

Partnership Agreement

This Partnership Agreement is made on _____, 20____, by and between the partners whose signatures are on this agreement.

Agreement.

The parties to this Agreement agree to carry on a partnership operating under the laws of the State of _____ under the following terms and conditions:

Partnership Name.

The partnership shall be known as: _____
This name shall be property of the partnership.

Partnership Office.

The partnership's principal place of business shall be:

Purpose of the Partnership.

The purpose of this partnership is to:

In addition, the partners agree that the partnership may also engage in any lawful business under the laws of the State of _____ as the partners may agree to, from time to time.

Term of the Partnership.

☐ The partnership will begin on _____, 20____, and end on _____, 20____.

☐ The partnership will begin on _____, 20____, and end when terminated by agreement of all of the partners.

☐ The partnership will begin on _____, 20____, and end on the death or withdrawal of any partner.

Contributions and Start-up Capital.

The start-up capital will be a total of \$ _____. Each partner of the partnership agrees to contribute the following property, services, or cash to this total amount:

Name	Cash/Services/Property	Value
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If the partner's contribution is cash, the contribution shall be delivered to the partnership on or before _____, 20____.

If the partner's contribution is property, the contribution shall be delivered to the partnership on or before _____, 20____.

If the partner's contribution is in the form of services, the services which are to be performed are as follows:

and shall be performed according to the following schedule:

Additional Contributions.

☐ If additional capital is required by the partnership and is determined by a majority vote of the partners, then each partner shall be required to contribute to such additional capital in proportion to each partner's interest in the partnership as set forth in this Agreement.

☐ If additional capital is required by the partnership and is determined by a unanimous vote of the partners, then each partner shall be required to contribute to such additional capital in proportion to each partner's interest in the partnership as set forth in this Agreement.

☐ Each partner shall be required to contribute a _____ percent share of his or her profits to the partnership on an annual basis.

☐ Each partner shall contribute the following property, cash, or services to the partnership on an annual basis:

Name

Cash/services/property

Value

☐ If the partner's contribution is cash, the contribution shall be delivered to the partnership on or before _____, 20____.

☐ Additional Contributions. If the partner's contribution is property, the contribution shall be delivered to the partnership on or before _____, 20____.

☐ If the partner's contribution is in the form of services, the services which are to be performed are as follows:

and shall be performed according to the following schedule:

☐ Each partner shall be required to work in the partnership business as follows:

Failure to Make Contributions.

☐ If any partner shall fail to make their initial or additional contributions as indicated by this Agreement, any Amendment to this Agreement, or any additional Agreement between the partners, whether such contributions were to be cash, services, or property, then this partnership shall be immediately terminated and each partner who has made a contribution shall be entitled to an immediate return of any property or cash contributed or for reimbursement from the partnership for any services provided.

☐ If any partner shall fail to make their initial or additional contributions as indicated by this Agreement, any Amendment to this Agreement, or any additional Agreement between the partners, then this partnership shall continue as a partnership of only those partners who have satisfied their contribution requirements. Any partner who has failed to satisfy their contribution requirements will not be a partner of this partnership. Each partner who has made a contribution shall then be entitled to a share of partnership profits and losses in proportion to the amount of their contribution to the total contributions. If any additional partnership contributions are necessary, such additional contributions shall be determined by the remaining partners as specified under the terms of this Agreement regarding Additional Contributions.

Interest on Contributions.

☐ No interest shall be paid to any partner for any capital contributions.

☐ Interest at the rate of _____ percent per annum shall be paid on each partner's capital contributions that were paid in cash. The interest shall be an expense of the partnership and paid to the partner who is entitled to it on an annual basis.

Loans to Partnership.

In addition to capital contributions, the following cash or property will be loaned to the partnership under the terms specified:

Name of Partner	Cash/Property Loaned	Terms of Loan
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Share of the Partnership.

☐ Each partner's proportional share of the profits and losses of the partnership shall be as follows:

Name	Percent of Ownership of Partnership
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- ☐ Each partner's share of the profits and losses of the partnership shall be equal.
- ☐ Each partner's proportional share of the profits of the partnership shall be as follows:

And each partner's proportional share of the losses of the partnership shall be as follows:

Distribution of Profits and Losses.

- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on a monthly basis according to their proportionate share of the profits and losses of the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on a quarterly basis according to their proportionate share of the profits and losses of the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on an annual basis according to their proportionate share of the profits and losses of the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on a monthly basis according to their proportionate share of the profits and losses of the partnership. However, the first \$ _____ of the profits each month shall be retained by the partnership for reinvestment in the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on a quarterly basis according to their proportionate share of the profits and losses of the partnership. However, the first \$ _____ of the profits each quarter shall be retained by the partnership for reinvestment in the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on an annual basis according to their proportionate share of the profits and losses of the partnership. However, the first \$ _____ of the profits each year shall be retained by the partnership for reinvestment in the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners on a monthly basis according to their proportionate share of the profits and losses of the partnership. However, _____ percent of the profits each month shall be retained by the partnership for reinvestment in the partnership.
- ☐ Any profits or losses of the partnership shall be determined and distributed to the partners

on a quarterly basis according to their proportionate share of the profits and losses of the partnership. However, _____ percent of the profits each quarter shall be retained by the partnership for reinvestment in the partnership.

☐ Any profits or losses of the partnership shall be determined and distributed to the partners on an annual basis according to their proportionate share of the profits and losses of the partnership. However, _____ percent of the profits each year shall be retained by the partnership for reinvestment in the partnership.

Management of the Partnership.

☐ Each partner shall have an equal right to manage and control the partnership. All partnership decisions will be made by majority vote, except the following major decisions, which must be decided by unanimous vote:

The partners can select, by unanimous vote, one or more of the partners to act as managing partners of the partnership.

☐ Each partner shall have an equal right to manage and control the partnership. All partnership decisions will be made by majority vote. The partners can select, by majority vote, one or more of the partners to act as managing partners of the partnership.

☐ Each partner shall have an equal right to manage and control the partnership. Partnership decisions will be made by unanimous vote. The partners can select by unanimous vote, one or more of the partners to act as managing partners of the partnership.

☐ Each partner shall have a right to manage and control the partnership in the following proportions:

All partnership decisions will be made by majority vote, except the following major decisions, which must be decided by unanimous vote:

The partners can select, by unanimous vote, one or more of the partners to act as managing partners of the partnership.

☐ Each partner shall have a right to manage and control the partnership in the following proportions:

All partnership decisions will be made by majority vote.

The partners can select, by majority vote, one or more of the partners to act as managing partners of the partnership.

☐ Each partner shall have a right to manage and control the partnership in the following proportions:

Partnership decisions will be made by unanimous vote.

The partners can select, by unanimous vote, one or more of the partners to act as managing partners of the partnership.

Managing Partner(s).

☐ One or more managing partners may be selected under the terms of this Agreement. The salary of the managing partner(s) shall be \$ _____. The managing partner(s) shall have the authority to conduct the day-to-day business of the partnership, without consultation with the other partners. This shall include hiring and firing employees, signing partnership checks, withdrawing funds from partnership accounts, borrowing money up to the amount of \$ _____, and maintaining the books and records of the partnership. The managing partner(s) shall not have the authority to make major decisions for the partnership without the majority approval of the other partners. Major decisions are defined as follows:

☐ One or more managing partners may be selected under the terms of this Agreement. The salary of the managing partner(s) shall be \$ _____. The managing partner(s) shall have the authority to conduct the day-to-day business of the partnership, without consultation with the other partners. This shall include hiring and firing employees, signing partnership checks, withdrawing funds from partnership accounts, borrowing money up to the amount of \$ _____, and maintaining the books and records of the partnership. The managing partner(s) shall not have the authority to make major decisions for the partnership without the unanimous approval of the other partners. Major decisions are defined as follows:

Date and Time of Annual Partnership Meeting.

The annual partnership meeting will be held on the _____ of every year at _____. m. This meeting is for the purpose of assessing the current status of the partnership and transacting any necessary business. If this day is a legal holiday, the meeting will be held on the next day.

Place of Partnership Meetings.

The place for the meeting will be the principal office of the partnership.

Partners Quorum.

A quorum for a partners meeting will be a majority of the partners. Once a quorum is present, business may be conducted at the meeting, even if partners leave prior to adjournment.

Partners Proxies.

At all meetings of partners, a partner may vote by signed proxy or by power of attorney. To be valid, a proxy must be filed with the partnership prior to the stated time of the meeting. No proxy may be valid for more than 11 months, unless the proxy specifically states otherwise. Proxies may always be revoked prior to the meeting for which it is intended. Attendance at the meeting for which a proxy has been authorized always revokes the proxy.

Partners Voting.

The vote of the holders of a majority of partnership interests entitled to vote will be sufficient to decide any matter, unless a greater number is required by the Partnership Agreement or by state law. Adjournment shall be by majority vote of those entitled to vote.

Partners Consent Agreements.

Any action that may be taken at a Partnership meeting may be taken instead without a meeting if an agreement is consented to, in writing, by all of the partners who would be entitled to vote.

Powers of the Partners.

The partners will have all powers available under state law, including the power to appoint and remove managers and employees; the power to change the offices; the power to borrow money on behalf of the partnership, including the power to execute any evidence of indebtedness on behalf of the partnership; and the power to enter into contracts on behalf of the partnership.

Fiduciary Duty of the Partners.

Each director owes a fiduciary duty of good faith and reasonable care with regard to all actions taken on behalf of the partnership. Each partner must perform her/his duties in good faith in a manner which she/he reasonably believes to be in the best interest of the partnership, using ordinary care and prudence.

Accounting Matters.

The partnership will maintain accounting records which will be open to any partner for inspection at any reasonable time. These records will include separate income and capital accounts for each partner. The accounting will be on the accrual basis and on a calendar year basis. The capital account of each partner will consist of no less than the value of the property, cash, or services that the partner shall have contributed with their initial or additional contributions to the partnership.

Financial Matters.

☐ The partners will determine the accounting methods and fiscal year of the partnership. All checks, drafts, or other methods of payment shall be signed by all of the partners. All notes, mortgages, or other evidence of indebtedness shall be signed by all of the partners. No money will be borrowed or lent by the partnership unless authorized by a unanimous vote of the partners. No contracts will be entered into on behalf of the partnership unless authorized by a unanimous vote of the partners. No documents may be executed on behalf of the partnership unless authorized by a unanimous vote of the partners.

☐ The partners will determine the accounting methods and fiscal year of the partnership. All checks, drafts, or other methods of payment shall be signed by all of the Partners or by a partner selected as manager to carry on the day-to-day business of the partnership. All notes, mortgages, or other evidence of indebtedness shall be signed by all of the partners. No money will be borrowed or lent by the partnership unless authorized by a majority vote of the partners. No contracts will be entered into on behalf of the partnership unless authorized by a majority vote of the partners. No documents may be executed on behalf of the partnership unless authorized by a majority vote of the partners.

Bank Account.

The partnership will maintain a business checking bank account at:

Loans to Partners.

☐ The partnership may not lend any money to any partner unless the loan has been approved by a unanimous vote of all partners of the partnership.

☐ The partnership may not lend any money to any partner unless the loan has been approved by a majority vote of all partners of the partnership.

Draws to Partners.

☐ All partners are entitled to monthly draws from the expected profits of the partnership. The draws will be debited against the income account of the partner. The amount of the draws shall

be determined by a majority vote of the partners.

☐ All partners are entitled to monthly draws from the expected profits of the partnership. The draws will be debited against the income account of the partner. The amount of the draws shall be determined by unanimous vote of the partners.

☐ All partners are entitled to quarterly draws from the expected profits of the partnership. The draws will be debited against the income account of the partner. The amount of the draws shall be determined by a majority vote of the partners.

☐ All partners are entitled to quarterly draws from the expected profits of the partnership. The draws will be debited against the income account of the partner. The amount of the draws shall be determined by unanimous vote of the partners.

☐ No partners are entitled to draws against the expected profits of the partnership.

Salaries to Partners.

☐ All partners are eligible to be paid reasonable salaries for work or services they perform in the partnership business.

☐ No partners are eligible to be paid salaries for any work or services they perform in the partnership business. Such work or services shall be considered contributions to the partnership.

Partnership Expense Accounts.

☐ No partner shall have an expense account. Reimbursement for business expenses may be made by majority vote of the partners.

☐ No partner shall have an expense account. Reimbursement for business expenses may be made by unanimous vote of the partners.

☐ Each partner shall receive an expense account of up to \$ _____ per month for the payment of reasonable and necessary business expenses in the regular course of partnership business. Each partner shall provide the partnership with a written record of such expenses in order to obtain reimbursement.

Transfers of Partnership Interests.

☐ A partner may transfer all or part of his or her interest in the partnership to any other party without the consent of the other partners.

☐ A partner may transfer all or part of his or her interest in the partnership to any other party without the consent of the other partners. However, the partnership has the right of first refusal to purchase the partner's interest on the same terms and conditions as the partner's offer from the third party. This option to buy must be exercised by the partnership within 30 days from notice of the offer to buy by a third party.

☐ A partner may transfer all or part of his or her interest in the partnership to any other party only with the unanimous consent of the other partners.

☐ A partner may transfer all or part of his or her interest in the partnership to any other party only with the majority consent of the other partners.

☐ A partner may not transfer any or all of his or her interest in the partnership.

Expulsion of Partners.

A partner may be expelled from the partnership at any time by the unanimous consent of the other partners. Upon expulsion, the expelled partner shall cease to be a partner and shall have no interest, rights, authority, power, or ownership in the partnership or any partnership property. The expelled partner shall be entitled to receive value for his or her interest in the partnership as determined by the terms of this Agreement. The partnership shall continue in business without interruption without the expelled partner. Automatic Expulsion of Partners. A partner is automatically expelled from the partnership at any time upon the occurrence of any of the following:

- a. A partner files a petition for or becomes subject to an order for relief under the Federal Bankruptcy Code.
- b. A partner files for or becomes subject to any order for insolvency under any state law.
- c. A partner makes an assignment for the benefit of creditors.
- d. A partner consents to or becomes subject to the appointment of a receiver over a substantial portion of his or her assets.
- e. A partner consents to or becomes subject to an attachment or execution of a substantial portion of his or her assets.

On the date of any of the above events, the expelled partner shall cease to be a partner and shall have no interest, rights, authority, power, or ownership in the partnership or any partnership property. The expelled partner shall be entitled to receive value for his or her interest in the partnership as determined by the terms of this Agreement. The partnership shall continue in business without interruption without the expelled partner.

Limit on Remedies of Expelled Partners.

The expulsion of a partner shall be final and shall not be subject to mediation, arbitration, or review by any court of any jurisdiction.

Insurance.

☐ Each partner shall buy and maintain life insurance on the life of each other partner in the amount of \$ _____.

☐ Each partner shall buy and maintain disability insurance on the life of each other partner in the amount of \$ _____.

☐ The partnership shall buy and maintain life insurance on the life of each partner in the amount of \$ _____ and such insurance shall be considered assets of the partnership.

☐ The partnership shall buy and maintain disability insurance on the life of each partner in the amount of \$ _____ and such insurance shall be considered assets of the partnership.

☐ On the withdrawal, termination, or expulsion of any partner for any reason other than their death or disability, any insurance policies on the partner's life or health on which the partnership paid premiums shall become the personal property of the departing partner and the cash value (if any) of such policy shall be considered as a draw against the departing partner's income account.

Mediation or Arbitration.

☐ Except as otherwise provided by this Agreement, the partners agree that any dispute arising related to this Agreement will be settled by voluntary mediation, if possible. The mediator shall be chosen by a majority vote of the partners. All costs of mediation will be shared equally by all partners involved in the dispute.

☐ Except as otherwise provided by this Agreement, the partners agree that any dispute arising related to this Agreement will be settled by voluntary mediation, if possible. The mediator shall be chosen by a unanimous vote of the partners. All costs of mediation will be shared equally by all partners involved in the dispute.

☐ Except as otherwise provided by this Agreement, the partners agree that any dispute arising related to this Agreement will be settled by binding arbitration, if possible. The arbitrator shall be chosen by a majority vote of the partners. All costs of arbitration will be borne by all partners involved in the dispute as directed by the arbitrator.

☐ Except as otherwise provided by this Agreement, the partners agree that any dispute arising related to this Agreement will be settled by binding arbitration, if possible. The arbitrator shall be chosen by a unanimous vote of the partners. All costs of arbitration will be borne by all partners involved in the dispute as directed by the arbitrator.

Admission of New Partners.

☐ A new partner may be admitted to the partnership only by unanimous consent of the partners. Admission of a new partner shall not cause the termination of the original partnership entity, but it shall continue with the additional partner.

☐ A new partner may be admitted to the partnership by majority consent of the partners. Admission of a new partner shall not cause the termination of the original partnership entity, but it shall continue with the additional partner.

Responsibility of New Partners.

Any new partner to the partnership shall be responsible for and assume full personal liability equal to all other partners for all partnership debts, liabilities, and obligations whenever incurred.

☐ Any new partner to the partnership shall be responsible for and assume full personal liability for all partnership debts, liabilities, and obligations whenever incurred only up to the amount of the value of the initial and any additional contributions of the new partner.

☐ Any new partner to the partnership shall be responsible for and assume full personal liability only for those partnership debts, liabilities, and obligations incurred after the date of their acceptance as a new partner.

Withdrawal from the Partnership.

☐ If any partner withdraws from the partnership for any reason (including the death or disability of the partner), the partnership shall continue and be operated by the remaining partners. The withdrawing partner or his or her personal representative will be obligated to sell his or her interest to the remaining partners, and the remaining partners will be obligated to buy that interest. The value of the withdrawing partner's interest will be his or her proportionate share of the total value of the partnership. If necessary, the total value of the partnership will be made by an independent appraisal made within 90 days of the partner's withdrawal. The costs of the appraisal will be shared equally by all partners, including the withdrawing partner.

☐ If any partner withdraws from the partnership for any reason (including the death or disability of the partner), the partnership shall cease to exist. All partnership assets and liabilities will be divided by the partners as provided by the terms of this Agreement relating to the termination of the partnership.

Outside Activities of Partnership.

☐ No partner, during or after the partnership, shall engage in any business that is in competition with the partnership in any manner. The prohibition against competition shall continue for a period of _____ years after the partner leaves the partnership and for any business within _____ miles of the partnership's principal place of business. This non-competition agreement shall end with the termination of the partnership.

☐ During or after the partnership, each partner may engage in any other business activities, even if such activities compete with the partnership.

Termination of the Partnership.

☐ The partnership may be terminated at any time by unanimous consent of the partners.

Upon termination, the partners agree to apply the assets and money of the partnership in the following order:

- a. To pay all the debts and obligations of the partnership
- b. To distribute the partners' income accounts to the partners in their proportional share
- c. To distribute the partners' capital accounts to the partners in their proportional share
- d. To distribute any remaining assets to the partners in their proportional share

☐ The partnership may be terminated at any time by majority vote of the partners. Upon termination, the partners agree to apply the assets and money of the partnership in the following order:

- a. To pay all the debts and obligations of the partnership
- b. To distribute the partners' income accounts to the partners in their proportional share
- c. To distribute the partners' capital accounts to the partners in their proportional share
- d. To distribute any remaining assets to the partners in their proportional share.

Amendments to the Partnership Agreement.

☐ This Partnership Agreement may be amended in any manner by unanimous vote of the partners.

☐ This Partnership Agreement may be amended in any manner by majority vote of the partners.

Additional Provisions.

The following additional provisions are part of this Agreement:

Modification of Agreement.

☐ No modification of this Agreement shall be effective unless it is in writing and signed by all partners.

☐ No modification of this Agreement shall be effective unless it is in writing and signed by a majority of the partners.

This Agreement binds and benefits all partners and any successors, inheritors, assigns, or representatives of the partners. Time is of the essence of this Agreement. This document is the entire Agreement between the partners. Any attached papers that are referred to in this Agreement are part of this Agreement. Any alleged oral agreements shall have no force or effect. This Agreement is governed by the laws of the State of _____. If any portion of this Agreement is held to be invalid, void, or unenforceable by any court of law of competent jurisdiction, the rest of the Agreement shall remain in full force and effect.

Dated _____

Partner Signature

Printed Name of Partner

Partner Signature

Printed Name of Partner

Partner Signature

Printed Name of Partner

Partner Signature

Printed Name of Partner

Seal