

ENTITY FORMATION

Shulman Rogers advises its owner, investor, developer, builder and other real estate industry clients in selecting and forming the appropriate legal entities for their real estate needs. Choosing the right entity structure is critical to successfully managing liability, tax, financing, business succession and estate planning, as well as property transfer issues. Our role is to advise our clients of the risks, costs and benefits of owning and operating a particular real estate opportunity through ownership of the possible legal entities that may be available for such purposes. We strategize with our clients in considering the type of acquisition (e.g., purchase of a business with a real estate component, purchase of a property currently leased by the buyer or seller, purchase of land for residential or commercial development etc.), the number and nature of the investors/owners, and the future use of the property in this analysis. We advise on such choices as:

- Limited Liability Companies (LLCs), which offer substantial advantages that minimize the personal liability of investors while maximizing favorable federal and state tax treatment.
- Limited Partnerships (LPs), which provide similar tax treatment as an LLC, but with different liability issues.
- Tenants in Common (TICs), which facilitate deferred tax exchanges.
- S Corporations, which can be appropriate for complex investments and transactions.
- Real Estate Investment Trusts (REITs), which may be appropriate for large, multi-investor real estate transactions.

In addition to choosing the appropriate legal entity, we also advise our clients on the proper jurisdiction of organization and we work with our clients' accountants and tax advisers to reflect their concerns in the details of entity formation. Once the choice and

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jurisdiction for the legal entity has been made, our attorneys and paralegals will prepare or review the necessary governing documents for the entity and file the appropriate forms with the governmental agencies.