

# **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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