**Partnership Agreement**

This Partnership Agreement (the “Agreement”) is made and entered into on the {dayOf} day of {monthOf}, {yearOf} (the “Execution Date”) by and between the following Parties:

**Name: Name:**

**Located at: Located at:**

**Background**

A. The Partners wish to associate themselves as partners in business.  
B. This Agreement sets out the terms and conditions that govern the Partners within the Partnership.

**IN CONSIDERATION OF** and as a condition of the Partners entering into this Agreement and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the Parties to this Agreement agree to the following:

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| **Article I** | **Creation of Partnership** |

By this Agreement, the Partners enter into a general partnership (the “Partnership”) in accordance with the laws of the State of  {governingState} .

The rights and obligations of the Partners will be stated in the Uniform Partnership Act of the State of  {governingState}  (the “Act”) except as otherwise provided in this Agreement.

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| **Article II** | **Name of Partnership** |

The name of the partnership shall be {nameOf}.

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| **Article III** | **Purpose of Partnership** |

The Partnership is established for the following purpose:

{purposeOf}

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| **Article IV** | **Term** |

The partnership's existence shall commence on {partnershipCommencement} and shall continue until dissolved either by mutual agreement or by operation of law.

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| **Article V** | **Partnership Location of Business** |

The principal business office of the Partnership shall be located at the following address or other such place as the Partners may from time to time designate:

{placeOf}

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| **Article VI** | **Capital Contributions** |

The initial partnership capital shall be ${initialPartnership} ({initialPartnership31}). Each of the Partners contributes to the capital of the Partnership, in cash, property, or services in agreed upon value, as follows:

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| **Partner Name** | **Contribution** | **Contribution Value** |
| {nameOf8} | {capitalContribution} | {capitalContribution36} |
| {nameOf9} | {capitalContribution35} | {capitalContribution37} |

All contributions to the capital are final unless all Partners give written consent of withdrawal.

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| **Article VII** | **Interest and Ownership** |

The Partners’ ownership interest in the Partnership will be as follows:

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| **Partner Name** | **Ownership Interest** |
| {nameOf8} | {percentagePartnership44}% |
| {nameOf9} | {percentagePartnership}% |

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| **Article VIII** | **Profit and Loss** |

The net profits and losses of the Partnership, for both accounting and tax purposes, will accrue to and be borne by the Partners in proportionate shares (the "Profit and Loss Distribution"). The profits and losses will be accounted by an accountant determined by the Partners for the Partnership. Losses shall be charged from the partner's account if the partner has no balance in his income account.

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| **Article IX** | **Voting** |

The affairs of the partnership shall be determined by majority vote, with votes cast in the same percentage as to capital contributions.

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| **Article X** | **Accounting** |

The books of account of the transactions of the partnership shall be kept and be available for inspection by the partners in the place of business of the partnership at all times. Each partner shall be required to report all transactions related to partnership business promptly and accurately.

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| **Article XI** | **Books** |

The partnership books shall be maintained at the principal office of the partnership, and shall fully be available to every partner. The books shall be kept on a fiscal year basis, commencing on the {dayStart} day of {monthStart}, ending on the {dayEnd} day of {monthEnd}, and shall be closed and balanced at the end of each fiscal year. An audit shall be made as of the closing date.

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| **Article XII** | **New Partners** |

The Partnership agreement may be amended to include new partners upon the written and unanimous vote of all Partners. The name of the Partnership may be amended if a new Partner is added to the Partnership upon the written and unanimous vote of all current Partners.

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| **Article XIII** | **Management** |

Each Partner shall have the right to manage the affairs of the partnership in the ordinary course of the business. However, no partner may:

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| a.) | Confess judgment against the partnership; |
| b.) | Borrow on the credit using the name of the Partnership, borrow on credit from the Partnership, or guarantee the debts of others using Partnership credit without the consent of the Partners; |
| c.) | Convey substantially all of the partnership assets without prior approval by majority vote. |

A management committee shall be elected by a majority vote of the partners that shall conduct the business of the partnership, and shall have the authority by its majority vote to operate all the business affiars of the partnership, other than those specifically provided exclusively to the Partners.

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| **Article XIV** | **Termination** |

This Partnership shall terminate upon the death, bankruptcy or incompetency of any partner. In such case where there exist more than two partners in the partnership, the remaining partners shall act as trustees on the former partner's behalf and shall promptly wind up the affairs of the partnership unless the remaining partners agree that they will continue the business of the partnership.

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| **Article XV** | **Death** |

The Partner(s) shall have the first right to purchase the interest of the decedent in the partnership from Partner's heirs and/or assigns, or to terminate and liquidate the partnership's business. The partner(s) shall serve a written notice to the executor, administrator, assigns, or the known legal heirs of the decedent at the last-known address of such heir for the intention to purchase the decedent's interest in the partnership.

The purchase price of the decedent's interest in the partnership shall be the latter's capital amount at the time of the death of the decedent plus the decedent's income account at the end of the prior fiscal year, with addition to profits from the partnership, and deductions from partnership losses for the start of the fiscal year of the incident of death until the end of the calendar month of the occurrence of death.

No allowance shall be made for goodwill, trade name, patents, or other intangible assets, except as those assets have been reflected on the partnership books immediately prior to the decedent's death; but the survivor shall nevertheless be entitled to use the trade name of the partnership. Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the partnership business shall be the same as stated in the section regarding **Voluntary Termination**.

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| **Article XVI** | **Voluntary Termination** |

By agreement of all Partners, the Partnership may be dissolved. In which event the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The assets of the partnership business shall be preferred:

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| 1) | Payment of all partnership to duties, taxes and fees to the State and to provide payment for liabilities, liquidating other expenses and obligations; | |
| 2) | Equalize the income accounts of the partners; | |
| 3.) | Discharge the balance of the income accounts of the partners; | |
| 4.) | Equalize the capital accounts of the partners; | |
| 5.) | Discharge the balance of the capital accounts of the partners. | |
| **Article XVII** | | **Voluntary Withdrawal** | |

Any Partner will have the right to voluntarily withdraw from the Partnership at any time by serving a written notice to the Partnership 90 (ninety) days prior effectivity. Such withdrawal shall result to the dissolution of the Partnership.

A Dissociated Partner will only exercise the right to withdraw in good faith and will act to minimize any present or future harm done to the Partnership as a result of the withdrawal.

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| **Article XVIII** | **Involuntary Withdrawal** |

Occurrences resulting in the involuntary withdrawal of a Partner from the Partnership will include but not be limited to: death, mental incapacity, disability preventing reasonable participation in the Partnership, incompetence, breach of fiduciary duties, criminal conviction, expulsion, by operation of law, or such act or omission  reasonably be expected to bring the business or societal reputation of the Partnership into disrepute.

The involuntary withdrawal of a Partner will result in the dissolution of the Partnership.

A Trustee in bankruptcy or similar third party who may acquire the dissociated Partner's interest in the Partnership will only acquire that Partner's economic rights and interests. No other rights shall be acquired by the Trustee and the acquisition of the of the economic rights and interests of the dissociated partner's interest is not admission to the Partnership. The trustee shall not have voting interests, nor exercise in any part of the management in the partnership.

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| **Article XIX** | **Partnership Dissolution** |

Where the dissociation of a Partner for any reason results in the dissolution of the Partnership, then the Partnership will proceed in a reasonable and timely manner to dissolve the Partnership, with all debts and obligations being paid first, prior to any distribution of the remaining funds. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.

The remaining Partners retain the right to seek damages from a dissociated Partner where the dissociation resulted from a malicious or criminal act by the dissociated Partner or where the dissociated Partner had breached their fiduciary duty to the Partnership as provided for in this Agreement or had acted in a way that could reasonably be foreseen to bring harm, damage, or malign the reputation of the Partnership.

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| **Article XX** | **Force Majeure** |

A Partner shall be free of liability to the Partnership where the Partner is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, and where the Partner has communicated the circumstance of said event with proper diligence to any and all other Partners and taken any and all appropriate action to mitigate said event.

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| **Article XXI** | **Arbitration** |

Controversies, claims, or disputes arising out of or relating to this Agreement, or the breach hereof, conducted confidentially and shall be settled by arbitration in accordance with the rules, then obtaining, of the American Arbitration Association.

Any decision or award resulting from the arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. Any such arbitration shall be conducted by an arbitrator agreed upon by the partners and shall include a written record of the arbitration hearing. Partners reserve the right to object to any individual who shall be employed by or affiliated with a competing organization or entity. An award of arbitration binding among the parties.

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| **Article XXII** | **Duty of Loyalty** |

Partners shall not engage in any other business or transaction, directly or indirectly, that can be in compete with the business of the Partnership or that would be in direct conflict of interest of the Partnership without the written consent of all the remaining Partners.

Each Partner hereby acknowledges and agrees that any and all business, ventures, or transactions with any appearance of conflict of interest must be fully disclosed to all other Partners. A failure to comply with any of the terms of this clause will be treated accordingly by the remaining Partners.

The Partners are hereby indemnified in respect to losses, damage, costs, liabilities, and all other expenses which may arise due to breach of "Duty of Loyalty" clause and shall only be borne by the partner in contravention of this tenor.

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| **Article XXIII** | **Forbidden Acts** |

(a) A Partner cannot and may not do any act in contravention of this Agreement.

(b) No Partner may permit, intentionally or unintentionally, the assignment of express, implied, or apparent authority to a third party that is not a Partner in the Partnership.

(c) No Partner may mortgage, assign, encumber or charge that Partner's interest in the Partnership (or in any property, assets or business of the Partnership) without the prior written consent of the other Partners.

(d) No Partner may do an act that would make it impossible to carry on the ordinary business of the Partnership.

(e) No Partner may confess a judgment against the Partnership.

(f) No Partner may disclose to any person, or use in any way, any confidential information of the Partnership or of the business of the Partnership, except for in the course of conducting the business of the Partnership.

(g) No Partner will have the right or authority to bind or obligate the Partnership to any extent with regard to any matter outside of the intended purpose of the Partnership.

(h) No Partner may appoint or dismiss any employees, contractors or agents except with the prior written consent of the other Partners.

(i) No Partner may lend any of the Partnership's money, or provide credit on behalf of the Partnership, without the prior written consent of the other Partners.

(j) No Partner may give any security or promise for the payment of money by the Partnership, except in the ordinary course of the Partnership business or with the prior written consent of the other Partners.

(k) Any violation of the above Forbidden Acts will be deemed an involuntary withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

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| **Article XXIV** | **Currency** |

The financial amounts of money described in this Agreement are in **{currencyStipulation}** unless distinctly stated otherwise.

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| **Article XXV** | **Miscellaneous Provisions** |

(a) Time is of the essence in this Agreement.

(b) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

(c) Should any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the same shall apply only to the provision involved and the remaining provisions hereof shall remain valid and enforceable. It is the Parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired, or invalidated as a result. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining terms and provisions, which shall be enforced as if the offending term or provision had not been included in this Agreement.

(d) This Agreement contains the entire agreement between the Parties. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made by any Party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the Parties.

(e) This Agreement inures to the benefit of, and is binding upon the successors, assigns, executors, administrators, beneficiaries, and representatives of the Partners hereto.

(f) This Agreement may not be amended in whole or in part without the unanimous written consent of all Partners.

(g) All of the rights, remedies, and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies, and benefits allowed by law.

(h) Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail to the address of the relevant Party set out at the head of this Agreement. Notices sent as above shall be deemed to have been received 3 working days after the day of posting (in the case of inland first class mail), or 7 working days after the date of posting (in the case of air mail). In proving the giving of a notice it shall be sufficient to prove that the notice was left, or that the envelope containing the notice was properly addressed and posted, as the case may be.

(i) The failure of either party to insist upon the strict compliance with and performance of any of the terms, conditions, and covenants hereof shall not be deemed as a relinquishment or waiver of any rights or remedy that said party may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants herein contained, but the same shall continue to be in full force and effect. No waiver by any party shall be deemed to have been made unless expressed in writing and duly signed by the waiving party.

In witness whereof the parties have signed this Agreement.