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# Definitions and Interpretations

For the purposes of this Partnership Agreement, the following terms shall have the meanings set forth below:

## Key Definitions

- **Net Profits:** Gross revenue of the Partnership less all operating expenses, including but not limited to salaries, rent, utilities, and other costs directly related to the Partnership's business operations, as determined in accordance with generally accepted accounting principles (GAAP).
- **Net Losses:** The excess of all operating expenses incurred by the Partnership over the gross revenue of the Partnership, calculated in accordance with generally accepted accounting principles (GAAP).
- **Capital Contributions:** The total amount of cash or other assets contributed by each Partner to the Partnership, as specified in **Exhibit A**. These contributions establish each partner's initial stake in the company.
- **Partnership Interest:** A Partner's percentage share of the Net Profits, Net Losses, and capital of the Partnership, as outlined in **Exhibit B**. This interest dictates their rights and obligations within Docupal Demo, LLC.

## General Interpretation

Unless the context requires otherwise, words in the singular shall include the plural and vice versa. References to any law shall include any amendments or re-enactments thereof. Headings are included for convenience only and shall not affect the interpretation of this Partnership Agreement. All exhibits referenced are an integral part of this agreement.

# Partnership Purpose and Scope

DocuPal Demo, LLC, a United States company located in Anytown, California, will focus on developing and marketing software solutions. The partnership's primary purpose is to create and promote innovative software tailored for small businesses.



## Business Activities

The company will dedicate its resources exclusively to software development and marketing activities. This includes, but is not limited to, software design, programming, testing, marketing campaigns, and sales efforts.

## Limitations on Scope

The partnership will not engage in any business activities outside of software development and marketing without the unanimous written consent of all partners. This ensures a focused approach and alignment among the partners regarding the company's strategic direction.

# Capital Contributions and Ownership Interests

## Initial Capital Contributions

John Doe and Jane Smith will each contribute an initial capital of \$50,000 in cash. These contributions will be made to DocuPal Demo, LLC upon the execution of this agreement. The total initial capitalization of the partnership is \$100,000.

## Initial Ownership Percentages

Upon making the initial capital contributions, John Doe and Jane Smith will each hold a 50% ownership percentage in DocuPal Demo, LLC. This initial ownership reflects the equal contributions made by each partner.

Partner	Contribution	Ownership Percentage
John Doe	\$50,000	50%
Jane Smith	\$50,000	50%
Total	\$100,000	100%



## Future Capital Contributions

Any future capital contributions to the partnership will require the mutual written agreement of both John Doe and Jane Smith. The ownership percentages may be adjusted proportionally to reflect any such future contributions. The specific terms and conditions surrounding future capital contributions, including valuation methods and resulting ownership adjustments, will be documented in writing and attached as an addendum to this agreement.

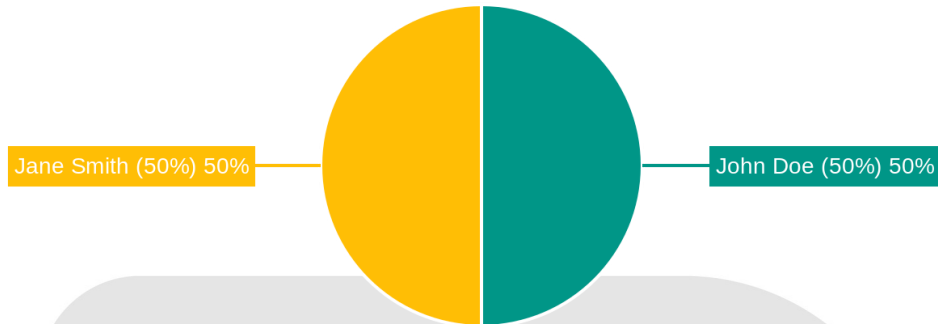
## Profit and Loss Sharing

The net profits and net losses of Docupal Demo, LLC, will be allocated to the partners in proportion to their ownership percentages. John Doe will receive 50% of the profits and losses. Jane Smith will receive 50% of the profits and losses.

## Distribution Methodology

Distributions will mirror the partners' ownership percentages. This ensures that each partner's share of the financial outcomes aligns directly with their stake in the company. Profit distribution will occur on a [frequency, e.g., quarterly] basis, or as otherwise determined by mutual agreement of the partners. Losses will be accounted for and reflected in the capital accounts of the partners in the same proportions.





## Capital Account Adjustments

Each partner's capital account will be credited with their share of the profits and debited with their share of the losses. This ensures accurate tracking of each partner's financial position within the partnership.

# Decision Making and Management

## Management Structure

John Doe will oversee and manage the day-to-day operations of DocuPal Demo, LLC. This includes executing the company's business plan and ensuring smooth workflow.

## Decision-Making Process

Routine decisions may be approved through a majority vote of the partners. However, major decisions require unanimous agreement from all partners. Major decisions include, but are not limited to:

- Significant financial investments



- Changes to the business plan
- Entering into significant contracts

## Partner Authority

Each partner has the authority to enter into contracts on behalf of the partnership. However, individual contracts are limited to a maximum value of \$10,000. Any contract exceeding this amount requires prior approval.

## Partner Roles and Responsibilities

Each partner will undertake specific responsibilities essential to DocuPal Demo, LLC's operations. These roles leverage each partner's expertise. Changes to these roles are possible only through mutual written agreement.

### John Doe: Product Development

John Doe is primarily responsible for all aspects of product development. This includes software design, coding, testing, and implementation. John will ensure the software meets the required specifications and quality standards.

### Jane Smith: Marketing and Sales

Jane Smith is primarily responsible for marketing and sales. Her duties include developing and executing marketing strategies, managing sales activities, and building customer relationships. Jane will focus on promoting the software and generating revenue for the partnership.

## Confidentiality and Non-Compete Clauses

### Confidentiality

Partners agree to hold all confidential information in strict confidence. Confidential information includes client lists, financial data, and proprietary software code. This obligation continues even after a partner leaves the partnership.





## Non-Compete

During the term of this partnership and for two years after leaving the partnership, partners will not engage in any business that competes with Docupal Demo, LLC. This restriction applies within a 50-mile radius of the principal business location of 23 Main St, Anytown, CA 90210.

## Admission of New Partners

New partners may be admitted to the Partnership only upon the unanimous approval of all existing partners. This requirement ensures that all current partners are in agreement regarding the suitability and contributions of any prospective new partner. The decision to admit a new partner will consider factors such as the candidate's expertise, financial standing, and compatibility with the Partnership's goals and values. The specific terms of the new partner's admission, including their capital contribution, ownership percentage, and responsibilities, will be documented in an amendment to this Agreement, which must also be unanimously approved by all existing partners.

## Withdrawal and Exit of Partners

A partner may withdraw from Docupal Demo, LLC by providing at least 60 days written notice to the remaining partner. Upon a partner's exit, their partnership interest will be valued. This valuation will be determined using a mutually agreed-upon formula. If the partners cannot agree, an independent appraisal will be used to ascertain the fair market value.

## Transfer of Ownership

A partner cannot sell or transfer their ownership interest without the express written consent of the other partner. This provision ensures that the remaining partner has control over who becomes a co-owner of Docupal Demo, LLC. The terms of any such sale or transfer will be subject to negotiation and documented in a separate agreement.





# Dispute Resolution

DocuPal Demo, LLC prefers to resolve disagreements between partners through alternative dispute resolution methods.

## Mediation

If a dispute arises, the partners will first attempt to resolve it through mediation. A mutually agreed-upon mediator will facilitate discussions. All partners must participate in good faith. The cost of mediation will be shared equally by the partners involved in the dispute.

## Arbitration

If mediation is unsuccessful, the dispute will be settled by binding arbitration. Arbitration will occur in accordance with the rules of the American Arbitration Association. The arbitrator's decision will be final and binding on all partners. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

# Liability and Indemnification

Each partner is responsible for the debts and obligations of Docupal Demo, LLC. This liability will be in proportion to each partner's ownership percentage within the partnership.

## Indemnification

Each partner ("Indemnifying Party") agrees to indemnify, defend, and hold harmless the other partner ("Indemnified Party") against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorney's fees) arising from or related to the Indemnifying Party's actions or omissions on behalf of Docupal Demo, LLC. This includes any breach of this agreement or any negligent or wrongful act. This indemnification shall survive the termination or dissolution of this partnership.



# Accounting, Records, and Reporting

The partnership will maintain complete and accurate accounting records. These records will detail all transactions of the partnership. They will be kept in accordance with generally accepted accounting principles (GAAP).

## Bookkeeping

Jane Smith will maintain the partnership's records. The partnership will use a standard double-entry bookkeeping system. All financial transactions require proper documentation.

## Fiscal Year

The fiscal year of the partnership will end on December 31 of each year. This aligns with standard business practices. It also simplifies tax reporting.

## Financial Reporting

The partnership will provide financial reports to each partner on a quarterly basis. These reports will include an income statement, balance sheet, and cash flow statement. The reports will provide a clear picture of the partnership's financial health.

# Banking and Financial Management

## Bank Accounts

DocuPal Demo, LLC will establish and maintain bank accounts as needed for business operations. These accounts will be held in the name of the partnership at reputable financial institutions.

## Authorized Signatories

Both John Doe and Jane Smith are authorized to access and manage the partnership's bank accounts. Each partner can independently conduct routine banking transactions.



## Financial Controls

To ensure financial security, all withdrawals exceeding \$1,000 require dual signatures. This means that both John Doe and Jane Smith must approve such transactions. This control promotes transparency and accountability in managing partnership funds.

## Governance and Meetings

The Partners will hold meetings to discuss the business operations. These meetings occur monthly.

### Meeting Procedures

All Partners must be present for a meeting to proceed. This constitutes a quorum.

### Voting

Each partner has one vote. All decisions require unanimous consent. This means 100% of the partners must agree.

## Amendments to the Agreement

This agreement may be amended or modified at any time. Any changes require the written consent of partners holding at least 75% of the partnership interests.

### Amendment Procedures

All amendments must be formally documented in writing. Each partner must sign the written amendment to indicate their agreement. The amendment becomes effective upon signature by all required partners, as determined by their respective partnership interests.



# Dissolution of Partnership

This partnership will dissolve upon the occurrence of any of the following events: the bankruptcy of either partner, mutual written agreement of both partners, or the failure of the partnership to achieve its defined business goals.

## Dissolution Process

Upon dissolution, the partnership's assets will be liquidated. The proceeds from liquidation will first be used to satisfy all outstanding partnership liabilities. Any remaining funds will then be distributed to the partners according to their respective ownership percentages as outlined in this agreement.

## Notices and Communications

All official notices regarding this Partnership Agreement must be in writing to ensure clarity and documentation. These notices can be delivered either by email or through traditional written correspondence. To confirm receipt, partners must either provide a read receipt for emails or a signed acknowledgment for written correspondence.

### Email Communications

Partners must send official notices via email to the addresses they have formally designated for partnership communications. The sender is responsible for requesting a read receipt to confirm the recipient has received the email. The date of the read receipt will serve as the official date of notification.

### Written Correspondence

Partners can send notices via registered or certified mail to the Partnership's official address or to a partner's designated address. To confirm receipt, the receiving partner must sign and return an acknowledgment of receipt. The date on the signed acknowledgment will serve as the official date of notification.



# Governing Law and Jurisdiction

This agreement will be governed by and interpreted in accordance with the laws of the State of Delaware.

## Dispute Resolution

Any disputes arising under this partnership agreement will be resolved in the state courts located in Delaware. Each partner consents to the jurisdiction of those courts for the purposes of any such proceeding.

# Miscellaneous Provisions

## Entire Agreement

This Partnership Agreement contains the entire understanding of the partners. It supersedes any prior agreements between them. This applies whether those agreements were written or verbal.

## Severability

Should any provision of this Agreement be deemed unenforceable, the remaining provisions will still be valid. They will continue in full force and effect.

## Force Majeure

No partner will be liable for failures to perform obligations. This applies when failures are due to events beyond their reasonable control. Such events might include acts of God, war, or governmental regulations.

# Signatures and Execution

This Partnership Agreement shall become effective as of 2025-07-30, upon the signature of all partners.



## Partner Signatures

John Doe and Jane Smith must sign this agreement to indicate their understanding and agreement to its terms. Each partner acknowledges receiving a complete copy of this Partnership Agreement.

## Execution

This Partnership Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Notarization is required for this agreement to be considered fully executed.

**John Doe**

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**Jane Smith**

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

