



Buell & Ezell, LLP

ATTORNEYS AT LAW

COLORADO LIMITED LIABILITY COMPANY CHECKLIST

ARTICLES OF ORGANIZATION

Name of Entity:

A business name must be distinguishable from any other active business name in Colorado the Secretary of State’s records. Buell & Ezell, LLP, will perform a business name availability search for you on the Secretary of State’s website before filing the Articles of Organization. The LLC name must contain the words “Limited Liability Company”, “Ltd. Liability Company”, “Limited Liability Co.”, “Ltd. Liability Co.”, “Limited”, or the abbreviations “LLC”, “L.L.C.”, or “Ltd.”. Do not include the words “partners” or “partnership” in the company name. Please include your chosen suffix in the business name below. Considering that your first choice may not be available, please list three name choices in order of priority:

1st Choice:	
2nd Choice:	
3rd Choice:	

Primary or Principal Office Address:

For filing documents with the Secretary of State, this is the street address where the principal office of the LLC is located. This is the location at which the main administrative office, the company records and files, and the company’s primary financial operations are found.

Street Address (No P.O. Box)	City	County	Zip

Phone	Fax	E-Mail
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Registered Agent and Registered Office in Colorado (please check one):

Pursuant to C.R.S. § 7-90-701, a LLC must have a registered agent and registered office in the state of Colorado. A Registered Agent is a person or legal entity in Colorado that is designated to receive service of process and documents on behalf of the business. Please check the appropriate box below and provide the name of the Registered Agent and the Registered Agent’s street address in Colorado:

Buell & Ezell, LLP, will be the Company’s Registered Agent and our office address will be the Registered Office in Colorado. If your company is sued, the Registered Agent will receive service of process, potentially saving the client the time and embarrassment of being served at the principal office and/or storefront. (Registered Agent fees are \$150 per year, subject to increase on January 1st of each year, which includes up to 10 pieces of mail forwarded. Company will be provided a letter annually from Buell & Ezell, LLP regarding the continuance of such services. Registered Agent services may be cancelled by the Company at any time.)

The Registered Agent will be an individual whose contact information is as follows:

First Name:	
Last Name:	

Street Address (No P.O. Box)	City	County	Zip

Individual’s Phone
() -

The Registered Agent will be a Business whose contact information is as follows (The LLC you are forming may act as it own Registered Agent if you so choose):

Business Name:	
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Street Address (No P.O. Box)	City	County	Zip

Business Phone
() -

LLC Mailing Address:

This is the address where the business receives its mail and other correspondence. This address **CAN** be a post office box number or any other address.

Street Address	City	County	Zip

Phone	Fax	E-Mail
() -	() -	

OR

P.O. Box	City	County	Zip

Phone	Fax	E-Mail
() -	() -	

Number of LLC Members (please check one):

- One (1)
- Two (2)
- Three (3)
- Four (4)
- Five (5)
- Other; Number of Members _____

Management of the LLC (please check one):

A Colorado LLC may choose one of two forms of government: (1) member-managed, in which case the management of the LLC will be vested in its members; and (2) manager-managed, in which case the management of the LLC will be vested in a manager or managers. In a member-managed form, the members make the management decisions, similar to how a general partnership would be managed. Unless otherwise specified in the Operating Agreement, the members have equal rights in the management and the business of the LLC is decided by a majority vote of the members. The member-managed form is recommended unless the members are going to be passive regarding management decisions and will not be involved with the day to day operations of the business. In the manager-managed form, the members give the manager or managers the authority to make management decisions. The manager(s) may be, but are not required to be members of the LLC. All matters related to the business are exclusively decided

by the manger(s) who is appointed, elected, removed, or replaced, by a vote of the members. This form may be used when the members desire for a manager or managers to operate the business on a day to day basis.

- Member-Managed (typically)
- Manager-Managed

Name and Address where you would like for the stamped and filed LLC Articles of Organization to be mailed:

First Name:			
Last Name:			
Street Address or P.O. Box	City	County	Zip
Phone	E-Mail		
() -			

EIN (TAX ID #):

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. The IRS uses the number to identify taxpayers that are required to file various business tax returns. EINs are used by employers, sole proprietors, corporations, partnerships, LLCs, non-profit associations, trusts, estates of decedents, government agencies, certain individuals, and other business entities. Use your EIN on all of the items that you send to the IRS and the Social Security Administration (SSA).

Please provide the following information so that Buell & Ezell, LLP can obtain your EIN:

LLC Primary Member Information

First Name:			
Last Name:			
Social Security #	-	-	

Authorization to Obtain EIN

I, _____, authorize Buell & Ezell, LLP to obtain my EIN electronically from the Internal Revenue Service website.

Signature
Date: ____ / ____ / ____

OPERATING AGREEMENT

Initial Members of the LLC

1.

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

LLC Ownership Percentage:

Financial % (members share of LLC profits/losses)	Voting % (typically the same as financial %)

2.

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

LLC Ownership Percentage:

Financial % (members share of LLC profits/losses)	Voting % (typically the same as financial %)

3.

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

LLC Ownership Percentage:

Financial % (members share of LLC profits/losses)	Voting % (typically the same as financial %)

4.

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

LLC Ownership Percentage:

Financial % (members share of LLC profits/losses)	Voting % (typically the same as financial %)

5.

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

LLC Ownership Percentage:

Financial % (members share of LLC profits/losses)	Voting % (typically the same as financial %)

6.

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

LLC Ownership Percentage:

Financial % (members share of LLC profits/losses)	Voting % (typically the same as financial %)

Purpose Statement of the LLC:

Please check if applicable (typically this is selected):

- In addition to the purpose statement above, this LLC may conduct any lawful business pursuant to C.R.S. § 7-80-103.

Tax treatment preferred for the LLC (please check one):

- Pass-Through Taxation (recommended):** treated as a Partnership (2 or more LLC members) or Sole Proprietorship (1 LLC member).
- C- Corporation Taxation (rarely)**
- S- Corporation Taxation (rarely)**

Capital Contributions:

Members of an LLC contribute capital to the LLC in exchange for Membership Interests in the company. Members can contribute cash, property, or services (rarely) to the capital account. The contribution does not need to be a large sum, but it should be enough to pay the initial start up expenses of the LLC. For some small LLCs \$100 per member might be a sufficient capital contribution, whereas a nominal fee of \$1 would be insufficient. For other LLCs, the initial cash contributed by each member may be substantial and the amount should be stated in the Operating Agreement. Please be advised that inadequate capitalization could later become a factor in disregarding the LLC entity and finding the members personally liable for the debts, obligations, or legal judgments of the company (under the piercing the corporate veil theory). Therefore, LLCs with inherent risks or liabilities should have greater capital contributions. Typically, the amount of a member's capital contribution determines the members proportionate voting and financial rights unless otherwise specified in the Operating Agreement. For example, a member who contributes 50% of total LLC capital contributions will have a 50% stake in the financial rights and a 50%

stake in the voting rights of the LLC. Capital accounts do not require a separate bank account. Capital accounts are tracked and maintained in the accounting records of the LLC. The LLCs CPA will keep a record of each member's capital account.

Member Name	Value of Contribution (fair market value)	Type of Contribution (cash, property, services)

Additional Capital Contributions (please check one):

- Permissive (recommended):** additional capital contributions from the members may be necessary to grow the business. Permitting additional contributions in the Operating Agreement provides the greatest flexibility for adequately funding the LLC beyond initial capital contributions.
- Mandatory (not recommended)**

Vote Needed for Additional Capital Contributions (please check one):

- Unanimous (recommended)**
- Percentage:** _____%

Loans to Advance the LLCs Purpose:

May the company be permitted to secure loans for the advancement of the LLCs business?
 (Please be advised that even though an LLC provides liability protection for its members, lending institutions will often require a personal guaranty for business loans.)

- Yes**
 If yes, what voting percentage will be necessary to approve a loan?
 _____ Unanimous (recommended)
 _____ % Percentage
- No**

Distributions of LLC Profits (please check one):

What type of vote is required to approve distributions of the LLC profits to its members?

- Unanimous (recommended)**
- Percentage: _____%**

Personal Service Distributions (please check one):

What type of vote is required to approve distributions to a member who provides personal services to the LLC. For example, a member paints the walls of the LLC office as opposed to the LLC hiring a painter to do so. What vote of the members is necessary to approve compensation to the member who provided his/her personal services and/or supplies?

- Unanimous (recommended)**
- Percentage: _____%**

Management of the LLC:

Please check one and complete the corresponding information. Your choice should be the same as the management structure specified above on p.4.

Member-Managed LLC (typically)

- 1) If there is no consensus among the members, what type of vote is required for the LLC to make decisions generally?

Percentage: _____% (majority if not otherwise specified)

- 2) What type of vote is required for specific acts? (Unanimous vote is recommended for the following acts due to the fact that the acts may have a significant impact on the business).

- a. Purchase of real property by the company?

- Unanimous (recommended)**
- Percentage: _____%**

- b. Sale, transfer, lease or other conveyance of any real property?

- Unanimous (recommended)**
- Percentage: _____%**

- c. Borrow any funds or pledge any assets of the Company?

Unanimous (recommended)
 Percentage: _____%

d. Merger, consolidation, or transfer of all the assets to another Company?

Unanimous (recommended)
 Percentage: _____%

e. Payment of any salary or other distribution to any member of the Company?

Unanimous (recommended)
 Percentage: _____%

f. Admission of New Members into the LLC?

Unanimous (recommended)
 Percentage: _____%

g. Granting of full voting rights to an admitted new member?

Unanimous (recommended)
 Percentage: _____%

h. Other specific acts such as: _____

Unanimous (recommended)
 Percentage: _____%

3) Quorum requirements for official meetings?

Percentage: _____% (2/3 or more is recommended)

4) Quorum requirements for special meetings?

Percentage: _____% (majority suggested)

5) Vote needed to dissolve the LLC?

Unanimous (recommended): unanimous written consent from all of the members is recommended as dissolution should be made difficult to accomplish.

Percentage: _____%

6) Vote needed to amend the Operating Agreement?

Unanimous (recommended): unanimous written consent from all of the

members is recommended as amending the operating agreement should be made difficult to accomplish.

Percentage: _____%

Manager-Managed LLC: company managed solely by one or more managers

1) Initial Manager(s):

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

First Name:	
Last Name:	

Street Address or P.O. Box	City	County	Zip

2) Term of manager's election:

- a. _____ perpetual unless removed hereunder
- b. _____ months or years

3) Actions of a manager regarding company indebtedness or making a loan or guaranty of debt in excess of \$_____ requires the following vote of the Members:

Unanimous (recommended)
 Percentage: _____%

4) Managers shall be compensated as follows:

- a. _____ no compensation
- b. _____ a management fee of \$ _____ per year

c. _____ a management fee of \$ _____ per month

5) Managers may be removed for:

- a. _____ any reason
- b. _____ only for willful misconduct, fraud, or gross negligence with respect to the LLC

6) Vote needed to remove Managers:

- Unanimous**
- Percentage: _____%**

Transfer of LLC Membership Interests:

An Operating Agreement should contain provisions detailing the procedures for transferring rights (whether financial interest or voting interests) in the company to others (whether transferred by gift, sale, or operation of law at death). There are three schools of thought on transferring membership interests: (1) completely prohibit transfer; (2) allow free transferability; or (3) allow transfer subject to satisfaction of certain conditions. Buell & Ezell, LLP recommends allowing for the transfer of Membership Interests, provided that certain conditions are completely satisfied. The recommended conditions are as follows:

- a. Permitted transfers to (1) other members in the LLC (2) family members of an LLC member (3) executor or administrator of the LLC member at death (4) any outside purchaser consented to by the other members of the LLC.
- b. First right of refusal is always given to the remaining members to buy the membership interest offered to an outside purchaser.
- c. All members must consent to any transfer of Membership Interests unless the transfer is by operation of law (i.e., the member dies).
- d. All new members must agree in writing to the terms of the LLC Operating Agreement.
- e. All approved new members are only Holders of financial rights (share in the profits and losses) and they do not have governance rights (voting rights in the LLC) unless the remaining members give unanimous written consent to grant the new member governance rights. This allows the remaining members to retain control over the LLC even if a new member has been granted a right to share in LLC profits.
- f. If a member dies, the surviving person(s) named as beneficiaries of their LLC

Membership Interests in their estate will automatically become financial rights holders in the Company, however, they will not have any voting power unless the members vote unanimously to grant them those rights.

Is this structure agreeable to the Members?

Yes

No

If no, please specify your desires regarding the transfer of LLC Membership Interests below:

Tax Matters Member:

The members should designate one (1) member as the tax matters member. The tax matters member is responsible for communicating with tax authorities (US and State) regarding the taxation of the business.

The tax matters member shall be: _____

Mediation/Arbitration Clause:

Some clients want to place a Mediation/Arbitration clause in their business documents due to the high cost and time delays often associated litigation. This paragraph states that the members will give up their right to litigation under this agreement and will instead elect to have a mediator and if necessary an arbitrator decide disputes which cannot be decided by the members themselves.

Some Christian clients choose to substitute a Mediation/Arbitration clause with a Christian Conciliation Clause which states that a Mediator licensed with the Institute for Christian Conciliation (ICC), a division of Peacemaker® Ministries will settle disputes according to the Rules of Procedure for Christian Conciliation (a complete text of the Rules and more information about Christian dispute resolution is available at www.Peacemaker.net). Please let us know how you would like to proceed regarding litigation, mediation/arbitration, or Christian conciliation. Check the appropriate box below:

Standard Mediation/Arbitration Clause

Christian Conciliation Clause

Litigation Clause

Accountant:

Please provide contact information for your Certified Public Accountant or other accounting professional:

Name:	
Firm Name:	

Address	City	Zip

Phone	Fax	E-Mail
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Is Buell & Ezell, LLP permitted to contact your accountant regarding this entity?

- Yes
- No

Would you like for Buell & Ezell, LLP to provide your CPA with a copy of the LLC Operating Agreement and Articles of Organization?

- Yes
- No

Buy-Sell Agreement:

Most co-owned business needs a buy-sell, or buyout, agreement the moment the business is formed or as soon after that as possible. A buy-sell agreement is a binding contract (separate from the LLC Operating Agreement) between co-owners that controls when owners can sell their interest, who can buy an owner's interest, and what price will be paid. These agreements typically come into play when an owner retires, goes bankrupt, becomes disabled, gets divorced, dies, or when there is a disagreement amongst the members. The best time to create a buy-sell agreement is now, when all parties are healthy and in agreement. Are you interested in having Buell & Ezell, LLP create a Buy-Sell Agreement for your LLC?

- Yes
- No

Other Legal Services for your LLC:

Beyond just the business formation phase, we are able to provide a range of legal services for your business. Please check the services below that you would like to discuss regarding your LLC.

- Annual Meeting Minutes Services at our office: enhances the LLC liability protection
- Registration of Colorado Trademarks for your business name and logo
- Website Terms of Use
- Non-Disclosure Agreements: protects a business idea when talking to investors
- Non-Solicitation Agreements
- Non-Compete Agreements
- Purchase, Sale, Merger, or Acquisition of a Business
- Real Estate Transactions: deeds, review of leases, real estate negotiation/contracts
- Employment Agreements
- Independent Contractor Agreements
- Business Succession Planning and/or Estate Planning
- Joint Venture Agreements
- Federal Trademark Registration

How did you hear about Buell & Ezell, LLP?

Please return to:

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