



Papersign

Partnership Agreement Template

Prepared for

[Recipient Name]

[Company Name]

Prepared by

[Sender Name]

[Company Name]

1. Parties Involved:

1.1 Partner 1:

Full Name: [Partner 1's Full Name]

Address: [Partner 1's Address]

Role: [Specify Role, e.g., "Managing Partner, Finance Director, etc."]

1.2 Partner 2:

Full Name: [Partner 2's Full Name]

Address: [Partner 2's Address]

Role: [Specify Role, e.g., "Partner, Marketing Director, etc."]

[Add additional partners as necessary]

2. Business Name and Purpose:

2.1 Business Name:

The name of the partnership business shall be [Business Name].

2.2 Purpose:

The primary purpose of this partnership shall be [Detailed Description of the Business's Purpose, e.g., "to operate a coffee shop and café serving locally sourced organic products"].

2.3 Principal Place of Business:

The principal place of business for the partnership shall be [Business Address, e.g., "123 Main St, Anytown, State, Zip Code"]. Any change to the principal place of business will be agreed upon by all partners.

3. Capital Contributions:

3.1 Initial Contributions:

Each partner hereby contributes the following to the capital of the partnership:

- 3.1.1 [Partner 1's Name]:
 - Cash: \$[Amount]
 - Assets: [Description of Assets, if applicable]
 - Services: [Description of Services, if applicable]
- 3.1.2 [Partner 2's Name]:
 - Cash: \$[Amount]
 - Assets: [Description of Assets, if applicable]
 - Services: [Description of Services, if applicable]

[Add additional partners as necessary]

3.2 Additional Contributions:

Any additional contributions shall be made only with the unanimous written consent of all partners, detailing the amount and type of the contribution, and the altered interest of each partner in the partnership.

3.3 No Interest on Capital Contributions:

Partners shall not receive any interest on their capital contributions unless unanimously agreed upon in writing by all partners.

4. Profit and Loss Sharing:

4.1 Allocation:

Profits and losses of the partnership shall be allocated to the partners in proportion to their capital contributions, unless otherwise agreed upon. The exact percentages are as follows:

- 4.1.1 [Partner 1's Name]: [Percentage, e.g., "50%"]
- 4.1.2 [Partner 2's Name]: [Percentage, e.g., "50%"]

[Add additional partners and their respective percentages as necessary]

4.2 Distribution Schedule:

Profits shall be distributed to the partners [Frequency, e.g., "quarterly, annually, etc."], and losses shall be accounted for in the same period.

4.3 Restrictions:

No partner shall withdraw any portion of their capital account without the unanimous written consent of all other partners.

4.4 Account Maintenance:

Proper books of account shall be maintained at the principal place of business, reflecting all amounts of capital contributed by each partner and the property, assets, liabilities, revenues, and expenses of the partnership. These books shall be open for inspection by any partner at all reasonable times.

5. Management and Decision-Making:

5.1 Management:

Each partner shall have an equal voice in the management of the partnership. Specific roles and responsibilities are as follows:

- 5.1.1 [Partner 1's Name]: [Role and Responsibilities, e.g., "Managing Partner: Responsible for daily operations, vendor relationships, and staff management."]
- 5.1.2 [Partner 2's Name]: [Role and Responsibilities, e.g., "Finance Director: Overseeing the partnership's finances, budgeting, and financial reporting."]

[Add additional partners and their roles and responsibilities as necessary]

5.2 Voting Rights:

Each partner shall have one vote in partnership decisions. Decisions on ordinary matters related to the partnership's operations require a [e.g., "simple majority"] vote of the partners. However, major decisions, including [e.g., "changes to the partnership agreement, admission of new partners, dissolution of the partnership, etc."], require a [e.g., "unanimous"] vote of the partners.

5.3 Meetings:

Partners shall meet [Frequency, e.g., "quarterly"] at the partnership's principal place of business or at another mutually agreed location to discuss the affairs, finances, and operations of the partnership.

5.4 Record Keeping:

All decisions made by the partners in meetings must be recorded and maintained in the partnership's minute book, which shall be kept at the partnership's principal place of business.

6. Withdrawal and Retirement:

6.1 Voluntary Withdrawal:

Any partner may voluntarily withdraw from the partnership with [e.g., "90 days"] written notice to all other partners. Upon withdrawal:

- The withdrawing partner's capital account shall be settled and paid within [e.g., "60 days"] from the date of withdrawal.
- The withdrawing partner shall be released from all future obligations related to the partnership but remains liable for obligations incurred up to the date of withdrawal.

6.2 Retirement:

If a partner chooses to retire from the partnership, the same conditions as a voluntary withdrawal apply. The retiring partner must provide [e.g., "90 days"] written notice to all other partners.

6.3 Valuation of Withdrawing/Retiring Partner's Interest:

The value of the interest of a withdrawing or retiring partner shall be determined by [e.g., "an independent third-party appraiser agreed upon by the remaining partners"]. This valuation shall consider assets, liabilities, and future earnings of the partnership.

6.4 Option to Purchase:

Remaining partners have the first option to purchase the withdrawing or retiring partner's interest in the partnership, either individually or collectively, based on the valuation.

7. Dispute Resolution:

7.1 Mediation:

In the event of any disagreement or dispute arising between the partners related to the partnership's business or this Agreement, the partners shall first attempt to resolve the matter through mediation. A neutral third-party mediator, mutually agreed upon by the partners, shall facilitate this process.

7.2 Arbitration:

If mediation fails to resolve the dispute, the partners agree to submit the matter to binding arbitration. The arbitration shall be conducted by a single arbitrator, selected mutually by the partners. The arbitrator's decision will be final, and the partners agree to be bound by it.

7.3 Costs:

Unless otherwise decided by the arbitrator, the costs of mediation and/or arbitration shall be shared equally among the disputing partners.

7.4 Continuation of Business:

Partners agree to continue the partnership's operations in good faith while any dispute resolution process is ongoing, ensuring that the business does not suffer.

8. Death or Incapacity of a Partner:

8.1 Notification:

Upon the death or incapacity of a partner, the remaining partners must be notified immediately.

8.2 Valuation:

The value of the deceased or incapacitated partner's interest in the partnership shall be determined by [e.g., "an independent third-party appraiser agreed upon by the remaining partners"].

8.3 Option to Purchase:

The remaining partners have the first option to purchase the interest of the deceased or incapacitated partner based on the determined valuation. This option must be exercised within [e.g., "60 days"] of the date of death or determination of incapacity.

8.4 Payment to Estate:

If the deceased partner's interest is not purchased by the remaining partners, the partnership must pay the determined value of the deceased partner's interest to their estate within [e.g., "120 days"] of the date of death.

8.5 Continuation of Partnership:

Unless otherwise agreed upon in writing, the death or incapacity of a partner shall not result in the dissolution of the partnership. The partnership shall continue with the remaining partners.

9. Dissolution and Winding Up:

9.1 Dissolution Events:

The partnership may be dissolved upon any of the following events:

- Mutual agreement of all partners.
- The bankruptcy or insolvency of the partnership.
- Any event making the continuation of the partnership business illegal.
- Any other event specified in this Agreement causing dissolution.

9.2 Notice of Dissolution:

Upon the occurrence of any dissolution event, the partners shall provide written notice to all known creditors, claimants, and other relevant entities.

9.3 Settlement of Accounts:

Upon dissolution, the partnership's assets will first be used to settle all outstanding debts and liabilities. Any remaining assets shall then be distributed among the partners in proportion to their capital accounts or as otherwise agreed upon.

9.4 Winding Up:

A designated partner or a third-party, mutually agreed upon by the partners, shall be responsible for winding up the partnership's affairs, including settling accounts, paying off debts, and distributing any remaining assets.

10. Confidentiality and Non-Compete:

10.1 Confidentiality:

All partners agree that any proprietary or confidential information related to the partnership's

operations, finances, clients, or business practices shall remain strictly confidential unless written consent is given for its disclosure.

10.2 Non-Compete:

During the tenure of this partnership and for a period of [e.g., "12 months"] after its dissolution or after a partner's withdrawal, no partner shall engage in, or be involved with, any business activity that competes directly with the partnership's business within a [e.g., "50-mile"] radius of its primary place of operation.

10.3 Exceptions:

The above non-compete clause shall not apply if:

- The partner had such a business prior to entering the partnership.
- All partners provide written consent to the partner's involvement in such a business.
- The partner purchases the rights to operate the partnership's business in its entirety.

11. Legal Compliance and Governing Law:

11.1 Compliance:

All partners agree to operate the partnership in full compliance with all applicable local, state, and federal laws and regulations.

11.2 Licenses and Permits:

The partnership shall obtain and maintain any licenses, permits, and authorizations required to lawfully conduct its business. Any partner aware of a compliance issue or potential violation must promptly notify the other partners.

11.3 Governing Law:

This Partnership Agreement and any disputes arising from it shall be governed by and construed in accordance with the laws of [State/Country, e.g., "the State of New York"].

11.4 Jurisdiction:

Any legal actions, suits, or proceedings related to this Agreement shall be brought in the courts located within [Specific Location, e.g., "the County of New York in the State of New York"], and the partners consent to the personal jurisdiction of these courts.

12. Signatures:

By signing below, each partner acknowledges and agrees to the terms and conditions set forth in this Partnership Agreement.

[NAME OF PARTNER 1]

[NAME OF PARTNER 2]

Signature: _____

Signature: _____

Date: _____

Date: _____

