

Business Partnership Agreement

Generated from inkvex.app - Start with this draft, then review the final contract in Inkvex.

Business Partnership Agreement

This Partnership Agreement ("Agreement") is entered into as of [DATE], by and between the following individuals (collectively, the "Partners"):

Partner
Address
Initial Contribution
Ownership %

[PARTNER 1 FULL NAME]
[ADDRESS]
\${AMOUNT} / [DESCRIPTION]
[XX]%

[PARTNER 2 FULL NAME]
[ADDRESS]
\${AMOUNT} / [DESCRIPTION]
[XX]%

[PARTNER 3 FULL NAME] (if applicable)
[ADDRESS]
\${AMOUNT} / [DESCRIPTION]
[XX]%

1. Partnership Name and Purpose

The Partners hereby form a general partnership under the name [PARTNERSHIP NAME] (the "Partnership") for the purpose of [DESCRIBE BUSINESS PURPOSE]. The Partnership's principal place of business shall be [ADDRESS].

2. Contributions

Each Partner shall contribute the initial capital or property described in the table above on or before [DATE]. No Partner shall be required to make additional contributions without the unanimous written consent of all Partners, except as provided in Section 2(b).

(a) Additional Contributions. If the Partnership requires additional capital, the Partners shall first attempt to fund it through business revenues. If insufficient, Partners may be asked to contribute proportionally to their ownership percentages. Any Partner who does not contribute shall have their ownership percentage diluted accordingly using the formula: [DESCRIBE DILUTION FORMULA OR "standard dilution based on total contributed capital"].

(b) Sweat Equity. [PARTNER NAME]'s contribution of services valued at \$[AMOUNT] shall vest over [NUMBER] months. If [PARTNER NAME] departs before full vesting, unvested equity shall be forfeited.

3. Profit and Loss Sharing

(a) Allocation. Net profits and losses shall be allocated among the Partners in proportion to their ownership percentages, unless otherwise agreed in writing.

(b) Distributions. The Partners shall receive distributions [MONTHLY/QUARTERLY/ANNUALLY] in the amount determined by the Managing Partner(s), provided that the Partnership maintains a minimum operating reserve of \$[AMOUNT].

(c) Guaranteed Payments. [PARTNER NAME] shall receive a guaranteed payment of \$[AMOUNT] per [MONTH/YEAR] for management services, which shall be treated as a business expense before profit allocation.

4. Management

(a) Managing Partner. [PARTNER NAME] shall serve as the Managing Partner responsible for day-to-day operations, including hiring, vendor relationships, and expenditures up to \$[AMOUNT] per transaction.

(b) Authority. Each Partner may bind the Partnership for ordinary business transactions not exceeding \$[AMOUNT]. No Partner may bind the Partnership for obligations exceeding \$[AMOUNT] without prior written consent of [MAJORITY/ALL] Partners.

5. Decision Making

(a) Ordinary Decisions. Day-to-day operational decisions may be made by the Managing Partner or any individual Partner within their area of responsibility.

(b) Major Decisions. The following require [UNANIMOUS/MAJORITY] consent of the Partners:

- Expenditures or commitments exceeding \$[AMOUNT]
- Taking on debt or guaranteeing obligations
- Hiring or terminating key employees
- Entering new lines of business
- Selling or encumbering Partnership assets
- Admitting new Partners
- Amending this Agreement

(c) Deadlock. In the event of a deadlock on any Major Decision, the Partners shall submit the matter to mediation under Section 9 before taking any action.

6. Admission of New Partners

No new Partner may be admitted without the [UNANIMOUS] written consent of all existing Partners. Any new Partner must execute a written agreement accepting the terms of this Agreement and making a capital contribution as determined by the existing Partners.

7. Withdrawal of a Partner

(a) Voluntary Withdrawal. A Partner may withdraw upon [90/180] days' written notice to all other Partners.

(b) Buyout. Upon withdrawal, the remaining Partners shall purchase the withdrawing Partner's interest at a price determined by [CHOOSE ONE: (i) an independent appraiser mutually selected by the parties, (ii) the book value of the Partnership as of the last completed fiscal quarter, (iii) the formula: [DESCRIBE FORMULA]].

(c) Payment Terms. The buyout price shall be paid [IN A LUMP SUM WITHIN 90 DAYS / IN [NUMBER] EQUAL MONTHLY INSTALLMENTS OVER [NUMBER] MONTHS, with interest at [RATE]% per annum].

(d) Involuntary Withdrawal. A Partner shall be deemed to have withdrawn upon: bankruptcy, felony conviction, permanent disability lasting more than [NUMBER] months, or material breach of this Agreement not cured within [30] days of written notice.

8. Dissolution

(a) Triggering Events. The Partnership shall dissolve upon: (i) unanimous written consent of all Partners; (ii) the occurrence of any event making it unlawful to continue the business; (iii) a judicial decree of dissolution; or (iv) the withdrawal of a Partner if the remaining Partners do not elect to continue within [30] days.

(b) Winding Up. Upon dissolution, the Partners shall wind up the Partnership's affairs by: (i) completing existing contracts; (ii) collecting receivables; (iii) paying all debts and obligations; and (iv) distributing remaining assets to Partners in proportion to their capital accounts.

9. Dispute Resolution

(a) Mediation. Any dispute arising under this Agreement shall first be submitted to mediation administered by [MEDIATION SERVICE OR "a mutually agreed mediator"] in [CITY, STATE]. Each Partner shall bear their own costs of mediation, with the mediator's fees split equally.

(b) Arbitration. If mediation fails to resolve the dispute within [30] days, the matter shall be submitted to binding arbitration under the rules of [ARBITRATION BODY, e.g., the American Arbitration Association] in [CITY, STATE]. The arbitrator's decision shall be final and enforceable in any court of competent jurisdiction.

10. Non-Compete Between Partners

(a) During the term of this Partnership and for [12/24] months following a Partner's withdrawal or the dissolution of the Partnership, no Partner shall directly or indirectly engage in, own more than 5% of, or provide services to any business that competes with the Partnership within [GEOGRAPHIC AREA].

(b) This restriction shall not apply to a Partner who is involuntarily removed from the Partnership without cause.

11. Confidentiality

Each Partner agrees to maintain the confidentiality of the Partnership's proprietary information, trade secrets, client lists, financial records, and business strategies during the term of the Partnership and for [24] months thereafter.

12. Governing Law

This Agreement shall be governed by the laws of the State of [STATE].

13. Entire Agreement

This Agreement constitutes the entire understanding among the Partners and supersedes all prior agreements, whether written or oral. Amendments require the written consent of all Partners.

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

Partner 1: _____

Name: [PARTNER 1 FULL NAME]

Date: [DATE]

Partner 2: _____

Name: [PARTNER 2 FULL NAME]

Date: [DATE]

Partner 3 (if applicable): _____

Name: [PARTNER 3 FULL NAME]

Date: [DATE]