

CHAPTER 2-NATURE OF A PARTNERSHIP

10. PARTNERSHIP DEFINED

1. A partnership is an association of two or more persons to carry on as co-owners a business for profit and includes for all purposes of the laws of the Nation, a registered limited liability partnership.

2. But any association formed under any other statute of this Nation, or any statute adopted by authority, other than the authority of this Nation, is not a partnership under this chapter, unless such association would have been a partnership in this Nation prior to the adoption of this Code; but this Code shall apply to limited partnerships except in so far as the statutes relating to such partnerships are inconsistent herewith.

11. RULES FOR DETERMINING THE EXISTENCE OF A PARTNERSHIP

In determining whether a partnership exists, these rules shall apply:

1. Except as provided by section twenty-seven, persons who are not partners as to each other are not partners as to third persons.

2. Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not of itself establish a partnership, whether such co-owners do or do not share any profits made by the use of the property.

3. The sharing of gross returns does not of itself establish a partnership, whether or not the persons sharing them have a joint or common right or interest in any property from which the returns are derived.

4. The receipt by a person of a share of the profits of a business is prima facie evidence that he is a partner in the business, but no such inference shall be drawn if such profits were received in payment:

(a) As a debt by installments or otherwise,

(b) As wages of an employee or rent to a landlord,

(c) As an annuity to a surviving spouse or representative of a deceased partner,

(d) As interest on a loan, though the amount of payment vary with the profits of the business,

(e) As the consideration for the sale of the good-will of a business or other property by installments or otherwise.

12. PARTNERSHIP PROPERTY

1. All property originally brought into the partnership stock or subsequently acquired, by purchase or otherwise, on account of the partnership is partnership property.

2. Unless the contrary intention appears, property acquired with partnership funds is partnership property.

3. Any estate in real property may be acquired in the partnership name. Title so acquired can be conveyed only in the partnership name.

4. A conveyance to a partnership in the partnership name, though without words of inheritance, passes the entire estate of the grantor unless a contrary intent appears.