

# Partnership Agreement

THIS PARTNERSHIP AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the following individuals:

_____	Address: _____
	City/State/ZIP: _____
_____	Address: _____
	City/State/ZIP: _____

1. Nature of Business. The partners listed above hereby agree that they shall be considered partners in business for the following purpose:

\_\_\_\_\_  
\_\_\_\_\_

2. Name. The partnership shall be conducted under the name of \_\_\_\_\_ and shall maintain offices at [STREET ADDRESS], [CITY, STATE, ZIP].

3. Day-To-Day Operation. The partners shall provide their full-time services and best efforts on behalf of the partnership. No partner shall receive a salary for services rendered to the partnership. Each partner shall have equal rights to manage and control the partnership and its business. Should there be differences between the partners concerning ordinary business matters, a decision shall be made by unanimous vote. It is understood that the partners may elect one of the partners to conduct the day-to-day business of the partnership; however, no partner shall be able to bind the partnership by act or contract to any liability exceeding \$\_\_\_\_\_ without the prior written consent of each partner.

4. Capital Contribution. The capital contribution of each partner to the partnership shall consist of the following property, services, or cash which each partner agrees to contribute:

Name Of Partner	Capital Contribution	Agreed-Upon Cash	% Share

The partnership shall maintain a capital account record for each partner; should any partner's capital account fall below the agreed to amount, then that partner shall (1) have his share of partnership profits then due and payable applied instead to his capital account; and (2) pay any deficiency to the partnership if his share of partnership

profits is not yet due and payable or, if it is, his share is insufficient to cancel the deficiency.

5. Profits and Losses. The profits and losses of the partnership shall be divided by the partners according to a mutually agreeable schedule and at the end of each calendar year according to the proportions listed above.

6. Term/Termination. The term of this Agreement shall be for a period of \_\_\_\_ years, unless the partners mutually agree in writing to a shorter period. Should the partnership be terminated by unanimous vote, the assets and cash of the partnership shall be used to pay all creditors, with the remaining amounts to be distributed to the partners according to their proportionate share.

7. Disputes. This Partnership Agreement shall be governed by the laws of the State of \_\_\_\_\_. Any disputes arising between the partners as a result of this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

8. Withdrawal/Death of Partner. In the event a partner withdraws or retires from the partnership for any reason, including death, the remaining partners may continue to operate the partnership using the same name. A withdrawing partner shall be obligated to give sixty (60) days' prior written notice of his/her intention to withdraw or retire and shall be obligated to sell his/her interest in the partnership. No partner shall transfer interest in the partnership to any other party without the written consent of the remaining partner(s). The remaining partner(s) shall pay the withdrawing or retiring partner, or to the legal representative of the deceased or disabled partner, the value of his interest in the partnership, or (a) the sum of his capital account, (b) any unpaid loans due him, (c) his proportionate share of accrued net profits remaining undistributed in his capital account, and (d) his interest in any prior agreed appreciation in the value of the partnership property over its book value. No value for good will shall be included in determining the value of the partner's interest.

9. Non-Compete Agreement. A partner who retires or withdraws from the partnership shall not directly or indirectly engage in a business which is or which would be competitive with the existing or then anticipated business of the partnership for a period of \_\_\_\_\_, in those \_\_\_\_\_ of this State where the partnership is currently doing or planning to do business.

IN WITNESS WHEREOF, the partners have duly executed this Agreement on the day and year set forth hereinabove.

\_\_\_\_\_  
Partner

\_\_\_\_\_  
Partner

