

PPLLC – Formation Questionnaire

Primary Contact Name: _____ Address: _____

Telephone: _____ Mobile: _____ E-mail: _____ Fax: _____

The name of the Professional Limited Liability Company is: _____

Type of business: _____

The address of the Professional Limited Liability Company is: _____

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

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

The purpose of this Professional Limited Liability Company is: _____

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

What are the activities of the Professional Limited Liability Company? _____

Is professional licensing is required for Members? Yes ☐ No ☐ If yes, list Member
name and license required:

Please list any other professional or federal, state, and/or local governmental licensing
requirements for the Professional Limited Liability Company:

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: _____

PLLC is to:

☐ merely operate existing structures

☐ construct low income housing

☐ rehabilitate (under Tax Reform Act of 1986)

☐ construct other type of building

Is Agreement to be strongly protective of rights of Limited Members, rather than the in favor of General/Managing Members? Yes ☐ No ☐

[illegible]

OPERATIONS/CAPITALIZATION/AUTHORIZATIONS

What date will the operating agreement be signed? _____

When will the PLLC end or be expected to end?

- ☐ When the Members decide to terminate the PLLC affairs.
☐ When the PLLC assets have been sold or otherwise disposed of.
☐ Other

The total capital contribution from all Members to the PLLC is _____

In the event the PLLC 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 PLLC? 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 PLLC? 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 PLLC 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 PLLC? ☐ 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 PLLC?

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 PLLC 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 PLLC 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: _____
- ☐ the Interests
- ☐ 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? _____

If PLLC 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?
- ☐ PLLC 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 PLLC, 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 PLLC? Yes ☐ No ☐

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