
Partnership Agreement

A comprehensive agreement establishing a general partnership, covering formation, contributions, profit-sharing, management, and dissolution. Based on the Common Paper standard agreement framework, licensed under CC BY 4.0.

PARTNERSHIP AGREEMENT

This Partnership Agreement (this "Agreement") is entered into as of [Effective Date] (the "Effective Date") by and between:

John Smith, with notice address at 123 Main Street, City, State 12345 ("Partner A");

and

Jane Doe, with notice address at 456 Oak Avenue, City, State 67890 ("Partner B").

Partner A and Partner B are collectively referred to as the "Partners" and individually as a "Partner."

1. Formation and Name

1.1 Formation. The Partners hereby form a general partnership (the "Partnership") under the name Smith & Doe Partners. The Partnership shall be governed by this Agreement and applicable law.

1.2 Principal Place of Business. The principal place of business of the Partnership shall be at such location as the Partners may designate from time to time by unanimous written consent.

1.3 Registered Agent. The Partners shall appoint a registered agent as required by applicable law and shall make all required filings with the appropriate governmental authorities.

2. Purpose

The purpose of the Partnership is to engage in the development, marketing, and sale of software applications, and any other lawful business activity as the Partners may mutually agree upon in writing. The Partnership shall have all powers necessary or convenient to carry out its purposes, including the power to enter into contracts, acquire property, borrow money, and take all actions reasonably related to its business.

3. Term

The Partnership shall commence on the Effective Date and shall continue until dissolved in accordance with the provisions of this Agreement or by operation of applicable law. The Partnership is intended to have a perpetual duration, subject to the dissolution provisions set forth in Section 11 of this Agreement.

4. Capital Contributions

4.1 Initial Contributions. Each Partner shall make the following initial capital contributions to the Partnership:

Partner A: \$50,000

Partner B: \$50,000

4.2 Additional Contributions. Additional capital contributions may be made only with the unanimous written consent of all Partners. No Partner shall be required to make additional capital contributions beyond their initial commitment unless unanimously agreed.

4.3 Interest. No interest shall be paid on any capital contribution. No Partner shall have the right to withdraw any part of their capital contribution without the unanimous written consent of all Partners.

4.4 Capital Accounts. The Partnership shall maintain a separate capital account for each Partner. Each Partner's capital account shall be credited with such Partner's capital contributions and share of profits, and debited with such Partner's share of losses and distributions.

5. Allocation of Profits and Losses

5.1 Allocation. The net profits and net losses of the Partnership shall be allocated among the Partners as follows: 50/50.

5.2 Distributions. Profits shall be distributed to the Partners at such times and in such amounts as determined by unanimous consent of the Partners, provided that the Partnership retains sufficient funds for its operations, obligations, and a reasonable reserve.

5.3 Fiscal Year. The fiscal year of the Partnership shall end on December 31. The Partnership shall maintain its books and records on either a cash or accrual basis as determined by the Partners.

5.4 Tax Returns. The Partnership shall prepare and file all required tax returns. Each Partner shall receive a Schedule K-1 (or equivalent) reflecting their share of the Partnership's income, deductions, and credits.

6. Management and Authority

6.1 Joint Management. The Partnership shall be managed jointly by the Partners. Each Partner shall have equal rights in the management and conduct of the Partnership's business, regardless of their capital contribution.

6.2 Ordinary Decisions. All decisions relating to the ordinary course of business may be made by any Partner acting alone, provided such decisions are consistent with the Partnership's purpose and prior agreements of the Partners.

6.3 Major Decisions. The following decisions shall require the unanimous written consent of all Partners: (a) borrowing money or incurring debt exceeding a mutually agreed threshold; (b) entering into contracts with a value exceeding a mutually agreed threshold; (c) acquiring or disposing of Partnership assets outside the ordinary course of business; (d) admitting new Partners; (e) amending this Agreement; (f) making capital calls; (g) entering into any lease, merger, or similar transaction; and (h) any action outside the ordinary course of business.

6.4 No Authority to Bind. No Partner shall have the authority to bind the Partnership to any obligation exceeding the thresholds described above without the unanimous written consent of all Partners.

7. Duties and Obligations

7.1 Devotion of Time. Each Partner shall devote such time and attention to the Partnership's business as is reasonably necessary for its success and as mutually agreed by the Partners.

7.2 Fiduciary Duties. Each Partner owes a fiduciary duty to the Partnership and the other Partners, including duties of loyalty, care, and good faith. Each Partner shall act in the best interests of the Partnership and shall not take any action that is adverse to the interests of the Partnership or the other Partners.

7.3 Non-Competition. No Partner shall engage in any business activity that directly competes with the Partnership without the prior written consent of all other Partners. This restriction shall apply during the term of the Partnership and for a period of one (1) year following a Partner's withdrawal or the dissolution of the Partnership.

7.4 Accounting. Each Partner shall render true and full accounts of all matters affecting the Partnership to the other Partners.

8. Books and Records

8.1 Maintenance. The Partnership shall maintain complete and accurate books of account and records of all Partnership transactions at its principal place of business. The books shall be maintained on a cash or accrual basis as determined by the Partners.

8.2 Inspection. Each Partner shall have the right to inspect and copy the Partnership's books and records at any reasonable time upon reasonable notice.

8.3 Financial Statements. The Partnership shall prepare financial statements at least annually, and more frequently if requested by any Partner. The Partners may engage an independent accountant to audit or review the Partnership's financial statements.

9. Transfer of Partnership Interest

9.1 Restrictions. No Partner may sell, assign, transfer, pledge, or otherwise dispose of their partnership interest (or any portion thereof) without the prior written consent of all other Partners. Any purported transfer in violation of this provision shall be void and of no effect.

9.2 Right of First Refusal. If a Partner receives a bona fide offer from a third party to purchase their partnership interest, the other Partners shall have the right of first refusal to purchase such interest on the same terms and conditions. The selling Partner shall provide written notice to the other Partners of the offer, and the other Partners shall have thirty (30) days to exercise their right of first refusal.

10. Withdrawal

10.1 Voluntary Withdrawal. A Partner may withdraw from the Partnership upon sixty (60) days' prior written notice to the other Partners.

10.2 Buyout. Upon withdrawal, the remaining Partners shall have the option to purchase the withdrawing Partner's interest at fair market value, as determined by an independent appraiser mutually agreed upon by the Partners, or by such other method as the Partners may agree.

10.3 Payment. The purchase price for a withdrawing Partner's interest shall be paid within ninety (90) days of the determination of fair market value, or in installments as the Partners may agree.

11. Dissolution and Winding Up

11.1 Events of Dissolution. The Partnership shall be dissolved upon: (a) the unanimous agreement of all Partners; (b) the withdrawal, death, permanent disability, or bankruptcy of any Partner, unless the remaining Partners elect to continue the business within ninety (90) days; (c) any event that makes it unlawful to continue the Partnership's business; or (d) a judicial decree of dissolution.

11.2 Winding Up. Upon dissolution, the Partnership's affairs shall be wound up and its assets liquidated. The proceeds shall be applied in the following order of priority: (1) payment of debts and liabilities to third-party creditors; (2) establishment of reserves for contingent or unforeseen liabilities; (3) repayment of outstanding loans from Partners; (4) return of capital contributions to Partners; and (5) distribution of remaining assets to

Partners in accordance with their profit-sharing ratios.

12. Dispute Resolution

12.1 Mediation. Any dispute, controversy, or claim arising under or in connection with this Agreement shall first be submitted to good faith mediation. The mediator shall be mutually agreed upon by the Partners.

12.2 Arbitration. If mediation is unsuccessful within thirty (30) days, the dispute shall be resolved by binding arbitration in accordance with the rules of a recognized arbitration body. The arbitration shall take place in the jurisdiction specified below. Judgment on the award may be entered in any court of competent jurisdiction.

12.3 Attorneys' Fees. In any dispute arising under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

13. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws provisions. Any legal suit, action, or proceeding relating to this Agreement must be instituted in the federal or state courts located in New Castle County, Delaware. Each Partner irrevocably submits to the exclusive jurisdiction of such courts.

14. General Provisions

14.1 Entire Agreement. This Agreement constitutes the entire agreement between the Partners regarding the Partnership and supersedes all prior and contemporaneous understandings, agreements, and representations.

14.2 Amendments. This Agreement may only be amended by a written instrument signed by all Partners.

14.3 Severability. If any provision is held unenforceable, it will be limited to the minimum extent necessary so the rest of this Agreement remains in effect.

14.4 Notices. All notices must be in writing and sent to the notice addresses set forth above. Notices are deemed delivered upon confirmed receipt.

14.5 Waiver. The failure of any Partner to enforce any provision of this Agreement shall not constitute a waiver of that provision or any other provision.

14.6 Counterparts. This Agreement may be executed in counterparts, including electronic copies, each of which is deemed an original and which together form the same agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

Partner A

Signature: _____

Printed Name: _____

Date: _____

Title: _____

Partner B

Signature: _____

Printed Name: _____

Date: _____

Title: _____