

Operating Agreement

Membership structure

The corporate structure consists of Staff and Employees. Staff are roughly analogous to Managers as described by the Business Structing Act. Employees are listed on the Member Register, but their relationship is contractual, defined as part of a Pay Agreement.

One member of Staff (Nyeogmi) is also the Founder, who is additionally responsible for maintaining the membership roster, reversing inappropriate unilateral actions made by other Staff, and designating representatives in external negotiations.

The Founder can delegate their powers temporarily using the processes of the Power of Attorney Act. They can also delegate any individuals to act as temporary representatives for specific purposes.

Capital contributions

Members are not required to contribute any capital to become Staff. Employees may be required to contribute capital according to their individual pay agreements.

Profit distribution

BITE is a nonprofit.

We allocate a proportion of income to a Petty Cash account which Staff can dip into freely. Remaining cash is not distributed to members except as part of Pay Agreements.

Pay Agreements are between the LLC on one side and its Staff, Employees, and contractors on the other. In these negotiations the LLC is represented by its Staff who must ratify the agreement.

The LLC can offer any payment structure it likes -- for instance, one-time, per-instance-of-service, or per-unit-of-time. (for instance, attorneys might be paid out on a per-case basis.)

The spirit of these agreements must be to advance the LLC -- an agreement to funnel all of the LLC's money into a single member's pockets, for instance, would not be OK except as part of corporate restructuring consistent with its purpose.

Loss distribution

Staff cannot purchase shares in the LLC and cannot extract money from it except in the form of pay agreements. Therefore, Staff are not liable for the LLC's debts.

If the LLC accumulates debt that it cannot pay, it will default. If this fails to discharge its obligations, it will declare bankruptcy.

Transfer of ownership (and membership)

Membership changes follow the Membership Change Resolution process stipulated below. Broadly, the Founder can transfer his role but no one else can. Creating a new Founder entails transferring ownership of the LLC.

Employees and Staff can be firms. In that case, the exact people associated with those roles in negotiations will be the representatives assigned by those firms, which can change.

Voting process

A vote is run on Discord. We call the party who proposes a matter for vote the "proponent" and we call a matter for vote a "resolution."

While any matter can be the subject of a resolution -- and any matter that would spend non-petty cash should be -- there are some resolutions of special form outlined later in this document.

Requirements

All resolutions have a Voting Requirement -- this is the set of votes required for it to pass.

Some resolutions have a Contract Requirement -- this means the resolution can only be enacted by having an external party perform some action under contract. If so, the proponent of a resolution must include evidence that the external party understands the resolution and has signed a contract to the effect that when the resolution passes, they will do what the resolution stipulates.

Expedited process: If the proponent can immediately satisfy the voting requirement by casting their own vote, then it is a foregone conclusion that it will pass. In that case, they can simply announce their action after having done it without running the proposal formally. They must satisfy the contract requirement, but they can do so before posting anything, and the contract they provide is allowed to presume that the resolution will pass.

Ordinary process: If multiple votes are needed, the proponent must announce the resolution in Discord. When they can assemble screenshot evidence of the necessary votes, the Founder is required to enact any changes made by the resolution.

Membership Change Resolution

Form

A change of membership is stipulated in a Membership Change Resolution, which is a list of member-role additions, a list of member-role subtractions, and the contractual terms for those additions:

Add: Jerry (Staff), Kramer (Employee), Elaine (Staff)

Remove: Elaine (Employee)

Contractual terms: Jerry at 5000 R\$/month; Kramer at 4000 R\$/month, Elaine at 4000 R\$/month

It is assumed that all old contracts will be severed. This can happen two ways -- if the old contract is being replaced by a new contract, then the resolution requires a new contract where both parties waive the others' obligations under the previous contract.

If the old contract simply ends, then the LLC is required to fire the contract's termination provision (if one exists) or breach the contract at risk of damages -- and this needs to be laid out in the resolution's explanatory text.

Voting requirement

The Voting Requirement depends on what roles are mentioned in the Resolution and on the contractual terms:

First, some resolutions have a special form that directly determines the voting requirements:

- *its sole effect is that the proponent, who is the Founder, resigns:* this is not acceptable: the Founder must transfer their role and then can resign separately after

- *its sole effect is that the proponent, who is not the Founder, resigns:* a single vote is required
- *its sole effect is to transfer the Founder role:* a unanimous vote of Staff is required

Other transfers of power are described below:

- *any Staff:* a unanimous vote of Staff is required
- *contractual terms may plausibly fail to be satisfied by petty cash:* a unanimous vote of Staff is required
- *otherwise:* a single vote is required

Effect

After doing so, the Founder is required to update the membership register by amending the Certificate of Corporation.

If the nominal Founder has changed, then the Founder is required to transfer technical control of the LLC's systems to the new Founder.

Dispute resolution

The LLC's relationship to Employees is solely contractual. It is assumed that (unless otherwise negotiated) the LLC has no other obligations to them.

The Founder may speedily resolve violations of this agreement made by other Staff. They may not do the same and must seek a civil remedy if they disagree.