

PARTNERSHIP DISTRIBUTION AND WITHDRAWAL AGREEMENT

This Partnership Distribution and Withdrawal Agreement (the "Agreement") is entered into on this _____ day of _____, 20____, by and among the following signing partners (collectively referred to as the "Partners") of _____ (the "Partnership").

RECITALS

WHEREAS, the Partners have previously entered into a Partnership Agreement dated _____, 20____ (the "Original Agreement"); and

WHEREAS, the Partners desire to establish structured policies regarding the distribution of partnership assets and profits, as well as the terms, conditions, and procedures governing the voluntary or involuntary withdrawal of a Partner from the Partnership; and

WHEREAS, the Partners agree that this Agreement shall supplement and, where directly conflicting, supersede the provisions of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partners agree as follows:

SECTION 1: PARTNERSHIP DISTRIBUTIONS

1. **Distribution Policy:** Except as otherwise provided herein, cash and other property of the Partnership shall be distributed to the Partners in accordance with their respective partnership percentages, which are defined as follows:

_____ : _____ %
_____ : _____ %
_____ : _____ %
_____ : _____ %

2. **Timing of Distributions:** Regular distributions shall be determined and made on a _____ basis, subject to the retention of adequate working capital as determined by the Partners.
3. **Tax Distributions:** Prior to any general distribution, the Partnership may make minimum distributions to each Partner in an amount sufficient to cover any tax liability incurred by such Partner due to allocations of Partnership taxable income.

SECTION 2: PARTNER WITHDRAWALS

1. **Voluntary Withdrawal:** Any Partner may voluntarily withdraw from the Partnership by providing a written notice of intent to withdraw (the "Withdrawal Notice") to the remaining Partners. Such notice must be delivered at least _____ days prior to the effective date of the withdrawal.
2. **Involuntary Withdrawal:** A Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any of the following events:
- The death, disability, or mental incompetence of the Partner;
 - The bankruptcy, insolvency, or assignment for the benefit of creditors of the Partner;
 - The expulsion of the Partner by a vote of _____ % of the remaining Partners for cause.

SECTION 3: VALUATION OF WITHDRAWING PARTNER'S INTEREST

1. **Valuation Date:** The value of the withdrawing Partner's interest shall be determined as of the close of business on the last day of the month preceding the effective date of the withdrawal.
2. **Valuation Method:** The fair market value of the Partnership interest shall be determined by _____. If the Partners cannot agree upon a valuation method, the valuation shall be performed by an independent certified public accountant or professional appraiser selected by mutual agreement of the remaining

Partners.

SECTION 4: PAYMENT AND BUYOUT TERMS

- 1. **Buyout Option:** The remaining Partners shall have the right, but not the obligation, to purchase the interest of the withdrawing Partner. If the remaining Partners elect to purchase the interest, they shall do so in proportion to their respective remaining partnership percentages.
- 2. **Terms of Payment:** Any payment required to be made to a withdrawing Partner under this section shall be paid in the following manner:
 - a. An initial down payment of _____% of the total buyout price, to be paid within _____ days of the valuation determination.
 - b. The remaining balance shall be paid in _____ consecutive _____ installments, bearing interest at a rate of _____% per annum.

SECTION 5: MISCELLANEOUS PROVISIONS

- 1. **Governing Law:** This Agreement shall be construed, interpreted, and governed by the laws of the State of _____.
- 2. **Amendments:** This Agreement may only be amended, modified, or supplemented by a written instrument executed by all of the current Partners.
- 3. **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it valid and enforceable, and the remaining provisions of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Partners hereto have executed this Partnership Distribution and Withdrawal Agreement as of the date first written above.

Partner 1:

Signature
Print Name: _____
Date: _____

Partner 2:

Signature
Print Name: _____
Date: _____

Partner 3:

Signature
Print Name: _____
Date: _____

Partner 4:

Signature
Print Name: _____
Date: _____