

UNIFORM PARTNERSHIP ACT (EXCERPT)
Act 72 of 1917

449.18 Rules for determining rights and duties of partners.

Sec. 18.

(Rules determining rights and duties of partners). The rights and duties of the partners in relation to the partnership shall be determined, subject to any agreement between them, by all of the following rules:

(a) Each partner shall be repaid his or her contributions, whether by way of capital or advances to the partnership property and share equally in the profits and surplus remaining after all liabilities, including those to partners, are satisfied. Except as provided in section 46, each partner shall contribute towards the losses, whether of capital or otherwise, sustained by the partnership according to his or her share in the profits.

(b) The partnership shall indemnify every partner in respect of payments made and personal liabilities reasonably incurred by him or her in the ordinary and proper conduct of its business, or for the preservation of its business or property.

(c) A partner, who in aid of the partnership makes any payment or advance beyond the amount of capital which he or she agreed to contribute, shall be paid interest from the date of the payment or advance.

(d) A partner shall receive interest on the capital contributed by him or her from the date when repayment should be made.

(e) All partners have equal rights in the management and conduct of the partnership business.

(f) A partner is not entitled to remuneration for acting in the partnership business, except that a surviving partner is entitled to reasonable compensation for his or her services in winding up the partnership affairs.

(g) A person cannot become a member of a partnership without the consent of all partners.

(h) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners. However, an act in contravention of any agreement between the partners may not be done rightfully without the consent of all the partners.

History: 1917, Act 72, Eff. Aug. 10, 1917 ;-- CL 1929, 9858 ;-- CL 1948, 449.18 ;-- Am. 1994, Act 323, Imd. Eff. Oct. 12, 1994