

Nuts and Bolts of LLC's, LP's and Partnerships

Model Company Agreements for Simple LLCs

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Introduction and Overview.

- Agreements for simple LLCs may not be so simple to draft.
 - Models are not forms to copy and fill in the blanks.
 - Use care and consideration.

Introductory Paragraph.

- Shelf LLCs.
 - Reasonable period until members are added. BOC § 101.101(b).
 - Admission of members after the formation requires member approval. BOC § 101.052, 101.103(c).
- Single member LLC.
 - Agreement of one allowed. BOC § 101.001(l).
- Manager-managed LLC.
 - Manager(s) a party to the company agreement?

Article 1: Formation.

- Duration:
 - Until winding up and termination.
- Purpose:
 - Not “any lawful purpose.”

Article 2: Members and Membership Interests

- Initial members.

- Admitted as of the date of formation.
- What about “initial members” who sign later?
- Definitions of “Percentages” is expansive.

- Additional members.

- Admitted with approval of all members.
- Approval to admit will include adjustment of percentages and terms of capital contributions.

Article 2: Members and Membership Interests (cont'd.)

- Withdrawal or Expulsion.

- Model agreement for manager-managed company follows BOC:
 - ✦ Member may not withdraw or be expelled. BOC § 101.051 & § 101.054
- Model Agreement for member-managed company overrides the default rules of the BOC:
 - ✦ Member may withdraw and become an assignee.
 - ✦ Member may be expelled by unanimous vote of other members for cause.

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