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**DO YOU NEED AN OPERATING, SHAREHOLDERS' OR  
PARTNERSHIP AGREEMENT FOR YOUR BUSINESS ENTITY?**

An Operating Agreement is an agreement among limited liability company ("LLC") members that governs the LLC's business, the members' financial and managerial rights, as well as their duties. An Operating Agreement is similar in function to corporate Bylaws and Shareholders' Agreements or a Partnership Agreement in that it operates to set down the rules of a business entity, such as how to allocate profits and losses, establish voting systems, explain how assets will be divided if the entity dissolves, as well as what happens when a member withdraws or passes away. Generally a court will look to these types of documents whenever a dispute arises between members, shareholders, or partners. Thus, because these documents serve as a rule book for a business entity it is imperative that business owners have them. Furthermore, New York law actually requires LLC members adopt a written Operating Agreement and for Incorporators to adopt initial Bylaws. Is your business entity in compliance?

Generally business owners find themselves not in compliance because these documents are internal and do not have to be filed with the State. In the alternative, many business owners opt to use the standard, pre-made form document that is included with a corporate kit. The absence of such an important internal document or having a form document that is not adequately customized to your business' needs could result in litigation. If a dispute arises among members, shareholders, or partners, the State's default rules generally apply. This could result in extended litigation, which could end in an expensive conclusion that does not work for anyone involved.

In addition to this concern, a title company and/or lender will likely require the review of these documents whenever a business is involved in a real estate or financing transaction – whether it be buying, selling, or refinancing. Failing to have the document to timely present for review could delay a closing.

Therefore, having a primary document that establishes the rights, powers, duties, liabilities and obligations of the members, shareholders, or partners between themselves and with respect to their legal entities is key. But because these types of documents create legally enforceable rights and obligations it is important to always consult a lawyer prior to their creation. Our firm can assist you in tailoring your business agreements to meet your business needs and concerns. Please call us today at (914) 965-1011 to further discuss.

Our office also provides legal services in the areas of:

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|---|------------------|
| Commercial & Residential Real Estate Closings |                  |
| Landlord-Tenant Law                           | Civil Litigation |
| General Business Law                          | Tax Certiorari   |
| DHCR Representation                           | Zoning Matters   |

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