



**ACME GLOBAL**  
company

**ACME GLOBAL Company**  
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# Partnership Agreement

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This **PARTNERSHIP AGREEMENT** ("**Agreement**") herein is effective as of the \_\_\_\_\_.

**BETWEEN:**

\_\_\_\_\_ located at \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_

**-and-**

\_\_\_\_\_ located at \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_.

WHEREAS \_\_\_\_\_ and \_\_\_\_\_ entered into Partnership (as defined herein) effective as of \_\_\_\_\_ on the terms and conditions hereinafter set forth;

AND WHEREAS from and following \_\_\_\_\_, the Partnership acquired certain assets required by it to carry on its business.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared by and among the Partners (as defined herein) as follows:

## **1. Creation of Partnership**

By this Agreement, the Partners enter into a general partnership (the "Partnership") in accordance with the laws of the State of \_\_\_\_\_. Subject to the terms and conditions hereof, the parties hereto agree to carry on the Business in partnership.

## **2. Name of Partnership**

The name of the Partnership shall be \_\_\_\_\_ and/or such other name or names as the Partners may from time to time agree upon in writing and no party shall carry on business under such name except as a Partner of the Partnership.

## **3. Purpose of Partnership**

The Partnership is established for the following purpose:

## **4. Term**

The partnership's existence shall commence on \_\_\_\_\_ and shall continue until dissolved either by mutual agreement or by operation of law.

## 5. Location of Business

The principal business office of the Partnership shall be located at the following address or other such place as the Partners may from time to time designate:

## 6. New Partners

The Partnership agreement may be amended to include new partners upon the written and unanimous vote of all Partners. The name of the Partnership may be amended if a new Partner is added to the Partnership upon the written and unanimous vote of all current Partners.

## 7. Capital Contributions

The initial partnership capital shall be \$ \_\_\_\_\_ ( \_\_\_\_\_ ). Each of the Partners contributes to the capital of the Partnership, in cash, property, or services in agreed upon value, as follows:

**Partner Name:** \_\_\_\_\_

**Contribution:** \_\_\_\_\_

**Contribution Value:** \_\_\_\_\_

**Partner Name:** \_\_\_\_\_

**Contribution:** \_\_\_\_\_

**Contribution Value:** \_\_\_\_\_

The initial capital so contributed by each of the Partners is credited to the capital account ("Capital Account") of each Partner. The following provisions of this Section shall apply in respect of the capital contributions of the Partners:

The capital funds of the Partnership shall belong to the Partners in the proportion contributed by each Partner;

Any further contribution of capital required by the Partnership may be contributed to the Partnership by any one or both of the Partners without limitation as to the amount of such further capital contribution and any such additional capital contribution shall be treated in the same manner as the initial capital contributions above set out.

## **8. Interest and Ownership**

The Partners' ownership interest in the Partnership will be as follows:

<b>Partner Name</b>	<b>Ownership Name</b>
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## **9. Profit and Loss**

In each Fiscal Year all items of income and gain, and expense and loss of the Partnership shall be determined by the Accountants of the Partnership at the end of each Fiscal Year.

### **NET PROFITS AND LOSSES**

Until otherwise unanimously agreed by the Partners, and subject to the provisions of this Agreement, the net profits, if any, of the Partnership as determined at the end of each such Fiscal Year shall be allocated among the Partners in proportion to the respective Capital Account of each of the Partners as calculated at the end of each such Fiscal Year. All expenses incurred in the course of the Business and all losses, if any, arising therefrom shall be borne out of the earnings of the Business, or in the case of a deficiency, the losses shall be allocated amongst the Partners pro rata to their respective individual Capital Accounts at the end of each such Fiscal Year.

## **10. Drawings**

Each of the Partners may draw out of the Partnership, from time to time, on account of its share of the net profits for the current year, a sum not exceeding their respective Capital Accounts. Any sums drawn out by any Partner in excess of its share of the net profits for any such year shall be repaid in full to the Partnership unless otherwise unanimously agreed by the Partners.

## **11. Financials Statements**

Proper accounts shall be kept of all transactions of the Business and at the end of each Fiscal Year or as soon thereafter as possible, a statement shall be prepared showing the income and expenses of the Business for the past year and what belongs and is due to each of the Partners as its share of the profits.

## **12. Borrowing or Encumbrances of Partnership Interest**

Neither Partner shall, without the previous consent in writing of the other, sign or encumber its share or interest in the Partnership, borrow money on behalf of the Business or, hire any employee or subcontractor.

## **13. Payment of Obligations**

Neither Partner shall, without the previous consent in writing of the other, sign or encumber its share or interest in the Partnership, borrow money on behalf of the Business or, hire any employee or subcontractor.

## **14. Indemnification**

If at any time either of the Partners is required to pay or become liable for more than its proportion of the Partnership debts as provided for in this Agreement, that Partner shall have as against the other Partner a right of recovery of the appropriate proportion of the payment or indemnification against such liability, and the Partner shall have, on becoming liable for such debt, the first lien or charge on the capital and all other interest or interests of the offending Partner in the Partnership business.

## 15. Voting

The affairs of the partnership shall be determined by majority vote, with votes cast in the same percentage as to capital contributions.

## 16. Books

Accurate and complete books of account of the transactions of the Partnership will be kept in accordance with generally accepted accounting principles (GAAP) and at all reasonable times will be available and open to inspection and examination by any partner.

The books shall be kept on a fiscal year basis, commencing on the \_\_\_\_\_ day of \_\_\_\_\_, ending on the \_\_\_\_\_ day of \_\_\_\_\_, and shall be closed and balanced at the end of each fiscal year.

An audit shall be made as of the closing date. The books and records of the Partnership will reflect all the Partnership's transactions.

Complete and accurate books of account shall be kept at the principal place of business of the Partnership and shall show the condition of the business and finances of the Partnership, and each Partner shall have access to, and may inspect and copy, any part thereof.

## 17. Annual Reports

As soon as practicable after the close of each fiscal year, the Partnership will furnish to each Partner an annual report showing a full and complete account of the condition of the Partnership. This report will consist of at least the following documents:

- A. a statement of all information as will be necessary for the preparation of each Partner's income or other tax returns;
- B. a copy of the Partnership's federal income tax returns for that fiscal year;
- C. supporting income statement;
- D. a balance sheet;
- E. a cash flow statement;
- F. a breakdown of the profit and loss attributable to each Partner; and
- G. any additional information that the Partners may require.

## **18. Banking and Partnership Funds**

The Partners agree that the Partnership shall enter into banking arrangements with any bank or banks or other financial institutions as the Partners shall agree on. All cheques, drafts and other instruments and documents on behalf of the Partnership may be signed by any one of the Partners alone, unless otherwise agreed between the parties. All Partnership money shall, when received from time to time, be paid and deposited with the bankers of the Partnership to the credit of the Partnership account. The funds of the Partnership will be placed in such investments and banking accounts as will be designated by the Partners. Partnership funds will be held in the name of the Partnership and will not be commingled with those of any other person or entity.

## **19. Actions Requiring Unanimous Consent of the Partners**

The following list of actions will require the unanimous consent of all Partners;

- A. committing to the Partnership to new liabilities or obligations totaling over \_\_\_\_\_ USD;
- B. incurring single expenditures that exceed \_\_\_\_\_ USD;
- C. selling or encumbering of any Partnership asset whose fair market value exceeds \_\_\_\_\_ USD;
- D. waiving or releasing any Partnership claim except for full consideration; and
- E. endangering the ownership or possession of the Partnership property.

## **20. Audit**

Any of the Partners will have the right to request an audit of the Partnership books. the cost of the audit will be borne by the Partnership. The audit will be performed by an accounting firm acceptable to all the Partners. Not more than one (1) audit will be required by any or all of the Partners for any fiscal year.

## **21. Management**

Final authority, management and control of the business and affairs of the Partnership shall be vested in the Partners.

### **Action of the Partners.**

The powers of the Partners may be exercised by resolution passed at a meeting of the Partners or by resolution consented to by the signatures of the Partners.

**Delegation of Authority.**

The Partners may at any time and from time to time by resolution passed at a meeting of the Partners delegate any power or authority relating to the management of the business and affairs of the Partnership to any Partner and the exercise of any such authority or authority by such Partner shall be valid and binding upon all Partners until such power or authority has been rescinded by resolution.

**Place of Meeting.**

Meetings of the Partners shall be held at the principal office of the Partnership, or, at such other place as the Partners may, by unanimous agreement, determine.

**Calling of Meetings.**

Regular meetings of the Partners will be held \_\_\_\_\_.

Any partner can call a special meeting to resolve issues that require a vote, as indicated by this Agreement herein, by providing all Partners with a reasonable notice. In case of a special note, the meeting will be restricted to the specific purpose for which the meeting was held.

**Power of Attorney.**

Each Partner grants to the other Partner for such time as he remains a Partner to this Agreement, an irrevocable power of attorney for the purposes of filing any notices or registrations as may be required by law in connection with the existence or carrying on of the business of the Partnership.

**Partnership Property.**

Unless otherwise unanimously agreed by the Partners or unless registered in the name of a trustee, all Partnership property shall be registered in the name of the Partnership in proportion to the Capital Account of each Partner.

**22. Management**

This Partnership shall terminate upon the death, bankruptcy or incompetency of any partner. In such case where there exist more than two partners in the partnership, the remaining partners shall act as trustees on the former partner's behalf and shall promptly wind up the affairs of the partnership unless the remaining partners agree that they will continue the business of the partnership.

**23. Death**

The Partner(s) shall have the first right to purchase the interest of the decedent in the partnership from Partner's heirs and/or assigns, or to terminate and liquidate the partnership's business. The partner(s) shall serve a written notice to the executor, administrator, assigns, or the known legal heirs of the decedent at the last-known address of such heir for the intention to purchase the decedent's



interest in the partnership.

The purchase price of the decedent's interest in the partnership shall be the latter's capital amount at the time of the death of the decedent plus the decedent's income account at the end of the prior fiscal year, with addition to profits from the partnership, and deductions from partnership losses for the start of the fiscal year of the incident of death until the end of the calendar month of the occurrence of death.

No allowance shall be made for goodwill, trade name, patents, or other intangible assets, except as those assets have been reflected on the partnership books immediately prior to the decedent's death; but the survivor shall nevertheless be entitled to use the trade name of the partnership. Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the partnership business shall be the same as stated in the section regarding **Voluntary Termination**.

## **24. Voluntary Termination**

By agreement of all Partners, the Partnership may be dissolved. In which event the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The assets of the partnership business shall be preferred:

- 1) Payment of all partnership to duties, taxes and fees to the State and to provide payment for liabilities, liquidating other expenses and obligations;
- 2) Equalize the income accounts of the partners;
- 3.) Discharge the balance of the income accounts of the partners;
- 4.) Equalize the capital accounts of the partners; and
- 5.) Discharge the balance of the capital accounts of the partners.

## **25. Voluntary Withdrawal**

Any Partner will have the right to voluntarily withdraw from the Partnership at any time by serving a written notice to the Partnership 90 (ninety) days prior effectivity. Such withdrawal shall result to the dissolution of the Partnership.

A Dissociated Partner will only exercise the right to withdraw in good faith and will act to minimize any present or future harm done to the Partnership as a result of the withdrawal.

## **26. Involuntary Withdrawal**

Occurrences resulting in the involuntary withdrawal of a Partner from the Partnership will include but not be limited to: death, mental incapacity, disability preventing reasonable participation in the Partnership, incompetence, breach of fiduciary duties, criminal conviction, expulsion, by operation of law, or such act or omission reasonably be expected to bring the business or societal reputation of the Partnership into disrepute.

The involuntary withdrawal of a Partner will result in the dissolution of the Partnership.

A Trustee in bankruptcy or similar third party who may acquire the dissociated Partner's interest in the Partnership will only acquire that Partner's economic rights and interests. No other rights shall be acquired by the Trustee and the acquisition of the of the economic rights and interests of the dissociated partner's interest is not admission to the Partnership. The trustee shall not have voting interests, nor exercise in any part of the management in the partnership.

## **27. Partnership Dissolution**

Where the dissociation of a Partner for any reason results in the dissolution of the Partnership, then the Partnership will proceed in a reasonable and timely manner to dissolve the Partnership, with all debts and obligations being paid first, prior to any distribution of the remaining funds. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.

The remaining Partners retain the right to seek damages from a dissociated Partner where the dissociation resulted from a malicious or criminal act by the dissociated Partner or where the dissociated Partner had breached their fiduciary duty to the Partnership as provided for in this Agreement or had acted in a way that could reasonably be foreseen to bring harm, damage, or malign the reputation of the Partnership.

## **28. Force Majeure**

A Partner shall be free of liability to the Partnership where the Partner is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, and where the Partner has communicated the circumstance of said event with proper diligence to any and all other Partners and taken any and all appropriate action to mitigate said event.

## **29. Arbitration**

Controversies, claims, or disputes arising out of or relating to this Agreement, or the breach hereof, conducted confidentially and shall be settled by arbitration in accordance with the rules, then obtaining, of the American Arbitration Association.

Any decision or award resulting from the arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. Any such arbitration shall be conducted by an arbitrator agreed upon by the partners and shall include a written record of the arbitration hearing. Partners reserve the right to object to any individual who shall be employed by or affiliated with a competing organization or entity. An award of arbitration binding among the parties.

## **30. Duty of Loyalty**

Partners shall not engage in any other business or transaction, directly or indirectly, that can be in compete with the business of the Partnership or that would be in direct conflict of interest of the Partnership without the written consent of all the remaining Partners.

Each Partner hereby acknowledges and agrees that any and all business, ventures, or transactions with any appearance of conflict of interest must be fully disclosed to all other Partners. A failure to comply with any of the terms of this clause will be treated accordingly by the remaining Partners.

The Partners are hereby indemnified in respect to losses, damage, costs, liabilities, and all other expenses which may arise due to breach of "Duty of Loyalty" clause and shall only be borne by the partner in contravention of this tenor.

## **31. Forbidden Acts**

(a) A Partner cannot and may not do any act in contravention of this Agreement.

(b) No Partner may permit, intentionally or unintentionally, the assignment of express, implied, or apparent authority to a third party that is not a Partner in the Partnership.

(c) No Partner may mortgage, assign, encumber or charge that Partner's interest in the Partnership (or in any property, assets or business of the Partnership) without the prior written consent of the other Partners.

(d) No Partner may do an act that would make it impossible to carry on the ordinary business of the Partnership.

- (e) No Partner may confess a judgment against the Partnership.
- (f) No Partner may disclose to any person, or use in any way, any confidential information of the Partnership or of the business of the Partnership, except for in the course of conducting the business of the Partnership.
- (g) No Partner will have the right or authority to bind or obligate the Partnership to any extent with regard to any matter outside of the intended purpose of the Partnership.
- (h) No Partner may appoint or dismiss any employees, contractors or agents except with the prior written consent of the other Partners.
- (i) No Partner may lend any of the Partnership's money, or provide credit on behalf of the Partnership, without the prior written consent of the other Partners.
- (j) No Partner may give any security or promise for the payment of money by the Partnership, except in the ordinary course of the Partnership business or with the prior written consent of the other Partners.
- (k) Any violation of the above Forbidden Acts will be deemed an involuntary withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.
- (l) The Partners each hereby indemnify each other, and keep each other indemnified, in respect of any and all losses, damage, costs, expenses and liabilities which may arise from a breach of this "Forbidden Acts" clause.

## **32. Currency**

The financial amounts of money described in this Agreement are in \_\_\_\_\_ unless distinctly stated otherwise.

## **33. Miscellaneous Provisions**

- (a) Time is of the essence in this Agreement.
- (b) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.
- (c) Should any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the same shall apply only to the provision involved and the remaining provisions hereof shall remain valid and enforceable. It is the Parties' intent that such provision be reduced in scope by the Court only to the extent deemed necessary by that Court to render the provision reasonable and enforceable and the remainder of the provisions of this

Agreement will in no way be affected, impaired, or invalidated as a result. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining terms and provisions, which shall be enforced as if the offending term or provision had not been included in this Agreement.

(d) This Agreement contains the entire agreement between the Parties. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made by any Party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the Parties.

(e) This Agreement inures to the benefit of, and is binding upon the successors, assigns, executors, administrators, beneficiaries, and representatives of the Partners hereto.

(f) This Agreement may not be amended in whole or in part without the unanimous written consent of all Partners.

(g) All of the rights, remedies, and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies, and benefits allowed by law.

(h) Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail to the address of the relevant Party set out at the head of this Agreement. Notices sent as above shall be deemed to have been received 3 working days after the day of posting (in the case of inland first class mail), or 7 working days after the date of posting (in the case of air mail). In proving the giving of a notice it shall be sufficient to prove that the notice was left, or that the envelope containing the notice was properly addressed and posted, as the case may be.

(i) The failure of either party to insist upon the strict compliance with and performance of any of the terms, conditions, and covenants hereof shall not be deemed as a relinquishment or waiver of any rights or remedy that said party may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants herein contained, but the same shall continue to be in full force and effect. No waiver by any party shall be deemed to have been made unless expressed in writing and duly signed by the waiving party.

**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement this day of \_\_\_\_\_, to be effective as of the Effective Date in accordance with this Agreement.

**FULL NAME AND SIGNATURE OF THE PARTNER**

\_\_\_\_\_  
\_\_\_\_\_

**FULL NAME AND SIGNATURE OF THE PARTNER**

\_\_\_\_\_  
\_\_\_\_\_

**FULL NAME AND SIGNATURE OF THE WITNESS (if applicable)**

\_\_\_\_\_  
\_\_\_\_\_

**FULL NAME AND SIGNATURE OF THE WITNESS (if applicable)**

\_\_\_\_\_  
\_\_\_\_\_

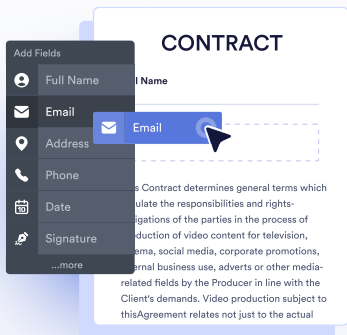


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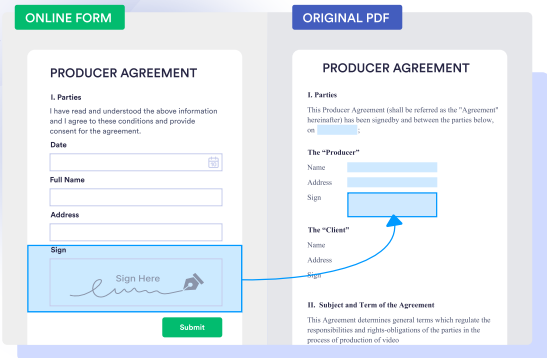
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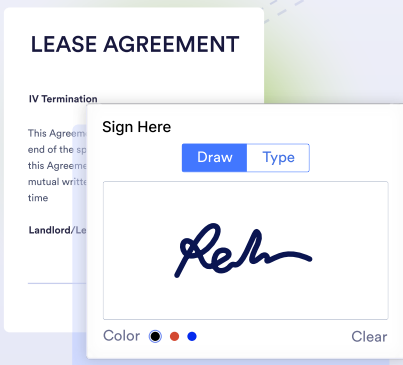
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