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LIMITED LIABILITY COMPANY (LLC) QUESTIONNAIRE

*****PLEASE FILL IN THIS INFORMATION AND RETURN IT AS SOON AS POSSIBLE*****

CLIENT INFORMATION ...

Client Name: _____

Contact Info: Phone: _____

Email: _____

Name of Limited Liability Company (must end with Limited Liability Company or L.L.C. or Limited Company or L.C.):

Purpose:

purposes include management of real estate

"any lawful purpose" is to be recited in Articles of Organization

Principal place of business:

Name and Address of Registered Agent:

In 1997 the IRS adopted "check the box" regulations which indicate that a LLC will be taxed as a partnership (i.e., flow-through tax treatment) for federal income tax purposes, unless the LLC expressly elects to be taxed as a corporation. The IRS abandoned its original position that a LLC would be taxed as a partnership only if it had not more than two corporate characteristics.

Taxation as a partnership for federal income tax purposes, however, does not necessarily mean that a LLC will be taxed as a partnership under the laws of the states in which it does business. In Pennsylvania and Texas LLC's presently are taxed as corporations irrespective of federal classification as a partnership.

If you intend to create a single member LLC, you may want to "bifurcate" the interest of the owner into Manager and non-Manager interests. The non-Manager interest later could be sold or given to family members.

If the Limited Liability Company has one or more Managers, the Members who are not Managers may avoid self-employment taxes under I.R.C. Sec. 1402(a)(13).

Is the Limited Liability Company to have one or more Managers authorized to make business decisions for the Limited Liability Company? Y N If so, must the Managers also be Members of the Limited Liability Company? [usually no] Y N

Are Managers to be elected? [usually no] Y N If so, Managers are to be elected by what vote: majority 2/3rds 75% unanimous other:

If the Limited Liability Company is to have one or more Managers, identify them:

Name of Manager #1:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Tele. No.:

Capital contribution (if any): \$

Interest in Limited Liability Company (if any): %

Name of Manager #2:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Tele. No.:

Capital contribution (if any): \$

Interest in Limited Liability Company (if any): %

Name of Manager #3:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Tele. No.:

Capital contribution (if any): \$

Interest in Limited Liability Company (if any): %

Name of Manager #4:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Tele. No.:

Capital contribution (if any): \$

Interest in Limited Liability Company (if any): %

Name of Manager #5:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Tele. No.:

Capital contribution (if any): \$

Interest in Limited Liability Company (if any): %

[identify any other Managers on a separate sheet]

Are the Managers to be formally designated as the "Board of Managers"? Y N

Identify the Member or Members (other than the Managers):

Name of Member #1:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #2:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #3:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #4:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #5:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #6:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #7:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #8:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

Name of Member #9:

male female corporation partnership LLC

Street Address:

City, State ZIP:

Capital contribution: \$

Interest in Limited Liability Company: %

[identify any other Members on a separate sheet. If there are more than 9 Members, the program won't ask questions letting you identify them, so you'll have to use your word processing software to add the names, interests, signature lines and acknowledgments after the OUTPUT FILE has been composed.]

WARNING: LLC statutes are new and subject to construction and amendment; and you will want to make your own determination as to whether the current Georgia statute permits having just the Managers consent to admission of new Members.

May a new Member be admitted to the Limited Liability Company with just the consent of the Managers?

Y N

May a new Member be admitted to the Limited Liability Company with LESS THAN the unanimous consent? Y N If yes, what consent: 75% in interest 2/3rds in interest 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? Y N If yes, what consent: unanimous consent 75% in interest 2/3rds in interest majority in interest other:

Is the Articles of Organization to be executed by one Organizer rather than all of the Members? Y N If yes, name and address of Organizer:

Are the membership interests to be evidenced by Certificates of Membership? [usually no] Y N

Are the names and addresses of all of the Members to be recited in the Articles of Organization as Organizers of the Limited Liability Company? Y N

Is the total capital contribution of the Members to be recited in the Articles of Organization as Organizers of the Limited Liability Company? Y N If yes, amount: \$

In general, decisions reserved to the Members are to be made by what vote: majority 2/3rds 75% unanimous other:

If the Limited Liability Company is not to be managed by Managers who are Members, is the Operating Agreement to provide for annual meetings of the Members? Y N

In addition to generally authorizing the Managers to handle the day-to-day operations of the Limited Liability Company, is the Operating Agreement to expressly give the Managers broad and detailed powers? Y N

It is possible to provide for assignment of allocations and distributions (i.e., just financial interests in the Limited Liability Company), without including voting rights and other rights of a Member. Is the Operating Agreement to provide for assignment of allocations and distributions to:

relatives of a Member without consent;

another Member without consent;

to any person with the following consent:

no consent required

unanimous (all Members) 75% 2/3rds majority other:

If this is a family LLC, are gifts of Member's interests to be rendered gifts of present interests by:

giving all Members rights to sell subject to a right of first refusal

owners of new interests may redeem such interests

giving donees rights to sell-back their interests to the Limited Liability Company

Do you wish to provide for different "classes" of Members Y N If so, an Article in the Operating Agreement will be produced, but you will have to manually insert the desired provisions with your word processing software.

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? Y N If so, what consent: 75% 2/3rds other:

A decision to dissolve the Limited Liability Company is to be made the following vote: unanimous 75%
 2/3rds majority other:

With regard to whether a Member may engage in competing business activities: the Operating 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 Limited Liability Company ceases - enter period and area:

Members Interests are to be syndicated

prepare Offering Memorandum

Total amount of Interests to be syndicated: \$

Total percentage Interests 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: \$

provide opinion of counsel re status of Limited Liability Company

Operating Agreement to recite TOTAL of all capital contributions: \$

Members may pay portion of capital contribution on future dates

pursuant to note

down payment: \$

schedule of payments:

obligation to be secured by:

the Interests

letters of credit - bank:

both

Date of Limited Liability Company Operating Agreement: _____ "as of"

The term of Limited Liability Company to expire on: perpetual duration / other:

Is Operating Agreement to be a short form, rather than a long form? [usually no] Y N

Are the Managers to be paid:

management fee - \$ per annum

marketing supervision fee - \$ per annum

LLC formation fee: \$

no compensation

annual report to be audited by certified public accountant. The Managers also are to provide: monthly reports quarterly reports both

Limited Liability Company is to own realty

Identify Real Estate:

Street Address:

City, State ZIP:

Common name:

Type/use:

Real Estate is:

owned by 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:

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

mortgages, etc. must be nonrecourse

consent of 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 the sale of just the allocations and distributions in the Limited Liability Company (not membership rights) [Note that for family LLC's the right of first refusal is automatically included, so that gifts of membership interests will be a present interest which qualifies for the annual gift tax exclusion. See Technical Advisory Memorandum 9751003.]

Are the other Members to agree, in advance, to buyout (or have an option to buyout) the interest of a Member who dies or becomes totally disabled? [usually no] Y N If yes, answer the following:

buyout on death

option to buyout on death

buyout on disability

option to buyout on disability

buyout on retirement (option if terminated for cause)

option to buyout on retirement

insurance (for death or disability is to be maintained by the Members to pay the purchase price)

may pay in installments evidenced by a Note (rather than all cash)

How many monthly installments:

Any minimum amount for each installment: \$

Rate of interest: %

Percent of price as cash down payment: %

The purchase price is to be based on: book value fair value based on the assets and liabilities of the Limited Liability Company, 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: \$

Is the Operating Agreement to give the Manager a power of attorney to execute amendments to the Articles of Organization and other certificates? Y N

Are disputes to be resolved by arbitration? Y N