

# LIMITED PARTNERSHIP AGREEMENT

This Agreement is made effective the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

## BETWEEN:

\_\_\_\_\_, a body corporate incorporated under the laws of \_\_\_\_\_ (the "General Partner")

OF THE FIRST PART

- and -

INDIVIDUAL1, an individual residing in the town of \_\_\_\_\_

\_\_\_\_\_

OF THE SECOND PART

- and -

INDIVIDUAL2, an individual residing in the city of \_\_\_\_\_, \_\_\_\_\_

OF THE THIRD PART

- and -

INDIVIDUAL3, an individual residing in the town of \_\_\_\_\_

\_\_\_\_\_

OF THE FOURTH PART

## WHEREAS:

- A. Individual1, Individual2 and Individual3 shall hereby be referred to collectively as Limited Partners or Partners and individually as Limited Partner or Partner;
- B. The General Partner and the Limited Partners have agreed to form a limited partnership pursuant to the *Partnership Act* (\_\_\_\_\_), in order to \_\_\_\_\_; (*description of business of partnership*)
- C. The parties wish to enter into this Agreement for the purposes of recording the relationship between them and their respective rights and duties in the Limited Partnership.

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants contained in this Agreement, and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties), the parties agree as follows:

### 1. Partners and Partnership

**1.1 Formation.** The Partners associate themselves into and agree to form a Limited Partnership (the "Partnership") pursuant to the Partnership Act (\_\_\_\_\_) (the "Act").

**1.2 Name.** The name of the Partnership shall be the "\_\_\_\_\_ Limited Partnership" or as may otherwise be designated from time to time in the certificate of partnership or amendments in effect from time to time and filed in accordance with the Act.

**1.3 Offices.** The head office of the Partnership shall be located at the head office of the General Partner from time to time and the registered office of the Partnership in \_\_\_\_\_ shall be located at

\_\_\_\_\_. Provided, however, that the location of such offices may be moved to such other place or places as the Partners shall from time to time agree and the Partnership shall without limitation be entitled to open up such other offices as it may require for the purposes of conducting its business.

**1.4 Certificate of Partnership and Other Documents.** The parties shall prepare, complete and file a certificate of limited partnership as required under the Act and do all such things and execute and deliver all such documents, instruments and assurances as may be necessary to constitute, form and carry on such Limited Partnership.

**1.5 Power of Attorney.** Each Limited Partner irrevocably nominates, constitutes and appoints the General Partner, with the full power of substitution, as its agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead to execute and record or file as and where required:

- (a) this Agreement, the certificate, any amendments to the certificate and any other instrument required to qualify, continue and keep in good standing the Partnership as a Limited Partnership in any jurisdiction where reasonably required;
- (b) any instrument and any amendment to the certificate necessary to reflect any amendment to this Agreement;
- (c) any instrument required in connection with the dissolution and termination of the Partnership; and
- (d) any instrument required in connection with any election that may be made under the *Income Tax Act*, or any analogous fiscal legislation whether in \_\_\_\_\_ or the United States.

To evidence the foregoing each Limited Partner, in executing a Subscription Form and Power of Attorney in the form attached as Schedule "A" or any form of assignment approved by the Partnership has executed a power of attorney containing the powers set forth above. The power of attorney granted in this Agreement and in the Subscription Form is irrevocable and is a power coupled with an interest and shall survive the disability of the Limited Partner or the assignment by a Limited Partner of the whole or any part of the interest of the Limited Partner in the Partnership and extends to the heirs, executors, administrators or other legal representatives and successors and assigns of the Limited Partner and shall survive the death or disability of the Limited Partner until notice of death or disability is delivered to the General Partner and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by listing all the Limited Partners thereon and executing the instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to the power of attorney and waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under the power of attorney.

**1.6 Commencement and Term.** The Partnership will be formed and shall commence as of the date of the filing of the certificate of limited partnership with the Registrar of \_\_\_\_\_ and shall continue for a term ending on the earlier of:

- (a) such date as the business of the Partnership has been concluded and the capital invested and profits derived from the business have been distributed with a final accounting;
- (b) the date on which the Partnership is voluntarily dissolved by agreement of the Partners which shall be deemed to have been obtained when such dissolution is approved by the General Partner and by Limited Partners holding, in the aggregate, not less than 90% of the units in the Partnership; or
- (c) the date on which the Partnership is dissolved by operation of law.

**1.7 Business of Partnership.** The business of this Partnership shall be to \_\_\_\_\_ with a view of making a profit from such business and to exercise all powers ancillary and incidental thereto.

**1.8 Fiscal Period.** The first fiscal period shall commence on the date of the filing of the partnership certificate but shall take into account any expenses incurred or revenue earned on behalf of the Partnership prior to that time, and end on December 31, and subsequent fiscal periods shall commence on January 1 each year and end on the following December 31.

**1.9 Representations and Warranties of the General Partner.** The General Partner represents and warrants to and covenants with each Limited Partner that the General Partner:

- (a) is and shall continue to be a company existing under the laws of \_\_\_\_\_ or such other jurisdiction under which the General Partner may continue or under which a successor to the General Partner may be incorporated or continue;
- (b) has and shall continue to have the appropriate capacity to act as the General Partner and to perform its obligations under this Agreement and that such obligations do not and shall not conflict with or constitute a default under its memorandum or articles of any agreement to which it is bound;
- (c) shall act in the best interests of the Partnership from time to time in the carrying on of the business and affairs of the Partnership; and
- (d) shall do all things and take all actions in its power as are necessary to ensure the limited liability of the Limited Partners.

**1.10 Representations and Warranties of the Limited Partners.** Each Limited Partner represents and warrants to and covenants with each other Partner that such Limited Partner:

- (a) has and shall have the capacity and competence to enter into and be bound by this Agreement;
- (b) shall not assign or purport to assign any unit to any person who would be unable to make the representation warranties in the preceding paragraph; and
- (c) shall, at the request of the General Partner, provide such evidence of compliance with such representations, warranties and covenants as the General Partner requests.

**1.11 Limitations on Authority of Limited Partner.** No Partner except the General Partner shall or shall be entitled to:

- (a) take part in the management of the business of the Partnership;
- (b) execute any document which binds or purports to bind the Partnership or any other Partner as such;
- (c) purport to have the power or authority to bind the Partnership or any other Partner as such;
- (d) have any authority to undertake any obligation or responsibility on behalf of the Partnership; or
- (e) bring any action for petition or sale or otherwise in connection with any interest in the lands or other property of the Partnership, whether real or personal, or register, or permit to be filed or registered or remain undischarged against the lands, any lien or charge in respect of the interest of such Partner in the Partnership.

**1.12 Unlimited Liability of General Partner.** The General Partner shall have unlimited liability for the debts, liabilities and obligations of the Partnership.

**1.13 Limited Liability of Limited Partners.** Subject to the provisions of the Act, the liability of a Limited Partner for the debts, liabilities and obligations of the Partnership shall be limited to the amount of the subscription price in respect of the units held by such Limited Partner.

**1.14 Ownership of Assets.** The General Partner will retain direct and full ownership of all assets and equipment acquired and employed in the course of the business of the Partnership. For further clarification, the Partnership shall not own any of the assets and equipment acquired in the course of conducting the business of the Partnership. However, the Partners shall be entitled to share in the profits of the Partnership as described in paragraph 4.2 herein.

**2. Capital Contributions and Investment Units**

**2.1 Number of Units.** The interest in the Partnership of the Limited Partners shall be divided into an unlimited number of units (the "Units").

**2.2 Nature of Units.** Each Unit shall have the same rights and obligations as each other Unit, including:

- (a) the right to vote;
- (b) the right to allocations of distributable net income, net loss, taxable income, tax loss, gain and loss;
- (c) the right to share in distributable cash and sale or refinancing proceeds;
- (d) the obligation to contribute to the Partnership.

No Unit shall have any preference, priority or right in any circumstances over any other Unit.

**2.3 Limited Partner Obligations.** Without limiting the generality of paragraph (2), each Limited Partner shall have an obligation to immediately execute such certificates and other instruments necessary to comply with any law or regulation of any jurisdiction in \_\_\_\_\_ for the continuation, good standing and business of the Partnership.

**2.4 Capital Contribution by General Partner.** The General Partner shall contribute \_\_\_\_ DOLLARS (\$\_\_\_\_) to the Partnership as Capital Contribution. As the result of such Capital Contribution the General Partner shall acquire \_\_\_\_\_ (\_\_\_\_) Units.

**2.5 Capital Contribution by Limited Partners.** The Capital Contribution of the Limited Partners shall be as follows:

Name	Contribution	# of Unit Purchased
Individual1		
Individual3		
Individual2		

**THIS IS A 12-PAGE FORM.**