

## PARTNERSHIP AGREEMENT

**THIS AGREEMENT** made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**AMONG:**

**[PARTNER 1]**  
**(“P1”)**

**- and -**

**[PARTNER 2]**  
**(“P2”)**

**- and -**

**[PARTNER 3]**  
**(“P3”)**

**WHEREAS** P1, P2 and P3 have agreed to form a partnership for the purpose of carrying on the business set out below (the “Partnership”), and are entering into this Agreement to set out their respective rights and obligations with respect to the Partnership.

**THEREFORE**, in consideration of the mutual promises set out in this Agreement, the sufficiency of which is hereby acknowledged, P1, P2 and P3 hereby agree as follows:

### **1. DEFINITIONS**

- (a) “Act” means the *Partnership Act* of Ontario, as amended from time to time.
- (b) “Agreement” means this Partnership Agreement including all Schedules and any amendments hereto.
- (c) “Capital” means, with reference to any Partner, the value of money or other property contributed by such Partner to the Partnership, and with respect to the Partnership means the aggregate Capital of the Partnership.
- (d) “Capital Account” means the subledger in the books and records of the Partnership which records the contribution and withdrawal of Capital by each Partner.
- (e) “Income Account” means the subledger in the books and records of the Partnership which records the accumulation and withdrawal of profits, losses or income for the credit or debit of each Partner in accordance with the terms of this Agreement.
- (f) “Ordinary Resolution” shall be a resolution of the Partners approved by Partners holding more than a 50% Partnership Interest.

- (g) “Partners” shall mean the partners of the Partnership from time to time.
- (h) “Partnership” shall mean the Partnership formed by this Agreement.
- (i) “Partnership Interest” shall mean the ownership interest held by a Partner in and of the Partnership expressed as a percentage of the whole; the initial Partnership Interests are set out below.
- (j) “Special Resolution” shall be a resolution of the Partners approved by Partners holding at least a \_\_\_\_\_% Partnership Interest.

**2. PRIORITY OVER THE ACT**

2.1 To the extent permitted, the provisions of this Agreement supersede anything to the contrary in the Act.

**3. FORMATION OF THE PARTNERSHIP, NAME and BUSINESS**

3.1 P1, P2 and P3 hereby agree that they are the founding Partners of the Partnership. The Partnership shall carry on business from the date set out above until wound up or terminated in accordance with the terms of this Agreement and the Act. The Partnership will carry on business under the firm name and style of “[name]” or such other name or names as the Partners may agree upon by Special Resolution. The Partnership shall be registered as required by the legislation of any jurisdiction in which it carries on business.

3.2 The Partnership has been formed to carry on the business (“Business”) of [nature of the business] and to conduct any other business or carry out any other activity which is incidental, ancillary or related thereto, or any other business activity that may be unanimously approved by the Partners.

**4. PARTNERSHIP INTERESTS**

4.1 Upon execution of this Agreement, each of P1, P2 and P3 will contribute \$\_\_\_\_\_ to the Capital of the Partnership, to be added to each of their Capital Accounts.

4.2 It is acknowledged by each of the Partners that their respective Partnership Interest in the Partnership will be as follows, and may not be amended except by unanimous resolution of the Partners:

P1	_____%
P2	_____%
P3	_____%

4.3 New Partners may only be admitted to the Partnership with the approval of the Partners by way of a unanimous resolution of the Partners.

**THIS IS A 7-PAGE DOCUMENT.**