Because CREO applicants are jointly purchasing property, it’s critical to clearly understand business terms before applying. Many collaboratives only discuss this in passing, but it’s important to put them down on paper. These terms, and other important governance decisions, are codified in an operating agreement for the newly formed joint venture that will hold title to the property. While we can’t provide a template, we do have a list of questions to consider when drafting your business terms.

**BASIC INFORMATION**
- Name of LLC or special purpose entity
- State/location and date the entity is being incorporated
- Purpose of this LLC
- Registered agent of this LLC

**MEMBER INFORMATION**
- Member names, addresses, and primary contact(s)
- Ownership percentage
- Management structure: member-managed or manager-managed?
- Roles of each manager & member

**CONTRIBUTIONS & DISTRIBUTIONS**
- Initial capital contributions ($)
- Where & how LLC funds are managed
- Process for additional capital contributions as needed
- Allocation of profits and losses (percentage-based or other?)
- Will the initial ownership percentages be the same for profits & losses?
- Frequency & conditions for distribution

**GOVERNANCE**
- Process for calling meetings
- Process for voting on issues
- Decision-making: everyday affairs (payments, contracts, vendors) vs. significant decisions (exits, selling)
- Process for remediating deadlock or stalemate (mediator, tiebreaker, etc.)
- Process for transferring business interests

**CONTINGENCY PLANNING**
- Protocols in event of bankruptcy, death, partner exits, dissolution

**MISCELLANEOUS**
- Indemnification
- Insurance and tax provisions
- Compliance with laws

This checklist is for general informational purposes only, does not constitute legal advice, and users should consult with a qualified attorney for advice tailored to their specific situation.