

# PARTNERSHIP AGREEMENT

## I. INTRODUCTORY

The parties to this agreement, \_\_\_\_\_, hereinafter referred to as the first party, and \_\_\_\_\_, hereinafter referred to as the second party, and both hereinafter referred to as the partners, in consideration of the mutual covenants herein contained, agree to form, and hereby do form, a partnership pursuant to the Uniform Partnership Act of the State Of Georgia, on the terms and conditions subsequently set forth.

## II. PURPOSE

The partnership is created and conducted for the purpose of engaging in the practice of law.

## III. NAME

The name of the partnership shall be \_\_\_\_\_.

## IV. PLACE OF BUSINESS

The principal place of business of the partnership shall be \_\_\_\_\_, and such other place or places as may be agreed upon by the partners.

## V. PRINCIPAL OFFICE

The principal office of the partnership shall be located at \_\_\_\_\_.

## VI. DURATION

The partnership shall commence on \_\_\_\_\_, and shall continue until \_\_\_\_\_, or until dissolved pursuant to Article XVIII of this agreement.

## VII. CAPITAL CONTRIBUTIONS

- A. **Partnership Capital.** The initial capital of the partnership shall consist of the sum of \_\_\_\_\_.
- B. **Initial Contributions.** The initial contribution of each partner shall be as follows:  
First Party - \_\_\_\_\_.  
Second Party - \_\_\_\_\_.
- C. **Subsequent Capital Contributions.** Subsequent capital contributions, such as are needed by the partnership, shall be made by each partner in proportion to his

or her respective distributive share (as defined in Article X(a)). In the event that any partner fails to make such subsequent capital contribution, the partners who have contributed their shares may consider the sums so advanced as loans to the partnership.

- D. **When Initial Contribution Is To Be Made.** Each partner shall make an initial contribution of capital to the capital of the partnership or before \_\_\_\_\_.
- E. **Effect Of Failure To Make Initial Contributions.** If any partner fails to make the entire required initial contribution to the capital of the partnership on or before the date indicated above, this agreement shall be abandoned and of no further effect. On the happening of such contingency, all contributions which have been made shall be returned to the partners who have made such contributions.
- F. **Interest On Capital Contributions.** The partners shall not receive interest on any of their individual contributions to capital, unless they specifically agree, in writing, to such interest prior to the time that capital is contributed.

#### **VIII. PARTNERSHIP PROPERTY**

- A. **Partnership Property.** Subject to the provisions of subsections (B) and (D) of this article, all property originally paid to, or brought into, or transferred to, the partnership, as contributions to capital by the partners, or subsequently acquired by purchase or otherwise, on account of the partnership, shall be partnership property.
- B. **Title To Loaned Property To Remain In Partner.** It is agreed that the following described property:  
\_\_\_\_\_,  
is being made available to the partnership by \_\_\_\_\_, solely for the use of the partnership and is to remain the property of the lender and is to be returned \_\_\_\_\_, or when the partnership is dissolved, if prior to that date.
- C. **Property To Be In Partnership Name.** The title to all partnership property shall be held in the name of the partnership.
- D. **Rights In Specific Partnership Property.** It is agreed that the partners, individually, do not have the right, at any time during the existence of this partnership, to assign or in any way encumber any partnership property, unless specifically agreed to by the partners, in writing.

## IX. RIGHTS, DUTIES, & LIABILITIES OF PARTNERS

- A. **Other Business Activities Prohibited.** No partner, during the continuance of the partnership, shall pursue, or become directly or indirectly interested in, any business or occupation which is in conflict either with the business of the partnership or with the duties and responsibilities of such partner to the partnership.
- B. **Time Partners To Devote To Business.** Each partner shall devote the same amount of time to the business of the partnership, unless different amounts of time are specifically agreed to, in writing, by the partners.
- C. **Salaries.** Each partner, for time devoted to the business of the partnership, shall receive, in addition to agreed upon share in any profits, the following salary:  
First Party - \_\_\_\_\_.  
Second Party - \_\_\_\_\_.
- D. **Vacations And Leaves Of Absence.** Each partner shall be entitled to \_\_\_\_\_ days of vacation and \_\_\_\_\_ days of leave of absence for illness or disability per annum, commencing from \_\_\_\_\_ without, except as otherwise provided herein, impairing a partner's right to that partner's share of the profits of the partnership, or impairing any other rights under this agreement.
- E. **Suretyship Obligations.** The parties covenant that they presently are not, and agree that they shall not become during the existence of the partnership, without the written consent of all the partners, obligated under any bond, suretyship or security agreement, bail contract, or as cosigner for any individual, partnership, or corporation, and shall not knowingly cause or allow to be done anything whereby partnership property may be attached or taken in execution.

## X. MANAGEMENT OF BUSINESS

- A. **Participation in Management.** Except as otherwise provided in this agreement, all partners shall have equal rights in the management and conduct of the partnership. Decisions shall be by majority vote (each partner having one vote) except as provided in subsection (B) of this article.
- B. **Matters Requiring Unanimity.** During the continuance of the partnership, no partner shall, without the consent of all the partners, do any of the following:
1. Assign the partnership property in trust for creditors or on the assignee's promise to pay the debts of the partnership;
  2. Submit a partnership claim or liability to arbitration or reference;
  3. Confess a judgment against the partnership;
  4. Do any act which would make it impossible to carry on the ordinary business of the partnership;

5. Make, execute, or deliver in the name of the partnership any bond, trust deed, mortgage, indemnity bond, guarantee, surety bond, or accommodation paper or endorsement;
  6. Borrow money in the name of the partnership or use as collateral any partnership property;
  7. Assign, pledge, transfer, release, or compromise any debt owing to, or claim of, the partnership except for full payment;
  8. Convey any real property of the partnership;
  9. Pledge or transfer in any manner, except to another partner, his or her individual interest in the partnership; or
  10. Undertake or complete any act for which unanimity is required under any other provision of this agreement.
- C. **Contracts.** For purposes of the partnership business, but subject to any limitations and restrictions imposed by this agreement, each partner shall have equal power and authority in using the partnership name and in binding the partnership, in making contracts and purchasing goods, and in otherwise trading, buying, selling, or managing on behalf of the partnership.
- D. **Employment And Dismissal Of Personnel.** No partner shall hire any person for employment by the partnership or dismiss, except in case of gross misconduct, any person in the employment of the partnership without the consent of all the partners.
- E. **Indemnity By Partnership.** The partnership will indemnify each partner in respect of payments made and personal liabilities reasonably incurred by each partner in the ordinary and proper conduct of the partnership business, or for the preservation of the business or property of the partnership.
- F. **Meetings Of Partners.** Without call or notice the partners shall hold regular \_\_\_\_\_ meetings at times and places to be selected by the partners. In addition, special meetings may be called by a majority of the partners at any time, after the giving of \_\_\_\_\_ days' notice to all partners. Notice of special meetings shall be by actual notice in person or by telephone to each partner. Any partner may waive notice of any meeting, and attendance of a partner at a meeting constitutes a waiver of notice of such meeting, except in the event that a partner attends a meeting specifically to protest the lack of notice.
- G. **Bank Deposits And Accounts.** All partnership funds shall be deposited in the name of the partnership in accounts in \_\_\_\_\_. All checks, drafts, or other withdrawal slips drawn on such partnership accounts shall be signed by \_\_\_\_\_.

## **XI. PROFITS AND LOSSES**

- A. **Sharing Of Profits.** The partners shall be entitled to the net profits arising from the operation of the partnership business that remain after the payment of the expenses of conducting the business of the partnership. Each partner shall be entitled to the distributive share of the profits specified below.

First Party - \_\_\_\_\_.

Second Party - \_\_\_\_\_.

## **XII. BOOKS, RECORDS, & ACCOUNTS**

- A. **Books Of Account.** Books of account shall be kept by the partners, and proper entries made therein of all the sale, purchases, receipts, payments, engagements, transactions, and property of the partnership.
- B. **Method Of Accounting.** All accounts of the partnership shall be kept on the \_\_\_\_\_ basis. All matters of accounting for which there is no provision in this agreement are to be governed by generally accepted methods of accounting.
- C. **Place Where Books And Records To Be Kept.** The partnership books of account, and all securities, papers, and writings of the partnership shall be kept at the principal office of the partnership, at the location indicated above, and, as necessary, in such other places where business is carried on, or in such other place as may be agreed on by the partners. Each partner shall have free access at all times to examine and copy the books, papers, and other writings of the partnership.
- D. **Auditing Of Accounts.** The books of account shall be audited annually at the expense of the partners by a certified public accountant selected by the partners.
- E. **Capital Accounts.** A capital account shall be maintained on the partnership books on behalf of each partner. Such account shall be credited with that partner's contributions to the capital of the partnership and shall be debited and credited in the manner prescribed in subsection (I) of this article.
- F. **Income Accounts.** An income account shall be maintained on the partnership books on behalf of each partner. Such account shall be closed to the capital account of the partner at the close of the fiscal year.

As soon as practicable after the close of each fiscal year, and at such other times as the partners may decide, the income account of each partner shall be credited with that partner's distributive share of profits with his or her share of the losses.

Any losses to be debited to a partner's income account that exceed the credit balance of such account shall be debited to that partner's individual capital account. If, as result of debiting a partner's individual capital account with the excess losses, his or her capital account is depleted, future profits of that partner shall be credited to his or her capital account until such depletion has been eliminated.

- G. **Drawing Accounts.** A drawing account, to which withdrawals shall be debited, shall be maintained on the partnership books on behalf of each partner. Withdrawals may be subject to such limitations as the partners may from time to time adopt. Each partner's drawing account shall be closed to his or her income account at the close of each fiscal year.
- H. **Tax Year.** The taxable year of the partnership shall commence on \_\_\_\_\_ and end on \_\_\_\_\_.
- I. **Partnership Account.** All partnership funds shall be deposited in an account in the partnership name in a bank selected by a majority of the partners. Checks shall be drawn upon the partnership account only for partnership purposes and shall be signed by any two partners designated by the partners.

### **XIII. ACCOUNTING BETWEEN PARTNERS**

Each partner shall, on every reasonable request, give to the other partners a true accounting of all transactions relating to the business of the partnership, and full information of all letters, accounts, writings, and other things which shall come to his or her knowledge concerning the business of the partnership.

### **XIV. ADMISSION OF PARTNERS**

Additional partners may be admitted to the partnership on such terms as may be agreed upon in writing between the partners and such new partners. The terms so agreed upon shall constitute an amendment to this partnership agreement.

### **XV. RESTRICTIONS ON TRANSFERS**

Except as otherwise provided in this agreement, no partner may sell, assign, transfer, encumber, or otherwise dispose of any interest in the partnership, partnership property, or assets of the partnership without the prior written consent of all other partners.

## **XVI. WITHDRAWAL OR RETIREMENT OF PARTNER**

- A. **Notice Of Withdrawal Or Retirement.** In the event any partner shall desire to withdraw or retire from the partnership, or becomes disabled so that he or she is unable to fulfill necessary obligations to the partnership as specified in this agreement, such partner shall give \_\_\_\_\_ days' notice thereof in writing by registered or certified mail to the other partners at the at the last known address of each other partner. If any partner is adjudged incompetent or insane, then his or her guardian shall give notice of such judgment to each of the other partners in the same manner as provided herein.

## **XVII. EXPULSION OF PARTNER**

- A. **Grounds For Expulsion.** Any partner may be expelled from membership in the partnership by a majority vote of the other partners on the following grounds:
1. Failure of a partner to make, when due, any contribution required to be made under the terms of this agreement, when such failure has continued for a period of \_\_\_\_\_ days after written notice of the requirement.
  2. Failure to fulfill any other obligation to the partnership as specified in this agreement, when such failure has continued for a period of \_\_\_\_\_ days after written notice of the requirement.
  3. Adjudication of the partner as being insane or incompetent.
  4. Disability of the partner to the extent that he or she is unable, for a period \_\_\_\_\_ days, to fulfill required obligations to the partnership as specified in this agreement.
  5. The making of an assignment for the benefit of creditors, the filing of a petition under the Federal Bankruptcy Act or under any similar law or statute of the United States or any state thereof, or the adjudication of the partner as a bankrupt or insolvent in proceedings filed against such partner under any such act or statute.
- B. **Notice.** Upon the occurrence of any event listed in subsection (A) of this Article, the defaulting partner may be expelled from the membership in the partnership by a majority vote of the other partners upon giving the defaulting partner \_\_\_\_\_ days' notice of such expulsion. The notice shall briefly state the grounds for the expulsion.

## **XVIII. DISSOLUTION, WINDING UP & LIQUIDATION**

- A. **Causes Of Dissolution.** The partnership shall be dissolved on the happening of any of the following events:
1. Withdrawal, retirement, or expulsion of any partner;
  2. Death, disability, or bankruptcy, of any partner;
  3. Incapacity of any partner to continue in the practice of law in Georgia, whether by physical or mental incapacity, suspension, or disbarment; or
  4. Unanimous agreement of the parties.
- B. **Right To Continue Business After Dissolution.** On dissolution of the partnership, the remaining partners shall have the right to elect to continue the business of the partnership under the same name, by themselves, or with any additional persons they may choose. If the partners remaining desire to continue the business, but not together, the partnership shall be liquidated pursuant to Subsection (E) of this article.
- C. **Payment If Partnership Continued After Dissolution.** If, on dissolution, the remaining partners elect to continue the partnership business under subsection (B) of this article, they shall pay to the retiring, withdrawing, or expelled partner, or to the estate of the deceased partner, the value of such partner's interest, as determined by subsection (D) of this article, as of the date of dissolution. Such payment shall be made within \_\_\_\_\_ months of dissolution.
- D. **Value Of Partner's Interest.** The value of a partner's interest in the partnership shall be computed by (1) adding the totals of the partner's (a) capital account, (b) income account, and (c) any other amounts owed to the partner by the partnership and (2) subtracting from the sum of the above totals the sum of the total of (a) any drawing account and (b) any amount owed by him or her to the partnership.
- E. **Winding Up And Liquidation.** On dissolution of the partnership, if the partnership business is not continued pursuant to subsection (b) of this article, it shall be wound up and liquidated as quickly as circumstances will allow. The assets of the partnership shall be applied to partnership liabilities in the following order:
1. Amounts owing to creditors other than partners;
  2. Amounts owing to partners other than for capital and profits;
  3. Amounts owing to partners in respect to capital; and
  4. Amounts owing to partners in respect to profits.



**XIX. ARBITRATION**

It is agreed that disputes arising under this agreement, or under any instrument made to carry out the terms of this agreement, shall be submitted to arbitration in accordance with the arbitration laws of the State of Georgia.

**XX. NOTICE TO PARTNERS**

All notices to the partners, pursuant to this agreement, shall be in writing, and shall be deemed effective when sent by personal delivery or by certified mail to the respective address of each partner, as indicated by the partnership's most current records of the partners' mailing addresses.

**XXI. AMENDMENTS**

This agreement, except with respect to vested rights of the partners, may be amended at any time by a majority vote of the partners.

In witness whereof, the parties hereto have executed this agreement on the dates indicated below.

\_\_\_\_\_  
First Party

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness To First Party

\_\_\_\_\_  
Witness To First Party

\_\_\_\_\_  
Second Party

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness To Second Party

\_\_\_\_\_  
Witness To Second Party