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**AGREEMENT OF LIMITED PARTNERSHIP OF**  
\_\_\_\_\_, L.P.

THIS AGREEMENT OF LIMITED PARTNERSHIP (the "Agreement") is made this the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and between the Parties, consisting of one or more General Partners and one or more Limited Partners, as specified in Attachment A hereto, which is incorporated herein by this reference, to form a Limited Partnership (the "Partnership") under the provisions of the laws of the State of \_\_\_\_\_ for the purposes and upon the terms and conditions hereinafter set forth.

The Parties have filed or will file a Certificate of Limited Partnership with the Secretary of State and/or County Clerk-Recorder on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_, attached hereto as Attachment B and incorporated herein by this reference.

1. *Name.* The name of the Partnership is \_\_\_\_\_, L.P., and the Partnership business shall be conducted in this name, as well as such other names are adopted and approved by the Partners.

2. *Registered Place of Business and Agent for Service of Process.*

2.1. The principal place of business of the Partnership shall be \_\_\_\_\_, and the Partnership may maintain additional places of business as may be designated by the General Partners.

2.2. The name and address of the Partnership's initial registered agent for service of process shall be \_\_\_\_\_.

3. *Purpose.* The purpose of the Partnership is to \_\_\_\_\_.

and the Partnership shall have the power to do all acts in furtherance of and incidental to this purpose. The Partnership shall not engage in any business or activity unrelated to the operation or management of the Partnership business without the specific written consent of all the limited Partnership interests.

4. *Term.* The term of the Partnership shall commence on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, and continue until terminated in accordance with this Agreement.

5. *Capital Contributions and Interests in Assets.*

5.1. The General Partners have contributed to the Partnership cash, services, or other valuable properties for which each shall be issued partnership units representing in the aggregate a \_\_\_\_\_ percent interest in the assets of the Partnership, as set forth on Attachment A.

5.2. The Limited Partners have each contributed to the Partnership cash, services, or other valuable properties in the amount set forth opposite their names in Attachment A for which they shall each be issued partnership units representing in the aggregate a \_\_\_\_\_ percent interest in the assets of the Partnership.

5.3. Any amounts of cash or property held by the Partnership and not required for the purposes of its business, including reasonable reserves for contingencies, may, in the sole discretion of the General Partner, be distributed among the Partners pursuant to the terms of this Agreement. No Partner shall be entitled to make withdrawals from his individual account or have returned to him his capital contribution except in accordance with the terms of this Agreement. No Partner shall have the right to require that a distribution to him be made other than in cash.

5.4. The General Partners shall contribute additional capital to the Partnership in the amounts and at the times the General Partners, in their sole discretion, deem necessary to conduct the Partnership business. The General Partners shall receive a credit to his capital account in the amount of any additional capital contribution.

5.5. The Limited Partners shall not be obligated to contribute additional capital to the Partnership. The Limited Partners shall receive a credit to their capital accounts in the amount of

any additional capital contribution they choose to make and which is accepted by the General Partners.

5.6. No Partner shall have the right to withdraw all or any part of his capital contribution from the Partnership without the written consent of all General Partners.

5.7. No interest shall be paid on the capital contribution of any Partner.

6. *Partnership Accounts.*

6.1. Capital Accounts. Separate capital accounts shall be established and maintained for each Partner, in accordance with U.S. Treasury Regulation Section 1.704-1(b).

6.2. Limited Liability. No Limited Partner shall be personally liable for any liabilities or obligations of the Partnership or the General Partners. Any such loss shall be carried as a charge against his capital account, and his share of subsequent net profits of the Partnership shall be applied to restore the capital account of such Limited Partner before any current distributions are made to him.

7. *Cash Distributions; Profits and Losses.*

7.1. Computation of Current Distributions. Current Distributions shall be computed and allocated as of the last day of each fiscal year, or if no fiscal year has been adopted by the Partnership, then at the end of the calendar year. "Current Distributions" shall mean the amount of cash that a majority of the General Partners deem available for distribution, taking into account all Partnership obligations then due and payable, any compensation payable to Partners, employees, and independent contractors of the Partnership, and those amounts that a majority of the General Partners deem reasonably appropriate to place into reserves to satisfy customary business claims, to make repairs or improvements, or to expand the Partnership business.

7.2. Distribution of Current Distributions. Except as otherwise provided by this Agreement or required by law, Current Distributions shall be distributed to the Partners in the following order or priority:

7.2.1. First, to the Partners, pro rata, in proportion to their unreturned capital contributions; and then

7.2.2. Second, to the Partners, pro rata, in proportion to their percentage of ownership of the Partnership.

7.3. Profits and Losses.

7.3.1. Determination of Profits and Losses. Partnership Profits and Losses shall be determined and allocated in accordance with Internal Revenue Code Sections 703 and 704, and the Treasury Regulations promulgated thereunder.

7.3.2. Allocation of Profits and Losses.

(a) Profits. Partnership profits shall be allocated to the Partners in the following order of priority:

1. First, to the Partners in the amount of any losses previously allocated to them under subsections (b)(2) (to the extent that such losses have not been offset by prior profit allocations under this subsection); and then
2. Second, to the Partners pro rata, in accordance with their percentage of ownership of the Partnership.

(b) Losses. Partnership losses shall be allocated to the Partners in the following order of priority:

1. First, to the Partners in the amount of any profits previously allocated to them under subsection (a)(2) (to the extent such profits have not been offset by prior loss allocations under this subsection); and then
2. Second, to the Partners, pro rata, in accordance with their percentage of ownership.

8. *Powers, Duties, and Liabilities of General Partners.*

8.1. Except as otherwise provided in this Agreement, the General Partners shall have exclusive control over the Partnership's business and assets, including but not limited to the following:

8.1.1. To invest the capital of the Partnership in the exercise of any rights or powers possessed by the General Partners hereunder;

8.1.2. To acquire interests in property;

8.1.3. To employ, on behalf of the Partnership, legal, financial, accounting, real estate, and operational agents, consultants, and employees, as well as initial and

nonrecurring professional evaluations, advice, and recommendations concerning and with respect to proposed investments;

- 8.1.4. To execute, sign, and deliver in furtherance of any or all of the purposes of the Partnership, any and all agreements, contracts, documents, certifications, leases, subscriptions, and other instruments necessary or convenient in connection with the business of the Partnership; all of which may contain such terms, provisions and conditions as the General Partners, in their sole and absolute discretion, shall deem appropriate;
- 8.1.5. To exercise all voting and other rights incident to the ownership of property by the Partnership;
- 8.1.6. To sell, lease, dispose of, trade, exchange, convey, quitclaim, surrender, release, mortgage, or abandon, upon such terms and conditions as the General Partners may deem advisable, appropriate or convenient, the interests in property owned by the Partnership;
- 8.1.7. To borrow money on behalf of the Partnership;
- 8.1.8. To pay or reimburse any and all actual fees, costs, and expenses incurred in the organization of the Partnership; and
- 8.1.9. To assume all rights and exercise all responsibilities that applicable state law imposes on a general partner of a limited partnership.

8.2. The General Partners shall manage the affairs of the Partnership or cause the affairs of the Partnership to be managed in a prudent and businesslike manner, and shall devote such part of their time to the Partnership affairs as is reasonably necessary for the conduct of such affairs; provided, however, it is expressly understood and agreed that the General Partners shall not be required to devote their entire time or attention to the business of the Partnership, nor shall the General Partners be restricted in any manner from participating in other businesses or activities, despite the fact that the same may be competitive with the business of the Partnership.

8.3. In carrying out their obligations, the General Partners shall:

- 8.3.1. Render periodic progress reports to the Limited Partners with respect to operations of the Partnership;
- 8.3.2. Furnish to all Partners, on an annual basis, financial statements, prepared in accordance with generally accepted accounting principles;

- 8.3.3. Obtain and maintain such public liability and other insurance as may be available and as may be deemed necessary or appropriate by the General Partners;
- 8.3.4. Maintain complete and accurate records of all properties owned or leased by the Partnership and complete and accurate books of account (containing such information as shall be necessary to record allocations and distributions), and make such records and books of account available for inspection and audit by any Partner or his duly authorized representative (at the expense of such Partner) during regular business hours and at the principal office of the Partnership;
- 8.3.5. File and pay all taxes required by law; and
- 8.3.6. Cause to be filed such certificates and do such other acts as may be required by law to qualify and maintain the Partnership as a limited partnership in the County (Parish) of \_\_\_\_\_, State of \_\_\_\_\_.

8.4. Except with the express written consent of a majority of the Limited Partners, the General Partners shall not do any of the following:

- 8.4.1. Act in contravention to this Agreement;
- 8.4.2. Do any act which would make it impossible to carry on the ordinary business of the Partnership;
- 8.4.3. Dissolve or merge the Partnership;
- 8.4.4. Admit a General Partner or Limited Partner to the Partnership, except as provided herein;
- 8.4.5. Possess Partnership property or sell, transfer, assign, pledge, or subject to mortgage or security interest any Partnership property for any other than a Partnership purpose;
- 8.4.6. Pay themselves a salary or management fee; or
- 8.4.7. Amend this Agreement.

8.5. The General Partners may charge the Partnership for all reasonable expenses actually incurred by them in connection with the Partnership's business and all allocable portions of expenses incurred in connection with both Partnership and other activities, such allocation to be determined on any basis selected by the General Partners consistent with generally accepted accounting practices. Such expenses shall include payment of fees and expenses to attorneys, accountants, special consultants, and others in the operation of the Partnership business.

8.6. In carrying out their duties under this Agreement, the General Partners shall not be liable to the Partnership or to any other Partner for any actions taken in good faith and reasonably believed to be in the best interests of the Partnership, or for errors of judgment, against which the Partnership shall indemnify and hold harmless the General Partners from the same, to the extent of the Partnership's assets. The General Partners shall, however, be liable for willful misconduct, gross negligence, breach of his obligations under the Agreement, or other breach of their fiduciary duties.

9. *Rights and Prohibitions of Limited Partners.*

9.1. The Limited Partners shall not be prohibited from or restricted in engaging or owning an interest in any other business venture of any nature including any venture which might be competitive with the business of the Partnership.

9.2. The Limited Partners shall be entitled to:

9.2.1. Have the Partnership books kept at the principal place of business of the Partnership, and at all times, during reasonable business hours, inspect and copy any of them at their own expense;

9.2.2. Have on demand true and full information of all things affecting the Partnership affairs whenever circumstances render it just and reasonable; and

9.2.3. Have dissolution and winding up of the Partnership by judicial decree.

9.3. The Limited Partners shall be entitled to vote on all matters with respect to which Limited Partners are given the right to vote pursuant to law or to this Agreement.

9.4. No Limited Partner shall have any right to:

9.4.1. Take part in the control, operation, or management of the business of the Partnership, or to sign for or to bind the Partnership, such power being vested solely in the General Partners;

9.4.2. Require partition of Partnership property or to compel any sale of Partnership assets or of a deceased Partner's interest therein, notwithstanding any other provision of law to the contrary; or

9.4.3. To sell or assign his interest in the Partnership or to constitute the vendee or assignee hereunder a substituted Limited Partner, except as provided in Section 12 of this Agreement.

10. *Contracts of Agents.* The Partnership or the General Partners on its behalf may from time to time engage, employ, or transact any business with any Partner or other persons or entities, whether or not affiliated, associated, or connected with the General Partners or any Limited Partner, for the sale of Partnership interests and for the development, construction, rental, operation, management, supervision, maintenance, sale, or refinancing of any Partnership business or asset, or the management of the Partnership, or for any other purpose on such terms and for such consideration as the General Partners shall reasonably determine.

11. *Partnership Records.*

11.1. The General Partners, at the expense of the Partnership, shall at all times keep and maintain complete and accurate books, records, and accounts of the Partnership, in accordance with generally accepted accounting principles, and as required by applicable state law.

11.2. The books, records, and accounts shall be kept at the principal office of the Partnership.

11.3. The books shall be kept on a cash basis. The fiscal year of the Partnership shall be the calendar year. The General Partners shall furnish progress reports at least annually to the Limited Partners with respect to the operation of the Partnership; and shall furnish to the Limited Partners at the end of each fiscal year a balance sheet and report of the receipts, disbursements, net profits, and cash flow of the Partnership, and the share of the net profits and losses and cash flow of each Partner for the fiscal year, together with a schedule of unpaid liabilities. The cost of such financial reports shall be an expense of and payable by the Partnership.

11.4. The funds of the Partnership shall be deposited in the name of the Partnership in insured accounts at financial institutions selected by the General Partners.

12. *Transfer of Interests of Partners.*

12.1. The interest of a General Partner, as such, shall not be transferable, except by a General Partner to another existing General Partner. Any other attempted assignment shall be null and void and ineffective to transfer any such interest.

12.2. The interest of a Limited Partner in the profits, losses, and current distributions of the Partnership shall be assignable but the assignee shall not become a substituted Limited Partner,

except as provided herein below. An assignee who does not become a substituted Limited Partner is entitled to receive the share of profits, losses, current distributions, and the return of the contribution to which his assignor would otherwise be entitled in respect of the interest assigned, and to inspect the books and records of the Partnership, and to receive information concerning the Partnership from the General Partners, but has no right to vote or approve amendments. No such assignment shall be effective until a copy of an instrument of assignment executed by the assignor and the assignee, in form satisfactory to the General Partners, shall have been received by the General Partners.

12.3. The assignee of an interest of a Limited Partner may become a Limited Partner or a substitute Limited Partner upon the occurrence of the following conditions:

12.3.1. The Partnership, after due diligence, is satisfied that the assignment is not a violation of applicable state law, and that the assignment may be effected without registration under applicable federal or state securities laws;

12.3.2. The assignee shall have become a party to this Agreement; and

12.3.3. The assignor and the assignee shall have executed such certificates or instruments as are required by law and the General Partners.

12.4. Notwithstanding the provisions herein above set forth, a Partner's interest or any portion thereof shall not be assigned or transferred to any person who is insane, incompetent, or has not attained the age of majority, or to a person or entity not lawfully empowered to own such interest. Any assignment or transfer directly to a person or entity under any such disability shall be disregarded by the General Partners and the Partnership and shall be ineffective to transfer such interest.

### 13. *Withdrawal of a Partner.*

13.1. In the event of the death, bankruptcy, or adjudication of insanity or incompetency of an individual General Partner, his interest shall be converted to that of a Limited Partner as of such event, provided however, if such individual was the sole General Partner, the Partnership shall terminate unless within one hundred eighty (180) days after such event, the Limited Partners by unanimous vote elect to continue the business of the Partnership and designate from among themselves a new individual General Partner or General Partners who consent(s) to and accept such designation as of the date of such event.

13.2. A Limited Partner may not withdraw voluntarily from the Partnership. If a Limited Partner shall die, or be adjudicated insane or incompetent, the Partnership shall not terminate but his executor, administrator, or guardian shall become the assignee of the interest of such Partner.

14. *Termination of the Partnership.*

14.1. Upon the expiration of the term (if any) or earlier termination of the Partnership, pursuant to the provisions of this Agreement, the General Partners shall proceed with the winding up of the business of the Partnership, the dissolution of the Partnership, and the application and distribution of the assets of the Partnership in the following order of priority:

- 14.1.1. First, to pay the expenses of liquidation and the Partnership debts owed to creditors other than Partners; then
- 14.1.2. Second, to payment of any debts owed to Partners; and then
- 14.1.3. Finally, to the Partners in accordance with their positive capital account balances, after taking into account profit and loss allocations for the Partnership taxable year during which liquidation occurs. Liquidation distributions shall be made by the end of the Partnership taxable year in which the Partnership is liquidated, or, if later, within ninety (90) days after the date of liquidation.

14.2. Each Partner shall be furnished with a statement which shall set forth the assets and liabilities of the Partnership as of the date of the complete liquidation of the Partnership. Upon the General Partners complying with the foregoing distribution plan, the Limited Partners shall cease to be such, and the General Partners as the sole remaining Partners of the Partnership, shall execute and cause to be filed a Certificate of Dissolution of the Partnership with the California Secretary of State, along with any and all other required documents and filings with respect to termination and cancellation of the Partnership.

15. *Amendment.*

15.1. All amendments to this Agreement shall be made only with the approval of the Limited Partners in accordance with this Section. No amendment shall be made which would adversely affect the Federal Income Tax treatment to be afforded the Limited Partners, adversely

affect the liabilities of the Limited Partners, or change the method of allocation of profit and loss of current distributions, without disclosure of such fact to the Limited Partners and the unanimous approval of all Limited Partners entitled to vote on such matters under the terms of this Agreement.

15.2. Except as otherwise provided herein, amendments to this Agreement in accordance with subsection 15.1 shall be in writing and may be made by a vote of both the majority of the General Partners and the majority of the Limited Partners.

16. *Power of Attorney.*

16.1. The Limited Partners irrevocably constitute and appoint the General Partners, their true and lawful attorneys in their name, place and stead to make, execute, swear to, acknowledge, deliver and file:

16.1.1. Any certificates or other instruments which may be required to be filed by the Partnership under the laws of any state or jurisdiction in which the Partnership shall transact business or in which the General Partners shall deem it advisable to file;

16.1.2. Any documents, certificates, or other instruments described in the preceding subdivision which may be required or deemed desirable by the General Partners to effectuate the provisions of any part of this Agreement and, by way of extension and not of limitation, to do all such other things as shall be necessary to continue and to carry on the business of the Partnership, including, to the extent permitted by law, the power to ratify the execution and delivery of notes or instruments authorizing the confession of judgment against the Partnership; and

16.1.3. All documents, certificates, or other instruments which may be required to effectuate the dissolution and termination of the Partnership as provided herein.

16.2. The Power of Attorney granted hereby shall not constitute a waiver of or be utilized to avoid the rights of the Limited Partners to approve amendments to the Agreement nor used in any other manner inconsistent with the status of the Partnership as a limited partnership.

16.3. It is expressly intended by the Limited Partners that the foregoing Power of Attorney is coupled with an interest, is irrevocable and shall survive the death, incompetence, or

adjudication or insanity of the Limited Partners. The foregoing Power of Attorney shall survive the delivery of an assignment by any of the Limited Partners of the whole or any portion of his interest in the Partnership, except that where an assignee of such whole interest has become a substituted Limited Partner, this power shall survive the delivery of such assignment for the sole purpose of enabling the General Partners to execute, acknowledge, and file any and all instruments necessary to effectuate such substitution.

17. *General Provisions.*

17.1. Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to any party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to any member of the party to whom it is directed, or in lieu of such personal service, when deposited in the United States mail, first class, postage prepaid, addressed to the General Partners and to the Limited Partners at the addresses set forth in Attachment A hereto. Any of the General Partners or the Limited Partners may change their addresses for the purpose of this subsection by notification to all of the General Partners. The address of the Partnership shall be its registered place of business.

17.2. This Agreement and all amendments hereof shall be governed by the laws of the State of \_\_\_\_\_, County (Parish) of \_\_\_\_\_, and of the United State of America.

17.3. The headings of the Sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement. Any pronouns used in this Agreement shall be deemed to include the masculine, feminine, or neuter gender, as context may require, and any expression in the singular or plural shall be deemed to include the singular and the plural, as the context may require.

17.4. This Agreement may be executed in any number of counterparts, or on facsimile copies, each of which shall constitute an original and which taken together shall constitute one single Agreement.

17.5. This Agreement shall be binding upon and inure to the benefit of the executors, administrators, successors, beneficiaries, and permitted assigns of the respective Partners.

17.6. The waiver of any breach, item, provision, term, covenant, and/or condition of this Agreement by any Partner shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of any other additional or different provision, term, covenant, or condition.

17.7. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdictions in which the Partnership does business. If any provisions of this Agreement, or the application thereof to any person or circumstances, shall, for any reason and to any extent, be determined to be invalid or unenforceable, the remainder of this Agreement and the application of such provisions to the other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

17.8. This Agreement contains the entire understanding among the Parties hereto and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the Parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

17.9. Any controversy among the Partners involving this Agreement or the Partnership business shall be submitted to arbitration in the County (Parish) of \_\_\_\_\_, State of \_\_\_\_\_, on the request of any Partner. Any such arbitration shall comply with and be governed by the provisions of the Commercial Arbitration Rules of the American Arbitration Association or such other arbitrator or rules as may be unanimously agreed to.

IN WITNESS WHEREOF, the Partners have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
General Partner

\_\_\_\_\_  
General Partner

\_\_\_\_\_  
Limited Partner

\_\_\_\_\_  
Limited Partner

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\_\_\_\_\_  
Limited Partner

\_\_\_\_\_  
Limited Partner

*This space for notary public (notarization required in most jurisdictions to ensure the validity of the the power of attorney contained in the agreement):*

**ATTACHMENT A:**  
**PERCENTAGE OF OWNERSHIP**

<hr/> General Partner	<hr/> Contribution(s)	<hr/> Percentage
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<hr/> General Partner	<hr/> Contribution(s)	<hr/> Percentage
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<hr/> Limited Partner	<hr/> Contribution(s)	<hr/> Percentage
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***ATTACHMENT B:  
CERTIFICATE OF LIMITED PARTNERSHIP  
OR COUNTY CLERK-RECORDER FILING***

*(attach)*