



OPERATING AGREEMENTS

Why they matter

Outline of Discussion

- **What is an LLC Agreement?**
- **Why an LLC Agreement?**
- **What are the benefits of having an Agreement?**
- **What are the most important provisions?**
- **Case Study**

What is it?



What is an LLC
Agreement?



Governs operations
between Members

Why Have it?

Why have an LLC Agreement? Can you run the business without it?

- Governing Document
- Consistency
- Effectiveness
- Of course you can run a business without an LLC Agreement. But. . .
- NH: Written or oral agreement. NH RSA guidelines

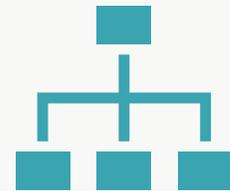
Benefits



Consistency



Avoid Conflict



Management

Major Provisions

Equity Structure / Capital Contribution

Member Ownership

Profit and Loss / Distributions

Voting

Compensation

Restrictions on Transfer

Restrictions on Competition

Management

**If you don't address
anything else
address these.**

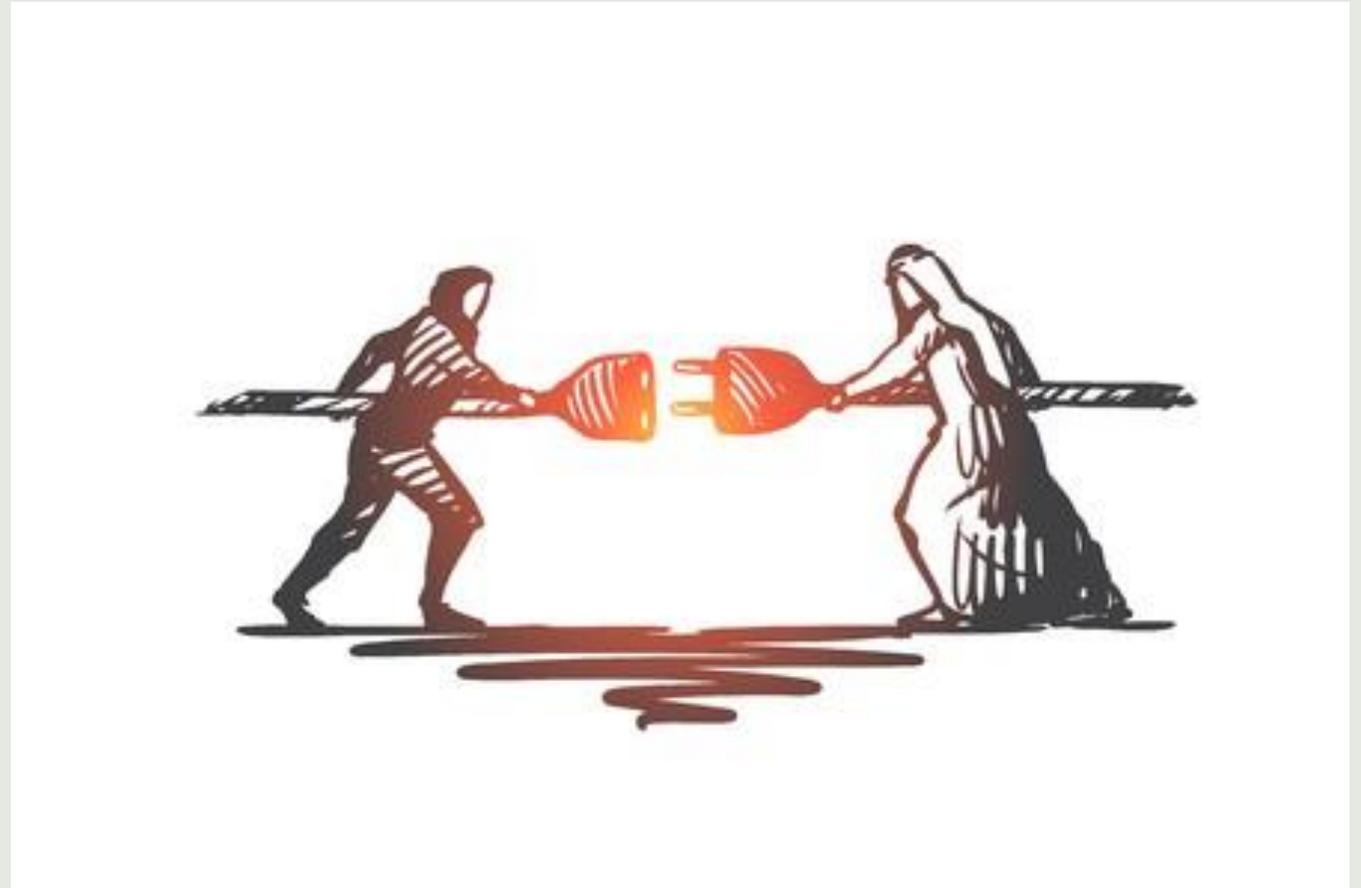
- Decision Making / Manager or Member
- Transfer of Ownership / Purchase Limitations



CASE STUDY

- **Buyout Provision.**

A seamless connection or
a spark igniting a fire?



Case Study.

- **Breach of Fiduciary Duty**

Who and what is protected?

