

## PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT ("Agreement") made and effective this effectiveMonth effectiveDay, effectiveYear by and between the following individuals, referred to in this Agreement as the "Partners":

name

The Partners wish to set forth, in a written agreement, the terms and conditions by which they will associate themselves in the Partnership.

NOW, THEREFORE, in consideration of the promises contained in this Agreement, the Partners affirm in writing their association as a partnership in accordance with the following provisions:

### 1. Name and Place of Business.

The name of the Partnership shall be called Partnership (the "Partnership").

The Partnership's principal place of business shall be located at ppobAddress, ppobCity ppobState. until changed by agreement of the Partners, but the Partnership may own property and transact business in any and all other places as may from time to time be agreed upon by the Partners.

### 2. Purpose.

The purpose of the Partnership shall be to: businessDesc

The Partnership may also engage in any and every other kind or type of business, whether or not pertaining to the foregoing, upon which the Partners may at any time or from time to time agree.

### 3. Term.

The Partnership shall commence as of the date of this Agreement and shall continue until terminated as provided herein.

### 4. Capital Accounts.

A. The Partners shall make an initial investment of capital, whether in cash or property, contemporaneously with the execution of this Agreement. Such cash and/or property contributions of each Partner are attached to this Agreement as Exhibit "A."

In addition to each Partner's share of the profits and losses of the Partnership, as set forth in Section 5, each Partner is entitled to an interest in the assets of the Partnership.

B. The amount credited to the capital account of the Partners at any time shall be such amount as set forth in this Section 4 above, plus the Partner's share of the net profits of the Partnership and any additional capital contributions made by the Partner and minus the Partner's share of the losses of the Partnership and any distributions to or withdrawals made by the Partner. For all purposes of this Agreement, the Partnership net profits and each Partner's capital account shall be computed in accordance with generally accepted accounting principles, consistently applied, and each Partner's capital account, as reflected on the Partnership federal income tax return as of the end of any year, shall be deemed conclusively correct for all purposes, unless an objection in writing is made by any Partner and delivered to the accountant or accounting firm preparing the income tax return within one (1) year after the same has been filed with the Internal Revenue Service. If an objection is so filed, the validity of the objection shall be conclusively determined by an independent certified public accountant or accounting firm mutually acceptable to the Partners.

## **5. Profits and Losses.**

Until modified by mutual consent of all the Partners, the profits and losses of the Partnership and all items of income, gain, loss, deduction, or credit shall be shared by the Partners in the following proportions:

sharedProfits

Distributions of cash or property may be made from time to time by the Partnership to the Partners, at such times and in such amounts as the Partners may determine, which shall be reflected on each Partner's capital account accordingly.

## **6. Books and Records of Account.**

The Partnership books and records shall be maintained at the principal office of the Partnership and each Partner shall have access to the books and records at all reasonable times.

## **7. Future Projects.**

The Partners recognize that future projects for the Partnership depend upon many factors beyond present control, but the Partners wish to set forth in writing and to mutually acknowledge their joint understanding, intentions, and expectations that the relationship among the Partners will continue to flourish in future projects on similar terms and conditions as set forth in this Agreement, but there shall be no legal obligations among the Partners to so continue such relationship in connection with future projects.

## **8. Management, Time and Salary.**

**A. Management.** Until and unless otherwise decided by unanimous agreement of the Partners, each Partner will have an equal voice in the management of the Partnership. Without the other's written consent, no Partner will do any of the following on the Partnership's behalf:

- (1) Borrow or lend money;
- (2) Make, deliver, or accept commercial paper;
- (3) Execute any mortgage, security agreement, bond or lease; or
- (4) Buy or execute a purchase agreement, sell or execute a sales agreement for any property other than that bought or sold in the regular course of the Partnership's business.

**B. Time Commitments.** Each of the Partners shall be expected to devote such time and attention to the Partnership affairs and duties of the business as deemed necessary to conduct the Partnership's affairs properly and as shall from time to time be determined by agreement of the Partners.

### **C. Salaries.**

Salary, if any, for the services rendered shall be determined by unanimous approval of the Partners. Any salaries paid to Partners will not be charged to their capital or income accounts but will be charged for the purpose of determining the Partnership's net income.

## **9. Transfer of Partnership Interests.**

**A. Restrictions on Transfer.** None of the Partners shall sell, assign, transfer, mortgage, encumber, or otherwise dispose of the whole or part of that Partner's interest in the Partnership, and no purchaser or other transferee shall have any rights in the Partnership as an assignee or otherwise with respect to all or any part of that Partnership interest attempted to be sold, assigned, transferred, mortgaged, encumbered, or otherwise disposed of, unless and to the extent that the remaining Partner(s) have given consent to such sale, assignment, transfer, mortgage, or encumbrance, but only if the transferee forthwith assumes and agrees to be bound by the provisions of this Agreement and to become a Partner for all purposes hereof, in which event, such transferee shall become a substituted partner under this Agreement.

**B. Transfer Does Not Dissolve Partnership.** No transfer of any interest in the Partnership, whether or not permitted under this Agreement, shall dissolve the Partnership. No transfer, except as permitted under Subsection 9.A. above, shall entitle the transferee, during the continuance of the Partnership, to participate in the management of the business or affairs of the Partnership, to require any information or account of Partnership transactions, or to inspect the books of account of the Partnership; but it shall merely entitle the transferee to receive the profits to which the assigning Partner would otherwise be entitled and, in case of dissolution of the Partnership, to receive the interest of the assigning Partner and to require an account from the date only of the last account agreed to by the Partners.

## **10. Death, Incompetency, Withdrawal, or Bankruptcy.**

**A. Withdrawal.** (a) A Partner may voluntarily withdraw from the Partnership by giving not less than 90 days' written notice to all of the other Partners of the Partner's intention to do so. The effective date of withdrawal shall be stated in such notice; (b) A Partner will be deemed to have withdrawn from the Partnership if such Partner becomes subject to a charging order, is adjudicated a bankrupt, or makes an assignment for the benefit of creditors. The effective date of withdrawal shall be the date when the Partnership receives actual notice of any such occurrence.

**B. Continuation of Partnership Upon Death or Withdrawal of a Partner.** Upon the death or withdrawal of a Partner, the remaining Partners shall have the right to continue the Partnership, subject to either of the following:

(a) The remaining Partners accept the successor in interest of the deceased or withdrawn Partner as a Partner. The election to accept the successor in interest of a deceased Partner shall be by agreement of all remaining Partners and the successor in interest; or

(b) The remaining Partners elect to liquidate the interest of the deceased or withdrawing Partner in accordance with the provisions of this Agreement. The election to liquidate the interest of a withdrawing or deceased Partner shall be made by a majority in interest of the remaining Partners on behalf of the Partnership.

The election to accept a successor-in-interest or liquidate a deceased or withdrawn Partner's interest shall be exercised by written notice given within 30 days after the effective date of such Partner's withdrawal or within 30 days after the appointment of a personal representative of a deceased partner, whichever is applicable.

Failure to Continue. If all of the remaining Partners and the successor in interest of a deceased Partner do not agree to continue the Partnership, or if a majority in interest of the remaining Partners do not elect to liquidate the interest of the deceased or withdrawing Partner, the Partnership shall be wound up in accordance with the provisions of this Agreement.

## **C. Payments Upon Retirement or Withdrawal of Partner.**

(1) Amount of Payments. Upon the retirement or withdrawal of a Partner, that Partner or, in the case of death or incompetency, that Partner's legal representative shall be entitled to receive the amount of the Partner's capital account (as of the end of the fiscal year of the Partnership next preceding the day on which the retirement or withdrawal occurs) adjusted for the following:

(a) Any additional capital contributions made by the Partner and any distributions to or withdrawals made by the Partner during the period from the end of the preceding fiscal year to the day on which the retirement or withdrawal occurs;

(b) The Partner's share of profits and losses of the Partnership from the end of the preceding fiscal year of the Partnership to the day on which the retirement or withdrawal occurs, determined in accordance with generally accepted accounting principles, consistently applied; and

(c) The difference between the Partner's share of the book value of all of the Partnership assets and the fair market value of all Partnership assets, as determined by a fair market value appraisal of all assets. Unless the retiring or withdrawing Partner and the Partnership can agree on one appraiser, three (3) appraisers shall be appointed--one by the Partnership, one by the retiring or withdrawing Partner, and one by the two appraisers thus appointed. All appraisers shall be appointed within fifteen (15) days of the date of retirement or withdrawal. The average of the three appraisals shall be binding on all Partners.

(2) Time of Payments. Subject to a different agreement among the Partners or successors thereto, the amount specified above shall be paid in cash, in full, but without interest, no later than twelve (12) months following the date of the retirement or withdrawal.

(3) Alternate Procedure. In lieu of purchasing the interest of the retiring or withdrawing Partner as provided in subparagraph (1) and (2) above, the remaining Partners may elect to dissolve, liquidate and terminate the Partnership. Such election shall be made, if at all, within thirty (30) days following receipt of the appraisal referred to above.

#### **11. Procedure on Dissolution of Partnership.**

Except as provided in Section 10.B.(3) above, this Partnership may be dissolved only by a unanimous agreement of the Partners. Upon dissolution, the Partners shall proceed with reasonable promptness to liquidate the Partnership business and assets and wind-up its business by selling all of the Partnership assets, paying all Partnership liabilities, and by distributing the balance, if any, to the Partners in accordance with their capital accounts, as computed after reflecting all losses or gains from such liquidation in accordance with each Partner's share of the net profits and losses as determined under Section 5.

#### **12. Title to Partnership Property.**

If for purposes of confidentiality, title to Partnership property is taken in the name of a nominee or of any individual Partner, the assets shall be considered to be owned by the Partnership and all beneficial interests shall accrue to the Partners in the percentages set forth in this Agreement.

#### **13. Leases.**

All leases of Partnership assets shall be in writing and on forms approved by all the Partners.

#### **14. Controlling Law.**

This Agreement and the rights of the Partners under this Agreement shall be governed by the laws of the State of ppobState.

#### **15. Notices.**

Any written notice required by this Agreement shall be sufficient if sent to the Partner or other party to be served by registered or certified mail, return receipt requested, addressed to the Partner or other party at the last known home or office address, in which event the date of the notice shall be the date of deposit in the United States mails, postage prepaid.

#### **16. General.**

This Agreement contains the entire agreement of the Partners with respect to the Partnership and may be amended only by the unanimous written agreement of the Partners. Any amendment shall be set forth in an amendatory or supplemental agreement which shall be filed at the principal office of the Partnership.

**17. Binding Upon Heirs.**

This Agreement shall bind each of the Partners and shall inure to the benefit of (subject to the Sections 9 and 10) and be binding upon their respective heirs, executors, administrators, devisees, legatees, successors and assigns.

IN WITNESS WHEREOF, the Partners have executed this Agreement the date first above written.

\_\_\_\_\_  
name

\_\_\_\_\_  
Date

**EXHIBIT "A"**

**PARTNER CONTRIBUTIONS**

The cash contributions of each Partner will be:

name: cash

The personal property contributions of each Partner, and value of such property, will be:

name: prop (valued \$ propVal )