

## PARTNERSHIP AGREEMENT

This PARTNERSHIP AGREEMENT is made on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_  
between

\_\_\_\_\_, whose address is  
\_\_\_\_\_  
and  
\_\_\_\_\_, whose address is  
\_\_\_\_\_.

### TERM.

The partnership shall begin on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, and shall continue until terminated as herein provided.

### CAPITAL.

The capital of the partnership shall be contributed in cash by the partners as follows:

A separate capital account shall be maintained for each partner. Neither partner shall withdraw any part of his capital account. Upon the demand of either partner, the capital accounts of the partners shall be maintained at all times in the proportions in which the partners share in the profits and losses of the partnership.

### PROFIT AND LOSS.

The net profits of the partnership shall be divided equally between the partners and the net losses shall be borne equally by them. A separate income account shall be maintained for each partner. Partnership profits and losses shall be charged or credited to the separate income account of each partner. If a partner has no credit balance in his income account, losses shall be charged to his capital account.

### SALARIES AND DRAWINGS.

Neither partner shall receive any salary for services rendered to the partnership. Each partner may, from time to time, withdraw the credit balance in his income account.

### INTEREST.

No interest shall be paid on the initial contributions to the capital of the partnership or on any subsequent contributions of capital.

### MANAGEMENT DUTIES AND RESTRICTIONS.

The partners shall have equal rights in the management of the partnership business, and each partner shall devote his entire time to the conduct of the business. Without the consent of the



other partner neither partner shall on behalf of the partnership borrow or lend money, or make, deliver, or accept any commercial paper, or execute any mortgage, security agreement, bond, or lease, or purchase or contract to purchase, or sell or contract to sell any property for or of the partnership other than the type of property bought and sold in the regular course of its business.

#### BANKING.

All funds of the partnership shall be deposited in its name in such checking account or accounts as shall be designated by the partners. All withdrawals therefrom are to be made upon checks signed by either partner.

#### VOLUNTARY TERMINATION.

The partnership may be dissolved at any time by agreement of the partners, in which event the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The partnership name shall be sold with the other assets of the business. The assets of the partnership business shall be used and distributed in the following order:

- (a) to pay or provide for the payment of all partnership liabilities and liquidating expenses and obligations;
- (b) to equalize the income accounts of the partners;
- (c) to discharge the balance of the income accounts of the partners;
- (d) to equalize the capital accounts of the partners; and
- (e) to discharge the balance of the capital accounts of the partners.

#### ARBITRATION.

Any controversy or claim arising out of or relating to this Agreement, or the breach hereof, shall be settled by arbitration in accordance with the rules, then obtaining, of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

In witness whereof the parties have signed this Agreement.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

