General Partnership Agreement

1. Parties and effective date

1.1 Date and parties. This General Partnership Agreement (the "**Agreement**") is made on **[Agreement date: _____]** and takes effect on **[Effective date: _____]** (the "**Effective Date**"). It is between **[Partner 1 full legal name: _____]**, [Partner 1 legal type: _____], of [Partner 1 address: _____], and **[Partner 2 full legal name: _____]**, [Partner 2 legal type: _____], of [Partner 2 address: _____], together with each additional partner named in Schedule A (each a "**Partner**" and together the "**Partners**").

1.2 Later Partners. A person admitted under Section 26 becomes a Partner when that person signs a joinder to this Agreement. A person who ceases to be a Partner stays bound by the terms that survive under Section 32.

1.3 Capacity and authority. Each Partner states that it has the legal capacity to enter into this Agreement, that the person signing for it has authority to do so, and that its signature does not breach any court order, employment agreement, noncompete or other contract that binds it. A Partner that is an entity states that it is validly formed and in good standing.

2. Recitals

2.1 The Partners wish to carry on the business described in Section 5 together, as co-owners, for profit.

2.2 They wish to state in writing what each Partner contributes, how the business is managed, how profits and losses are shared, and what happens when a Partner leaves or the business ends.

2.3 In return for their mutual promises, the Partners agree to the terms of this Agreement. These recitals explain the Agreement and help in reading it.

3. Definitions

3.1 Defined terms. In this Agreement:

(a) "**Act**" means the general partnership statute of the Governing State, as amended.

(b) "**Business**" means the business described in Section 5.

(c) "**Business Day**" means a day other than a Saturday, a Sunday or a legal holiday in the state of the principal office.

(d) "**Capital Account**" means the account kept for each Partner under Section 11. "**Capital Contribution**" means the cash and the agreed value of property a Partner contributes, net of liabilities the Partnership takes on with the property.

(e) "**Code**" means the Internal Revenue Code of 1986, and "**Regulations**" means the Treasury regulations under it, each as amended.

(f) "**Confidential Information**" has the meaning given in Section 33.

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(g) "**Departing Partner**" means a Partner who withdraws, is expelled, dies or otherwise ceases to be a Partner, and includes that Partner's estate, guardian or trustee where the context requires.

(h) "**Governing State**" means [Governing state: _____].

(i) "**Interest**" means all of a Partner's rights in the Partnership, including the Transferable Interest and the rights to vote, manage and receive information. "**Transferable Interest**" means a Partner's share of profits and losses and right to receive distributions.

(j) "**Major Decision**" means a matter listed in Schedule B.

(k) "**Majority Vote**" means the approval of Partners holding more than 50 percent of the votes entitled to be cast. "**Unanimous Vote**" means the approval of every Partner entitled to vote.

(l) "**Partnership**" means the general partnership governed by this Agreement.

(m) "**Percentage Interest**" means the percentage stated for a Partner in Schedule A, as adjusted under this Agreement. The total is always 100 percent.

(n) "**Remaining Partners**" means the Partners other than the Departing Partner. If only one other Partner exists, the term means that Partner.

3.2 Interpretation. Headings are for convenience. "Including" means "including without limitation". "Written" includes email unless this Agreement says otherwise. Each Schedule is part of this Agreement. If a Schedule conflicts with the body of this Agreement, the body controls, except where it says that a Schedule sets the term.

3.3 Written agreement controls. The Partners intend this document, rather than an oral statement or a course of dealing, to be their partnership agreement. Changes are made only under Section 40.

4. Formation, name and trade name

4.1 Formation. The Partners form, or if they already carry on the Business confirm, a general partnership. The relationship begins on the Effective Date, or on any earlier date on which they began to carry on the Business as co-owners. This Agreement governs any earlier period to the extent the Partners' rights for that period are not already settled in writing.

4.2 Name. The name of the Partnership is **[Partnership name: _____]**. The Partnership may use the trade name **[Trade name: _____]** or another name the Partners approve by Majority Vote.

4.3 Trade name registration. Before doing business under a trade name, the Partnership will make each registration that state or local law requires, including any registration showing the true names of the Partners. It will update a registration when the Partners, name or address change.

4.4 Rights in the name. The name, trade name, logo and domain names belong to the Partnership. A Departing Partner will not use them, or a confusingly similar name, after departure, except as Section 32 permits. If the name contains a Departing Partner's personal name, the Partnership may use it for [Days to use a departing partner's name: _____] days while it adopts another name, unless that Partner or the estate agrees to a longer use.

4.5 General partnership only. The Partners do not intend to form a corporation, limited liability

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company, limited partnership or limited liability partnership by signing this Agreement. No Partner has limited liability because of this Agreement. Conversion or registration to another form is a Major Decision and takes effect only when the required steps and filings are complete.

5. Purpose and principal office

5.1 Business. The purpose of the Partnership is **[Business purpose: _____]**, and any lawful activity necessary or incidental to that purpose. A different line of business is a Major Decision.

5.2 Principal office. The principal office and chief executive office is **[Principal office: _____]**. The Partners may move it or open other offices by Majority Vote. The Partnership will give notice of a move to each Partner and to each agency that requires it.

5.3 Compliance. Each Partner will carry on the Business in compliance with law. No Partner is required to take part in an act that the Partner reasonably believes is unlawful.

6. Term

6.1 Term. The Partnership begins under Section 4 and continues **[Length of the partnership: _____]**, unless it ends earlier under Section 35.

6.2 Extension. If a fixed term or undertaking is stated, the Partners may extend it by Unanimous Vote in writing before it ends.

6.3 Continuing after a fixed term. If the Partners continue the Business after a fixed term or undertaking ends without a written extension, their rights and duties remain the same so far as consistent with a partnership at will. Sections 28 to 32 still apply, so a Partner's later notice of withdrawal starts a buyout under those Sections and does not by itself end the Business.

7. Filings, licenses and EIN

7.1 Filings and licenses. The Partner named as administrator in Schedule B will arrange the registrations, tax accounts, permits and business licenses the Partnership needs, and will keep them current at the Partnership's expense. Each Partner will sign the documents reasonably required.

7.2 Employer identification number. The Partnership will obtain its own employer identification number from the Internal Revenue Service and will use it on returns, bank accounts and payroll filings.

7.3 Statement of authority. The Partners may, by Majority Vote, file any statement of partnership authority the Act allows, consistent with Section 17. The administrator will record when the statement expires and will renew, amend or cancel it when the facts change.

7.4 Reports. The administrator will monitor the reports and fees that apply to the Partnership and will give each Partner a copy of any notice from an agency within [Business Days to share an agency notice: _____] Business Days after receiving it.

8. Capital contributions

8.1 Initial contributions. Each Partner will contribute the cash, property and services stated beside that Partner's name in Schedule A by **[Contribution deadline: _____]**.

8.2 Cash. Cash contributions are paid in US dollars into the Partnership's bank account.

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8.3 Property. Property is contributed at the fair market value agreed in Schedule A. The contributing Partner will deliver possession and sign each bill of sale, assignment, deed or title document needed to transfer ownership. That Partner states that it owns the property, that it has the right to transfer it, and that the property is free of liens except those stated in Schedule A.

8.4 Property only lent. Property that a Partner lets the Partnership use without transferring ownership is listed as lent property in Schedule A. The Partnership will use it with reasonable care, keep it insured under Section 25 and return it when the Partner departs or the Partnership ends, fair wear and tear excepted. Property not listed as contributed or lent is governed by Section 20 and the Act.

8.5 Services. Services stated in Schedule A are a Partner's promise to work for the Partnership. Services do not create a credit to the Capital Account unless Schedule A states an amount and the Partners have agreed in writing how it will be reported for tax. A Partner who receives an Interest for services should obtain tax advice before signing.

8.6 No interest or early return. No Capital Contribution earns interest. No Partner may withdraw or demand the return of a Capital Contribution except as this Agreement states. No Partner guarantees the return of another Partner's capital, but this does not limit Sections 24 or 36.

9. Additional capital and failure to contribute

9.1 When required. Additional Capital Contributions are required only if the Partners approve them as a Major Decision. The call must state the total, each Partner's share in proportion to Percentage Interests, the reason and a due date at least [Notice for a capital call (days): _____] days after notice.

9.2 Failure to contribute. If a Partner does not pay its share by the due date, the Partnership will give a written notice of default. If the Partner does not pay within [Cure period for a capital call (days): _____] days after that notice (a "**Defaulting Partner**"), the other Partners may choose one of these remedies for the unpaid amount (the "**Shortfall**"):

(a) lend the Shortfall to the Defaulting Partner by paying it to the Partnership on that Partner's behalf, with interest under Section 10.3 until repaid, repayment to come first from distributions otherwise due to the Defaulting Partner;

(b) contribute the Shortfall and adjust Percentage Interests under Section 9.3; or

(c) cancel the call and return the contributions made under it.

9.3 Adjustment. Each Partner who contributes part of the Shortfall gains Percentage Interest equal to that part divided by the Fair Value of the Partnership (Schedule C) immediately after all contributions under the call, expressed as a percentage. The Defaulting Partner's Percentage Interest falls by the same total, but not below zero. The adjustment applies to later periods only, and Schedule A is updated.

9.4 Fair use of the remedies. A remedy under this Section must be exercised in good faith. The Partners agree that the adjustment is a reasonable measure of the effect of the missed contribution and not a penalty. It does not remove rights already accrued.

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10. Partner loans and advances

10.1 Approval. A Partner may lend money to the Partnership only with approval under Section 16. A loan is recorded in a written note and is not a Capital Contribution.

10.2 Necessary advances. A Partner who, in the ordinary course of the Business or to preserve its property, pays a Partnership expense beyond the contribution that Partner agreed to make is entitled to repayment. The Partner must report the payment with receipts within [Deadline to report expenses (days): _____] days. The advance is a loan from the date of payment.

10.3 Interest and repayment. Unless the note says otherwise, a loan or advance under this Agreement bears interest at [Partner loan interest (percent per year): _____] percent per year from the date of payment, or the highest rate the law allows if that is lower. Partner loans are repaid before distributions other than tax distributions, subject to the rights of other creditors.

10.4 Guarantees. No Partner must guarantee a Partnership debt unless that Partner agrees in writing. If a Partner pays on a guarantee the Partners approved, Section 24 applies to the amount paid.

11. Capital accounts

11.1 Separate account. The Partnership keeps a separate Capital Account for each Partner. The account is increased by that Partner's Capital Contributions and share of profits and other income or gain, and reduced by the cash and the fair market value of property distributed to that Partner (net of liabilities the Partner takes on) and by that Partner's share of losses and other deductions.

11.2 Regulations. Capital Accounts are kept as 26 C.F.R. § 1.704-1(b) requires and are interpreted to comply with it. The Partnership may revalue property and adjust the accounts when the Regulations allow, including when a Partner joins or leaves.

11.3 Loans and transfers. A Partner loan does not change a Capital Account. A person who receives a Transferable Interest in a transfer allowed by this Agreement receives the Capital Account that relates to it.

11.4 Deficit restoration. If a Partner's Capital Account is negative when that Partner's Interest is liquidated, after all adjustments for the year, the Partner will pay the deficit to the Partnership by the end of that tax year or, if later, within 90 days after the liquidation. The amount is used to pay creditors or is distributed to Partners with positive balances.

12. Profit and loss allocations

12.1 Profits and losses. After the special allocations in this Section, the profits and losses of each fiscal year are shared in proportion to Percentage Interests, unless Schedule A states a different share. Different capital or work does not change the shares.

12.2 Calculation. Profits and losses are calculated from the Partnership's taxable income or loss, adjusted as the Regulations require for Capital Accounts, including tax-exempt income, expenses that cannot be deducted and property carried at a value different from its tax basis. Guaranteed payments are deducted first.

12.3 Required allocations. The Agreement includes by reference the minimum gain chargeback, partner minimum gain chargeback and qualified income offset provisions of 26 C.F.R. §§ 1.704-1(b) and

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1.704-2, to the extent needed for the allocations to be respected. Nonrecourse deductions, if any, are shared in proportion to Percentage Interests or as the Regulations require.

12.4 Contributed property. Income, gain, loss and deduction from contributed property are shared for tax under section 704(c) of the Code, so as to take account of the difference between tax basis and fair market value when contributed. The method is **[Method for contributed property: _____]** . The same principle applies after a revaluation.

12.5 Changes during a year. If Percentage Interests change during a year, allocations follow a method that section 706 of the Code allows and that the Partners choose by Majority Vote. If none is chosen, the Partnership uses an interim closing of its books.

12.6 Intent. Allocations are intended to have substantial economic effect or to follow each Partner's interest in the Partnership. If an allocation required by this Section distorts the Partners' agreed shares, later items are allocated, so far as allowed, to restore the agreed result.

13. Distributions and tax distributions

13.1 Available cash. "**Available Cash**" means the Partnership's cash after paying or reserving for expenses, debts due, taxes, guaranteed payments, approved capital spending and working capital of [Working capital reserve: _____].

13.2 Tax distributions. If Available Cash permits, the Partnership will distribute to each Partner, before each federal estimated tax date, an amount equal to that Partner's estimated share of taxable income for the period multiplied by [Tax distribution rate (percent): _____] percent, less other distributions for the same period. The rate is the same for all Partners. A tax distribution is an advance against later distributions to that Partner.

13.3 Regular distributions. Other Available Cash is distributed [Regular distribution dates: _____], in proportion to Percentage Interests, unless the Partners decide by Majority Vote to keep a stated amount for the Business. Cash may not be kept in bad faith to pressure a Partner.

13.4 Limits. No distribution may be made if the law forbids it, or if after it the Partnership could not pay its debts as they fall due. A Partner who knows that it received more than it was due will return the excess within 10 Business Days after notice.

13.5 Property. A Partner has no right to receive, and is not required to accept, property in place of cash, unless that Partner agrees in writing.

13.6 Withholding. Tax that the Partnership must withhold or pay for a Partner is treated as distributed to that Partner. The Partner will repay any amount that exceeds distributions due.

14. Compensation, guaranteed payments and expenses

14.1 No salary unless stated. No Partner is paid for services except for the guaranteed payments in Section 14.2 and reasonable compensation for approved work in winding up.

14.2 Guaranteed payments. The Partnership will make these payments for services, without regard to its income: **[Guaranteed payments: _____]**. They accrue [Guaranteed payment timing: _____]. An unpaid amount carries forward without interest and is paid before regular distributions. A change is a Major Decision.

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14.3 Tax status. A Partner performing services is self-employed and not an employee. The Partnership will not treat guaranteed payments as wages. Each Partner pays its own income and self-employment tax and its own estimated tax.

14.4 Expenses. The Partnership reimburses reasonable, documented business expenses that are within the approved budget or are approved under Schedule B. A request with receipts is due within [Deadline to report expenses (days): _____] days. Personal expenses may not be charged to the Partnership, and a personal charge made by mistake is repaid within 10 Business Days.

14.5 Leave and benefits. Each Partner may take [Partner leave each year: _____] of leave each year without loss of guaranteed payments, and will plan it with the other Partners. Benefits are provided only as approved and as tax and benefit law allows.

15. Management and voting

15.1 Equal right to take part. Each Partner has the right to take part in management, whatever its Percentage Interest, subject to this Agreement.

15.2 Votes. Votes are cast **[How votes are counted: _____]**. An ordinary-course matter is decided by Majority Vote. A matter outside the ordinary course is a Major Decision even if Schedule B does not list it.

15.3 Roles. Each Partner has the responsibilities stated in Schedule B. A Partner with responsibility for an area may make its day-to-day decisions within the budget and spending limits, and will report to the others when asked.

15.4 Conflict in a vote. A Partner with a personal interest in a transaction will disclose the material facts before any vote. The other Partners decide that transaction under Section 19.5. This does not stop a Partner from voting on an amendment that changes its own rights, or on any matter for which the law requires its consent.

15.5 Proxies and delegation. A Partner may give another Partner a written proxy for a stated meeting or period. The Partners may hire managers, but they keep final authority and may end the delegation at any time, subject to contract.

15.6 Annual budget. Before each fiscal year, the administrator will circulate a budget. Until the Partners approve it, the last approved budget applies, adjusted only for required increases in rent, taxes, insurance, utilities and existing contracts.

16. Major decisions

16.1 Approval level. A Major Decision needs **[Vote for a Major Decision: _____]**. The approval must be in writing or in signed minutes before the act.

16.2 Unanimous matters. The following always need a Unanimous Vote: an amendment of this Agreement, except where Section 40 allows another method; admission of a Partner; a change of the Business; conversion or merger; an act that would make it impossible to carry on the Business; and a decision to make a Partner contribute capital it has not agreed to contribute.

16.3 Splitting. A transaction may not be divided into parts to avoid a spending limit. Related commitments with the same party within 90 days count together.

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16.4 Emergency. If delay would cause serious harm to people, property or the Business and the other Partners cannot be reached, a Partner may take the least costly reasonable step needed and will notify the others within 24 hours.

16.5 Unapproved act. A Partner who takes a Major Decision without approval is responsible to the Partnership for the resulting loss, less any benefit the Partnership keeps. The others may ratify the act after full disclosure, by the same vote that was first needed.

17. Authority to bind and limits

17.1 Ordinary course. Among the Partners, each Partner may bind the Partnership in the ordinary course of the Business, within the limits of Schedule B.

17.2 Limits. Without approval under Section 16, no Partner may borrow, give a guarantee, pledge or sell Partnership property outside the ordinary course, settle a claim above the Schedule B limit, confess a judgment, sign a lease for more than one year or do another act that is a Major Decision.

17.3 Third parties. A limit in this Agreement may not bind a third party who did not know, and had not been notified, of it. The Partners will notify banks, landlords and major suppliers of important limits in writing, and may file a statement of partnership authority if the Act allows.

17.4 Signatures. A contract is signed in the Partnership's name by a Partner identified as a partner. Contracts above [Two-signature limit: _____] need two Partners' signatures. A Partner must not hold out a non-partner as a Partner.

18. Meetings and deadlock

18.1 Meetings. The Partners will meet at least [Meeting frequency: _____]. A Partner may call a meeting by [Meeting notice (days): _____] days' notice stating the time, place or video link, and topics. Attendance waives a defect in notice unless the Partner objects at the start.

18.2 Quorum and written action. A quorum is Partners holding at least [Quorum (percent of votes): _____] percent of the votes. If there is no quorum, the meeting may be recalled on 5 Business Days' notice, and those attending are then a quorum for ordinary-course matters only. A decision may be made without a meeting if Partners with the required votes approve it in writing and every Partner received the proposal first.

18.3 Minutes. The administrator keeps minutes of decisions and circulates them within 10 Business Days. A Partner who does not agree with the record must object promptly after receipt.

18.4 Deadlock. A "**Deadlock**" exists if the Partners twice fail, at meetings at least [Days between deadlock meetings: _____] days apart, to reach the vote required on a matter that materially affects the Business. On notice of a Deadlock, the Partners will meet in person or by video within 10 Business Days, and will then mediate under Section 37.2.

18.5 After mediation. If mediation does not resolve an ordinary-course Deadlock, the matter goes to **[Neutral adviser for ordinary matters: _____]** as neutral adviser, whose written decision on that matter binds the Partners to the extent the law allows. The adviser may not amend this Agreement or decide a matter listed in Section 16.2. For another Deadlock, a Partner may use the buy-sell procedure if Schedule C says it applies, or may withdraw under Section 28.

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18.6 Business as usual. During a Deadlock, the Partners will pay debts and taxes, preserve property and carry on under the last approved budget.

19. Time commitment, duties and outside activities

19.1 Time. Each Partner will give the Business the time stated in Schedule B and will use its skill and best reasonable efforts in the work assigned.

19.2 Loyalty. Each Partner will account to the Partnership for, and hold for it, any property, profit or benefit derived from the conduct or winding up of the Business or from use of Partnership property, including a Partnership opportunity. A Partner will not deal with the Partnership for a party with an adverse interest, and will not compete with the Partnership in the Business before dissolution.

19.3 Care. In the conduct and winding up of the Business, each Partner will refrain from grossly negligent or reckless conduct, intentional misconduct and knowing violations of law. A Partner may rely in good faith on the Partnership's records and on professional advice.

19.4 Good faith. Each Partner will perform its duties and exercise its rights consistently with the obligation of good faith and fair dealing. Nothing in this Agreement eliminates the duty of loyalty or that obligation.

19.5 Conflicts and ratification. A Partner with an actual or possible conflict will promptly disclose all material facts. After that disclosure, the conflicting act may be authorized or ratified by a Unanimous Vote of the Partners who have no conflict. If every Partner has a conflict, all Partners must approve. The approval covers only the specific act disclosed and may not be manifestly unreasonable.

19.6 Permitted outside activities. Each Partner may make passive investments of not more than [Passive public investment limit (percent): _____] percent of a publicly traded company. Each Partner may also carry on these identified activities: **[Permitted outside activities: _____]**. The Partners agree that these activities do not breach the duty of loyalty if they do not use Partnership property, staff, Confidential Information or opportunities.

19.7 Own interest. A Partner does not breach a duty only because its conduct also furthers its own interest. A Partner may lend to and do business with the Partnership on the same terms as a stranger, if the transaction is disclosed and approved under Section 19.5 and the law permits it.

20. Partnership property and intellectual property

20.1 Ownership. Property contributed to the Partnership, and property acquired by it or with its assets, belongs to the Partnership and not to the Partners individually. A Partner may use it only for the Business or as the Partners approve.

20.2 Title. Property should be titled in the Partnership's name. If title is held in a Partner's name for convenience, that Partner holds it for the Partnership and will transfer it on request. The administrator keeps an inventory of material property and updates it every fiscal year.

20.3 Work product. Each Partner assigns to the Partnership all rights in inventions, works, designs, software, data, marks and other results that the Partner creates for the Business as a Partner, from creation and without further payment. A Partner will sign documents that help record or protect those rights. To the extent that a law protects a Partner's independent inventions from assignment, this Section does not

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reach them.

20.4 Pre-existing property. A Partner keeps its intellectual property listed in Schedule A as pre-existing. If it is used in the Business with that Partner's consent, the Partnership has a nonexclusive, royalty-free license to use it for the Business while that Partner is a Partner, and for [Pre-existing IP license after departure (months): _____] months after departure, unless Schedule A states another term.

20.5 No partition. To the extent the law allows, no Partner will ask a court to divide Partnership property or sell it for a personal claim. This does not limit a right to dissolution, winding up or other relief that the law does not let the Partners waive.

21. Banking

21.1 Accounts. All Partnership money is kept in accounts in the Partnership's name at [Bank: _____] or another insured institution approved by Majority Vote. Partnership money is not mixed with a Partner's money.

21.2 Signers. Authorized signers are [Authorized bank signers: _____]. A payment above [Two-signature limit: _____] needs approval by two Partners. Every Partner has view access to all accounts and statements.

21.3 Cards and controls. Cards are for business expenses only. A lost card, suspected fraud or overdraft is reported at once. The Partners will reconcile accounts monthly and, where practical, the person who reconciles will not be the person who approves payments.

21.4 Departing signer. The Partnership may remove a Departing Partner as signer on departure. A change of signers during a dispute is allowed only under this Agreement or a court order, and may not block a Partner's view access while that person is a Partner.

22. Books, records, accounting and fiscal year

22.1 Records. The Partnership keeps complete books at the principal office or in a secure online system open to every Partner. They include this Agreement and amendments, Schedule A, tax returns, financial statements, Capital Accounts, minutes, material contracts, insurance policies and the records the law requires.

22.2 Access. Each Partner, and its agents and attorneys, may inspect and copy the books and records during ordinary business hours. Former Partners, and their agents and attorneys, have access to the records for the period when they were Partners. The Partnership may charge the reasonable cost of copies. Reasonable confidentiality and security measures may be used, but may not unreasonably restrict access.

22.3 Information. Each Partner will receive, without demand, the information about the Business reasonably needed to exercise its rights and perform its duties. Other information will be given on reasonable demand, unless the demand is unreasonable or improper in the circumstances.

22.4 Accounting method and fiscal year. The books use the **[Accounting method: _____]** method. The fiscal year is **[Fiscal year: _____]**, if the Code allows it. If it does not, the year the Code requires applies.

22.5 Statements. The administrator will send each Partner monthly financial reports within [Monthly

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report deadline (days): _____] days after month end, and a year-end balance sheet, income statement and statement of Capital Accounts within [Annual report deadline (days): _____] days after year end. A Partner may require an independent review or audit at that Partner's expense. If it shows an understatement of more than 5 percent of amounts due to that Partner, the Partnership pays the reasonable cost.

23. Tax matters and partnership representative

23.1 Partnership classification. The Partners intend the Partnership to be taxed as a partnership. No election for another classification may be made without a Unanimous Vote.

23.2 Returns. The Partnership will prepare and file its federal information return and state returns on time, including permitted extensions, and will give each Partner its Schedule K-1 by [Schedule K-1 delivery date: _____] or the date the law requires, whichever is earlier. A draft is sent to each Partner at least 10 Business Days before filing where practical.

23.3 Partnership representative. The Partners designate **[Partnership representative: _____]** as partnership representative for each tax year in which that person is eligible and willing to act. The representative must have a substantial presence in the United States. If the representative is an entity, the Partnership will appoint an eligible individual to act for it. The designation must be made on the return for each tax year, and the Partners will replace a representative who resigns or becomes ineligible, in the way the Regulations require.

23.4 Duties to the Partners. The representative has the sole authority that federal law gives. Among the Partners, the representative will give copies of notices within 5 Business Days, keep the Partners informed, consult before a material step and not settle, extend a limitation period or go to court without a Majority Vote. These duties do not limit the representative's authority before the Internal Revenue Service. The Partnership pays reasonable costs.

23.5 Elections. If eligible, the Partnership will elect out of the centralized audit rules each year on a timely return, unless the Partners decide otherwise. By Majority Vote, it may make a push-out election within the time allowed. It will make a section 754 election if [When to make a section 754 election: _____].

23.6 Cost of an adjustment. If the Partnership pays an imputed tax amount, the Partners, including former Partners, bear it in proportion to their shares of the items and year that caused it, taking into account any reduction due to a Partner's status or action. A former Partner will pay its share within 30 days after a written calculation.

23.7 Records and survival. Each Partner will give the Partnership the tax information reasonably needed. This Section continues after departure until the relevant tax years are closed.

24. Liability, contribution and indemnification

24.1 Outside liability. Nothing in this Agreement limits the rights of creditors or other third parties. Each Partner understands that general partners are usually jointly and severally liable for Partnership obligations.

24.2 Sharing among Partners. Among themselves, the Partners bear Partnership obligations in proportion to their shares of losses. A Partner who pays more than its share may recover the excess first

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from the Partnership and then, to the extent it cannot pay, from the other Partners in their shares. If a Partner cannot pay, the others bear that amount in proportion to their shares and keep the right to recover it.

24.3 Indemnity by the Partnership. The Partnership will reimburse payments made, and indemnify each Partner against liabilities incurred, by that Partner in the ordinary course of the Business or to preserve its business or property. Reasonable defense costs may be advanced if the Partner agrees in writing to repay them if it is finally decided that indemnity was not due.

24.4 Exclusions. No indemnity is due for a loss caused by a Partner's grossly negligent or reckless conduct, intentional misconduct, knowing violation of law, breach of the duty of loyalty, bad faith or material breach of this Agreement.

24.5 Responsible Partner. A Partner whose conduct falls within Section 24.4 will indemnify the Partnership and the other Partners against their resulting reasonable losses and costs.

24.6 Losses excluded. To the extent the law allows, no Partner is liable to another for punitive damages or for indirect losses that were not reasonably foreseeable. This does not apply to a third-party claim, a breach of loyalty, good faith or confidentiality, or the conduct in Section 24.4, and does not reduce a duty the law does not let the Partners reduce.

24.7 Claims. A Partner will promptly report a claim against the Partnership. The Partnership may control the defense through counsel without a conflict, and no Partner may settle in a way that binds another Partner personally without that Partner's consent.

25. Insurance

25.1 Required cover. The Partnership will keep commercial general liability insurance of at least [Liability insurance per occurrence: _____] per occurrence, property insurance at replacement cost, and workers' compensation and other insurance the law requires. Additional cover is: **[Other insurance: _____]**.

25.2 Terms. Policies will name the Partnership as insured and, where available, cover the Partners for its Business. The administrator will give proof on request and will tell the Partners at once about a cancellation, nonrenewal or uninsured claim.

25.3 Life and disability insurance. The Partnership or Partners may buy insurance to fund a buyout. Each Partner will cooperate with reasonable applications and give any required written consent. Ownership, beneficiaries and use of proceeds are recorded in Schedule C. Proceeds reduce the unpaid Buyout Price only as Schedule C states.

25.4 No limit of liability. Insurance limits do not limit an indemnity or liability under this Agreement. A Partner may not recover the same loss twice.

26. Admission of new partners

26.1 Consent. A person becomes a Partner only by Unanimous Vote and after signing a joinder that accepts this Agreement. The decision must state the new Partner's contribution, Percentage Interest, role, effective date and the Percentage Interests of the other Partners.

26.2 Steps. Before admission, the Partnership will give the new Partner this Agreement, current financial

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statements and a list of known material liabilities, under a confidentiality promise. The Partners will then revalue property if advised, update Schedule A, notify insurers and make the needed filings.

26.3 Earlier debts. A new Partner is not personally liable, because of admission alone, for a Partnership obligation incurred before admission. The new Partner's contribution may still be used to pay those obligations.

26.4 Transferees. A person who receives a Transferable Interest does not become a Partner without compliance with this Section.

27. Transfer restrictions and right of first refusal

27.1 Restriction. A Partner may not sell, give, pledge or otherwise transfer all or part of its Interest, voluntarily or by operation of law, except under this Section. The admission of a transferee as a Partner also requires compliance with Section 26. A transfer in breach is ineffective to the extent the law allows, including against a person who has notice of this restriction.

27.2 Offer notice. A Partner that receives a genuine written offer to buy its Transferable Interest for cash, and wishes to accept, will first give the Partnership and other Partners a notice with the buyer's name, price, payment terms and a copy of the offer.

27.3 Right of first refusal. The Partnership, acting by the other Partners, has [Partnership first refusal period (days): _____] days after the offer notice to accept the whole offered interest on the same terms. If it does not, the other Partners have a further [Partners' further refusal period (days): _____] days to accept it in proportion to their Percentage Interests, with a second chance of 5 Business Days to take any unaccepted part. Acceptance must cover the whole offered interest. Closing takes place within [First refusal closing period (days): _____] days after acceptance.

27.4 Transfer to the offeror. If the right is not used for the whole offered interest, the Partner may transfer the Transferable Interest to the named buyer on terms no better for the buyer, within 60 days. After that, a new offer notice is needed. The buyer receives only distributions and allocations, must accept these limits in writing and has no vote, management right or information right unless admitted or given by law.

27.5 Estate planning. A Partner may transfer a Transferable Interest to its own revocable trust if it keeps control of the trust, gives 10 Business Days' notice and stays responsible under this Agreement. If it loses control, the interest must be returned to it or offered under this Section.

27.6 Charging orders and family claims. If a creditor obtains a charging order, or a court awards a Transferable Interest to a spouse or former spouse, that person receives only the rights the law gives to a transferee. The affected Partner will notify the others within 5 Business Days. The other Partners may redeem a charged interest to the extent the law allows.

27.7 Other conditions. No transfer may breach a loan, license or securities or tax law, or make the Partnership a publicly traded partnership. Reasonable transfer costs are paid by the transferring Partner.

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28. Withdrawal

28.1 Power to withdraw. A Partner has the power to withdraw at any time by written notice. The notice states the Partner's express will to withdraw. Nothing in this Agreement removes that power.

28.2 Agreed notice. The Partner agrees to give at least **[Withdrawal notice (days): _____]** days' written notice and to state a withdrawal date after that period. The Remaining Partners may agree to an earlier date. While the notice runs, the withdrawing Partner keeps the rights and duties of a Partner and will help to hand over work.

28.3 Wrongful withdrawal. A withdrawal that breaches Section 28.2, or that occurs before the end of a fixed term or undertaking when the Act treats it as wrongful, is wrongful. A withdrawal that the law treats as rightful is not wrongful under this Section.

28.4 Consequences. A Partner who wrongfully withdraws is liable to the Partnership and the other Partners for damages caused by the withdrawal. The damages may be offset under Section 31.6 and are limited to loss that is proven. The Partner still receives the Buyout Price, less lawful offsets.

28.5 Continuation. The Partners agree that a notice of withdrawal does not by itself dissolve the Partnership if at least two Partners remain. The Partnership continues and Section 31 applies. If only one Partner remains, Section 35.3 applies. If Section 35 applies instead, the withdrawing Partner may still take part in winding up unless the withdrawal was wrongful.

29. Expulsion

29.1 Cause. "**Cause**" means a Partner's:

(a) fraud, theft or intentional misuse of Partnership property;

(b) conviction of, or plea of guilty or no contest to, a crime that materially harms the Business;

(c) loss of a license that its work for the Business requires, not restored within 60 days;

(d) material breach of this Agreement that is not cured within [Breach cure period (days): _____] days after a written notice describing it, or that cannot be cured;

(e) failure to pay a required Capital Contribution after the cure period in Section 9.2; or

(f) repeated gross neglect of its duties after a written warning.

29.2 Notice and hearing. A notice of proposed expulsion must describe the Cause and the evidence. The Partner has [Time to answer expulsion proposal (days): _____] days to reply in writing and may be heard, with an attorney or adviser, at a meeting before the vote.

29.3 Vote. A Partner may be expelled for Cause by a Unanimous Vote of the other Partners, acting in good faith and in writing with reasons. The expulsion takes effect on the date in the decision, not earlier than delivery of the notice.

29.4 Two Partners. If there are only two Partners, neither may expel the other by a vote. A Partner who claims Cause may ask the arbitrator or court under Section 37 to decide it and to order the relief the law allows.

29.5 Court relief and suspension. This Section does not limit judicial expulsion under the Act. While a

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proposal is pending, the other Partners may limit access to money or systems to the extent reasonably needed to prevent serious harm. They may not cut off tax distributions, book access or the opportunity to reply.

30. Death, incapacity and bankruptcy

30.1 Death. A Partner's death ends that person's role as a Partner on the date of death. The estate is a Departing Partner and has no management rights except those the law gives in winding up.

30.2 Incapacity. An individual Partner is incapacitated when a court appoints a guardian or general conservator for that Partner, when a court decides that the Partner is incapable of performing its duties, or when the Partner cannot perform its main duties for [Incapacity period (days in 12 months): _____] days in a 12-month period and two licensed physicians confirm this. One physician is chosen by the Partner or its representative and the other by the Remaining Partners. Medical information is confidential. The Remaining Partners may then treat the Partner as a Departing Partner by 30 days' notice, unless the Partner returns to its main duties within that period. A court event takes effect when the Act says.

30.3 Leave before departure. During a temporary incapacity, the Partner keeps its Percentage Interest and distributions. Guaranteed payments continue for [Guaranteed payments during incapacity (days): _____] days and are then suspended unless the other Partners agree otherwise.

30.4 Bankruptcy. To the extent the law allows, a Partner becomes a Departing Partner on becoming a debtor in bankruptcy, making an assignment for the benefit of creditors, or having a receiver or trustee appointed over all or substantially all of its property, if that appointment is not vacated within 90 days.

30.5 Entity Partners. A Partner that is an entity becomes a Departing Partner when its dissolution is effective and its business is being wound up, or when the Act so provides. A change of control of an entity Partner is a transfer for Section 27.

30.6 Continuing the Business. If at least two Partners remain, the Partnership continues and Section 31 applies, unless the Remaining Partners approve dissolution under Section 35 within [Time to choose dissolution (days): _____] days after the event or, in a fixed-term Partnership, choose winding up under Section 35.2 within the 90 days stated there.

31. Buyout price and payment

31.1 Purchase. If a Partner departs without the Business being wound up, the Partnership will buy, and the Departing Partner will sell, the Interest for the price in Schedule C (the "**Buyout Price**"). The Remaining Partners may buy it instead in agreed shares, but this does not release the Partnership from payment.

31.2 Valuation Date. The "**Valuation Date**" is the date of departure. Profits and losses are allocated to the Departing Partner through that date.

31.3 Estimate. Within [Buyout estimate deadline (days): _____] days after departure, the Partnership will give the Departing Partner a balance sheet as of the Valuation Date, its estimate of the Buyout Price with the calculation, and access to supporting records. Within 30 days after receiving them, the Departing Partner may accept or object with reasons.

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31.4 Disputed price. If no price is agreed within [Price negotiation period (days): _____] days after an objection, the appraisal procedure in Schedule C applies. Either side may still ask for relief that the Act does not let the Partners waive.

31.5 Payment. The Partnership will pay [Buyout down payment (percent): _____] percent of the undisputed price within [First buyout payment deadline (days): _____] days after departure, and the balance in [Number of buyout installments: _____] equal [Installment frequency: _____] installments, with interest at [Buyout interest (percent per year): _____] percent per year from the Valuation Date. A promissory note will state these terms. The balance may be paid early without charge. A disputed amount becomes payable on the same schedule, with interest from the Valuation Date, when it is decided.

31.6 Offsets. The Partnership may offset amounts the Departing Partner owes it, including damages for wrongful withdrawal, if the amount is agreed, finally decided or due under a written debt. It may hold back a reasonable disputed sum in a separate account while a claim is pursued promptly and in good faith. Interest continues on a sum that is later found to be due.

31.7 Late payment. If a payment is more than 10 Business Days late after notice, the Departing Partner may require the unpaid balance at once. Until payment in full, the Partnership may not make distributions, other than tax distributions, if a buyout installment is overdue.

31.8 Closing. On the first payment, the Departing Partner will sign an assignment of the Interest, free of liens, and the other documents reasonably needed. Signing does not release the unpaid price or a claim that the parties have not settled.

31.9 Tax. Payments for an Interest are reported consistently by both sides as the Code requires. The purchase document may allocate payments to goodwill and other property.

32. Effects of departure, notices and release

32.1 Rights that end. On departure, the right to vote, manage and bind the Partnership ends, except for a right to take part in winding up. The Departing Partner keeps the rights to payment, indemnity, tax information and records stated in this Agreement or by law.

32.2 Notices and filings. Within [Departure notice deadline (days): _____] days, the Partnership will notify banks, insurers, landlords, licensors, regular customers and suppliers of the departure, and will file any statement of dissociation and amended authority statement the Act allows. The Departing Partner may also send a factual notice and make a permitted filing.

32.3 Existing debts. Departure does not by itself release a Partner from obligations incurred before departure. The Partnership and the Remaining Partners will indemnify the Departing Partner against Partnership obligations, whether incurred before or after departure, except obligations caused by an act of the Departing Partner under Section 24.4 or by an act after departure that binds the Partnership without authority. The Departing Partner will indemnify them against loss from the excepted acts.

32.4 Releases from third parties. The Partnership will use reasonable efforts to obtain the Departing Partner's release from guarantees, leases and loans. If a release is not given, it will pay those debts on time and give notice of any default.

32.5 Return and handover. The Departing Partner will promptly return property, passwords and records,

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and will cooperate with a reasonable handover for [Handover period (days): _____] days. The Partnership will pay agreed expenses. A Departing Partner may keep copies of records needed for its tax, legal rights or required professional records, subject to confidentiality.

32.6 Mutual release by document. The parties may sign a separate mutual release after payment is settled. No release is implied by departure, and no release covers fraud or rights that cannot lawfully be released.

32.7 Survival. Sections 23, 24, 31, 33, 34 and 37, and terms that by nature continue, survive departure and the end of the Partnership.

33. Confidentiality

33.1 Meaning. "**Confidential Information**" means nonpublic information about the Business, including finances, customers, suppliers, pricing, plans, methods, software and personal data. It does not include information that is public without breach, was lawfully known before, is independently developed or is lawfully received without a duty of confidence.

33.2 Duty. Each Partner will use Confidential Information only for the Business, protect it with reasonable care and disclose it only to people who need it and owe a duty of confidence. The duty lasts while a person is a Partner and for [Confidentiality after departure (years): _____] years after departure, and continues for a trade secret while it remains one.

33.3 Required disclosure. A Partner may disclose information that the law or a court requires. Where lawful, that Partner will give prior notice so that another Partner may seek protection.

33.4 Protected disclosure. Nothing in this Agreement stops a person from reporting a possible violation of law to a government agency, taking part in an investigation, testifying truthfully, consulting an attorney or tax adviser, or disclosing a trade secret in confidence to a government official or attorney solely to report a suspected violation, or in a court filing made under seal. No notice to the Partnership is required for these acts.

34. Non-solicitation and optional noncompete

34.1 Non-solicitation. For [Non-solicitation period (months): _____] months after departure, a Departing Partner will not knowingly use Confidential Information to solicit the Partnership's current customers for competing work, or to cause them to end business with the Partnership. During the same period it will not directly solicit the Partnership's employees to leave. General advertising and replying to a person's own inquiry are allowed. A professional rule that protects client choice controls.

34.2 Optional noncompete. After departure and for [Noncompete period (months): _____] months, the Departing Partner will not carry on the following competing business in the stated area: **[Noncompete business and area: _____]**. This Section 34.2 has no effect if the field says "none".

34.3 Link to the owner's Interest. The optional noncompete is agreed only with the transfer of the Departing Partner's ownership Interest and the goodwill that goes with it, or with an agreement in anticipation of dissolution. It does not apply to an employee or contractor who has no Interest. It ends if the Partnership does not pay an undisputed installment of the Buyout Price within 20 Business Days after

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notice, if Section 36 applies and the Business is not sold as a going concern, or where the law forbids it.

34.4 Limits. This Section applies only so far as the law of each place permits, and only to activities and places in which the Departing Partner took part during the last 24 months. A court may shorten a restriction where the law allows. Passive investments allowed in Section 19.6 remain allowed.

35. Dissolution

35.1 Events. The Partnership dissolves and its Business is wound up only on:

(a) a Unanimous Vote;

(b) the end of a fixed term or undertaking, unless the Partners extend it or continue the Business;

(c) the sale of all or substantially all of its property, unless the Partners agree to reinvest the proceeds;

(d) an event that makes it unlawful to continue all or substantially all of the Business, if not cured within the time the Act allows;

(e) a court order or another event for which the Act requires winding up and that the Partners cannot waive;

(f) a reduction to one Partner, subject to Section 35.3; or

(g) in a fixed-term Partnership, a choice to wind up under Section 35.2.

35.2 Departure in a term partnership. If a Partner of a fixed-term Partnership dies, departs wrongfully or departs through another event that gives the Remaining Partners a statutory right to choose winding up, they may choose it by a vote of a majority in number within 90 days. Otherwise, the Business continues while at least two Partners remain.

35.3 One Remaining Partner. If only one Partner remains, that Partner may elect by written notice to the Departing Partner, within [Sole partner election period (days): _____] days after the departure, to buy the Departing Partner's share for the Buyout Price, take the Business and pay or assume all Partnership obligations. The Partners agree that the transfer and payment settle their accounts and are the manner of winding up the Partnership, but creditors keep their rights. The payment terms of Section 31 apply. If no election is made, the assets are sold and wound up under Section 36.

35.4 Waiver. After dissolution and before winding up is complete, all Partners, including each Departing Partner who did not wrongfully depart and whose dissociation caused dissolution, may waive winding up in writing if the Act allows. The waiver must not harm a third party's rights that arose before notice of it.

36. Winding up and final distribution

36.1 Who winds up. The Remaining Partners, or a person the Partners appoint by Majority Vote, will wind up the Business in a reasonable time. A Partner who has not wrongfully departed may take part. A court may supervise if the law provides.

36.2 Powers. The person winding up may keep the Business open for a reasonable time as a going concern, collect debts, finish contracts, sell property, resolve claims, pay creditors, file final returns and close accounts. No new business may be started unless it is needed for winding up.

36.3 Notice and sale. The Partnership will notify known creditors and cancel registrations when

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complete. A Partner may bid for assets after disclosure. A sale to a Partner needs an independent valuation or the consent of the other Partners.

36.4 Order of payment. Assets are applied to:

(a) the Partnership's obligations to creditors, including, to the extent permitted by law, Partners who are creditors, and the costs of winding up;

(b) reasonable reserves for known, uncertain or contingent obligations, later released in this order; and

(c) the Partners, in cash, in accordance with their positive Capital Account balances after all allocations for the year.

36.5 Deficits. A Partner with an excess of charges over credits in its account, as adjusted for winding up, will contribute that excess under Section 11.4. If a Partner does not contribute, the others will contribute what is needed for creditors in proportion to their shares of losses and may recover it from that Partner.

36.6 Timing and final account. Payments due under Section 36.4(c) are made by the end of the tax year of liquidation or, if later, within 90 days after liquidation, except for a reasonable reserve. Each Partner receives a final account. Property is distributed only by written consent of the Partner receiving it, at fair market value after its unrealized gain or loss is allocated.

37. Dispute resolution

37.1 Negotiation. A Partner with a dispute will give a written summary. The Partners will meet within [Negotiation period (days): _____] days and try in good faith to resolve it.

37.2 Mediation. If they do not resolve it, they will mediate within [Mediation period (days): _____] days with a mediator chosen by agreement or, if they cannot agree, by [Mediator appointing body: _____]. They share the mediator's fee equally. Settlement discussions are confidential as the law allows.

37.3 Final decision. A dispute arising from this Agreement or the Partnership that is not settled in mediation will be finally resolved by **[Final dispute method: _____]**. If arbitration is chosen, one neutral arbitrator will act under the rules of [Arbitration rules: _____], in the place stated in Section 38, and judgment may be entered on the award. The Federal Arbitration Act governs the arbitration clause where it applies. If court proceedings are chosen, Section 38 applies.

37.4 Other relief. A Partner may seek temporary court relief to preserve property or rights at any time, or a court remedy that the law does not let a Partner waive. A time limit is paused during mediation where the law allows.

37.5 Costs. Each side pays its own attorney fees, unless **[Attorney fee rule: _____]** or the law requires another result. A fee award must be reasonable.

37.6 Continuing performance. The Partners will keep performing duties not in dispute. They will not withhold tax records, book access or undisputed payments to pressure another Partner.

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38. Governing law and venue

38.1 Governing law. The law of the Governing State governs this Agreement and the relations among the Partners and between the Partners and the Partnership, without its conflict rules. Mandatory law that applies despite this choice remains in force.

38.2 Venue. Court proceedings, including those in aid of arbitration, are brought in the state or federal courts in **[Venue: _____]** that have jurisdiction. Each Partner consents to those courts. Arbitration and mediation take place there or by video, unless the Partners agree otherwise.

39. Notices

39.1 Form. A formal notice must be in writing and sent to the address in Schedule A by hand, national courier or certified mail with return receipt. A copy is sent by email. Routine business communications may use email alone.

39.2 Receipt. A notice delivered by hand takes effect on delivery, by courier on recorded delivery or first refusal, and by certified mail three Business Days after mailing or on earlier delivery. A notice that arrives after 5:00 p.m. or on another day takes effect on the next Business Day. Actual receipt of a written notice of withdrawal, a claim or a right that the law protects is sufficient even if the notice used another method.

39.3 Changes. Each Partner will notify the Partnership of a new address. For a deceased or incapacitated Partner, a copy goes to the known legal representative.

40. Amendment and waiver

40.1 Amendments. This Agreement may be changed only in writing signed by every Partner. Schedule A may be updated by the administrator to record a change already made under this Agreement, with a copy to every Partner.

40.2 Tax amendments. An amendment that should count for a tax year must be adopted on time under the Code. The Partners will not backdate an amendment.

40.3 Waiver. A waiver must be in writing and covers only the stated event. A delay in using a right is not a waiver. No clause waives a right or duty that the law does not let a Partner waive.

41. Spousal acknowledgment

41.1 Optional acknowledgment. A Partner may ask a spouse or registered domestic partner to sign the optional acknowledgment below the Partners' signatures. It is used only if the parties choose it. It is suggested that the spouse receive independent advice.

41.2 Effect. A person who signs states that he or she has had time to read this Agreement; understands that a Transferable Interest may have community or marital property consequences; agrees that the transfer restrictions and buyout procedure apply to any property interest he or she may hold, to the extent the law allows; and does not become a Partner by signing. The acknowledgment does not decide property rights between spouses, and does not waive support, inheritance or other rights that are not expressly stated and lawfully waived.

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42. General terms

42.1 Severability. If a term is invalid in a place, it is reduced to the extent needed to be valid there. The rest remains in force, unless that would defeat the main purpose of this Agreement.

42.2 Entire agreement. This Agreement and its Schedules are the entire agreement of the Partners about their Partnership and replace earlier discussions and drafts on that subject. Nothing excludes liability for fraud.

42.3 Assignment and successors. A Partner may assign rights only as Sections 26 and 27 allow. This Agreement benefits and binds permitted successors, legal representatives and transferees, without making them Partners.

42.4 Statutory rules. The Act applies to a matter this Agreement does not govern. A term that the Act does not let the Partners change applies despite a contrary term.

42.5 Third parties. Except for persons entitled to indemnity and permitted successors, this Agreement gives no rights to third parties. It does not restrict rights of third parties under the Act.

42.6 Force majeure. A Partner is not in breach of a duty to perform work because of an event beyond its reasonable control, such as a natural disaster, war, public emergency or utility failure, while it gives prompt notice and works around the event. This does not excuse a payment already due, except where a bank or payment system is unavailable and payment is made when service returns.

42.7 Independent advice. Each Partner has had the opportunity to consult its own attorney and tax adviser. The Partner or attorney who prepared this document does not represent all Partners unless a separate conflict consent says so. This Agreement is read without a rule against its drafter.

42.8 Further acts. The Partners will sign documents and take reasonable steps needed to carry out this Agreement.

43. Counterparts and electronic signatures

43.1 This Agreement may be signed in counterparts, which together are one document. A signed scan or an electronic signature made with intent to sign has the same effect as an original, unless the law requires another form.

43.2 Each Partner agrees to do business electronically for this Agreement and may ask for a paper copy. The Partnership will keep a complete signed copy and provide it to every Partner.

By signing, each Partner agrees to this Agreement and its Schedules and confirms that it has received a full copy.

Partner 1: [Partner 1 full legal name: _____]
Signature:
Printed name and title, if signing for an entity:
Date signed:

Partner 2: [Partner 2 full legal name: _____]
Signature:
Printed name and title, if signing for an entity:

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Date signed:

Each additional Partner named in Schedule A:
Printed name:
Signature:
Title, if signing for an entity:
Date signed:

OPTIONAL SPOUSAL ACKNOWLEDGMENT (Section 41)

Spouse or registered domestic partner of Partner:
Printed name:
Signature:
Date signed:

Spouse or registered domestic partner of Partner:
Printed name:
Signature:
Date signed:

SCHEDULE A: PARTNERS, CONTRIBUTIONS AND PERCENTAGES

1. Partner 1

Name: [Partner 1 full legal name: _____]
Address for notices: [Partner 1 address: _____]
Email: [Partner 1 email: _____]
Cash contribution: [Partner 1 cash contribution: _____]
Property contributed, agreed value and any liens: [Partner 1 contributed property: _____]
Services promised, with any agreed credit: [Partner 1 service contribution: _____]
Property lent: [Partner 1 lent property: _____]
Pre-existing intellectual property and license terms: [Partner 1 pre-existing IP: _____]
Percentage Interest: [Partner 1 Percentage Interest: _____] percent

2. Partner 2

Name: [Partner 2 full legal name: _____]
Address for notices: [Partner 2 address: _____]
Email: [Partner 2 email: _____]
Cash contribution: [Partner 2 cash contribution: _____]
Property contributed, agreed value and any liens: [Partner 2 contributed property: _____]
Services promised, with any agreed credit: [Partner 2 service contribution: _____]
Property lent: [Partner 2 lent property: _____]
Pre-existing intellectual property and license terms: [Partner 2 pre-existing IP: _____]
Percentage Interest: [Partner 2 Percentage Interest: _____] percent

3. Additional Partners. Give the same details for each: [Additional partners and details: _____]

4. Total Percentage Interests: 100 percent

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5. Different profit or loss shares, if any: [Special profit or loss shares: _____]

6. Initial Capital Account balances: [Initial capital account balances: _____]

SCHEDULE B: MAJOR DECISIONS, ROLES AND SPENDING LIMITS

1. Administrator: [Administrator: _____]

2. Roles and time commitment

Partner 1: [Partner 1 role and time: _____]
Partner 2: [Partner 2 role and time: _____]
Additional Partners: [Additional partners' roles: _____]

3. Spending limits. One Partner acting alone may commit up to [Single-partner spending limit: _____] for one transaction. A commitment above that amount and up to [Majority spending limit: _____] needs a Majority Vote. A larger commitment is a Major Decision. A claim may be settled without a Major Decision up to [Claim settlement limit: _____].

4. Major Decisions. Subject to Section 16.2, these are:

(a) borrowing money, giving a guarantee or granting security;

(b) buying, selling or leasing real property, or a lease of more than one year;

(c) selling property outside the ordinary course, or selling the Business;

(d) starting, settling or defending a claim above the limit in item 3, except for urgent protective steps;

(e) calling for capital or approving a Partner loan;

(f) approving the annual budget, or spending more than [Budget overrun limit (percent): _____] percent above a budget line;

(g) hiring, dismissing or setting pay for a senior manager;

(h) creating or changing guaranteed payments, or employing a Partner's relative;

(i) a transaction with a Partner or a Partner's affiliate, subject also to Section 19.5;

(j) licensing or selling material intellectual property outside the ordinary course;

(k) changing the accounting method or a material tax election, subject to Section 23;

(l) filing for bankruptcy, making an assignment for creditors or dissolving the Partnership; and

(m) any other matter outside the ordinary course, including: [Other Major Decisions: _____].

A dissolution by vote under item (l), a filing for bankruptcy and a sale of the whole Business always need a Unanimous Vote.

SCHEDULE C: VALUATION AND BUYOUT TERMS

1. Fair Value. "**Fair Value**" means the greater of the net liquidation value of the Partnership's assets and the value based on a sale of the entire Business as a going concern without the Departing Partner, in each

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case between a willing and informed buyer and seller, with no compulsion, after Partnership debts. For Section 9.3, the calculation treats every Partner as remaining.

2. Buyout Price. The Buyout Price is the amount the Departing Partner would receive if the Partnership sold its assets on the Valuation Date for the gross value that produces Fair Value, paid its creditors, allocated the resulting gain or loss and distributed the balance under Section 36.4. No discount applies for a minority interest or lack of a market. If that calculation shows that the Departing Partner owes an amount, Sections 11 and 24 apply.

3. Agreed value. The Partners may sign a dated value certificate each year. A certificate not older than [Value certificate life (months): _____] months is used as Fair Value, adjusted for material changes since its date, unless a Partner shows that it is manifestly unfair. Current certificate: [Current agreed value: _____].

4. Appraisal. If Fair Value is disputed, the parties choose one independent qualified appraiser within 15 days. If they cannot agree, each side appoints one within 10 further days, and those appraisers choose a third, who alone determines Fair Value. If one side fails to appoint, the other side's independent appraiser acts. The appraiser receives each side's records, gives each side a chance to comment, and issues a reasoned report within [Appraisal report deadline (days): _____] days. The Partnership and Departing Partner share the cost equally, unless the report is within 5 percent of one side's written value and more than 10 percent from the other's; then the side farther away pays. The report is final except for fraud, clear calculation error, lack of independence or a right to court review that cannot be waived.

5. Payment security. The unpaid price is secured by: [Security for the buyout price: _____]. A security interest requires a separate signed security document and any needed filing.

6. Life and disability insurance. Policies, owners, beneficiaries and use of proceeds: [Buyout insurance terms: _____]

7. Buy-sell after Deadlock. This procedure applies: [Does the buy-sell procedure apply?: _____]. If it applies and there are two Partners, one may give the other a notice after an unsuccessful mediation. The notice states one value for the whole Business, the resulting price for each Partner under item 2, and proof that the sender can pay. Within [Buy-sell choice period (days): _____] days, the other Partner chooses either to sell its Interest or to buy the sender's Interest for the corresponding price. If it does not choose in time, it is treated as choosing to sell. Closing takes place within 45 days. The price is paid in cash, and the seller is released or fully indemnified for Partnership debts as Section 32 requires. The sender may not set the time to exploit a Partner's known incapacity or lack of access to information.

8. Valuation records. The Partnership will give all appraisers and the Departing Partner the same financial records and will preserve them until the price is paid.

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