

SILENT PARTNER AGREEMENT

Location: _____ Effective Date: _____

PARTIES:

General Partner Name: _____

General Partner Address: _____

Silent Partner Name: _____

Silent Partner Address: _____

RECITALS:

WHEREAS, the General Partner owns and operates a business described below, and the Silent Partner desires to invest capital in the business for a share of profits, subject to the terms and conditions set forth herein.

AGREEMENT TERMS:

1. Formation and Purpose

The parties hereby form a partnership (the "Partnership") for the purpose of conducting the business described as follows: _____.

2. Capital Contributions

The Silent Partner agrees to contribute capital in the amount of \$_____. The General Partner shall contribute the management and operational expertise necessary to conduct the Partnership's business.

3. Profit and Loss Sharing

The net profits and losses of the Partnership shall be shared as follows: Silent Partner __%, General Partner __%. Distributions shall be made at the discretion of the General Partner in accordance with Partnership operations.

4. Management and Control

The General Partner shall have full, exclusive, and complete discretion in the management and control of the business of the Partnership. The Silent Partner shall not participate in the management or control of the business.

5. Term and Termination

This Agreement shall commence on the Effective Date and continue until terminated by mutual written consent of the parties or as provided herein.

6. Withdrawal or Removal of Silent Partner

The Silent Partner may not withdraw capital contributions without the prior written consent of the General Partner. The General Partner may remove the Silent Partner for cause upon ___ days' written notice.

7. Duties and Obligations

The General Partner shall devote such time and effort as necessary to conduct the business of the Partnership. The Silent Partner shall not be liable for the debts or obligations of the Partnership beyond their capital contribution.

8. Books, Records, and Accounting

The Partnership shall maintain complete and accurate books and records. The Silent Partner shall have the right to inspect such records upon reasonable notice during normal business hours.

9. Confidentiality

Each party agrees to keep all information related to the Partnership and its business confidential and agrees to not disclose any confidential information to any third party without prior written consent.

10. Indemnification

The Partnership shall indemnify and hold harmless the Silent Partner from any liabilities or claims arising from the business except in cases of willful misconduct or gross negligence.

11. Assignment and Transfer

Neither party may assign or transfer their interest in the Partnership without the prior written consent of the other party.

12. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of _____. The parties submit to the exclusive jurisdiction of the state and federal courts located in _____ County, _____ for any disputes arising out of this Agreement.

13. Dispute Resolution

Any disputes arising out of or related to this Agreement shall be resolved first through good-faith negotiations. If unresolved, disputes shall be submitted to mediation, and if still unresolved, to binding arbitration in accordance with the rules of the American Arbitration Association.

14. Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.

15. Amendments

No amendment or modification of this Agreement shall be valid unless in writing and signed by both parties.

16. Notices

All notices required or permitted under this Agreement shall be in writing and delivered personally, by certified mail, or by nationally recognized overnight courier to the addresses set forth above or to such other address as a party may designate by notice.

17. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

18. Waiver

No waiver of any breach or default shall be deemed a waiver of any subsequent breach or default.

19. Counterparts

This 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.

20. Signatures

The parties have executed this Agreement as of the Effective Date by their duly authorized representatives.

GENERAL PARTNER SIGNATURE

SILENT PARTNER SIGNATURE

Signature: _____

Signature: _____

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