

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

## TABLE OF CONTENTS

	PAGE
<b>RECITALS .....</b>	<b>11</b>
<b>0.00 INTERPRETATION .....</b>	<b>12</b>
0.01 Definitions .....	12
0.01.01 Activities .....	12
0.01.02 Agreement .....	12
0.01.03 Breach .....	12
0.01.04 Certificate .....	12
0.01.05 Claim .....	13
0.01.06 Committee .....	13
0.01.07 Confidential Information .....	13
0.01.08 Contributions .....	13
0.01.09 Declaration .....	13
0.01.10 Dispute .....	14
0.01.11 Encumber / Encumbrance .....	14
0.01.12 Expenses .....	14
0.01.13 Financial Year .....	14
0.01.14 Force Majeure .....	14
0.01.15 Law .....	14
0.01.16 Legal Representatives .....	15
0.01.17 LIMITED PARTNER .....	15
0.01.18 Limited Partnership .....	15
0.01.19 Loss .....	15
0.01.20 Ordinary Resolution .....	15
0.01.21 PARTY .....	16
0.01.22 Person .....	16
0.01.23 Prime Rate .....	16
0.01.24 Special Resolution .....	16
0.01.25 Unit(s) .....	16
0.02 Entire Agreement .....	16
0.03 Applicable Law .....	17
0.04 Non-Compliance .....	17
0.04.01 Severability .....	17
0.04.02 Substitute Provision .....	17
0.05 Miscellaneous .....	17
0.05.01 Cumulative Rights .....	17
0.05.02 No Waiver .....	17
0.05.03 Time and Days .....	17
a) Time of the Essence .....	17

---

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

	b) Computation of Time.....	17
	c) Delays .....	18
0.05.04	Financial References.....	18
0.05.05	Cross-References.....	18
0.05.06	Gender and Number.....	19
0.05.07	Headings .....	19
0.05.08	Knowledge .....	19
0.05.09	Approval .....	19
0.05.10	Accounting Standards.....	19
<b>1.00</b>	<b>FORMATION OF LIMITED PARTNERSHIP.....</b>	<b>19</b>
1.01	Formation.....	19
	1.01.01 Purpose .....	19
	1.01.02 Contributions.....	20
1.02	Registration Declaration .....	20
	1.02.01 Undertaking.....	20
	1.02.02 Content of Declaration.....	20
1.03	Registration Renewal.....	20
1.04	Power of Attorney .....	20
1.05	Capital.....	20
1.06	Subscription .....	21
	1.06.01 Procedure .....	21
	1.06.02 Acceptance by GENERAL PARTNER.....	21
1.07	Registered Office.....	21
	1.07.01 Address .....	21
	1.07.02 Other Jurisdictions.....	21
1.08	Financial Year.....	21
<b>2.00</b>	<b>RULES GOVERNING LIMITED PARTNERSHIP.....</b>	<b>21</b>
2.01	Administration .....	21
	2.01.01 Management of Limited Partnership .....	22
	2.01.02 Powers of GENERAL PARTNER .....	22
2.02	Banking Matters.....	22
	2.02.01 Bank Accounts .....	22
	2.02.02 Authorized Signatories .....	22
	2.02.03 Intermingling of Accounts .....	23
	2.02.04 Loans .....	23
	2.02.05 Use of Monetary Contributions .....	23
2.03	Corporate Records.....	23
	2.03.01 Register of Units.....	23
	2.03.02 Rights of Registered Holders .....	23
	2.03.03 Other Documents .....	23
	2.03.04 Access .....	24
2.04	Interest .....	24

**PRIVATE LIMITED PARTNERSHIP AGREEMENT  
(Long Form)**

2.05	Capital Account.....	24
2.06	Unit Certificates .....	24
2.06.01	Issue .....	24
2.06.02	Form.....	25
2.06.03	Replacement .....	25
2.06.04	Transfer of Units .....	25
2.07	Income and Losses .....	25
2.07.01	GENERAL PARTNER's Share .....	25
	a) Income .....	25
	b) Losses .....	25
2.07.02	LIMITED PARTNERS' Share.....	25
	a) Income .....	26
	b) Losses .....	26
2.07.03	Calculations.....	26
	a) Accounting Purposes .....	26
	b) Tax Purposes .....	26
2.07.04	Distribution of Profits .....	26
2.08	Rendering of Accounts .....	27
2.09	Financial Statements.....	27
2.09.01	Appointing Auditor.....	27
2.09.02	Accounting Standards.....	27
2.09.03	Declaration.....	27
2.09.04	Filing.....	27
2.10	Tax Deductions.....	27
2.11	New Issue of Units .....	27
2.12	Encumbrance.....	28
	2.12.01 LIMITED PARTNERS.....	28
	2.12.02 GENERAL PARTNER.....	28
2.13	By-Laws.....	28
2.14	Signatories .....	28
<b>3.00</b>	<b>MUTUAL REPRESENTATIONS AND WARRANTIES .....</b>	<b>28</b>
3.01	Status .....	28
3.02	Authority.....	29
3.03	Binding Agreement .....	30
3.04	Canadian Resident.....	30
3.05	Commission .....	30
3.06	Insurance.....	30
3.07	Nominee.....	30
3.08	Independent Legal Advice .....	30
3.09	Disclosure .....	31
3.10	Legal Proceedings .....	31
<b>4.00</b>	<b>REPRESENTATIONS AND WARRANTIES OF GENERAL PARTNER.....</b>	<b>31</b>

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

4.01	Resources .....	31
4.02	Limited Liability .....	31
4.03	Board of Directors .....	31
<b>5.00</b>	<b>REPRESENTATIONS AND WARRANTIES OF LIMITED PARTNERS.....</b>	<b>31</b>
5.01	Capacity .....	32
5.02	Activities .....	32
<b>6.00</b>	<b>MUTUAL DUTIES AND OBLIGATIONS.....</b>	<b>32</b>
6.01	Confidential Information .....	32
6.01.01	Undertaking .....	32
6.01.02	Duration of Undertaking .....	33
6.01.03	Penalty .....	33
6.02	Insurance .....	33
6.02.01	Insured Risks .....	33
6.02.02	Amount of Coverage .....	33
6.02.03	Insurer .....	33
6.02.04	Prior Notice .....	33
6.02.05	Additional Named Insured .....	34
6.02.06	Certificates of Insurance .....	34
6.02.07	Notice of Modification or Cancellation .....	34
6.03	Continuation of Representations and Warranties .....	34
6.04	Indemnification .....	34
6.04.01	Scope .....	34
6.04.02	Procedure .....	34
6.04.03	Third-Party Claim .....	35
6.04.04	Duration of Representations and Warranties .....	35
6.05	Further Assurances .....	36
<b>7.00</b>	<b>DUTIES AND OBLIGATIONS OF GENERAL PARTNER .....</b>	<b>36</b>
7.01	Powers and Duties .....	36
7.02	Expenses .....	36
7.02.01	Operating Budget .....	36
7.02.02	Additional Expenses .....	36
7.03	Rendering an Account .....	36
7.03.01	Annually .....	36
7.03.02	Urgent Basis .....	37
7.04	Advisory Committee .....	37
7.05	Liability .....	37
7.05.01	Towards Third Parties .....	37
7.05.02	Towards LIMITED PARTNERS .....	37
7.06	Indemnification of LIMITED PARTNERS .....	37
7.07	Conflicts of Interest .....	37
7.07.01	Disclosure .....	37

---

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

7.07.02	Competing Businesses .....	38
7.07.03	Related Person .....	38
7.08	Exclusivity .....	38
7.09	Contract .....	38
7.10	Duty of Diligence .....	38
7.11	Duty to Stay Informed .....	38
7.12	Contributions.....	38
<b>8.00</b>	<b>LIMITED PARTNERS .....</b>	<b>39</b>
8.01	Administration .....	39
8.02	Meetings .....	39
8.02.01	Annual Meeting .....	39
8.02.02	Special Meeting .....	39
8.02.03	Place of Meetings .....	40
8.02.04	Access .....	40
8.02.05	Proxies .....	40
	a) Appointment.....	40
	b) Notice.....	40
	c) Validity .....	40
	d) Models .....	40
8.03	Calling of Meetings .....	41
8.03.01	Notice of Meeting .....	41
8.03.02	Waiver of Right to Notice .....	41
8.03.03	Incomplete Notice .....	41
8.04	Procedure at Meetings .....	42
8.04.01	Quorum .....	42
8.04.02	Quorum Not Met .....	42
8.04.03	Second Adjournment .....	42
8.04.04	Ordinary Resolution.....	42
8.04.05	Voting Rights .....	42
8.04.06	Exercising Voting Rights .....	42
8.04.07	Special Resolution .....	43
8.04.08	Filing of Proxies .....	43
8.04.09	Chair .....	43
8.04.10	Procedure .....	43
8.04.11	Written Resolution.....	43
8.05	Advisory Committee .....	43
8.05.01	Creation and Role .....	44
8.05.02	Meetings.....	44
	a) Limitation.....	44
	b) Procedure at Meetings.....	44
8.06	Additional Contributions .....	44
8.07	Default with Regard to Contributions .....	44
8.07.01	Limited Liability.....	44

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

	a) Limitation .....	44
	b) Loss of Limited Liability .....	44
<b>9.00</b>	<b>WITHDRAWAL FROM LIMITED PARTNERSHIP .....</b>	<b>45</b>
9.01	Withdrawal of GENERAL PARTNER .....	45
	9.01.01 Resignation.....	45
	9.01.02 Removal .....	45
	a) Meeting .....	45
	b) Reasons .....	45
	9.01.03 Replacement .....	45
	9.01.04 Transition .....	46
	a) Amendment to Agreement .....	46
	b) Transfer of Knowledge .....	46
	9.01.05 Termination of Rights .....	46
9.02	Withdrawal of LIMITED PARTNER .....	46
	9.02.01 Resignation.....	46
	a) Notice.....	46
	b) Sale of Units .....	46
	c) Limit to Right to Purchase .....	46
	d) Transfer Restriction .....	47
	9.02.02 Forced Withdrawal .....	47
	9.02.03 General Rule.....	47
<b>10.00</b>	<b>THIRD-PARTY OFFER TO PURCHASE .....</b>	<b>48</b>
10.01	Application.....	48
10.02	Validity of Offer.....	48
10.03	Notice of Acceptance and Disclosure of Third-Party Offer.....	48
10.04	Reply of Other LIMITED PARTNER.....	48
	10.04.01 Notice of Intent.....	48
	10.04.02 Final Notice .....	49
10.05	Amendment to Offer.....	49
<b>11.00</b>	<b>DEATH OF A PARTNER .....</b>	<b>49</b>
11.01	Death of GENERAL PARTNER .....	49
	11.01.01 Notice of Death .....	49
	11.01.02 No Other GENERAL PARTNER .....	49
11.02	Death of a LIMITED PARTNER.....	49
	11.02.01 Effect .....	49
	11.02.02 Deemed Sale.....	50
	11.02.03 Payment .....	50
	a) Price .....	50
	b) Insurance Proceeds .....	50
	i) <u>Sufficient Proceeds</u> .....	50
	ii) <u>Insufficient Proceeds</u> .....	50

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

	11.02.04 Two Deaths .....	50
	11.02.05 Protection of Estate.....	51
	a) Share of Distributable Net Income .....	51
	b) Indemnification .....	51
	c) Release .....	51
	d) Precedence .....	51
<b>12.00</b>	<b>VALUATION OF UNITS .....</b>	<b>51</b>
	12.01 Initial Value .....	51
	12.02 Valuation Method.....	52
	12.03 Regular Reassessment .....	52
	12.03.01 Procedure .....	52
	12.03.02 Dissent .....	52
	12.04 Sale of Units.....	52
	12.05 Prohibition .....	52
	12.06 Tax Authorities .....	52
	12.06.01 Liability.....	52
	12.06.02 Options.....	53
	12.06.03 Limitations .....	53
<b>13.00</b>	<b>FINANCING .....</b>	<b>53</b>
	13.01 Life Insurance Policies .....	53
	13.01.01 Initial Policy .....	53
	13.01.02 Additional Policies .....	54
	13.02 Duties of LIMITED PARTNERS .....	54
	13.02.01 Payment of Premiums .....	54
	13.02.02 Prohibition.....	54
	13.02.03 Additional Protection.....	54
	13.02.04 Change to Insurance Coverage.....	54
	13.02.05 Sale upon Death.....	54
	a) No Insurance Proceeds.....	55
	b) Ownership of Excess Amounts .....	55
	13.03 Sale of Units.....	55
	13.04 End of Agreement.....	55
<b>14.00</b>	<b>DEPOSITARY .....</b>	<b>55</b>
	14.01 Appointment .....	55
	14.02 Duties.....	56
	14.02.01 Custody .....	56
	14.02.02 Compliance .....	56
	14.02.03 Liability.....	56
	14.03 End of Agreement .....	56
<b>15.00</b>	<b>SPECIAL PROVISIONS .....</b>	<b>56</b>

**PRIVATE LIMITED PARTNERSHIP AGREEMENT  
(Long Form)**

15.01	Assignment .....	56
15.01.01	Prohibition.....	56
15.01.02	Reasonable Cause .....	56
15.01.03	Effect of Breach.....	57
15.01.04	Exception .....	57
15.02	Force Majeure .....	57
15.02.01	Limitation on Liability.....	57
15.02.02	Duty .....	57
15.02.03	Right of Other PARTY .....	58
15.03	Relationship Between the PARTIES .....	58
15.04	Remedies .....	58
15.04.01	Choice .....	58
15.04.02	No Limitations.....	58
<b>16.00</b>	<b>GENERAL PROVISIONS.....</b>	<b>58</b>
16.01	Notice .....	59
16.02	Dispute Resolution .....	60
16.02.01	Good Faith Negotiations .....	60
a)	Written Notice .....	60
b)	Meeting .....	60
c)	Legal Proceedings.....	60
d)	Protective Measures .....	60
16.02.02	Mediation .....	60
a)	Process .....	60
b)	Settlement.....	60
c)	Arbitration .....	61
16.02.03	Arbitration.....	61
a)	Notice.....	61
b)	Reply .....	61
c)	Appointment of a Third Arbitrator .....	61
d)	Subcontracts .....	62
e)	Confidentiality.....	62
f)	Hearing.....	62
g)	Ruling .....	62
h)	Costs .....	62
i)	Supplementary Rules .....	62
16.03	Choice of Forum .....	63
16.04	Counterparts.....	63
16.05	Amendment.....	63
16.06	No Waiver of Rights.....	63
16.07	Electronic Transmission .....	63
16.08	Language .....	63
<b>17.00</b>	<b>TERMINATION.....</b>	<b>64</b>

**PRIVATE LIMITED PARTNERSHIP AGREEMENT  
(Long Form)**

17.01	Without Notice .....	64
17.01.01	Events of Default .....	64
17.01.02	Exceptions .....	65
17.02	Liquidation of Limited Partnership .....	65
17.02.01	Liquidator .....	65
17.02.02	Duties .....	65
	a) Liquidation and Distribution .....	65
	b) Powers .....	65
17.02.03	Remuneration .....	65
17.02.04	Obligations of Liquidator .....	65
<b>18.00</b>	<b>EFFECTIVE DATE .....</b>	<b>66</b>
<b>19.00</b>	<b>DURATION .....</b>	<b>66</b>
19.01	Initial Term .....	66
19.02	Renewal .....	66
19.03	Survival .....	66
<b>20.00</b>	<b>SCOPE .....</b>	<b>67</b>

**SCHEDULES**

	<b>PAGE</b>
<b>SCHEDULE A – EXCERPT OF A RESOLUTION OF GENERAL PARTNER .....</b>	<b>69</b>
<b>SCHEDULE B – EXCERPT OF A RESOLUTION OF LIMITED PARTNER 1 .....</b>	<b>70</b>
<b>SCHEDULE C – EXCERPT OF A RESOLUTION OF LIMITED PARTNER 2 .....</b>	<b>71</b>
<b>SCHEDULE 1.01.02 – CONTRIBUTIONS .....</b>	<b>72</b>
<b>SCHEDULE 1.06.01 – SUBSCRIPTION FOR UNITS .....</b>	<b>73</b>
<b>SCHEDULE 2.06.02 – UNIT CERTIFICATE (TEMPLATE) .....</b>	<b>74</b>
<b>SCHEDULE 12.01 – INITIAL VALUE OF UNITS .....</b>	<b>75</b>
<b>SCHEDULE 12.02 – VALUATION METHOD .....</b>	<b>75</b>
<b>SCHEDULE 13.01.01 – LIFE INSURANCE POLICIES .....</b>	<b>75</b>
<b>SCHEDULE 14.01 – INTERVENTION OF DEPOSITARY .....</b>	<b>76</b>

○ ○ ○ ○ ○

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

PRIVATE LIMITED PARTNERSHIP AGREEMENT entered into at ....., Province of ....., Canada.

**BETWEEN:** V1 ..... (*name of individual*), ..... (*occupation*), domiciled and residing at ..... (*civic number and street name*), at ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), operating as a sole proprietorship under the name ..... (*business name*);

**OR**

V2 ..... (*corporate name*), a legal person duly incorporated under the ..... *Act (name of statute under which the corporation was incorporated)*, with its principal place of business at ..... (*civic number and street name*), ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), and duly registered under the designating number ..... in accordance with the ..... *Act (name of the applicable statute governing the legal registration of the corporation)*, represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof, [as he/she so declares] **OR** [as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule A];

**OR**

V3 ..... (*common business name*), [a general partnership], **OR** [a limited partnership represented by ..... (*name of its general partner*), its general partner] **OR** [an undeclared partnership], **OR** [a joint venture], **OR** [a collaboration], **OR** [a group of persons] operating a business, duly formed under the [..... *Act (identify applicable statute)*] **OR** [Civil Code of Quebec] **OR** [applicable general law], with its head or registered office at ..... (*civic number and street name*), ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), and duly registered (*if applicable*) under the designating number ..... in accordance with the ..... *Act (name of applicable statute governing legal registration of corporation)* represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof as he/she so declares **OR** [as indicated in the resolution of the partners of the general partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of the general partner of the limited partnership], **OR** [as indicated in the resolution of the partners of the undeclared partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the joint venture, **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration], **OR** [as indicated in the resolution of the members of the group of persons], attached hereto as Schedule A;

**HEREINAFTER THE “GENERAL PARTNER”;**

GENERAL PARTNER	LIMITED PARTNER 1	LIMITED PARTNER 2

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

AND (if applicable): ..... (identify limited partner 1) (select the appropriate version from those listed above and, if applicable, insert Schedule B);

HEREINAFTER “LIMITED PARTNER 1”;

Use Schedule B, and so on, for the authorizing resolution of each of the other parties.

AND: ..... (identify other limited partners) (select the appropriate version from those listed above and, if applicable, insert Schedule C);

HEREINAFTER “LIMITED PARTNER 2”

AND WITH LIMITED PARTNER 1, THE “LIMITED PARTNERS”;

HEREINAFTER COLLECTIVELY THE “PARTIES”;

AND: ..... (identify depositary) (select the appropriate version from those listed above);

HEREINAFTER THE “DEPOSITARY”;

## RECITALS

THE PARTIES DECLARE AS FOLLOWS:

- A) The PARTIES have hereby agreed to pool their resources for the purpose of ..... (describe business activities of partnership);
- B) The LIMITED PARTNERS wish to limit the risks to their contributions as a result of the contemplated activities;
- C) The GENERAL PARTNER wishes to oversee the activities and, as such, to be responsible for the debts and obligations related thereto;
- D) Accordingly, the PARTIES consider it appropriate and in their respective interests to form a limited partnership, as provided in the Civil Code of Québec;

GENERAL PARTNER	LIMITED PARTNER 1	LIMITED PARTNER 2

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

- E) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- F) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

## 0.00 INTERPRETATION

### 0.01 Definitions

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this agreement [and in any ancillary or subordinate documentation] will be interpreted as follows:

#### 0.01.01 Activities

means, regarding the GENERAL PARTNER and, therefore, the Limited Partnership, ..... (describe its principal business activities);

#### 0.01.02 Agreement

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 16.05 herein;

#### 0.01.03 Breach

means, with regard to any representation or warranty or obligation under the Agreement:

- a) any misrepresentation, inaccuracy, error, or failure to disclose;
- b) any non-compliant performance or failure to perform an obligation; or
- c) any non-compliance, infringement, default or failure to satisfy any provision;

#### 0.01.04 Certificate

means the certificate indicating the number of Units held by an owner;

---

GENERAL PARTNER	LIMITED PARTNER 1	LIMITED PARTNER 2

# PRIVATE LIMITED PARTNERSHIP AGREEMENT (Long Form)

## 0.01.05 Claim

means any request, complaint, grievance, legal action, lawsuit, cause of action, order, sentence, judgment, notice, demand letter, legal proceeding, arbitration, audit, hearing, investigation or assessment;

## 0.01.06 Committee

means an advisory committee formed by the LIMITED PARTNERS in accordance with Section 8.05 of the Agreement;

## 0.01.07 Confidential Information

means any information (commercial, technical, scientific, financial, legal, personal or other information) that a PARTY discloses [before and] during the term of the Agreement and that the receiving PARTY, exercising reasonable business judgment, understands to be confidential, including, in particular, any information related to its Activities, business strategies and opportunities, finances, Intellectual Property, suppliers, clients or employees, but excludes:

- a) information known to the receiving PARTY prior to the date of its disclosure;
- b) information known by or available to the public prior to the date of its disclosure;
- c) information that becomes known by or available to the public after the date of its disclosure and that does not result from a breach of the confidentiality undertaking by the receiving PARTY;
- d) information received at any time by a Person who is not bound to one of the PARTIES by a confidentiality undertaking with regard to that information;
- e) information independently produced by the receiving PARTY;
- f) personal information provided by an individual when such information is being used for the purpose for which it was previously disclosed or any other purpose permitted by Law;

## 0.01.08 Contributions

means the total contributions of the LIMITED PARTNERS to the Limited Partnership;

## 0.01.09 Declaration

---

GENERAL PARTNER	LIMITED PARTNER 1	LIMITED PARTNER 2