

# Capital Withdrawal Clause Partnership Agreement

## 1. Purpose

This Capital Withdrawal Clause outlines the terms and conditions under which a Partner may withdraw all or part of their capital contribution from the partnership, subject to the provisions set forth in this Agreement.

## 2. Restrictions on Withdrawal

No Partner shall be entitled to withdraw any portion of their capital contribution without the prior written consent of all remaining Partners, except as may be otherwise provided herein.

## 3. Procedure for Withdrawal

- The Partner intending to withdraw capital must submit a written notice specifying the amount to be withdrawn at least 60 days in advance.
- Approval of the withdrawal shall require unanimous consent from all Partners, documented in writing.
- Withdrawal shall not reduce the total partnership capital below the minimum required for operation as agreed by the Partners.
- Any withdrawal shall be made only if the partnership has sufficient liquid assets, and such withdrawal shall not adversely affect existing liabilities and operations.

## 4. Adjustment of Profit and Loss Sharing Ratio

Upon approval and effectuation of a capital withdrawal, the profit and loss sharing ratios of the Partners shall be adjusted proportionally, unless otherwise agreed in writing by all Partners.

## 5. Settlement and Payment

Payment of the withdrawn capital shall be made within 30 days from the effective date of withdrawal, subject to availability of partnership funds and after settlement of all outstanding partnership liabilities.

## 6. Limitation

If, in the opinion of the remaining Partners, the proposed withdrawal could jeopardize the financial standing of the partnership, such withdrawal may be postponed or subject to additional conditions as the Partners consider necessary.

## Signatures

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Partner 1

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Partner 2

Date

**Important Notes:**

- This clause should be tailored to align with specific business and legal requirements of the partnership.
- Consultation with a legal professional is recommended before implementation.
- Clear withdrawal procedures help minimize disputes and ensure the partnership's stability.
- All amendments to the clause must be documented and signed by all Partners.