



## **PRIMARY QUESTIONS AND ISSUES FOR FORMATION AGREEMENTS**

1. Required Majority - 65% - 70% - 75%
2. Voting and Non-Voting Shares
3. Capital Contributions -Then/Now
4. Automatic Rights of Distribution
5. Allocation of Profits and Losses
6. Officers or Managers - Who and What
7. Transfer and Assignment of Interests - How do you sell or transfer
8. Resignation
9. Death or Incapacity
10. Buy/Sell - Insurance Amounts - Who pays - How
11. Valuation of the Company-each year or value of Insurance policies
12. What if Insurance is not high enough
13. Payment Plans – Interest - Term
14. Dispute Resolution
15. Can you do other work in other areas
16. Confidentiality Agreement and Covenant Not to Compete
17. Buy/Sell Agreement