Reader version 8 or later to save this form on your computer with the data in it.** Download the free Adobe Reader at: www.adobe.com/products/acrobat/readstep2.html.
3. **Fax:** Fax this Agreement directly to Richard Keyt at 602-297-6890. You do not need a cover sheet.
4. **Snail Mail:** Mail or deliver the Agreement in a sealed envelope addressed as indicated to one of the following addresses:

Preferred Address (our UPS Store mail box)

Give the envelope to the clerk behind the counter

Richard Keyt
5025 North Central Avenue, #467
Phoenix, Arizona 85012

Secondary Address (Office)

Give the envelope to the receptionist in Suite 130

Richard Keyt
3001 East Camelback Road, Suite 130
Phoenix, Arizona 85016

CLICK BELOW TO EMAIL THIS AGREEMENT TO RICHARD KEYT

You are ready to send this agreement to Richard Keyt if:

1. **Member Information:** You have completed a Member Information Page for **EVERY** Member (husband and wife owning as community property is considered one member for the purposes of this agreement only).
2. **All Other Information:** You have answered all other questions and given all information requested on the prior pages.

If you use Outlook or Outlook Express for your email, you can send this agreement to Richard Keyt by clicking on the button below that says **Submit to KEYTLaw Via Email**. Your email program will open with an email message pre-addressed to Richard Keyt and this agreement attached as an Adobe pdf file. When your email program opens, click on the **send icon** in your email program.

CAUTION: WHAT TO DO IF CLICKING ON THE SUBMIT VIA EMAIL BUTTON DOES NOT WORK

If clicking on the **Submit to KEYTLaw Via Email** button below does not cause your email program to open with this document attached as a file, you must deliver this completed agreement to Richard Keyt by the Harder Email Method (Number 2), or methods 3 or 4 described at the top of this page.

CONFIRMATION FROM KEYTLAW ON RECEIVING THIS AGREEMENT & YOUR PAYMENT

When we receive this agreement and your payment, we will send you an email message confirming receipt. If we do not get either your agreement or your payment, we will notify you of that fact by another email. We usually send the confirmation email within a few hours if we receive it on a business day between 8 and 5 pm. If we receive your agreement and payment on a non-business day or after hours, we may not send a confirmation email until the next business day.



WARNING: EMAIL YOUR AGREEMENT TO KEYTLAW & SAVE THE FILE ON YOUR COMPUTER OR PRINT THE AGREEMENT BEFORE GOING TO THE STORE TO PAY BECAUSE YOUR BROWSER WINDOW WILL CHANGE AND YOU WILL NOT SEE THIS FORM UNLESS YOU GO BACK

HOW TO PAY

1. **Preferred Method:** [Click on this link to go to our secure online store](#) and pay by Visa or MasterCard.
2. Mail or deliver your check payable to: **KEYTLaw, LLC** to the address at the top of this page.
3. To give your credit card information over the phone to Richard Keyt's LLC legal assistant Katie, call her at 602-906-4953, ext. 7.