

Partnership Agreement Sample

This Partnership Agreement (“Agreement”) is made and entered into on [Date] by and between the following partners:

Partner 1: [Full Legal Name]

- Address: [Partner 1’s Address]
- Contact Information: [Phone Number, Email Address]

Partner 2: [Full Legal Name]

- Address: [Partner 2’s Address]
- Contact Information: [Phone Number, Email Address]

Partner 3: [Full Legal Name] (if applicable)

- Address: [Partner 3’s Address]
- Contact Information: [Phone Number, Email Address]

(Additional Partners, if any)

1. Partnership Details

- **1.1 Name of the Partnership:**
 - The partnership shall operate under the name [Partnership Name], the “Partnership.”
- **1.2 Purpose of the Partnership:**
 - The purpose of the Partnership is to [Detailed description of the business activities, industry, or objectives of the partnership].
 - The Partnership will engage in [Specific services, products, or operations], aiming at [Overall business goals, such as growth, market penetration, profitability, etc.].
- **1.3 Principal Place of Business:**
 - The principal place of business for the Partnership shall be located at [Business Address], with additional locations as the partners may agree upon.
- **1.4 Duration of the Partnership:**
 - The Partnership shall commence on [Start Date] until terminated as provided in this Agreement.
 - The Partnership may be dissolved by mutual agreement of all partners or upon the occurrence of any event specified in this Agreement.

2. Capital Contributions

- 2.1 Initial Capital Contributions:

- Each partner agrees to contribute the following amounts as their initial capital investment in the Partnership:

- Partner 1: [Amount in Currency] in cash, property, or services (specify details).

- Partner 2: [Amount in Currency] in cash, property, or services (specify details).

- Partner 3 (if applicable): [Amount in Currency] in cash, property, or services (specify details).

- The value of any property or services contributed by a partner shall be agreed upon by all partners and documented in writing.

- 2.2 Additional Contributions:

- If additional capital contributions are required, the partners may agree upon the amount and terms of such contributions. Any further contributions shall be recorded as amendments to this Agreement.

- Partners are not obligated to make additional contributions unless otherwise agreed upon in writing.

- 2.3 Ownership Interest:

- Each partner's ownership interest shall be proportionate to their capital contributions unless otherwise agreed upon in writing. The initial ownership interests are as follows:

- Partner 1: [Percentage Ownership]

- Partner 2: [Percentage Ownership]

- Partner 3 (if applicable): [Percentage Ownership]

- Ownership interest may be adjusted if the partners agree upon additional contributions, withdrawals, or other changes.

- 2.4 Return of Capital Contributions:

- Partners may withdraw their capital contributions only upon the dissolution of the Partnership or as otherwise agreed upon by all partners. Withdrawals shall be subject to the availability of Partnership assets and the terms outlined in this Agreement.

3. Profit and Loss Distribution

- 3.1 Profit Distribution:

- The net profits of the Partnership, after accounting for expenses, taxes, and other obligations, shall be distributed among the partners in proportion to their ownership interests unless otherwise agreed upon.

- Distributions may be made on a [monthly/quarterly/annual] basis or as otherwise agreed upon by the partners.

- 3.2 Loss Allocation:

- Any losses incurred by the Partnership shall be shared among the partners in proportion to their ownership interests unless otherwise agreed upon.

- Partners shall not be personally liable for losses beyond their capital contributions unless agreed upon in writing.

- **3.3 Drawings:**

- Partners may draw against their share of profits, provided such drawings do not exceed the profits available for distribution. Drawings shall be recorded in the Partnership's financial records.

- Any excess drawings shall be considered a loan to the partner and shall be repaid with interest at a rate agreed upon by the partners.

- **3.4 Reinvestment of Profits:**

- The partners may agree to reinvest some of the profits into the Partnership for growth, expansion, or other purposes. The amount and purpose of reinvestment shall be decided by mutual agreement.

4. Decision-Making Process

- **4.1 Management Structure:**

- The Partnership shall be managed by [all partners/designated managing partner(s)], with each partner having an equal voice in decision-making unless otherwise specified in this Agreement.

- If a managing partner(s) is designated, their roles, responsibilities, and authority shall be outlined in this Agreement.

- **4.2 Voting Rights:**

- Unless otherwise agreed upon, each partner shall have voting rights proportionate to their ownership interest. Major decisions shall require a majority vote [or unanimous consent, depending on the nature of the decision].

- Major decisions include, but are not limited to, the following:

- Admission of new partners

- Significant capital expenditures

- Changes to the Partnership's business activities

- Amendments to this Agreement

- Dissolution of the Partnership

- **4.3 Dispute Resolution:**

- In a dispute between partners, the matter shall be resolved through mediation or arbitration before resorting to legal action. The costs of mediation or arbitration shall be shared equally among the partners.

- If mediation or arbitration fails to resolve the dispute, the matter may be brought before a court of competent jurisdiction in [Location], with the governing law being that of the State of [State].

- **4.4 Day-to-Day Operations:**

- The Partnership's day-to-day operations shall be managed by [designated managing partner(s) or all partners]. Routine business decisions may be made without a formal vote, provided they are within the scope of the managing partner(s)' authority.

- Decisions involving significant financial commitments, hiring or firing of key personnel, or entering into contracts exceeding [Amount] require the approval of all partners.

- **4.5 Meetings:**

- Regular meetings shall be held [monthly/quarterly/annually] to review the Partnership's performance, discuss plans, and make necessary decisions. Meetings may be held in person or virtually, as agreed upon by the partners.

- Meeting minutes shall be recorded and maintained as part of the Partnership's official records.

- **4.6 Authority of Partners:**

- No partner shall have the authority to bind the Partnership to any contract, agreement, or obligation without the prior consent of the other partners, except as explicitly provided in this Agreement.

- Any unauthorized actions taken by a partner shall be their sole responsibility, and they shall indemnify the Partnership and the other partners from any resulting liabilities or damages.

5. Miscellaneous Provisions

- **5.1 Withdrawal or Retirement of a Partner:**

- A partner may withdraw or retire from the Partnership by providing [Number of Days] written notice to the other partners. The withdrawing partner's interest shall be valued based on the Partnership's current valuation, and the buyout terms shall be negotiated in good faith.

- The remaining partners may choose to continue the Partnership or dissolve it following the withdrawal of a partner.

- **5.2 Admission of New Partners:**

- The admission of new partners shall require the unanimous consent of all existing partners. The terms of admission, including capital contributions and ownership interest, shall be negotiated and documented in an amendment to this Agreement.

- **5.3 Dissolution of the Partnership:**

- The Partnership may be dissolved by mutual agreement of all partners or upon the occurrence of an event specified in this Agreement. Upon dissolution, the Partnership's assets shall be liquidated, and the proceeds shall be distributed among the partners according to their ownership interests after settling all liabilities and obligations.

- 5.4 Governing Law:

- This Agreement shall be governed by and construed by the laws of the State of [State], without regard to its conflict of law principles.

- 5.5 Entire Agreement:

- This Agreement constitutes the entire understanding between the partners regarding the Partnership and supersedes all prior agreements or understandings, whether written or oral.

- 5.6 Amendments:

- Any amendments or modifications to this Agreement must be made in writing and signed by all partners.

- 5.7 Severability:

- If any provision of this Agreement is invalid or unenforceable, the remaining provisions shall remain in full force and effect.

6. Signatures

- Partner 1 Signature: _____ Date: _____

- Partner 2 Signature: _____ Date: _____

- Partner 3 Signature: _____ Date: _____

(Additional Partner Signatures, if applicable)