

Partnership Agreement

This partnership agreement is made in _____ original copies between
(number)

(1) _____
(partner name)

(2) _____
(partner name)

and

(3) _____
(partner name)

(the "Partners").

PARTNERSHIP NAME AND BUSINESS

1.01 The Partners agree to carry on a business of _____
(type of business)

as partners under the name _____
(the "Partnership")

No person may be introduced as a Partner and no other business may be carried on by the Partnership without the consent in writing of all the Partners.

1.02 The principal place of business of the Partnership for the time being is _____
(address)

TERM

2.01 The Partnership begins on _____ and continues until terminated in accordance with this agreement. (date)

PARTNERSHIP SHARES AND CAPITAL

3.01 The Partners shall participate in the assets, liabilities, profits, and losses of the Partnership in the percentages beside their respective names (their "Partnerships Shares"):

_____	_____	%
_____	_____	%
_____	_____	%
		100%

3.02 The Partners shall contribute a total of \$_____ in cash, in proportion to their respective Partnership Shares, to the start-up capital of the Partnership by no later than _____.
(date)

3.03 If further capital is required to carry on the Partnership business, the Partners shall contribute it as required in proportion to their respective Partnership Shares.

3.04 No interest accrues on a Partner's capital contributions to the Partnership in proportion to his Partnership Share. However, if a Partner makes an actual payment or advance for the purpose of the Partnership beyond his Partnership Share (an "Additional Advance"), he is entitled to _____% per annum interest from the Partnership on the Additional Advance until refunded by the Partnership.

BANKING ARRANGEMENTS AND FINANCIAL RECORDS

4.01 The Partners shall maintain a bank account in the name of the Partnership business on which cheques may be drawn only on the signature of at least _____ of the Partners.

(number)

4.02 The Partners shall at all times maintain full and proper accounts of the Partnerships business accessible to each of the Partners at any time on reasonable notice.

PARTNERS' ACCOUNTS AND SALARIES

5.01 The financial records of the Partnership shall include separate income and capital accounts for each Partner.

5.02 No Partner may receive a salary for services rendered to the Partnership but the profit or loss of the Partnership business shall be periodically allocated among the Partners' separate income accounts and each of the Partners may, from time to time, withdraw against a credit balance in his income account.

5.03 The capital accounts of the Partners shall be maintained in proportion to their respective Partnership Shares.

5.04 No Partner shall draw down his capital account without the previous consent in writing of the other Partners. If a Partner draws down his capital account below his Partnership Share, he shall bring it up to his Partnership Share on the demand of any of the Partners.

MANAGEMENT OF PARTNERSHIP BUSINESS

6.01 Each Partner may take part in the management of the Partnership business.

6.02 Any difference arising in the ordinary course of carrying on the Partnership business shall be decided by the Partners having a majority of the Partnership Shares.

PARTNERS' DUTIES AND RESTRICTIONS

7.01 Each Partner shall devote substantially all of his ordinary working time to carrying on of the business of the Partnership.

7.02 Each Partner shall at all times duly and punctually pay and discharge his separate debts and liabilities and shall save harmless the property of the Partnership and the other Partners from those separate debts and liabilities and, if necessary, shall promptly indemnify the other Partners for their share of any actual payment or discharge of his separate debts and liabilities by the Partnership.

7.03 No Partner shall assign or encumber his share or interest in the Partnership without the previous consent in writing of the other Partners.

7.04 No Partner shall bind the Partnership or the other Partners for anything outside the ordinary course of carrying on the Partnership business.

FISCAL YEAR END

8.01 The fiscal year end of the Partnership shall be _____ in each year.
(month and day)

TERMINATION OF PARTNERSHIP

9.01 The Partnership may be dissolved at any time during the joint lives of the Partners by a Partner giving notice in writing to the other Partners of his intention to dissolve the Partnership, in which case the Partnership is dissolved as from the date mentioned in the notice as the date of dissolution, or, if no date of dissolution is mentioned, as from the date of communication of the notice.

9.02 The Partnership is dissolved on the death or insolvency of any of the Partners or on any of the Partners becoming a mental incompetent so found by a court of law.

9.03 On dissolution of the Partnership, subject to any contrary agreement binding the former Partners and their estates and after making any necessary adjustments in accordance with generally accepted accounting principles to allow for any debit balances in the Partners' separate capital accounts, the Partnership business shall be promptly liquidated and applied in the following order:

- (a) to pay the debts and liabilities of the Partnership;
- (b) to refund any outstanding additional advances, together with accrued interest;
- (c) to distribution of the credit balances of the Partners' separate income accounts;
- (d) to distribution of the credit balances of the Partner's capital accounts;
- (e) to distribution of any residue to the Partners in proportion to their respective Partnership Shares.

ARBITRATION OF DISPUTES

10.01 Any dispute between the Partners arising out of or related to this agreement and any amendments to it, whether before or after dissolution of the Partnership, shall be referred to and settled by a single arbitrator agreed upon by the Partners or, in default of such agreement, to a single arbitrator appointed pursuant to the legislation governing submissions to arbitration in the jurisdiction whose laws govern this agreement. The decision of the arbitrator is final and binding on the Partners with no right of appeal.

MISCELLANEOUS

11.01 In this agreement, the singular includes the plural and the masculine includes the feminine and neuter and vice versa unless the context otherwise requires.

11.02 The capitalized headings in this agreement are only for convenience of reference and do not form part of or affect the interpretation of this agreement.

11.03 If any provision or part of any provision in this agreement is void for any reason, it shall be severed without affecting the validity of the balance of the agreement.

11.04 Time is of the essence of this agreement.

11.05 The terms of this agreement may only be amended in writing dated and signed by all the Partners.

11.06 This agreement binds and benefits the Partners and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

11.07 This agreement is governed by the laws of the Province of _____.

Executed under seal on _____
(date)

Signed, sealed, and delivered)	
in the presence of:)	
)	
)	
_____)	_____ s
)	Partner name
)	
_____)	_____ s
)	Partner name
)	
_____)	_____ s
)	Partner name