

**Law Partnership Agreement with Provisions for Terminating  
the Interest of a Partner – No Managing Partner**

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*.

Whereas, the *Partners* are licensed to practice law in \_\_\_\_\_ (**name of  
state**); and

Whereas, the *Partners* desire to form a Partnership to conduct the general  
practice of law.

NOW, THEREFORE, 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 and Purpose**

The Partnership shall be known as \_\_\_\_\_ (**Name of  
Partnership**). If a *Partner* withdraws or is expelled from the Partnership, the name of  
the *Partner* will be deleted from the Partnership name. However, the Partnership may  
continue to use the name of a deceased or retired *Partner*, but no compensation shall  
be paid for use of that name. The Partnership is established for the purpose of engaging  
in the practice of law.

**2. Place or 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.

**3. Term 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 **Section 11** of this

Agreement.

**4. 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.

**5. Books and Accounting**

The Partnership shall maintain a complete and accurate set of books relating to all receipts and expenditures. Monthly and annual operating statements shall be prepared and distributed to the *Partners* as promptly as possible. The books shall be maintained on a \_\_\_\_\_ (**cash or accrual**) basis.

**6. Expenses**

All expenses incurred by a *Partner* on behalf of the Partnership shall be reimbursed. The *Partners* shall designate by agreement the particular expenses which are reimbursable and which are not.

**7. Profits and Losses**

A. The *gross income* of the Partnership shall consist of:

1. All fees for legal services rendered by any *Partner* or employee of the Partnership; and

2. All fees received by any *Partner* or employee for non-legal services rendered, such as, but not limited to, fees for serving as a fiduciary or trustee.

B. The *net profits* shall be determined by deducting all expenses of the Partnership from the gross income. The net profits shall be distributed to the *Partners* as follows:

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

C. Losses of the Partnership shall be borne by the *Partners* in the same proportion as they share in the net profits. *Partners* shall contribute their share of the loss within \_\_\_\_\_ (**number**) days from their receipt of the monthly or annual operating statement, as the case may be. Failure to make such contribution within the period specified will entitle the Partnership to debit the *Partner's* share of Partnership capital. If the *Partner's* share of the capital is insufficient to cover the *Partner's* share of the loss, the *Partner* shall become indebted to the Partnership for the amount not covered by the *Partner's* capital and shall execute a negotiable promissory note in favor of the Partnership for that amount, payable within \_\_\_\_\_ (**number**) days.

#### 8. Partnership Decisions

All decisions of the Partnership shall be made by a vote of the majority of the *Partners*, with each *Partner* having one vote. A *Partner* who is not present \_\_\_\_\_ (**may/may not**) vote by proxy.

#### 9. Termination of Partner's Interest

A. A *Partner's* interest in the Partnership shall terminate on the occurrence of any of the following:

1. Withdrawal or retirement of the *Partner* on \_\_\_\_\_ (**number**) days' written notice to the other *Partners*;
2. Expulsion of the *Partner* by a \_\_\_\_\_ % vote of the other *Partners*;
3. Disability of the *Partner* as determined by a \_\_\_\_\_ % vote of the other *Partners*. A determination that a *Partner* is disabled shall be made only after a period of disability exceeding \_\_\_\_\_ (**number**) consecutive days or a total of \_\_\_\_\_ (**number**) days within a period of \_\_\_\_\_ (**number**) consecutive calendar years; or
4. Death of the *Partner*.

B. When a *Partner's* interest in the Partnership is terminated, the Partnership must pay to the *Partner* or to the *Partner's* successor in interest the following:

1. A terminated *Partner* shall be paid the *Partner's* capital account as of the date of termination, the account to be paid within \_\_\_\_\_ (**number**)

days after termination. In making the determination of the capital account, the assets of the Partnership consisting of tangible personal property, such as furniture, fixtures, office equipment, and law books shall be valued as agreed on between the terminated *Partner* or the *Partner's* successor in interest and the Partnership. If no agreement is reached, the determination of the value shall be made pursuant to Arbitration as set forth in Paragraph \_\_\_\_\_ below.

2. A terminated *Partner* shall share in the accounts receivable of the Partnership when collected in the same proportion that the *Partner* shares in the net profits, after deducting the cost of collecting the receivables. A terminated *Partner* shall not share in the income for work in progress.

3. A terminated *Partner* shall share in the undistributed net profits of the Partnership to be determined as of the end of the month in which the termination occurred.

#### **10. Client Records**

All records of clients shall be retained by the Partnership until it receives written instructions from the client regarding those records.

#### **11. 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 9**.

B. If a majority do 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.

## **12. New Partners**

The admission of any new *Partner* shall require the consent of all existing *Partners*. The capital contribution of the new *Partner* and the percentage of the new *Partner's* interest in the Partnership shall be determined by the existing *Partners*. A new *Partner* must consent to be bound by and sign this Agreement on admission as a *Partner*.

**13. 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.

**14. 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.

**15. Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of \_\_\_\_\_.

**16. 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.

**17. 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.

**18. 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.

**19. 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.

**20. 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.

**21.** 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)*

\_\_\_\_\_  
*(Printed Name of Sigma)*

\_\_\_\_\_  
*(Signature of Delta)*

\_\_\_\_\_  
*(Signature of Sigma)*