

## **ORDINARY PARTNERSHIP AGREEMENT**

This ORDINARY PARTNERSHIP AGREEMENT is made on .....between ....and .....

### **I. Name and Business**

The parties hereby form a partnership under the name of ..... to conduct a ..... The principal office of the business shall be in.

### **II. Term**

The partnership shall begin on, and shall continue until terminated as herein provided.

### **III. Capital**

The partners shall contribute the capital of the partnership in cash as follows: A separate capital account shall be maintained for each partner. Neither partner shall withdraw any part of his capital account. Upon the demand of either partner, the capital accounts of the partners shall be maintained at all times in the proportions in which the partners share in the profits and losses of the partnership.

### **IV. Profit and Loss**

The net profits of the partnership shall be divided equally between the partners and the net losses shall be borne **equally** by them. A separate income account shall be maintained for each partner. Partnership profits and losses shall be charged or credited to the separate income account of each partner. If a partner has no credit balance in his income account, losses shall be charged to his capital account.

### **V. Salaries and Drawings**

Neither partner shall receive any salary for services rendered to the partnership. Each partner may, from time to time, withdraw the credit balance in his income account.

### **VI. Interest**

No interest shall be paid on the initial contributions to the capital of the partnership or on any subsequent contributions of capital.

### **VII. Management Duties And Restrictions**

The partners shall have equal rights in the management of the partnership business, and each partner shall devote his entire time to the conduct of the business. Without the consent

of the other partner neither partner shall on behalf of the partnership borrow or lend money, or make, deliver, or accept any commercial paper, or execute any mortgage, security agreement, bond, or lease, or purchase or contract to purchase, or sell or contract to sell any property for or of the partnership other than the type of property bought and sold in the regular course of its business.

**VIII. Banking**

All funds of the partnership shall be deposited in its name in such checking account or the partners shall designate accounts. All withdrawals there from are to be made upon checks signed by either partner.

**IX. Books**

The partnership books shall be maintained at the principal office of the partnership, and each partner shall at all times have access thereto. The books shall be kept on a fiscal year basis, commencing.. and ending ....., and shall be closed and balanced at the end of each fiscal year. An audit shall be made as of the closing date.

**X. Termination**

The partnership may be dissolved at any time by agreement of the partners, in which event the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The partnership name shall be sold with the other assets of the business.

The assets of the partnership business shall be used and distributed in the following order:

- a. To pay or provide for the payment of all partnership liabilities and liquidating expenses and obligations,
- b. To equalize the income accounts of the partners,
- c. To discharge the balance of the income accounts of the partners,
- d. To equalize the capital accounts of the partners,
- e. To discharge the balance of the capital accounts of the partners.

**XI. Authorization**

..... courts and execution offices are empowered in all the conflicts arising out of or relating to this agreement.

This Agreement consisting of 11 articles has been executed in one copy on .. /.. /.... for a period of ..... months.

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