

SILENT PARTNERSHIP AGREEMENT

This Partnership Agreement (the "Agreement") is made effective as of [Insert Date] (the "Effective Date"), by and between [Insert General Partner Name] of [Insert General Partner Address] (the "General Partner") and [Insert Silent Partner Name] of [Insert Silent Partner Address](the "Silent Partner"), known collectively as the "Partners."

WHEREAS, the Partners desire to enter into a business partnership;

WHEREAS the Silent Partner(s) showed an interest in joining the business venture silently and the General Partner(s) has accepted this partnership proposal;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and conditions contained in this Agreement, the Partners to this Agreement agree to the following:

I. PARTNERSHIP NAME, PLACE, AND BUSINESS

The business partnership will be known as [Insert Partnership Name] (the "Partnership"). However, the business of the Partnership may be conducted, in compliance with all applicable laws, under any other name determined to be appropriate or advisable by the General Partner(s). The Partnership's primary place of business will be [Insert Address]. The Partnership's primary purpose is [Insert Description of Partnership].

II. TERM

The Partnership shall commence on the Effective Date and shall continue thereafter until lawfully terminated.

III. INTEREST IN CONTRIBUTIONS

No Partner's contribution to the capital of the Partnership shall bear interest in his or her favor. All interest earned on any contribution shall be payable in its entirety to the Partnership capital account.

IV. OWNERSHIP INTEREST IN THE PARTNERSHIP AND AUTHORITY

[Insert General Partner Name]: 0%

[Insert Silent Partner Name]: 0%

The Partners' authority will be defined by the following unless otherwise stated in the Agreement:

All decisions for contract or otherwise will be made based on a majority vote of percent of ownership among General Partners. Each Partner will have the authority based on their percent ownership outlined above in the Agreement.

V. DUTIES OF THE GENERAL PARTNER(S)

The General Partner(s) shall be responsible for the complete management, control, and policies related to the operation and conduct of the business, including all personnel, purchasing, sales, and contractual matters.

VI. DUTIES OF THE SILENT PARTNER

The Partners agree that the Silent Partner(s) shall be "silent" in the Partnership. The Silent Partner(s) shall not participate in or interfere in the operation of the Partnership and are not restricted from engaging in any other business or from entering into any other partnerships.

The Silent Partner(s) shall not be personally liable for any debts or other obligations of the Partnership.

VII. PROFITS AND LOSSES

All Partners, including the Silent Partner(s), shall share all items of income, gain, loss, deduction, or credit equally. Profits and losses shall be computed in accordance with generally accepted accounting principles, consistently applied.

VIII. LIMITED LIABILITY

Subject only to the provisions of the Uniform Limited Partnership Act applicable to the State, no Silent Partner(s) shall have the personal liability of any kind for any debts, liabilities, or other obligations of the Partnership.

IX. ENTIRE AGREEMENT

Except as otherwise expressly provided in this Agreement, this Agreement contains the entire agreement of the Partners with respect to the terms and conditions of the Silent Partnership and supersedes all prior agreements, certificates, and understandings, oral or otherwise, among the Partners with respect to these matters.

X. WAIVERS

Except as otherwise expressly provided in this Agreement, no purported waiver by any Partner of any breach by another Partner of any of his or her obligations, agreements, or covenants shall be effective unless made in writing subscribed by the Partner or Partners sought to be bound, and no failure to pursue or elect any remedy with respect to any default under or breach of any provision of this Agreement shall be deemed to be a waiver of any other subsequent default or breach or any election of remedies available, nor shall the acceptance or receipt by any Partner of any money or other consideration due him or her under this Agreement, with or without knowledge of any breach under this Agreement, constitute a waiver of any provision of this Agreement with respect to that or any other breach.

XI. SEVERABILITY

Each provision of this Agreement shall be considered to be severable. If for any reason, any provision or any part of a provision is determined to be invalid and contrary to any existing or future applicable law, the invalidity shall not impair the operation of or affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or provisions had been omitted.

XII. COUNTERPARTS

This Agreement may be executed in one or more counterparts. Each counterpart shall be deemed for all purposes to be an original, but all of the counterparts together shall constitute but one and the same instrument binding on all Partners.

XIII. SETTLING DISPUTES

All Partners agree to enter into mediation before filing suit against any other Partner or the Silent Partnership for any dispute arising from this Agreement or Silent Partnership. Partners agree to attend one session of mediation before filing a suit. If any Partner does not attend mediation or the dispute is not settled after one session of mediation, the Partners are free to file suit. Any lawsuits will be under the jurisdiction of the state of [Insert State].

IN WITNESS WHEREOF, this Agreement has been executed and delivered by all Partners in the manner prescribed by law as of the Effective Date.

General Partner:

By: _____ Date: _____
[Insert Name of General Partner]

Silent Partner:

By: _____ Date: _____
[Insert Name of Silent Partner]