

State of _____

PARTNERSHIP AGREEMENT

This Partnership Agreement (the "Agreement") is made as of this _____ day of _____, 20_____, (the "Effective Date") by and between/among:

Partner(s): _____, located at _____ and
 _____, located at _____ and
 _____, located at _____ and
 _____, located at _____ (each, a
 "Partner" and collectively, the "Partners").

1. Partnership Name and Purpose. The Partners agree to form a partnership under the name of _____ [Partnership name] (the "Partnership"). The Partnership will be governed in accordance with the laws of the State of _____. The Partnership has been formed on the terms and conditions set forth below to engage in the business of _____ [Partnership purpose] and to engage in any and all other activities as may be necessary, related or incidental to carry on the business of the Partnership as provided herein.

2. Location of Business. The main office of the Partnership will be situated at _____ [Address], or at any other locations that the Partners may decide upon from time to time.

3. Partnership Term. The Partnership shall commence on _____, 20_____ and will continue until: (Check one)

- ☐ _____, 20_____,
☐ It terminates in accordance with the terms of this Agreement,

unless terminated earlier in accordance with the terms of this Agreement.

4. Partners' Capital Contributions. The Partners will contribute capital to the Partnership: (Check one)

- ☐ Within _____ day(s) of the Effective Date
☐ On or before _____, 20_____

The Partners' cash contribution will be:

- _____ [Partner], \$ _____
- _____ [Partner], \$ _____
- _____ [Partner], \$ _____
- _____ [Partner], \$ _____

The Partners' non-cash contribution and the value of the non-cash contribution will be:

- _____ [Partner] _____ [Description], \$ _____
- _____ [Partner] _____ [Description], \$ _____
- _____ [Partner] _____ [Description], \$ _____
- _____ [Partner] _____ [Description], \$ _____

Partners' Capital Accounts. The Partnership will create and uphold a distinct capital account for each Partner, which will include the Partner's capital contributions. A Partner is not permitted to withdraw any part of their capital from this account without obtaining written consent from all Partners.

Capital Account Interest (Check one)

- ☐ Interest, at the rates and times as determined by the Partners, will be paid on the capital account of any Partner.
- ☐ NO interest will be paid on the capital account of any Partner.

6. Profits and Losses. The net profits and losses of the Partnership will be divided: (Check one)

- ☐ Equally between the Partners
- ☐ According to the same proportion as the Partner's capital contributions to the total capital contributions of the Partnership
- ☐ According to the following percentages:

- _____ [Partner] will share _____ % of the net profits and _____ % of the net losses
- _____ [Partner] will share _____ % of the net profits and _____ % of the net losses
- _____ [Partner] will share _____ % of the net profits and _____ % of the net losses
- _____ [Partner] will share _____ % of the net profits and _____ % of the net losses

7. Partner Income Accounts. The Partnership will create and manage a distinct income account for each Partner. Each Partner's portion of the Partnership's profits and losses will be recorded in their respective income accounts. In the event that a Partner's income account has no positive balance, any losses will be deducted from their capital account.

Income Account Interest (Check one)

- ☐ Interest, at the rates and times as determined by the Partners, will be paid on the income account of any Partner.
- ☐ NO interest will be paid on the income account of any Partner.

8. Partners' Salary and Drawings.

Salary (Check one)

_____ [Partner] will receive a salary of \$_____ per
 (Check one) ☐ month ☐ quarter ☐ year.

_____ [Partner] will receive a salary of \$_____ per
 (Check one) ☐ month ☐ quarter ☐ year.

_____ [Partner] will receive a salary of \$_____ per
 (Check one) ☐ month ☐ quarter ☐ year.

_____ [Partner] will receive a salary of \$_____ per
 (Check one) ☐ month ☐ quarter ☐ year.

Salaries will not be deducted from the Partners' capital accounts or income accounts.

☐ No salary or compensation will be provided to any Partner for their services to the Partnership.

Profits (Select one)

☐ A Partner is allowed to withdraw any amount of profits from their income account at any time.

☐ A Partner may withdraw any portion of profits from their income account at any time, but only with the written agreement of all Partners.

☐ The Partnership will allocate profits to the Partners at the end of each

(Select one) ☐ month ☐ quarter ☐ year, or at times and in amounts determined by the Partners.

9. Partnership Bank Accounts. The Partnership funds will be kept in an account in its name at _____ [Financial institution] or at other financial institutions as agreed upon by all Partners. All withdrawals from these accounts will be made by checks signed by (Check one) ☐ all Partners ☐ any one Partner ☐ a majority of Partners ☐ other: _____.

10. Partnership Books and Records. At all times during the term of the Partnership, the books and

Records of the Partnership will be stored and managed at (please select one):

☐ Partnership's principal office

☐ Other: _____. These books and records will be accessible for inspection by (please select one):

☐ any Partner and their representative

☐ any Partner during business hours with reasonable notice. The Partnership will keep its books and records according to generally accepted accounting principles (GAAP). The Partnership's fiscal year will commence on _____ and conclude on _____. An income statement and balance sheet will be prepared at the end of each fiscal year within _____ month(s) after the fiscal year ends.

Audits (Please select one)

☐ At the request of any Partner, an independent certified public accounting firm chosen by the Partnership will conduct an audit of the Partnership's books and records for a period determined by the Partnership.

☐ An independent certified public accounting firm selected by the Partnership will perform an audit of the Partnership's books and records at the end of each fiscal year.

11. Management. Each Partner shares equal rights in overseeing the Partnership. The Partners will dedicate the necessary time and effort to ensure the Partnership's objectives are achieved.

Sole Authority (Select one)

- ☐ None of the Partners possess the authority to make either significant or ordinary decisions for the Partnership.
- ☐ Each Partner has the authority to make (Select one) ☐ only significant decisions ☐ only ordinary decisions ☐ both significant and ordinary decisions on behalf of the Partnership.

All Partners must agree to take the following Partnership actions: (Check all that apply)

- ☐ Enter into, make and perform any contract or agreement including lease, security agreement or mortgage
- ☐ Borrow or lend money
- ☐ Sell all or substantially all of the assets of the Partnership other than that sold in the regular course of the Partnership's business
- ☐ Hiring and firing employees
- ☐ Other: _____

12. Voluntary Dissolution of Partnership. The Partnership may be dissolved at any time upon the consent of (Check one) ☐ all Partners ☐ a majority of Partners ☐ other: _____. The Partners shall, as soon as reasonably practicable, liquidate and wind up the affairs of the Partnership. The proceeds received in connection with the liquidation and any other remaining assets of the Partnership will be applied in the following order of priority:

- a. payment of all debts, liabilities and obligations of the Partnership including all expenses of liquidation;
- b. distribution to or for the benefit of the Partners in accordance with the positive balance in each Partner's income accounts;
- c. distribution to or for the benefit of the Partners in accordance with the positive balance in each Partner's capital accounts.

13. Partner's Withdrawal. (Check one)

☐ **A Partner may withdraw voluntarily.** A Partner may withdraw from the Partnership: (Check one)

- ☐ At any time
- ☐ After a period of _____ year(s) from the date of this Agreement
- ☐ Other: _____
- ☐ Do not specify

by providing at least _____ day(s) written notice of such intention to withdraw to the other Partners. The remaining Partners may decide either to dissolve and liquidate the Partnership with the withdrawing Partner (in accordance with paragraph no. 12) or continue the Partnership by purchasing the withdrawing Partner's interest (in accordance with paragraph no. 16). The decision to dissolve or continue the Partnership requires the unanimous consent of the remaining Partners. If the remaining Partners choose to purchase the withdrawing Partner's interest, the remaining Partners shall provide written notice of such

The intention to purchase must be communicated within _____ day(s) after the remaining Partners receive the withdrawing Partner's notice to withdraw. ☐ A Partner can only withdraw with the consent of all Partners. Withdrawal from the Partnership is not permitted unless there is unanimous agreement from the remaining Partners. Should the remaining Partners consent to the withdrawal, they can either choose to dissolve and liquidate the Partnership with the withdrawing Partner (as detailed in paragraph no. 12) or continue the Partnership by acquiring the withdrawing Partner's interest (as outlined in paragraph no. 16). The choice to dissolve or continue requires unanimous agreement from the remaining Partners. If they opt to buy the withdrawing Partner's interest, written notice of this intention must be given within _____ day(s) after the receipt of the notice to withdraw. ☐ The withdrawal of a Partner will lead to the termination of the Partnership. Consequently, the Partnership will be dissolved, and the assets will be liquidated as specified in paragraph no. 12.

Involuntary Withdrawal (Check one)

- ☐ Not applicable.
- ☐ A Partner may be removed from the Partnership if such Partner: (Check all that apply)
 - ☐ Commits fraud
 - ☐ Declares bankruptcy
 - ☐ Is declared incompetent
 - ☐ Commits embezzlement
 - ☐ Is imprisoned
 - ☐ Other: _____

The remaining Partners have the option to either dissolve and liquidate the Partnership with the removed Partner (as outlined in paragraph no. 12) or to continue the Partnership by acquiring the removed Partner's interest (as specified in paragraph no. 16). This decision, whether to dissolve or continue, requires unanimous agreement from the remaining Partners. If the remaining Partners opt to purchase the removed Partner's interest, they must send written notice of their intention to do so within _____ day(s) after becoming aware of the event that led to the Partner's removal.

14. Partner's Retirement. A Partner may retire from the Partnership: (Check one)

- ☐ At any time
- ☐ At the end of the Partnership's fiscal year
- ☐ At the end of a calendar month
- ☐ Only after a period of _____ year(s) from the date of this Agreement
- ☐ Other: _____

by giving at least _____ day(s) written notice of their intention to retire to the other Partners. The remaining Partners may either choose to dissolve and liquidate the Partnership alongside the retiring Partner (as outlined in paragraph no. 12) or opt to continue the Partnership by acquiring the retiring Partner's interest (as specified in paragraph no. 16). This decision to either dissolve or continue the Partnership requires the unanimous agreement of the remaining Partners. Should the remaining Partners decide to purchase the retiring Partner's interest, they must provide written notice of this intention within _____ day(s) after receiving the notice of retirement from the retiring Partner.

15. Death of a Partner. In the event of a Partner's death, the surviving Partners have the option to either dissolve and liquidate the Partnership (as outlined in paragraph 12) or to continue the Partnership by acquiring the deceased Partner's interest (as specified in paragraph 16). The decision to either dissolve or continue the Partnership must be made with the unanimous agreement of the remaining Partners. If the remaining Partners opt to buy the deceased Partner's interest, they must provide written notice of their intention to do so within _____ day(s) following the Partner's passing to the administrator or executor of the deceased Partner's estate.

16. Buyout. Should the remaining Partners decide to acquire the interest of the withdrawing, retiring, or deceased Partner as mentioned in the previous paragraphs, the purchase will be conducted in the following manner: (Please check one)

- ☐ Equal amounts by all remaining Partners
- ☐ The amounts as decided by all remaining Partners
- ☐ The amounts as decided by the remaining Partners that wish to purchase

Buyout Price Evaluation (Please select one)

- ☐ The value of the interest held by the withdrawing, retiring, or deceased Partner will be determined based on fair market value as assessed by (Please select one)
 - ☐ the Partnership's accountant
 - ☐ an independent appraiser
 - ☐ an independent certified public accountant
 - ☐ other: _____.
- ☐ The purchase price will be calculated as the balance in the withdrawing, retiring, or deceased Partner's capital account as of the date of their withdrawal, retirement, or death, adjusted by the amount in the Partner's income account at the end of the month prior to their withdrawal, retirement, or death. This will also include the Partner's share of Partnership profits or losses that have not yet been credited or charged, up until the end of the month in which the withdrawal, retirement, or death took place.

The purchase price will not include any separate amounts for goodwill, tradename, patents, or other intangible assets. The remaining Partners may continue to use the Partnership tradename. The purchase price will be paid: (Check one)

- ☐ Without interest
- ☐ With interest, at the rate of _____ % per annum within _____ months after the date of the withdrawal, retirement or death

17. Restriction on Transfer. No Partner shall transfer, assign, sell, give, pledge, hypothecate or otherwise encumber, or dispose of in any manner any or all of his or her interest in the Partnership without the written consent of all Partners.

18. New Partners. (Check one)

- ☐ The Partnership, upon the (Check one) ☐ unanimous consent ☐ majority consent of all Partners, may admit new Partners to the Partnership on the terms and conditions as determined by the Partners at such time.
- ☐ The Partnership will NOT admit new Partners.

19. Arbitration. Any dispute arising out of or related to this Agreement that the Partners are unable to resolve by themselves shall be settled by arbitration in the State of _____ in accordance

with the rules of the American Arbitration Association. The written decision of the arbitrator(s), as applicable, shall be final and binding on the Partners. Judgment on a monetary award or enforcement of injunctive or specific performance relief granted by the arbitrator(s) may be entered in any court having jurisdiction over the matter.

20. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Partners and their respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

21. Severability. Should any provision of this Agreement be deemed invalid, illegal, or unenforceable in whole or in part, the remaining provisions will remain unaffected and will continue to be valid, legal, and enforceable as if the invalid, illegal, or unenforceable portions were not part of this Agreement.

22. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of _____, excluding its conflict of law provisions.

23. Further Assurances. Upon written request from one Partner, the other Partners agree to execute and deliver any additional documents and take reasonable actions necessary to implement the terms of this Agreement.

24. Headings. The section headings within this document are for reference only and will not influence the meaning, construction, or interpretation of any provision in this Agreement.

25. Entire Agreement. This Agreement represents the complete understanding between the Partners, superseding and nullifying all previous agreements, whether oral or written, regarding the subject matter herein.

26. Counterparts. This Agreement may be signed in one or more counterparts, each of which will be considered an original, and all counterparts together will form a single document.

27. Amendment. This Agreement may only be amended or modified through a written agreement signed by all Partners.

28. Notices. Any notice or communication directed to any Partner under this Agreement must be in writing and delivered by hand, sent via overnight courier service, or mailed by certified or registered mail with return receipt requested, to the address specified above or to another address designated by that Partner through notice, and will be considered given on the date of delivery.

29. Waiver. No Partner shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any Partner of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first written above.

SIGNATURES

_____ Partner Signature	_____ Partner Full Name
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_____ Representative Signature	_____ Representative Name and Title
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_____ Partner Signature	_____ Partner Full Name
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_____ Representative Signature	_____ Representative Name and Title
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_____ Partner Signature	_____ Partner Full Name
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_____ Representative Signature	_____ Representative Name and Title
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_____ Partner Signature	_____ Partner Full Name
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_____ Representative Signature	_____ Representative Name and Title
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