

## GENERAL PARTNERSHIP AGREEMENT

[NAME1], [ADDRESS], and [NAME2], [ADDRESS], (the “Partners”) agree as follows:

### Type of Business

1. Since (YEAR), the parties have voluntarily associated themselves together as general partners for the purpose of conducting the general business and any other businesses that may from time to time be agreed on by the Partners.

2. The assets of the Partnership include, but are not limited to, \_\_\_\_\_ . A list of the titled assets to be transferred to the Partnership are further listed on the attached Schedule “A”.

### Name of Partnership

3. The name of the Partnership is [NAME].

### Term of Partnership

4. This Partnership commenced in (YEAR) shall continue until dissolved by mutual agreement of the parties or terminated as provided in this Agreement.

### Place of Business

5. The principal place of business of the Partnership shall be [ADDRESS], and any other place or places that may be mutually agreed on by the parties to this Agreement.

### Initial Capital

6. The initial capital of this Partnership was established in (YEAR) and since then the capital accounts of the Partners are reflected on the tax returns and balance sheets of the Partnership.

### Withdrawal of Capital

7. No Partner shall withdraw any portion of the capital of the Partnership without the express written consent of the other Partners.

### Profits and Losses

8. Any net profits or losses that may accrue to the Partnership shall be distributed to or borne by the Partners in equal proportions after the payment of salaries.

### Partnership Books

9. At all times during the continuation of the Partnership, the Partners shall keep accurate books of account in which all matters relating to the Partnership, including all of its

income, expenditures, assets, and liabilities, shall be entered. These books shall be kept on cash basis and shall be open to examination by either Partner at any time.

### **Fiscal Year**

10. The fiscal year of the Partnership shall end on the \_\_\_\_ day of \_\_\_\_\_ each year.

### **Accountings**

11. A complete accounting of the Partnership affairs as of the close of business on the December 31<sup>st</sup> of each calendar year shall be rendered to each Partner within 90 days after the close of each calendar year. On each accounting, the net profits of the Partnership shall be distributed to the Partners as provided in this Agreement to the extent that cash is available for this distribution. Except as to manifest errors discovered within 30 days after its rendition, each accounting shall be final and conclusive as to each Partner.

### **Time Devoted to Partnership**

12. Each Partner shall devote his or her time and attention and use the utmost of his skills and ability in furtherance of the Partnership business. However, neither Partner is prohibited from engaging in other business activities.

### **Management and Authority**

13. Each Partner shall have an equal voice in the management of the Partnership and shall have authority to bind the Partnership in making contracts and incurring obligations in the name and on the credit of the Partnership. However, no Partner shall incur any obligations in the name or on the credit of the Partnership exceeding \$ \_\_\_\_\_ without the express written consent of the other Partner. Any obligation incurred in violation of this provision shall be charged to and collected from the individual Partner incurring the obligation.

### **Salaries**

14. As compensation for his services in and to the Partnership, the Partner shall receive the following weekly salaries:

[NAME]                      \$ \_\_\_\_\_

[NAME]                      \$ \_\_\_\_\_

These salaries shall be deducted by the Partnership as an ordinary and necessary business expense before determination of net profits. The salary of any Partner may, however, be increased or reduced at any time by mutual agreement of all the Partners.

### **Net Profits Defined**

15. The term “net profits” as used in this Agreement shall mean the net profits of the Partnership as determined by generally accepted accounting principles for each accounting period provided for in this Agreement.

### **Withdrawal of Partner**

16. Any Partner may withdraw from the Partnership at any time by giving the other Partner 180 days’ written notice of his intention to do so.

### **Option to Purchase Terminated Interest**

17. On dissolution of the Partnership by the withdrawal or other act of a Partner other than death, the remaining Partner, on written notice to the other Partner within 60 days of the dissolution, may continue the Partnership business by purchasing the interest of the other Partner in the assets and goodwill of the Partnership. The remaining Partner shall have the option to purchase the interest of the withdrawing Partner by paying to the withdrawing Partner the value of the interest determined as provided in Paragraph 18 of this Agreement.

### **Purchase Price of Partnership Interest**

18. On exercise of the option described in Paragraph 17, above, the remaining Partner shall pay to the withdrawing Partner the net book value of the interest as shown on the last regular accounting of the Partnership preceding the dissolution together with the full unwithdrawn portion of the withdrawing Partner’s distributive share of any net profits earned by the Partnership between the date of the accounting and the date of dissolution of the Partnership.

### **Buy-Sell on Death of Partner**

19. If the Partnership is dissolved by the death of a Partner, the remaining Partner shall have the obligation within 90 days from the date of death of the deceased Partner to purchase the interest of the deceased Partner in the Partnership and to pay to the personal representative of the deceased Partner the Agreed Value. The “Agreed Value” for the purposes of this Paragraph 18 shall be \$100,000, unless another value is agreed to by the Partners in writing. During this 90 day period following the death of a Partner, the remaining Partner may continue the business of the Partnership but the estate or personal representative of the deceased Partner shall not be liable for any obligations incurred in the Partnership business that are greater than any amount includible in the estate of the deceased Partner that was previously invested or involved in the Partnership and remained so on the date of death. The estate of the deceased Partner shall be obligated to sell his Partnership interest as provided in this Agreement and shall be entitled, at the election of the personal representative of the deceased Partner, either to one half of the net profits earned by the Partnership business during this 90 day period or to interest for the use during this period of the deceased’s interest in the partnership business at the rate of 3.25% percent a year on the Agreed Value of the partnership interest.

### **Duties of Purchasing Partner**

20. On any purchase and sale pursuant to the provisions of Paragraphs 17, 18, or 19 of this Agreement, the remaining Partner shall assume all obligations of the Partnership and shall hold the withdrawing Partner, the personal representative and estate of a deceased Partner, and the property of any withdrawing or deceased Partner free and harmless from all liability for these obligations. Furthermore, the remaining Partner, at his own expense, shall immediately cause to be prepared, filed, served, and published all notices that may be required by law to protect the withdrawing Partner or the personal representative or estate of a deceased Partner from liability for the future obligations of the Partnership business.

### **Dissolution**

21. On dissolution of the Partnership other than as provided in Paragraphs 17, 18, and 19 of this Agreement, the affairs of the Partnership shall be wound up, the assets of the Partnership liquidated, the debts paid, and the surplus divided equally among the Partners.

### **Notices**

22. All notices between the parties provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to a Partner or, instead of personal service, when deposited in the United States mail, as certified, with postage prepaid, and addressed to the Partner at the address of the principal place of business of the Partnership or to another place that may from time to time be specified in a notice given pursuant to this Paragraph as the address for service of notice on the Partner.

### **Consents and Agreements**

23. All consents and agreements provided for or permitted by this Agreement shall be in writing and a signed copy of them shall be filed and kept with the books of the Partnership.

### **Sole Agreement**

24. This instrument contains the sole agreement of the parties relating to their Partnership and correctly sets forth the rights, duties, and obligations of each to the other in connection with it as of its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect.

[Signature Page to Follow]

[Signature Page to General Partnership Agreement]

Executed on \_\_\_\_\_, 2015 at \_\_\_\_\_ County, Ohio.

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**[NAME1]**

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**[NAME2]**