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- (a) Debts of the Partnership, other than to Partners.
- (b) The capital contributions of the Partners as reflected in their respective capital accounts.
- (c) Other amounts owed to Partners.

(2) Any gain or loss on disposition of Partnership properties in the process of liquidation shall be credited or charged to the Partners in the proportion of their interest in profits or losses. Any property distributed in kind in the liquidation shall be valued and treated as though the property were sold and the cash proceeds were distributed. The difference between the value of property distributed in kind and its book value shall be treated as a gain or loss on sale of the property and shall be credited or charged to the Partners in the proportions of their interest in profits or losses as specified in Article VI.

(3) Should any Partner have a debit balance in his capital account, whether by reason of losses in liquidating Partnership assets or otherwise, the debit balance shall represent an obligation from him to the other Partners, to be paid in cash within ninety (90) days after written demand by the other Partners.

ARTICLE X

DEATH OR BANKRUPTCY OF A PARTNER

In the event that any Partner shall die, become bankrupt, insolvent, be declared legally incompetent, or makes an assignment for the benefit of creditors, or becomes subject to the administration of his assets in any kind of voluntary or involuntary creditors' proceedings, the Partnership will not be terminated or dissolved and such Partner's interest shall pass to his estate or to such other person or persons as may be designated by such Partner's Last Will and Testament, or to his personal representative. Within thirty (30) days after receipt by the Partnership of notice of a Partner's death, bankruptcy, insolvency, being declared legally incompetent, or assignment for the benefit of his creditors, the Partnership shall have an option to purchase such Partner's interest at a price as determined under the provisions of Article XII. If the Partnership does not elect to purchase such interest, then the deceased Partner's estate or personal representative shall, without further action, become a substitute Partner and shall be entitled to all rights, privileges and powers granted under the terms of this Agreement.

ARTICLE XI

SALE OF PARTNERSHIP INTEREST

(1) No Partner shall have a right at any time to withdraw or retire from the Partnership unless the Partnership is dissolved as hereinabove provided.

(2) In the event that any Partner shall at any time wish to sell his Partnership interest, he shall first give written notice to the Partnership of his intention to sell such interest and the name of the person or persons to whom he proposes to sell it. Upon receipt of such notice, the Partnership shall have an option for a period of thirty (30) days to purchase such Partner's interest at a price determined in accordance with the provisions of Article XII. In the event that the Partnership shall elect not to exercise this option, then such Partner shall be free to sell his Partnership interest to the persons named on the written notice above provided, and such person or persons shall, without further action, become Partners and entitled to all rights, privileges and powers granted under the terms of this Agreement.

ARTICLE XII

VALUATION OF THE INTEREST OF A PARTNER

(1) The value of a selling, deceased, bankrupt, legally incompetent, or insolvent Partner's interest in the Partnership property, adjusted to reflect appraised values as provided in the following paragraph, shall be the sum of his capital account and his proportionate share of accrued net income of the Partnership to the date of his sale, death, bankruptcy, legal incompetency, or insolvency, unless included in his drawing account.