

SILENT PARTNER AGREEMENT

Location: _____ Date: _____

Parties:

General Partner Name: _____

General Partner Address: _____

Silent Partner Name: _____

Silent Partner Address: _____

Recitals:

WHEREAS, General Partner is engaged in a business known as _____, and desires to admit Silent Partner as a silent partner to contribute capital and share in profits and losses, pursuant to the terms and conditions set forth herein; and WHEREAS, Silent Partner desires to contribute capital to the business and participate financially while remaining uninvolved in day-to-day management.

1. Formation and Purpose

The parties hereby form a silent partnership (the "Partnership") for the purpose of conducting business under the name of _____, which shall be managed exclusively by the General Partner.

2. Capital Contributions

Silent Partner shall contribute capital in the amount of \$_____, payable as agreed between parties. General Partner may contribute labor, management, and/or additional capital as specified in separate agreements.

3. Profit and Loss Sharing

Profits and losses of the Partnership shall be allocated as follows: Silent Partner shall receive ____% and General Partner shall receive ____%, subject to reconciliation at fiscal year-end.

4. Management and Control

General Partner shall have exclusive control and authority over the management and operation of the Partnership business. Silent Partner shall not participate in management or decision-making.

5. Duties and Responsibilities of General Partner

General Partner shall manage the business diligently and in good faith, maintain accurate books and records, and provide Silent Partner with periodic financial statements and reports.

6. Rights and Limitations of Silent Partner

Silent Partner shall have the right to inspect Partnership records and receive distributions as agreed, but shall not bind or

obligate the Partnership, nor participate in management decisions.

7. Distributions

Distributions of profits shall be made to the parties quarterly or at such other intervals as determined by the General Partner, subject to compliance with applicable law and sufficient available funds.

8. Books, Records, and Accounting

The Partnership shall maintain complete and accurate books and records in accordance with generally accepted accounting principles (GAAP). Silent Partner shall have reasonable access to such records.

9. Term and Termination

This Agreement shall continue until terminated by mutual written consent or as otherwise provided herein. Termination shall be governed by applicable laws and the terms set by the parties.

10. Withdrawal or Removal of Silent Partner

Silent Partner may withdraw or be removed only in accordance with the terms of this Agreement or applicable law. Upon withdrawal or removal, Silent Partner shall be entitled to return of capital and share of profits or losses.

11. Confidentiality

Each party agrees to maintain confidentiality of all Partnership business, financial information, and proprietary data except as required by law or agreed in writing.

12. Indemnification

The Partnership and General Partner shall indemnify Silent Partner against claims arising from Partnership activities, except in cases of gross negligence, willful misconduct, or breach of this Agreement.

13. Limitation of Liability

Silent Partner's liability shall be limited to the amount of their capital contribution. General Partner shall be responsible for all debts, obligations, and liabilities of the Partnership.

14. Governing Law and Dispute Resolution

This Agreement shall be governed by and construed in accordance with the laws of the State of _____. Any disputes arising hereunder shall be resolved by binding arbitration in _____, in accordance with the rules of the American Arbitration Association.

15. Entire Agreement; Amendments

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. No amendment or modification shall be effective unless in writing and signed by both parties.

16. Severability

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

17. Notices

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

18. Counterparts; Electronic Signatures

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one agreement. Electronic signatures shall have the same force and effect as original signatures.

GENERAL PARTNER SIGNATURE

SILENT PARTNER SIGNATURE

Signature: _____

Signature: _____

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