**THE SECURITIES REPRESENTED BY THIS INSTRUMENT OR DOCUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED AT ANY TIME, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER OR SALE WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.**

**PARTNERSHIP AGREEMENT**

**Partnership Agreement**

This Partnership Agreement by [names of partners] is entered into and shall be effective as of the day of [date], with the purpose of forming a general partnership pursuant to the provisions of the Uniform Partnership Act of the State of [name of state], on the following terms and conditions:

**ARTICLE I**

**THE PARTNERSHIP**

1.01 *Purpose.* The purpose of the Partnership is to engage in any lawful business, including real estate investing, and activities incidental thereto, in the State of [name of state].

1.02 *Name.* The name of the Partnership shall be [name of Partnership]. All business of the Partnership shall be conducted solely under that name.

1.03 *Term.* This Agreement shall continue until dissolved under its terms. The Partnership shall not be dissolved by the admis­sion of additional Partners or by the death, disability, retirement, expulsion, or withdrawal of any Partner.

1.04 *Location.* The principal place of business of the Partnership shall be [address of partnership], unless otherwise agreed by the Partners. The Partnership may establish and maintain additional offices at other locations approved by the Partners.

1.05 *Title to Property.* All real and personal property shall be owned by the Partnership as an entity. No Partner shall have any ownership interest in the Partnership property in his or her own individual name or right. Each Partner’s interest in the Partnership shall be personal property for all purposes.

1.06 *Prior Agreements.*  All previous agreements, understand­ings, and undertakings, whether oral or written, among any Partners regarding their association for the practice of law are hereby superseded in their entirety by this Agreement.

**ARTICLE II**

**THE PARTNERS**

2.01 *Identification of Partners.* The Partners shall be the signatories to this Agreement and such additional persons as the Partners shall from time to time elect.

2.02 *Disposition of Partners’ Earned Income.* Each Partner shall pay into the Partnership all income received for work related to the real property commonly known as [property address].

2.03 *Admission of New Partners.* New Partners may be admitted from time to time by [percentage] vote of the Partners, subject to the following terms:

(a) A new Partner shall become a party to this Agreement by signing an Addendum.

(b) Within twenty (20) days after any individual becomes a Partner or a Partner marries, the Partner’s spouse shall execute a consent form indicating acceptance of this Agreement.

(c) A newly admitted Partner shall share, in accordance with this Agreement and his or her Partnership status, in the assets as well as the debts, obligations, and liabilities of the Partnership as of his or her effective date of admission.

2.04 *Management.* The management of the Partnership shall be vested in the Partners, who may delegate responsibilities to an Executive Committee or a Managing Partner, except for the following decision powers, which are expressly reserved to the Partners under Section 2.05:

(a) admission of new partners, as provided in Section 2.03;

(b) allocation of the capital requirements and the allocation and distribution of the profits, as provided in Sections 3.01, 3.03, and 3.04;

(c) adjustments in the amount of capital;

(d) creation or expansion of debt;

(e) purchase and sale of real estate;

(f) acquisition of new or additional space;

(g) establishment of branch offices;

(h) any approvals requested or required under Section 2.02 disposition of earned income;

(i) expulsion of, or disability determination of, any Partner, as provided by Sections 5.01, and 5.02;

(j) amount of professional liability insurance maintained;

(k) mergers with or into other entities (supermajority vote required); and

(l) dissolution of the Partnership.

2.05 *Voting.* Each Partner shall be entitled to one (1) vote. All issues shall be determined by a majority vote, except those designated as requiring a supermajority, which will require a [percent] vote, and as otherwise required in this Partnership Agreement.

2.06 *Special Meetings.* Regular meetings of the Partnership shall be held no less frequently than [frequency of meetings]. Special Partnership meetings may be called at any time by any [percent] or more of the Partners.

**ARTICLE III**

**CAPITAL, DISTRIBUTIONS, AND ALLOCATION OF PROFIT**

3.01 *Contributions.* Each Partner shall be required to contribute money or other property to the Partnership in accordance with policies established by the Partners.

3.02 *Capital Account.* An individual capital account shall be established and maintained for each Partner in accordance with the provisions of the Internal Revenue Code. Each Partner’s capital account (a) shall be increased by (i) the amount of money and fair market value of property contributed to the Partnership and (ii) the Partner’s allocable share of income and gain allocated pursuant to this Agreement, and (b) shall be decreased by (i) the amount of money and fair market value of property distributed to that Partner and (ii) that Partner’s allocable share of deductions and loss allocated pursuant to this Agreement. No Partner shall have a deficit capital account at the end of any Partnership year.

3.03 *Allocations.* Except as may be required by the Internal Revenue Code, all items of income, gain, deduction, loss, and credit shall be allocated among the Partners for each Partnership year, in accordance with policies established by the Partners.

3.04 *Distributions.* Distributions of Partnership cash will be made periodically, in accordance with the policies established by the Partners.

**ARTICLE IV**

**DEATH OF A PARTNER**

4.01 *Death.* Upon the death of a Partner, the deceased Partner’s Partnership Interest shall terminate as of the end of the month following the date of death.

**ARTICLE V**

**WITHDRAWAL OR EXPULSION OF A PARTNER**

5.01 *Withdrawal.* Any Partner may voluntarily withdraw from the Partnership at the end of any calendar month, upon three (3) months’ written notice to the Partners, who shall be entitled to accelerate the effective date of the withdrawal by a vote of the majority.

5.02 *Expulsion.* The Partners, by appropriate secret ballot vote of at least [percent] of the Partners (excluding from the vote the Partner whose expulsion is under consideration), may expel any Partner without notice. Without limiting the foregoing, the Partners have agreed that any of the following are unacceptable to the Partnership and, unless otherwise determined by the Partners, there will likely be a vote of expulsion if such Partner:

(a) engages in any action that injures the professional standing of the Partnership, if such action continues after desistance has been requested by the Partnership;

(b) is declared insolvent or bankrupt or makes an assignment of assets for the benefit of his or her creditors;

(c) breaches any provision of this Agreement that the Partnership deems a major provision, if, after such breach has been specified as a prospective ground for expulsion by written notice given by the Partnership, the same breach continues or occurs again;

(d) habitually lacks attention to the business of the Partnership and to the interests of the clients of the Partnership, and if, after notice of such conduct from the Partnership, continues to so act;

(e) fails to file any state or federal tax return or if any federal or state authority determines that such Partner has committed an act of tax evasion; or

(f) commits an act of intentional misconduct or negligence resulting in a loss to the Partnership, whether or not such act is the subject of a claim against the professional liability insurance of the Partnership.

5.03 *Termination of the Withdrawn/Expelled Partner’s Interest.* Upon withdrawal or expulsion from the Partnership, the Partnership Interest of the withdrawing/expelled Partner shall terminate. The Partnership shall acquire the interest of the terminated Partner by paying an amount provided by the Uniform Partnership Act of the State of [name of state].

**ARTICLE VI**

**PAYMENT OBLIGATIONS AND RELATED MATTERS**

6.01 *Time of Payment.* Subject to the limitations contained in Section 6.02, the amounts due a Partner entitled to payment under the provisions of this Agreement shall be paid as follows: capital accounts shall be paid in six (6) equal monthly payments commencing within sixty (60) days of the departure date, unless restricted by the percentage limitation set forth in Section 6.02. The term “departure date” as used herein shall mean the date the Partner’s Interest in the Partnership is terminated under the terms of this Agreement.

8.02 *Limits on Payment Obligations.* Notwithstanding anything contained elsewhere in this Agreement to the contrary:

(a) Any negative balance of a departed Partner’s capital account shall be fully and immediately due and payable by that Partner, and shall be paid or offset, as the case may be, before any payments that otherwise may be owing to the Partner are paid.

**ARTICLE VII**

**GENERAL LIABILITY INSURANCE**

7.01 *Insurance Coverage.* The Partnership shall maintain general liability insurance coverage for all real property owned by the Partnership, in such amounts as the Partners may from time to time determine.

**ARTICLE VIII**

**DISSOLUTION**

8.01 *Election to Dissolve.*  The Partnership may be dissolved at any time by a vote of [percent] of the Partners at a meeting called expressly to consider dissolution. Upon the enactment of a Resolution to Dissolve, no further services shall be rendered in the Partnership name, and no further business shall be transacted from and after the date selected for dissolution except to the extent necessary to wind up the affairs of the Partnership. Maintenance of offices to effectuate the winding up or liquidation of the Partnership affairs shall not be construed as a continuation of the Partnership.

8.02 *Duty of Partner.* In addition:

(a) All Partners covenant to cooperate in every regard in the winding up of the Partnership affairs and, without limiting the generality of the foregoing, will refrain from the following conduct:

(1) transferring Partnership assets;

(2) refusing any other Partner’s access to the Partnership offices;

(3) removing any Partnership books of account of records;

(4) refusing access to personal effects, office forms, files, and computer disks and equipment; and

(5) tampering with information found in computers and files used by the Partnership or any member of the Partnership.

(c) Upon dissolution, any Partner remaining in the space occupied by the Partnership shall pay to the Partnership the fair market rental value for the rent of that space until such time as he or she shall remove himself or herself from the premises.

(d) Each Partner shall be allowed to purchase the equipment of the Partnership at an evaluation set by the appraiser who appraises all the equipment of the Partnership for the purposes of sale and liquida­tion.

8.03 *Costs of Liquidation.* The Partnership assets shall be used to pay or provide for all debts of the Partnership and all costs of liquidation.

8.04 *Distribution to Partners.* After payment of the debts of the Partnership and the costs of liquidation, the remaining assets shall, upon dissolution and liquidation of the Partnership, be allocated among the Partners in the following order:

(a) in payment of loans to or for the benefit of the Partnership;

(b) to the Partners in accordance with their credit balances, if any, of their capital accounts, after giving effect to all contributions, distributions, and allocations for all periods;

(c) any indebtedness of any Partner to the Partnership as of the date of dissolution of the Partnership. The indebtedness shall be deducted from each distribution to which he or she may otherwise be entitled pursuant to this Section, to the extent required to satisfy and discharge such indebtedness.

[OPTIONAL – REMOVE IF NOT DESIRED] 8.05 *Waiver of Right to Court Decree of Dissolution.* The Partners agree that irreparable damage would be done to the relation­ships between Partners and to the reputation of the Partnership if any Partner should bring action in court to dissolve this Partnership. Care has been taken in this Partnership Agreement to provide fair and just payments to a Partner whose relation­ship with the Partnership is terminated for any reason. Accordingly, each of the Partners accepts the provisions under this Partnership Agreement as the Partner’s sole entitlement upon termination of the Partnership relationship. Each Partner hereby waives and renounces his or her right to seek an independent adversarial appointment by a court of a liquidator or receiver for the Partnership, but each does agree to resolve all matters, including, if necessary, by use of the procedure set forth therein in Article IX below.

**ARTICLE IX**

**ARBITRATION**

[REMOVE IF NOT USING SECTION 8.05] 9.01 *Arbitration.* Except for controversies regarding the compensation of Partners, which are to be determined solely in accordance with the terms of this Agreement, any controversy arising out of or relating to this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect, provided, however, that the Board of Arbitrators shall consist of not more than three (3) persons selected by the parties in contro­versy, and provided, however, if the parties cannot agree upon the selection of such Arbitrators, that judgment upon any arbitration award rendered in accordance herewith may be entered in any court having jurisdiction thereof.

**ARTICLE XI**

**GENERAL PROVISIONS**

10.01 *Complete Agreements and Amendments.* This Partnership Agreement constitutes the entire agreement between the Partners and supersedes all prior agreements, representations, warran­ties, statements, promises, and understandings (whether oral or written) with respect to the subject matter hereof. This Agreement may not be amended, altered, or modified except by a writing executed by [amount] percent (\_\_%) of the Partners, which writing makes specific reference to this Agreement and the intent of the Partners to amend this Agreement.

12.02 *Books, Records, and Accounting.* The Partnership’s books and records, together with all the documents and papers pertaining to the business of the Partnership, shall be kept at the principal place of business of the Partnership, and at all reasonable times shall be open to the inspection of, and may be copied and excerpts taken therefrom by, any Partner or his or her duly authorized representative. The books and records of the Partnership shall be kept on a calendar‑year basis in accordance with the case method of accounting required for federal income tax purposes, consistently applied, and shall reflect all Partnership transactions and be appropriate and adequate for the Partnership business.

12.03 *Notices.* All notices under this Agreement shall be in writing and shall be served upon the other parties at the addresses set forth in the books and records of the Partnership.

12.04 *Severability.* If any provision of this Agreement shall be found by a court of competent jurisdiction to be illegal, in conflict with any law of the State of [name of state], or otherwise unenforceable, the validity and enforceability of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision found to be illegal, invalid, or otherwise unenforceable.

12.05 *Survival of Rights.* Except as provided herein to the contrary, this Partnership Agreement shall be binding upon and inure to the benefit of the parties signatory hereto (as well as to all future parties who are admitted as Partners in this Partnership), their respec­tive spouses, heirs, executors, legal representatives, and permitted successors and assigns.

12.06 *Waiver.* No consent or waiver, express or implied by a Partner or the Partnership, to the breach or default by any Partner in the performance of his or her obligations under this Agreement shall be deemed or construed to be a consent or waiver to any other breach or default.

12.07 *Further Assurances.* Each party hereto agrees to do all acts and things and to make, execute, and deliver such written instruments as shall from time to time be reasonably required to carry out the terms and provisions of this Partnership Agreement.

|  |  |
| --- | --- |
| (Signature)    (Printed Name) | (Signature)    (Printed Name) |
| (Signature)    (Printed Name) | (Signature)    (Printed Name) |