

LLC – Formation Questionnaire

Primary Contact Name: Address: Telephone: Fax:

Mobile: E-mail:

The name of the Limited Liability Company is (specify name with Limited or Ltd.):

Type of business:

The address of the Limited Liability Company is:

The registered agent of the Limited Liability Company is: whose address is

Name of Tax Matters Member (if any): whose address is

The purpose of this Limited Liability Company is:

Do the business organizers intend the business to survive their departure? Yes No

Is the business primarily intended to provide professional services? Yes No

If yes, what kind?

Is the business intended to primarily provide advocacy, education, or public services?

Yes No If yes, what kind?

Do purposes include management of real estate? Yes No If yes:

Identify Real Estate: Address: Common name: Type/use:

Real Estate is:

owned by General/Managing Members and to be contributed as a capital contribution
- value: \$

to be acquired under existing contract

Date of contract:

Seller:

Purchaser:

to be acquired, but no contract has been executed

other:

LLC is to:

merely operate existing structures

construct low income housing

rehabilitate (under Tax Reform Act of 1986)

construct other type of building

if cost of acquiring Real Estate or constructing improvements exceeds \$

Limited Members are to contribute % of excess, up to \$

mortgages, etc. must be nonrecourse

Will the business operate mainly locally , nationally , or internationally ?

If nationally or internationally, describe:

How many employees will the business have?

What is the expected yearly revenue or loss for the business:

For the first two years?

For two to ten years from now?

For ten to twenty years from now?

What are the greatest risks associated with the business?

Will principals contribute their own assets to the business? Yes No If yes,

describe:

Do you expect to initially generate capital from investment or from sales?

How much of the business's debts will principals have to personally guarantee?

How long will it likely be before the business becomes profitable?
 Will each principal be due an equal share of profits? Yes No
 How will the amount of income or salary due each principal be determined?
 Will earnings be distributed to owners immediately , or will they be accumulated by the business for future investment
 Is Agreement to be a short form, rather than a long form? Yes No
 Is Agreement to be strongly protective of rights of Limited Members, rather than the traditional bias in favor of General/Managing Members? Yes No

THE PARTIES

Enter the following information about persons entering into the Operating Agreement.

Name	Address	Phone Number	Dollar Amount of Capital Contribution	Percentage of Membership Interest	Type of Member (General, Managing, Limited)

What date will the operating agreement be signed?

- When will the LLC end or be expected to end?
- When the Members decide to terminate the LLC affairs.
 - When the LLC assets have been sold or otherwise disposed of.
 - Other

The total capital contribution from all Members to the LLC is
 In the event the LLC requires a later infusion of money to run the business, are the Members required to contribute additional capital?

Yes, the Members are required to contribute additional capital, in same ratio as their percentage of profits, but in no event an amount exceeding percent of their original capital contribution. No

Will the General Member(s) be entitled to compensation for their work on behalf of the LLC? Yes No

If yes, how much per month will the General Member be entitled to collect?

Will the General Members be required to devote their full time, effort and attention to the LLC? Yes No

Are Managing Members to be elected? Yes No If yes, Managing Members are to be elected by what vote: majority unanimous other:

May a new Member be admitted to the LLC with less than the unanimous consent of the other Members? Yes No If yes, what vote required?: majority other:

What consent is to be required to continue the business of the LLC? unanimous consent majority in interest other:

If a Member desires to voluntarily withdraw, must the Member first get the consent of some or all of the other Members? Yes No If yes, what vote required? unanimous consent majority in interest other:

In general, decisions reserved to the Members are to be made by what vote? unanimous consent majority in interest other:

What requirements do you want to impose regarding signing checks, notes, deeds, contracts, etc. on behalf of the LLC?

Do you wish to allow execution of said documents up to a certain value without consent of others during a limited time period Yes No If yes, please indicate the amount: \$ \$ and the duration: One week One month One quarter One calendar year , or Other specify:

Who shall have authorization?

Member authorized to sign with the unanimous consent of all Members (limited and general)

Member authorized to sign with a majority consent of the Members (limited and general)

General Member only authorized to sign

Managing Member only authorized to sign

Other. Please specify:

If authority delegated to a managing Member, please state the managing Member's name:

Is the Agreement to provide for annual meetings of the Members? Yes No

Is the Agreement to provide for assignment of allocations and distributions to any of the following?:

relatives of a Member without consent;

another Member without consent;

to any person with the following consent:

no consent required

unanimous (all Members) majority other:

Other than amendments of the Operating Agreement which directly change the financial share of each Member will require unanimous consent, do you wish to provide for other

types of amendments with less than unanimous consent? Yes No If yes, what consent?

A decision to dissolve the LLC is to be made the following vote: unanimous majority other:

Competing business activities:

- Member may engage in competing business activities
- The Agreement is to be silent on the subject
- Members are expressly to have the right to engage in competing businesses
- Each Member is to covenant not to compete while a Member and for period after membership in the LLC ceases for a period of _____ within the area of _____

Are Limited Members' interests to be syndicated? Yes No

Will you coordinate Offering Memorandum with separate securities counsel? Yes No

Total amount of Interests to be syndicated: \$

Total percentage Interests (other than initial Limited Members) to be syndicated: %

Total number of "units":

Percentage Interest of one "unit": %

Price for one "unit": \$

Price of smallest PORTION of a "unit" which may be purchased: \$

Minimum amount of Interests that must be sold if offering is to be effective: \$

Date by which minimum must be sold:

General Members may extend date - how many months?

Approx. net worth of General Members: \$ _____ as of _____

Minimum net worth of an investor: \$

May Limited Members pay portion of capital contribution on future dates? Yes No

If yes:

- pursuant to note
- down payment: \$ _____
- schedule of payments: _____
- obligation to be secured by: _____
- letters of credit - bank: _____

(if not a syndication) May General/Managing Members admit additional Limited Members? Yes No If yes, for capital contribution of \$ _____ for each percentage Interest (max: _____ %)

May General Members "convert" up to 95% of General/Managing Members Interests into Limited Members Interests for future sale? Yes No

If LLC requires additional funds:

- General/Managing Members may advance funds

- as an interest bearing loan rate: % per annum
- no interest may be charged
- Limited Members may advance funds (if General Members fail to do so) as an interest bearing loan rate: % per annum
- Agreement is to be silent

Are the General/Managing Members to be paid:

- management fee of \$ per annum?
- marketing supervision fee of \$ per annum?
- LLC formation fee of \$?
- no compensation?

annual report to be audited by certified public accountant. The General/Managing Members also are to provide: monthly reports quarterly reports both

- consent of Limited Members is to be required for major acts -- vote required:
- sale of all assets
- sale of Real Estate
- mortgaging of Real Estate
- borrowing of money in excess of \$
- settlement of claims in excess of \$
- establishment of reserves in excess of \$
- merger or consolidation
- Members are to have a right of first refusal for any Interest being sold

Are the other Members to agree, in advance, to buyout the interest of a Member who dies or becomes totally disabled (or retires)? Yes No If yes, which will apply?:

- buyout on death
- buyout on disability
- buyout on retirement

Buyout funding made by:

- insurance
- may pay in installments evidenced by a Note to be paid in monthly installments, with a minimum amount for each installment of \$ at the rate of interest of % and percent of price as cash down payment of %

The purchase price is to be based on book value fair value based on the assets and liabilities of the LLC, to be stipulated annually or determined by appraisal good will is to be taken into account, whether or not carried on the books

- stipulate present value of 1% Interest: \$
- stipulate minimum future value of 1% Interest: \$

Are disputes to be resolved by arbitration? Yes No

Do you want a limited Member to have a priority right over other limited Members for repayment of its contributions? Yes No

Do you want a limited Member to have a priority right over other limited Members for repayment of capital contributions on dissolution of the LLC? Yes No

If yes to either of the above, which limited Member shall have priority for repayment?