

GENERAL REAL ESTATE PARTNERSHIP AGREEMENT (USA)

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF PARTNER 1]
[address]

- and -

[NAME OF PARTNER 2]
[address]

[insert additional partners as required]

(individually hereafter referred to as a "Partner", and collectively as the "Partners")

1. Name and Purpose

- 1.1 The partnership shall be carried on under the name of _____ (the "Partnership").
- 1.2 The Partnership has been formed for the purpose of purchasing, owning, developing, operating, leasing and otherwise dealing with real and personal property of any kind or description. The Partnership may engage in any and all other activities as may be necessary, incidental or convenient to carry out the business of the Partnership as contemplated by this Agreement.

2. Principal Office

- 2.1 The principal office of the Partnership shall be located at _____ [address], in the State of _____, or at such other place as agreed upon from time to time by a majority in interest of the Partners.

3. Term

- 3.1 The Partnership shall commence on the _____ day of _____, _____, and shall continue until terminated as provided in this Agreement.

4. Capital Contributions

- 4.1 Each of the Partners has contributed to the capital of the Partnership, in cash or property, the amount set out as follows:

<u>Partner</u>	<u>Contribution</u>
[Name of Partner]	[Amount of contribution]

- 4.2 An individual capital account shall be established and maintained for each Partner, who shall receive an interest in the Partnership and shall be credited with the amounts of his capital contributions to the Partnership. A Partner shall not be entitled to interest on his capital contribution, or to withdraw any part of this capital account, or to receive any distribution from the Partnership, except as specifically provided herein.

5. Net Profits, Net Losses, and Cash Flow

5.1 Subject to such adjustments as may be required pursuant to Section 6 below, the net profits and the net losses shall be shared by the Partners as follows:

<u>Partner</u>	<u>Percentage</u>
[Name of Partner]	_____ %

5.2 The cash flow of the Partnership shall be the net profits and losses of the Partnership as defined in Section 5.1 above, plus the following:

- (i) depreciation and other non-cash charges deducted in determining such net profits and losses,
- (ii) the net proceeds from any refinancing of the Partnership's mortgages, and
- (iii) the net proceeds from the sale of any of the Partnership's assets,

minus the following:

- (i) principal payments on all mortgages,
- (ii) any other cash expenditures which have not been deducted in determining the net profits and losses of the Partnership, and
- (iii) any amount reasonably required to maintain sufficient working capital and a reasonable reserve for replacements.

The cash flow of the Partnership shall be determined separately for each fiscal year and not cumulatively, and, as so determined, shall be distributed in the same proportions as profits and losses are shared in accordance with Section 5.1, subject to such adjustments as may be required by Section 6. The cash flow shall be distributed at the discretion of the partners, but no less than annually.

5.3 A separate income account shall be maintained for each Partner. The profits and losses of the Partnership shall be charged or credited to the separate income account of each Partner. If a Partner has no credit balance in his income account, any losses shall be charged to his capital account.

6. Additional Funds and Adjustments

6.1 The Partners hereby acknowledge that the income produced by the Partnership's properties may not be sufficient to pay the operating costs of the properties. If, in the judgment of the Partners, additional funds are required to pay such operating costs, the additional funds shall be called for by the Partners and shall be contributed by the Partners in proportion to their capital interests.

6.2 If any Partner is unable or unwilling to contribute any or all of his proportionate share, then the remaining Partners may make a contribution in excess of their proportionate share, in such amounts as they may agree among themselves. In the event that the Partners are unable to agree, each Partner who is willing and able to contribute shall have the primary right to contribute that portion of such excess which the proportion of such Partner's capital interest in the Partnership bears to the aggregate capital interests of all such Partners, and a secondary right to contribute any remaining portion of such excess which is not desired to be contributed by any other Partner in the exercise of his primary right. If there is more than one Partner wishing to exercise secondary rights, they shall be entitled to contribute the remaining portion of such excess in the same proportion as stated above with regard to their primary rights.

6.3 Any Partner who makes a contribution to the Partnership pursuant to Section 6.2 shall have the option to (i) treat the contributions as additional capital of the Partnership, or (ii) treat the contributions as a loan to the defaulting Partner, which election shall be made in writing at the time the contribution is made.

- (a) Should the contributing Partner elect to treat his contribution as additional capital, such contribution shall be allocated to his capital account. After such contributions are made, each Partner's percentage interest in the profits, losses and cash flow of the Partnership shall be adjusted and determined by dividing the aggregate cash contributions of all the Partners to the Partnership since the inception of the Partnership, into the aggregate cash contributions of each Partner. The resulting quotient with respect to each Partner shall be the adjusted percentage interest of such Partner. Such adjusted percentage interest of each Partner shall supersede the percentage interest of such Partner as set forth in Sections 5.1 and 5.2.

- (b) Should the contributing Partner elect to treat his contribution as a loan to the defaulting Partner, then no adjustment shall be made to the contributing Partner's capital account, and his share in the profits, losses and cash flow of the Partnership shall remain the same. In such event, the capital account of the defaulting Partner shall increase by the amount of the loan, and the defaulting Partner's share in the profits, losses and cash flow of the Partnership shall be adjusted as if he had made a contribution to the capital of the Partnership in the amount of the loan. The amount advanced by the Partner on behalf of the defaulting Partner shall be a debt of the defaulting Partner to the contributing Partner, and shall bear interest at the rate of _____ percent (_____%) per annum. Thereafter, all distributions of cash from the Partnership due to the defaulting Partner shall be paid to the Partner (or pro rata to the Partners) who have elected to treat the contributions as loans, until such time as the principal and interest of the loan(s) are paid in full.

7. Management, Duties and Restrictions

- 7.1 Any decisions made with respect to the management, conduct and operation of the Partnership business, and in all matters, including, but not limited to, full power to sell and convey the property of the Partnership on such terms as they may determine, to lease such property or any portion thereof on such terms as they may determine, to mortgage such property, whether as a first or second mortgage lien, to make any agreements modifying any lease or mortgage, and to borrow or lend money on behalf of the Partnership shall require the consent of all the Partners.

- 7.2 Each Partner may have other business interests and may engage in any other business or trade, profession or employment whatsoever, for his own account, and he shall not be required to devote his entire time to the business of the Partnership.

THIS IS AN 8-PAGE DOCUMENT.