

LIMITED PARTNERSHIP AGREEMENT

Partnership Name: [PARTNERSHIP NAME] **Governing State:** [STATE] **Effective Date:**

This Limited Partnership Agreement (this "Agreement") is entered into as of (the "Effective Date"), by and among the general and limited partners identified in Section 2 below (each a "Partner") to form and govern [PARTNERSHIP NAME] (the "Partnership"), a limited partnership under the laws of the State of [STATE].

1. Formation and Certificate

Formation. The Partnership is formed as a limited partnership under the Uniform Limited Partnership Act (or RULPA / ULPA 2001) as enacted in [STATE].

Name. The Partnership name is [PARTNERSHIP NAME] and shall at all times include "Limited Partnership," "L.P.," or "LP" as required by [STATE] law.

Certificate of Limited Partnership. The General Partner(s) shall file a Certificate of Limited Partnership with the Secretary of State of [STATE] **before the Partnership conducts any business. Failure to file this Certificate will cause the Partnership to be treated as a general partnership, eliminating the limited liability protection intended for the Limited Partners.** The General Partner(s) shall maintain the filing in good standing through all required annual reports and fees.

Certificate of Limited Partnership — specific directive. The General Partner(s) shall execute and file the Certificate of Limited Partnership (and any required Statement of Information or annual list) with the Secretary of State of [STATE] and maintain the filing continuously.

Principal office. [PRINCIPAL OFFICE ADDRESS].

Purpose. [BUSINESS PURPOSE].

Term. At-will, until dissolved under this Agreement or applicable law.

EIN. The General Partner(s) shall cause the Partnership to obtain a Federal EIN.

2. General and Limited Partners; Capital

Partner	Address	Class	Initial Contribution	Profit/Loss Share	
[PARTNER 1 FULL LEGAL NAME]	[PARTNER 1 ADDRESS]	General Partner	\$0.00	50%	[PARTNER 2 FULL LEGAL NAME] [PARTNER 2 ADDRESS] General Partner \$0.00 50%

Description of contributions.

- [PARTNER 1 FULL LEGAL NAME]: Cash contribution only.

- **[PARTNER 2 FULL LEGAL NAME]**: Cash contribution only.

Capital accounts. Maintained per Treas. Reg. §1.704-1(b)(2)(iv). No interest accrues on capital account balances.

Limited Partner contributions final. Limited Partners have no obligation to contribute capital beyond their stated initial contribution and are not liable for Partnership obligations beyond such contribution.

Additional capital calls. Additional contributions may be called only upon **unanimous** consent; Limited Partners are not required to fund calls unless expressly agreed in writing.

3. Management — Vested Exclusively in General Partner(s)

Management vested in General Partners only. Management of the Partnership is vested exclusively in the General Partner(s). Limited Partners shall have **no right to participate in the management or control of the Partnership's business** and shall not transact Partnership business, sign contracts on behalf of the Partnership, or hold themselves out as General Partners.

⚠ Limited Partner control-rule warning. Under the historical UPA/RULPA control rule, a Limited Partner who participates in management may be held liable to third parties as a General Partner. While RULPA 2001 and ULPA 2001 relax this rule, the risk is not fully eliminated in all jurisdictions. Limited Partners should refrain from (a) signing Partnership contracts, (b) directing employees, (c) holding themselves out as General Partners, or (d) making binding management decisions.

Ordinary-course decisions. Made by any General Partner acting alone.

Reserved matters requiring unanimous consent of the General Partners with notice to Limited Partners. Amending this Agreement; admitting a new Partner; dissolving the Partnership; selling, leasing, or encumbering all or substantially all assets; incurring obligations exceeding **\$25,000.00**; settling material litigation; changing the Purpose; and calling additional capital.

Limited Partner approval rights. Notwithstanding the foregoing, actions that would (i) change the limited liability status of any Limited Partner, (ii) require additional capital from Limited Partners, or (iii) modify the economic rights of Limited Partners adversely require the affirmative consent of the affected Limited Partners.

4. Allocations and Distributions

Allocations. Net profits and losses are allocated to the Partners in proportion to their Profit/Loss Share percentages, subject to Treas. Reg. §§1.704-1 and 1.704-2 (minimum gain chargeback, qualified income offset).

Distributions. Available cash is distributed in proportion to Profit/Loss Share percentages after expenses, debt service, and reserves.

Self-employment tax — bifurcated. Under IRC §1402(a)(13), Limited Partners generally do not owe SE tax on their distributive share (the "LP passive exception"); however, guaranteed payments to Limited Partners are SE income. General Partners owe SE tax on their full distributive share plus guaranteed payments. A Limited Partner acting as a General Partner in substance may lose the exception.

5. Banking, Books, Tax

Bank account at [PARTNERSHIP BANK FINANCIAL INSTITUTION NAME]. Accounting method: **Cash**. Fiscal year ends on December 31. Form 1065 filed annually; K-1s issued to all Partners.

6. Partnership Representative (BBA / IRC §6223)

Designation. The Partnership designates [PARTNERSHIP REPRESENTATIVE BBA IRC 6223] as Partnership Representative. The PR shall obtain **unanimous** consent of the General Partners before accepting imputed underpayments over **\$25,000.00** or making push-out elections under IRC §6226.

7. Transfers, Withdrawal, Buy-Out

Transfers of Limited Partner interests. A Limited Partner may not transfer all or part of the Limited Partner's interest without the consent of the General Partner(s). A permitted transferee receives only an economic interest unless admitted as a substitute Limited Partner by unanimous consent.

Voluntary withdrawal. A Partner may withdraw upon **60** days' written notice. Early withdrawal in breach entitles the Partnership to damages under applicable law.

Buy-out valuation. Independent third-party appraisal; if no agreement within 30 days, three-appraiser average.

Payment. Installments over **36** months at AFR, or lump sum at Partnership election.

ROFR. 30-day right of first refusal on third-party transfers.

8. Dissolution and Winding Up

Triggers. unanimous vote; expiration of term; completion/abandonment of Purpose; judicial dissolution; withdrawal or dissolution of the last General Partner (unless a replacement is admitted within 90 days).

Winding up. General Partner winds up: liquidates assets, pays creditors, repays Partner loans, then repays positive capital accounts, and distributes residuals per capital accounts. Final Form 1065 and Certificate of Cancellation filed with the Secretary of State of [STATE].

9. Liability

⚠ Unlimited personal liability of General Partners. Each General Partner bears **joint and several unlimited personal liability** for all Partnership obligations. Personal assets may be reached by Partnership creditors.

Limited Partner liability. Limited Partners' liability is limited to their capital contributions (and any unpaid commitment), provided they do not participate in control.

10. Restrictive Covenants

Non-solicit — 18 months.

Confidentiality. Standard.

11. Dispute Resolution and General

Mediation → **AAA arbitration** in [VENUE CITY], [STATE].

Governing law: [STATE]. Amendment by unanimous consent. Entire agreement; severability; counterparts; ESIGN-compliant electronic signatures; written notices.

Signatures

Partner 1

PRINTED NAME

SIGNATURE

DATE

Partner 2

PRINTED NAME

SIGNATURE

DATE