

Pre-incorporation agreement to incorporate an existing partnership into a professional corporation

PREVIEW

PRE-INCORPORATION AGREEMENT

This agreement is made on _____, by and between [name] and [name].

1. CORPORATION'S NAME

1.1 The corporation's name will be [partnership name], P.C. and reservation of this name with the Secretary of State shall be sought immediately upon the signing of this agreement.

a. Attached to this agreement as Exhibit "1" is an application for reservation of the professional corporation's name.

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b. In the event that the above name is not available or cannot be used then the parties shall meet and decide on a new name within ten days from the discovery that the above name cannot be used. Failure to agree on a new name shall not void or terminate this agreement, or the parties' intentions to incorporate. In the event that the parties cannot agree on a new name, then the matter shall be decided by arbitration.

2. PURPOSE

2.1 The purposes for which the corporation is to be formed are:

a. To engage solely in the practice of [law].

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b. No other services shall be rendered except those which are ancillary and necessary to the corporation's primary professional service.

3. REGISTERED OFFICE AND AGENT

3.1 The address of the initial registered office of the corporation shall be [partnership address or as appropriate], City of _____, County of _____, State of Texas.

3.2 The name of the corporation's initial registered agent at such address shall be _____.

THANK YOU

4. DIRECTORS

4.1 Each of the parties to this agreement shall be a first director of the corporation and shall be named as such in its Certificate and each shall sign the Certificate as an Organizer.

5. OFFICERS

5.1 As its directors the parties to this agreement upon the adoption of bylaws establishing offices in the corporation, shall elect _____ to the office of president, _____ to the office of

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secretary and _____ to the office of treasurer. As long as the above named person is physically and legally able to serve in the above capacity, he or she agrees to accept and serve in the office set forth above for a term of _____ months at the salary respectively set out after the name of the office.

- a. President \$ _____
- b. Secretary \$ _____
- c. Treasurer \$ _____

6. SHARES

6.1 The aggregate number of shares that the corporation shall have authority to issue is [number], [having a par value of _____ Dollars (\$ _____) each or without par value]. No shares of the corporation will be issued to any individual who is not duly licensed or otherwise duly authorized to practice the profession of _____ in the State of Texas.

a. In the event a shareholder becomes legally unable to hold shares of this professional corporation, then he or she agrees to tender the same back to the corporation for the price of \$ _____.

b. In the event a shareholder leaves the employment of this professional corporation, then he or she agrees to tender the same back to the corporation for the price of \$ _____ and the corporation agrees to purchase the shares.

7. FORMATION AND DISSOLUTION

7.1 The parties to this agreement will cause the corporation to be formed within _____ days from the date the agreement is signed.

7.2 The parties to this agreement agree that after the corporation is formed that no single party shall have the right to dissolve the corporation by his or her own separate action or decision. Any party who desires such a dissolution agrees in advance that he or she will sell his or her shares to the corporation for the agreed price of \$ _____, as his or her sole remedy rather than apply for a liquidation, dissolution, or receivership for the corporation.

8. SALE AND TRANSFER OF PARTNERSHIP ASSETS TO THE CORPORATION

8.1 Immediately upon incorporation the parties to this agreement, as copartners, will sell and transfer to the corporation all of the assets and business of _____ [name of firm], their partnership, including fixtures, equipment, books and records, bank deposits, good will and all other personal property, both tangible and intangible, together with all real property and interests in such property, including leaseholds and will join in the execution of appropriate legal instruments to accomplish the sale and transfer.

9. VALUATION OF PARTNERSHIP ASSETS; CONTRIBUTION OF DEBTS

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9.1 It is agreed that the fair monetary value of the partnership's assets and business to the corporation and the amounts of the respective interests in these assets of the parties to this agreement, are as set out on the balance sheet attached to the agreement, marked Exhibit "_____" and made a part of this agreement by this reference and each of the parties as a first director will vote for a resolution of the board of directors of the corporation determining that such an amount is the fair monetary value to the corporation of the partnership's assets and acknowledging the corporation's indebtedness to the parties in the agreed amounts of their respective interests in the partnership and authorizing the officers of the corporation to make, execute and deliver to the parties its promissory notes in the usual form.

10. SHARES: DISCHARGE OF INDEBTEDNESS

10.1 The parties to this agreement, as the first directors, will immediately authorize the officers of the corporation to issue shares of stock in this corporation in satisfaction and discharge of this indebtedness, as follows:

a.	Party	Amount of Stock
b.	_____	_____
c.	_____	_____
d.	_____	_____

Each of the parties agrees to accept the foregoing shares in full satisfaction and discharge of the respective indebtedness of the corporation to such party and to surrender up the above-described promissory note.

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11.1 The parties to this agreement will cause the corporation to assume all of the liabilities of their partnership, including those shown on Exhibit "_____", and to discharge them and save and keep the parties to this agreement free and harmless therefrom.

12. DILIGENCE IN APPLICATION TO CORPORATE BUSINESS

12.1 Each of the parties to this agreement agree to devote such party's full time to the conduct of the business and affairs of the corporation.

13. EMPLOYMENT OF SEPARATE ATTORNEY

13.1 The parties to this agreement will employ [Specify separate counsel] as legal counsel for the purpose of drafting Certificate of Formation, Bylaws, applications for Permit to Issue Shares of Stock and any other documents related to the formation of this corporation under the Laws of the State of Texas and to advise the parties to this agreement and this corporation as necessary in connection with each step in its organization and it is further agreed that charges for the legal services and all fees imposed by the Secretary of State and all other costs, including franchise tax, will be an expense of the corporation to be paid for by the corporation but each of the parties

to the agreement hereby promises to advance such sums as may be required out of partnership funds to meet these obligations.

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14. NOTICE

14.1 The parties agree to give notice of dissolution of the partnership as required by law and to give notice of the intention to become incorporated for at least four consecutive weeks in [newspaper] published in the County of _____, State of Texas, commencing with the first notice on [date].

14.2 The parties agree to execute any required documents which may be necessary to effect this agreement including, but not limited to, a withdrawal of any assumed name certificate that may be effective prior to the incorporation.

14.3 In witness whereof, the parties have executed this agreement in the year and on the day first above written.

Date: _____

[Signatures]

[Signatures]

THIS DOCUMENT

[Signatures]

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Exhibit 1

PREVIEW

Office of the Secretary of State
Statutory Filings Division
Corporations Section
P. O. Box 13697
Austin, Texas 78711-3697

Dear Filing Department:

Enclosed please find an application for the reservation of name for a professional corporation:
[Name].

A check in the amount of \$40 is enclosed in accordance with your requirement.

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Your expeditious cooperation is appreciated and I thank you in advance.

Very truly yours

[Attorney's Name]

THIS DOCUMENT

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PREVIEW

<p>APPLICATION FOR RESERVATION OR RENEWAL OF A CORPORATE NAME</p>	<p>This space reserved for SOS office use</p>
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1. This application is [a new application or a renewal of a prior application].

[If the application is for a renewal of a prior application state the date and file number for the reservation being renewed Date _____ File No. _____]

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The applicant requests that the following entity name be reserved [or renewed] for a period of 120 days.

2. The entity name to be reserved or renewed is for a professional corporation.

(The name must contain an appropriate organizational designation for the type of entity for which the name is to be reserved).

3. The applicant's name is [State the individual's or entities' name that is requesting the reservation].

4. The applicant's name and address [Address include city, state and country].

A check in the amount of \$40 is enclosed for the filing fees.

The undersigned has executed this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument on:

Date _____.

Signature of applicant, applicant's attorney or agent

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