

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT made the [redacted] day of [redacted], 20[redacted]. **[Instruction: insert date]**

BETWEEN:

[redacted] **[Instruction: insert name of partner that will serve as the General Partner]** a company incorporated under the laws of the State of [redacted] **[Instruction: insert state of incorporation of the General Partner if applicable – if the General Partner is not a corporation delete the foregoing text after the General Partner’s name]**

(the “General Partner”)

-and-

[redacted] **[Instruction: insert name of partner that will serve as the Limited Partner]** a company incorporated under the laws of the State of [redacted] **[Instruction: insert state of incorporation of the Limited Partner if applicable – if the Limited Partner is not a corporation delete the foregoing text after the Limited Partner’s name]**

(the “Limited Partner”).

[Note: if there is more than one Limited Partner, insert additional Limited Partner names as necessary]

WHEREAS the parties desire to form a limited partnership to carry on the business of [redacted] **[Instruction: insert description of the business purpose of the partnership]**

It is mutually agreed as follows:

1. Partners and Partnership

- A. The parties agree to form a limited partnership (the “Partnership”) in accordance with and pursuant to the provisions of the laws of the State of [redacted] **[Instruction: insert applicable state]**
- B. The name of the Partnership shall be [redacted]. The principal office of the Partnership shall be located at [redacted] **[Instruction: insert address]**
- C. The business of the Partnership (the “Partnership Business”) shall be [redacted] **[Instruction: insert description of the business purpose of the Partnership]**

- D. The property of the Partnership may be registered in the name of the Partnership.
- E. The term of the Partnership shall commence on the date of the filing of a [redacted] **[Instruction: choose either “Declaration” or “Certificate”]** **[Comment: whether a “Declaration” or “Certificate” is to be filed, the drafter should check the requirements with applicable state]** of limited partnership under the [redacted] **[Instruction: insert title of enabling legislation]**.

2. Capital

- A. The General Partner shall contribute to the capital of the Partnership the sum of [redacted] dollars (**\$ [redacted]**). **[Instruction: insert dollar amount]**
- B. Each person who agrees to become a Limited Partner shall execute a written limited partnership subscription agreement (the “subscription agreement”) in the form annexed as Schedule “A”, setting forth, among other things, the total amount of cash agreed to be contributed by him/her/it to the capital of the Partnership (“agreed contribution”), which shall be paid by him/her/it to the Partnership as provided in and in accordance with the provisions of the subscription agreement. The aggregate maximum amount of agreed contributions in subscription agreements accepted by the General Partner shall not exceed [redacted] dollars (**\$ [redacted]**). **[Instruction: insert dollar amount]**
- C. No actual business activities of the Partnership shall be initiated or commenced until the General Partner shall have received and accepted subscription agreements representing agreed contributions of [redacted] dollars (**\$ [redacted]**) **[Instruction: insert dollar amount]** in the aggregate. In the event subscription agreements for such amount of agreed contributions are not received and accepted by the General Partner prior to [redacted], **[Instruction: insert date or specific triggering event]** the Partnership shall be terminated and all contributions received from subscribers shall be returned to them by the General Partner, without interest.
- D. An individual capital account shall be maintained for each partner and shall initially be credited with the amount of his cash contribution to the capital of the Partnership. No partner shall be entitled to withdraw any part of his capital account or to receive any distribution from the Partnership except as expressly provided for in this Agreement.
- E. No interest shall be paid on any capital contributed to the Partnership.
- F. No Limited Partner, as such, shall be obliged to make any contribution to the capital of the Partnership in excess of the Limited Partner’s agreed contribution, nor shall any Limited Partner have any personal liability as such for any of the

debts of the Partnership or for any of the losses thereof beyond the amount of the Limited Partner's agreed contribution.

3. Management

- A. The business and affairs of the Partnership shall be managed by the General Partner. The General Partner shall have all necessary powers to carry on the Partnership Business; provided, however, that the General Partner shall have no authority to:
- (i) to sell, exchange, pledge, mortgage or otherwise encumber or dispose of all or a substantial part of the assets of the Partnership without the prior written consent of at least two-thirds in interest of the Limited Partners, or
 - (ii) to borrow money on behalf of the Partnership, other than for the purpose of discharging obligations of the Partnership not voluntarily incurred by the General Partner, without the prior written consent of at least two-thirds in interest of the Limited Partners.
- B. No person dealing with the General Partner shall be required to determine its authority to make or execute any instrument or undertaking on behalf of or take any other action binding on the Partnership, or to determine any fact or circumstance bearing on the existence of such authority, or to see to the application and distribution of any revenues or proceeds paid to the Partnership in connection therewith.
- C. The General Partner may, in its discretion, employ other persons interested in or companies owned by, associated with or affiliated with the General Partner to render, on behalf of the Partnership, part or all of such specialized and general administrative services as are reasonably required to accomplish the purposes of the Partnership.
- D. The General Partner shall not be liable, responsible or accountable in damages or otherwise to the Partnership or to any of the other partners for acts performed by it in good faith and without gross negligence.
- E. No Limited Partner, as such, shall take any part in the management of the business or affairs of or transact any business for the Partnership and shall have no right to and shall not sign for or bind the Partnership in any way.
- F. From the funds contributed to the capital of the Partnership, the Partnership shall pay or reimburse the General Partner for all expenses incurred in connection with the organization of the Partnership, the acquisition and financing of [REDACTED] **[Instruction: identify any specific items that will be acquired or contributed by the General Partner that the Partnership will reimburse]** and the sale of the interests of the Limited Partners including, without limitation, printing costs and fees and disbursements.

- G. The General Partner shall be reimbursed by the Partnership, as and when the Partnership receives funds available therefore, for all reasonable out-of-pocket expenses incurred by it on behalf of the Partnership.
- H. The General Partner shall be paid an annual fee of _____ dollars (\$ _____) **[Instruction: insert dollar amount]** as compensation for its management of the business and affairs of the Partnership, provided that if the General Partner shall hire any person to perform all or part of its management functions, the remuneration of such person shall be paid by the General Partner out of its annual fee.
- I. Any partner may engage in or possess an interest in other business ventures of every nature including, without limitation, the _____; **[Instruction: if applicable, specifically identify ongoing or anticipated business ventures engaged in by a partner that the partner intends to continue to engage in and keep separate from the subject Partnership]** neither the Partnership nor the other partners shall by virtue of this agreement have any rights in or to such other ventures.

4. Accounts

- A. The General Partner shall maintain full and accurate books of the Partnership at the Partnership's principal place of business, showing all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Partnership Business and its affairs, including those sufficient to record the allocations and distributions provided for the section "Accounts." The books of the Partnership will be kept on an accrual basis. The books and records shall be open to the inspection and examination of all partners in person or by their duly authorized representatives at reasonable times.
- B. The fiscal year of the Partnership shall be the calendar year.
- C. The General Partner shall cause to be prepared for the Partnership, an annual statement showing the income and expenses of the Partnership and the balance sheet thereof at the end of the year. The Partnership shall have an annual review of its income and expense by _____ **[Instruction: insert name of accounting firm]** or another firm of chartered accountants of national recognized standing selected by the General Partner and shall furnish to each partner copies of such balance sheet and a statement of such partner's share of the Partnership's profit or loss, together with a report of such accountants covering such balance sheet and statement, within sixty days after the end of each such fiscal year. The Partnership shall also furnish to any Limited Partner such other reports on the Partnership's operations and condition as may be reasonably requested.

- D. All funds of the Partnership shall be deposited in its name in such checking and savings accounts or time certificates as shall be designated by the General Partner. Withdrawals therefrom shall be made on such signature or signatures as the General Partner may designate.
- E. All decisions as to accounting principles, except as specifically provided to the contrary in this agreement, shall be made by the General Partner and shall be acceptable to the firm of chartered accountants.

The profits and losses of the Partnership shall be determined each year in accordance with accounting principles and methods followed for income tax purposes and shall be allocated among the partners and credited (or charged) to their capital accounts in proportion to their respective capital contributions to the Partnership.

- F. On or before [redacted] **[Instruction: insert date]** in each of the years [redacted] through [redacted], **[Instruction: identify years]** after providing for the satisfaction of the obligations to which Partnership properties are subject and which have accrued at the time the distributions referred to in this sentence are made, there shall be distributed to the partners, in proportion to their respective capital contributions to the Partnership, cash in an aggregate amount equal to 100% of the net profit (as defined) received by the Partnership during such year. As used in this agreement, the term “net profit” means all funds received by the Partnership minus the funds required to discharge the obligations of the Partnership and which have accrued at the time. The obligation to make such distributions shall be cumulative, but unpaid amounts shall not bear interest.
- G. After providing for the satisfaction of the debts and obligations of the Partnership or to which Partnership properties are subject, providing a reasonable reserve for expenses expected to be incurred by the Partnership, any remaining funds shall be distributed to the partners at such time or times as the General Partner shall, in its sole discretion, determine in proportion to their respective capital contributions to the Partnership.
- H. The Partnership shall furnish each Limited Partner not later than [redacted] **[Instruction: insert number of days, e.g., sixty (60)]** days following the end of each fiscal year with such information with respect to the activities of the Partnership and the interests of the Limited Partners therein as may be required in order to effect any filing required of the Limited Partners pursuant to the laws of the applicable governing jurisdiction.

5. **Dissolution**

- A. The Partnership shall be dissolved on the first to occur of the following:
 - (i) the dissolution, bankruptcy or assignment for the benefit of creditors of the General Partner; or

(ii) on [REDACTED] **[Instruction: insert specific date or event]**.

The Partnership shall not dissolve or terminate on the death, bankruptcy, assignment of property in trust for the benefit of creditors, or adjudication of incompetency or insanity, legal incapacity, withdrawal or attempted withdrawal, of or by any Limited Partner, or the admission of any additional or substituted Limited Partners.

- B. On the dissolution of the Partnership, the properties of the Partnership shall be sold by the General Partner (or if by the nominee of two-thirds in interest of the Limited Partners) who shall have full power to sell, assign or encumber any or all of the Partnership assets, as liquidating trustee, and the proceeds remaining after the payment of or provision for the debts of the Partnership shall be distributed to the partners in proportion to their respective capital contributions to the Partnership.
- C. The General Partner may not, nor may any Limited Partner without the written consent of the General Partner, withdraw from the Partnership.
- D. No Limited Partner, without the written consent of the General Partner, shall sell, assign, transfer, pledge, hypothecate or encumber his interest in the Partnership except that a Limited Partner may assign not less than his entire interest in the Partnership to a member of his immediate family or a corporation or partnership controlled by him or a charitable organization exempt from income taxes under the *Income Tax Act* of the applicable governing jurisdiction. On any assignment in conformity with the preceding sentence, the assignee shall have the right to become substituted as a Limited Partner in place of his assignor.
- E. On the death or legal incapacity of a Limited Partner, his or her interest shall descend to and vest in his legal representatives with full power in them or his or her heirs or legatees to become substituted as Limited Partners in his or her place.
- F. As conditions to the admission of a permitted assignee, transferee or successor of a Limited Partner as a substituted Limited Partner, any such person shall:
- (i) execute and acknowledge such instruments, in form and substance satisfactory to the General Partner, as the General Partner shall deem necessary or desirable to effect such admission and to confirm the agreement of the person being admitted as a substituted Limited Partner to be bound by all of the terms and provisions of this agreement and to continue the Partnership without its dissolution or termination or its becoming a general partnership under the laws of the State of [REDACTED] **[Instruction: insert state]** or of any other relevant jurisdiction, or for any other reason; and
 - (ii) pay all reasonable expenses in connection with such admission including, but not limited to, the cost of preparation and filing of all necessary amending certificates in such jurisdictions.

- G. A General Partner may assign all or any part of its interest in the profits and losses of the Partnership but no assignee of a General Partner shall have the right to become substituted as a General Partner in place of his assignor.
- H. Each partner represents and warrants that he or she is acquiring his or her interest in the Partnership for his or her own account for investment and not with a view to the distribution thereof.

6. Miscellaneous

- A. Each Limited Partner irrevocably constitutes and appoints with full power of substitution, his true and lawful attorney, in his name, place and stead, to make, execute, consent to, swear to, acknowledge, record and file:
 - (i) A [redacted] **[Instruction: choose either “Declaration” or “Certificate”]** of limited partnership under the laws of the State of [redacted]; **[Instruction: insert state]**
 - (ii) Every other certificate or other instrument which may be required to be filed by the Partnership or the partners under the laws of the State of [redacted] **[Instruction: insert state]** to the extent that the General Partner deems such filing to be necessary or desirable;
 - (iii) All other instruments as the General Partner may deem necessary or desirable fully to carry out the provisions of this agreement in accordance with its terms.
- B. It is expressly understood and intended by each Limited Partner that the grant of the foregoing power of attorney is coupled with an interest and such grant shall be irrevocable.
- C. The foregoing power of attorney shall, in respect of any Limited Partner who shall have died or shall have assigned his interest, or any part thereof, in the Partnership, survive such death or the assignment of such interest, as the case may be. In the event any conflict between this agreement and any instruments filed by such attorney-in-fact pursuant to such powers of attorney, this agreement shall prevail.
- D. The General Partner, or Limited Partners representing [redacted] **[Instruction: insert percentage, e.g., twenty-five percent (25%)]** in interest of the Limited Partners, may by [redacted] **[Instruction: insert number of days notice required, e.g., ten (10)]** days notice in writing to all other partners (including the date for which notice is given but exclusive of the date on which notice is given) call a meeting of the partners. Such notice shall specify the time, date and place of the meeting and shall particularize the business to be transacted at the meeting. The partner or partners calling any such meeting shall appoint a chairman therefore.

- E. All notices under this agreement shall be in writing, duly signed by the party giving such notice, and transmitted by registered or certified mail addressed as follows:
- (i) if given to the Partnership, or to the General Partner, at the principal place of business of the Partnership; and
 - (ii) if given to any Limited Partner, at the address set forth below his signature at the end of this agreement, or at such other address as he may hereafter designate by notice to the Partnership. Any notice so given shall be deemed to have been received on the third business day following the date of mailing.
- F. This agreement may not be modified or amended except with the written consent of all the partners.
- G. This agreement may be executed in any number of counterparts and all of such counterparts shall for all purposes constitute one agreement, binding on the parties, notwithstanding that all parties are not signatory to the same counterpart.
- H. This agreement shall be governed by and construed in accordance with the laws of the State of **[Instruction: insert state]** and all parties irrevocably consent to the jurisdiction of the courts of the province.
- I. Each of the parties represents and warrants that he or she is over the age of () **[Instruction: insert the age of majority in the relevant state]** years.
- J. Except as otherwise provided to the contrary, this agreement shall be binding on and inure to the benefit of the parties, their personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have hereunto set their hands effective this [redacted] day of [redacted], 20[redacted]. **[Instruction: insert date]**

[redacted], **[Instruction: insert name of General Partner]** [General Partner]

Name: [redacted] **[Instruction: insert name and title of individual who will sign on behalf of the General Partner]**

I have the authority to bind [redacted], **[Instruction: insert name of General Partner]**.

Signature: _____

Address: [redacted]

[redacted] **[Instruction: insert address of the General Partner]**

[redacted], **[Instruction: insert name of Limited Partner]** [Limited Partner]

Name: [redacted] **[Instruction: insert name and title of individual who will sign on behalf of the Limited Partner]**

I have the authority to bind [redacted], **[Instruction: insert name of Limited Partner]**.

Signature: _____

Address: [redacted]

[redacted] **[Instruction: insert of the address of the Limited Partner]**

SCHEDULE “A”

SUBSCRIPTION AGREEMENT

[*Comment:* set forth the name and the total amount of cash agreed to be contributed by the Limited Partners to the capital of the Partnership]