

**Law Partnership Agreement with Provisions for the Death,
Retirement, Withdrawal, or Expulsion of a Partner**

Partnership Agreement made on the _____ (*date*), between
_____ (*Name of Partner Alpha*) of _____
_____ (*street address,
city, state, zip code*), referred to herein as *Alpha*, _____ (*Name
of Partner Beta*) of

_____ (*street address, city, state, zip code*), referred to herein as
Beta, _____ (*Name of Partner Delta*) of _____
_____ (*street address,
city, state, zip code*), referred to herein as *Delta*, and _____ (*Name
of Partner Sigma*) of _____
_____ (*street address, city, state, zip code*), referred to
herein as *Sigma*. *Alpha*, *Beta*, *Delta*, and *Sigma* are sometimes referred to herein as
the *Partners*.

For and in consideration of the mutual covenants contained in this Agreement,
and other good and valuable consideration, the receipt and sufficiency of which is
hereby acknowledged, the parties agree as follows:

1. Name of Partnership

A. The name of the Partnership created by and pursuant to this Agreement
shall be _____ (*Name of Partnership*).

B. Should any Partner withdraw from the Partnership, the remaining
Partners, in their discretion, may continue to use the surname of withdrawn
Partner as a part of the Partnership name, unless such use is deemed to be a
violation of the law of _____ (*name of state*) or the Canons of Ethics
applicable to attorneys practicing in the state of _____ (*name of
state*).

2. Purpose of Partnership

The purpose of the Partnership shall be to engage in the practice of law, maintain
offices, own property, and transact all business incidental to the operation of such a Law
Partnership.

3. Place of Business

A. The offices of the Partnership shall be located at _____
_____ (*street address,
city, state, zip code*).

B. The office location of the Partnership may be changed, and additional
offices for the Partnership may be established, as mutually agreed on by
Partners.

4. Duration of Partnership

The Partnership shall commence as of _____ (**date**), and shall continue until _____ (**date**), and from year to year afterward, unless this Agreement shall be terminated in the manner provided in this Agreement.

5. Assets and Liabilities

A. The present assets and liabilities of the Partnership are those shown on the balance sheet of the Partnership dated _____ (**date**), attached to this Agreement as **Exhibit A** attached hereto and incorporated herein by reference.

B. The Partnership assumes all responsibility for the liabilities shown in **Exhibit A**.

6. Contributions to Capital

A. The capital of the Partnership shall be \$_____. Each Partner shall contribute towards such capital cash or assets at agreed valuations, as shown on **Exhibit B**.

B. Partnership shall pay no interest on the capital contributions of any Partner.

C. An individual capital account shall be maintained for each *Partner* and shall not be added to or withdrawn from without the consent of all *Partners*.

D. Capital gains and losses shall be shared between and among *Partners* in the same percentages as their capital contributions.

E. When all *Partners* consent to such an arrangement, interest at the rate of _____% per annum shall be allowed to a *Partner* on all loans made to the Partnership, and on any funds left with the Partnership that *Partner* would otherwise be entitled to withdraw.

7. Divisions of Profits and Losses

A. **Net Profits.** The net profits of the Partnership shall consist of the gross income received by the Partnership from the practice of law, including (**list types of income to be included**) _____

_____ and any other items of income that *Partners*, from time to time, may agree to include; **less** all incidental expenses, including (**list items of expenses to be included**) _____

_____. Any salary paid to a *Partner* as provided below in this Agreement shall be treated as an expense of the Partnership.

B. **Participation in Profits and Losses.** *Partners* shall participate in the net profits and net losses of the Partnership according to the following percentages which shall be reviewed annually by the *Partners*:

1. Partner *Alpha* _____ %;
2. Partner *Beta* _____ %;
3. Partner *Delta* _____ %; and
4. Partner *Sigma* _____ %;

C. **Income Account.** An individual income account shall be maintained for each *Partner* to which such *Partner's* share of the net profits or net losses of the Partnership shall be credited or debited, as the case may be, at the end of each fiscal year.

D. **Withdrawals from Account.** A *Partner* shall not make withdrawals from such *Partner's* income account more frequently than **(e.g., once each month)** _____, and a *Partner* shall not reduce the balance in the account below \$ _____ without the express consent of all *Partners*.

E. **Debits to Capital Account.** If the credit balance in the individual income accounts is not adequate to absorb the losses of the Partnership, the excess shall be debited to the individual capital accounts.

F. **Credits to Capital Account.** If the capital account of a *Partner* has been depleted by prior debits of losses, future profits of that *Partner* shall be credited to that *Partner's* capital account until the depletion has been restored.

8. Management

A. **General Policies.** Each *Partner* shall have an equal interest in the conduct of the affairs of the Partnership. Except as otherwise provided in this Agreement, all decisions shall be by a vote of the majority of *Partners*.

B. **Managing Partner.** One *Partner* shall be elected as *Managing Partner* to administer the general affairs of the Partnership, and to carry out and to put into effect the general policies and specific instructions of the majority of *Partners* in interest.

9. Salaries

No *Partner* shall receive a salary except the *Managing Partner*, whose salary shall from time to time be determined by *Partners*.

10. Vacations and Sick Leave

A. **Vacations.** Each *Partner* shall be entitled to such vacations with salary as may be agreed on and set forth in **Appendix A** of this Agreement, which shall be reviewed at least annually by the *Partners*.

B. **Sick Leave.** Each *Partner* shall be entitled to be paid sick leave per year as set forth in **Appendix A** of this Agreement, which shall be reviewed at least annually by the *Partners*.

11. Duties of Partners

A. **Full Time.** Each *Partner* shall devote such *Partner's* full time and attention to the Partnership business.

B. **Other Activities.** A *Partner* shall not practice law except in the name of the Partnership, without the consent of the other *Partners*, or employ either the credit or capital of the Partnership in any other business whatsoever.

C. **Accounting.** Each *Partner*, whenever required, shall account to other *Partners* concerning all business transactions under such *Partner's* supervision arising out of or connected with the Partnership.

12. Limitations on Rights and Powers of Partners

A *Partner*, without the consent of all other *Partners*, shall not:

A. Borrow money in the Partnership name for Partnership purposes or use collateral owned by the Partnership as security for such loans.

B. Assign, transfer, pledge, compromise, or release any of the claims or debts due to the Partnership except on payment in full.

C. Make, execute, or deliver:

1. Any assignment for the benefit of creditors;

2. Any bond, confession of judgment, guaranty, indemnity bond, or surety bond; or

3. Any contract to sell, bill of sale, deed, mortgage, deed of trust, or lease relating to any substantial part of the Partnership assets or such *Partner's* interest in the assets.

D. Make any purchases in excess of \$_____. A majority in interest of *Partners* from time to time may delegate to the Managing Partner limited or general authority to make purchases.

13. Accounting

- A. **Fiscal Year.** For purposes of Partnership accounting and for income tax reporting, the fiscal year of the Partnership shall be the 12-month period ending the 31st day beginning _____ (**year**), and the same day and month each subsequent year.
- B. **Accounting Basis.** The books of the Partnership shall be kept on a cash basis.
- C. **Books of Account.** Partnership shall maintain adequate books of account. Each *Partner* shall have access to such books of account at all times.
- D. **Annual Accounting.** The books of account of the Partnership shall be closed at the end of each fiscal year. Statements showing the results of operation shall be prepared and supplied to all *Partners*, and such statements shall be prepared or audited by a certified public accountant. When approved in writing by all *Partners*, the annual statements shall be deemed final and binding, except for manifest errors discovered prior to the end of the next fiscal year. Approval of the annual statements by all *Partners* shall be obtained before final distribution of profits or losses at the end of each fiscal year.
- E. **Copies of Statements to Withdrawn Partner.** A copy of the annual statement of the Partnership shall be supplied to any withdrawn *Partner* entitled to receive any portion of the net profits.

14. **Bank Accounts**

- A. **Firm Accounts.** The Partnership shall maintain an account or accounts in the name of the Partnership in such bank or banks as a majority in interest of *Partners* from time to time may select. All moneys and funds of the Partnership, except as provided in Paragraphs B and C of this Section, shall be deposited in the account or accounts, and all checks, drafts, and orders on such account or accounts shall be signed in the Partnership name by any two *Partners*.
- B. **General Trust Accounts.** All funds belonging to clients of the Partnership and to be held longer than necessary for normal bank clearance shall be deposited in a separate bank account designated as the *Partnership Trust Account*.
- C. **Special Trust Accounts.** Where a *Partner* is appointed to act in a fiduciary capacity and in that capacity will receive and disburse trust funds, a separate bank account may be established for each such trust.
- D. **Safety Deposit Box.** A safety deposit box may be kept in the Partnership name if a majority in interest of *Partners* shall so elect. Access to such safety deposit box shall be permitted on the signatures of any two *Partners*.

15. Admission of New Partners

The terms and conditions under which new *Partners* are admitted into the Partnership shall be subject to the approval of all *Partners*.

16. Disability

A. **Permanent Disability.** If a *Partner* becomes permanently disabled and is unable to attend to the affairs of the Partnership for a period in excess of _____ continuous months, the other *Partners* may terminate the Partnership by giving to the disabled *Partner* written notice in the manner provided in **Section 19** of this Agreement.

B. **Termination of Partnership.** On the giving of such notice provided in Paragraph A of this Section, the Partnership as to such *Partner* will be terminated.

C. **Payments to Disabled Partner.** Any such disabled *Partner* shall receive payments in the same manner as if such *Partner* had retired or withdrawn from the Partnership. The date of the written notice of termination as provided above shall be considered the date of retirement or withdrawal.

17. Death, Retirement, Withdrawal, or Expulsion

A. **Death.** The death of any *Partner* shall cause an immediate dissolution of the Partnership.

B. **Retirement or Withdrawal.** Any *Partner* may retire or withdraw from the Partnership after giving other *Partners* at least _____ days' notice in writing of such *Partner's* intention to do so. Such retirement or withdrawal shall cause a dissolution of the Partnership as of the end of the period specified in such notice.

C. **Expulsion.** The following grounds shall constitute a basis for remaining *Partners* to expel a *Partner* from the Partnership:

1. Suspension or revocation of *Partner's* license to practice law;

2. *Partner's* breach of professional ethics;

3. Insolvency of *Partner*; or

4. **(Other grounds)** _____

_____.

Expulsion of a *Partner* shall cause an immediate dissolution of the Partnership.

D. **Continuation of Partnership.** Remaining *Partners* shall have the right to continue the Partnership on the occurrence of any of the events set forth in Paragraphs A, B and C of this Section, if they shall pay to retiring, withdrawing, or expelled *Partner*, or the legal representative of the estate of a deceased *Partner*, the value of such *Partner's* Partnership interest as set forth below.

E. **Value of Partnership Interest.** Except as provided in Paragraph F of this Section, the value of the interest of any *Partner* withdrawn from the Partnership shall be the sum of the following:

1. Any unpaid loans to such *Partner*;
2. Such *Partner's* capital account;
3. Such *Partner's* income account;
4. Such *Partner's* proportionate share of the unrealized accounts receivable, less _____% collection costs; and
5. Such *Partner's* proportionate share of the goodwill of the Partnership as set forth in the last executed certificate of goodwill. The current certificate of goodwill is set forth in **Exhibit B** attached to and made a part of this Agreement. The value of the goodwill of the Partnership shall be reviewed at least annually by the *Partners*.

F. **Partnership Interest of Expelled Partner.** The Partnership interest of an expelled *Partner* shall consist of the sum of the amounts of any unpaid loans to such *Partner*, and the capital and income accounts of such *Partner*. Remaining *Partners* may agree if, and to what extent, expelled *Partner* will share in accounts receivable and goodwill.

G. **Payment of Partnership Interest.** Payment to a *Partner* for such *Partner's* interest shall be made as follows: **(list schedule of payments)**

H. **Restrictions on Retired or Withdrawn Partner.** A retired or withdrawn *Partner* shall not perform work for any clients or client of the Partnership at any time. Such retired or withdrawn *Partner* shall not disclose to any person, Partnership, corporation, or other entity the name or names of any clients of the Partnership, or of any of its transactions, or use the Partnership name in any manner, including the use of any combination of words containing the Partnership name.

18. Termination by Voluntary Dissolution

A. The Partnership may terminate effective on such date as it chooses. The

effective date shall become the *date of termination*. Those individuals exercising the majority vote may choose to re-establish the firm business following such termination using the same name (excluding from that name only those who do not remain) and continue to firm assets except for personally owned items which may be removed by those not remaining. However, payment must then be made to each *Partner* excluded, as though he or she were deceased or retired; that is, he or she will be paid in accordance with **Section 17**.

B. If a majority does not choose to so re-establish the firm, then the firm will liquidate. After payment of debts (or reserves for them are set aside), assets will be divided according to the percentages set forth in **Section 7**.

C. During liquidation, decisions as to how this be accomplished shall be determined by a majority vote of the *Partners*. All rights to withdraw, to expel a member, to retire, and all rights to disability and death benefits shall be extinguished as of the *date of termination*.

D. All *Partners* will attempt to complete all work before the *termination date* so that matters can be billed and collected.

E. From the date of termination, there shall be no further business transacted for the terminated Partnership. Offices may be maintained by a re-established firm or by the Partnership in liquidation, as the case may be.

F. As soon as practicable, the Partnership will assign all pending matters, including the files, to one or another of the *Partners* who most nearly may be considered the attorney of that client. While any client may choose by whom he or she prefers to be represented, should it be with a *Partner* to whom he or she was not assigned, then that *Partner* shall pay _____% of all fees earned from that client for a _____ month period following the *date of termination* to the *Partner* to whom the client was assigned. This will be true whether the client actually pays the earned fees or not. No *Partner* shall collect receivables outstanding on the *date of termination*; rather the Partnership in liquidation will receive and account for the same.

G. Each *Partner* receiving any file shall immediately reimburse the Partnership for any advances which it may have made on behalf of that client. Such repaid amounts shall be received by the Partnership in liquidation and accounted for accordingly.

19. Severability. The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

20. No Waiver. The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

21. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of _____.

22. Notices. Unless provided to the contrary above, any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

23. Mandatory Arbitration. Any dispute under this Agreement shall be required to be resolved by binding arbitration of the parties hereto. If the parties cannot agree on an arbitrator, each party shall select one arbitrator and both arbitrators shall then select a third. The third arbitrator so selected shall arbitrate said dispute. The arbitration shall be governed by the rules of the American Arbitration Association then in force and effect.

24. Entire Agreement. This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

25. Modification of Agreement. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

26. Assignment of Rights. The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

27. In this Agreement, any reference to a party includes that party's heirs, executors, administrators, successors and assigns, singular includes plural and masculine includes feminine.

WITNESS our signatures as of the day and date first above stated.

(Printed Name of Alpha)

(Printed Name of Beta)

(Signature of Alpha)

(Signature of Beta)

(Printed Name of Delta)

(Signature of Delta)

(Printed Name of Sigma)

(Signature of Sigma)