

Offer to Purchase Partnership Interest, Small Business

I, _____, ("Buyer") a partner, have made an Offer to Purchase another partnership interest owned by _____ ("Seller"). Buyer offers to buy ____ (Percentage, units, or other suitable measurement) of Seller's partnership interest ("Partnership Interest") in the partnership (the "Partnership") carrying on the business of Partnership from the premises of Partnership under the name Partnership Name, upon the following terms and conditions:

1. The purchase price for the Partnership Interest will be Purchase Price of Partnership Interest, \$_____, which will be payable by cash or by certified check on the Closing Date (as defined below), or by an installment payout plan as indicated in Exhibit 1. The Buyer will also assume all liabilities of the Partnership on the Closing Date.
2. Time shall be of the essence of this Offer. The closing of this transaction shall take place at _____ p.m. on _____ (Date) or such earlier or later date as may be mutually acceptable to the parties hereto (the "Closing Date" or "Closing").
3. This Agreement shall inure to the benefit of and be binding upon the respective heirs, executors, administrators and assigns of each of the parties hereto.
4. After acceptance of this Offer, the business of the Partnership shall be carried on in the normal course.
5. This Offer shall be irrevocable by the Buyer until 5:00 PM on _____ (Date) until which date and time offer will be open for acceptance, after which time and date, if not accepted, this Offer shall be null and void.

6. Notices.

Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or a recognized over night delivery service such as FedEx.

If to the Buyer: _____.

If to the Seller: _____.

7. No Waiver.

The waiver or failure of either party to exercise in any respect any right provided in this agreement shall not be deemed a waiver of any other right or remedy to which the party may be entitled.

8. Entirety of Agreement.

The terms and conditions set forth herein constitute the entire agreement between the parties and supersede any communications or previous agreements with respect to the subject matter of this Agreement. There are no written or oral understandings directly or indirectly related to this Agreement that are not set forth herein. No change can be made to this Agreement other than in writing and signed by both parties.

9. Governing Law.

This Agreement shall be construed and enforced according to the laws of the State of _____ and any dispute under this Agreement must be brought in this venue and no other.

10. Headings in this Agreement

The headings in this Agreement are for convenience only, confirm no rights or obligations in either party, and do not alter any terms of this Agreement.

11. Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

In Witness whereof, the parties have executed this Agreement as of the date first written above.

Buyer, I hereby agree to all terms of this Agreement

Seller

Witness or Notary

Date

Exhibit 1: Payout Plan, if one is used.

Offer to Purchase Partnership Interest, Small Business Review List

This review list is provided to inform you about the document in question and assist you in its preparation. This Agreement is relatively straightforward and is usually used for small business situations such as one partner in a small enterprise buying out the other party. The real questions relate to whether to do it or not, what the terms and conditions are, and not to burden the enterprise unduly after the sale due to the pressure to make added payments plus the loss of the contributions of the other owner or owners.

1. Make multiple copies and give each party one. Using a notary to witness the Agreement is a good idea because the parties are so close to each other and the Agreement needs to stand without any later dispute as to oral conditions, and so on and so on.
2. You should at least consider having a financial planner review your projected cash flows related to how the pay out or pay off will work and whether the business can stand the added financial pressures of new payments coupled with the loss of a partner's contribution. This concern assumes the payout will be on a schedule. If cash up front, not based on the proceeds taken from the business, then the Agreement has a much better chance of working for the Buyer.