

The contribution is to be made by the transfer of an undivided one-third (1/3) interest in real property and improvements thereon to the Partnership. Each one-third (1/3) interest has an agreed value of Fifty-Eight Thousand Three Hundred Thirty-Three and 33/100ths (\$58,333.33) Dollars.

5. ALLOCATIONS AND DISTRIBUTIONS.

(a) The partners understand that for income tax purposes the partnership's adjusted basis of property contributed by the Partners differs from the fair market value at which such property was accepted by the partnership at the time of its contribution. The partners agree that in determining the taxable income or loss of the partnership and the distributive share of each partner depreciation or gain or loss with respect to such contributed property shall be shared among the partners, so as to take account, to the extent permitted by the 1954 Internal Revenue Code, of the variation between the basis of such property to the partnership and its fair market value at the time of contribution. It is the intention of the partners by this provision to take advantage of the election authorized by Section 704(c) (2) of the 1954 Internal Revenue Code.

(b) All cash distributions by the Partnership shall be divided among all the Partners according to each Partner's percentage interest in the Partnership.

(c) Upon the liquidation of the Partnership, any cash or assets available for distribution shall be distributed among the Partners according to each Partner's percentage interest in the Partnership.

6. LIMITATION OF PARTNER'S POWERS. No Partner shall, without the consent of all General Partners:

(a) Borrow money in the firm name for firm purposes or utilize collateral owned by the Partnership as security for such loans;

(b) Assign, transfer, pledge, compromise or release any of the claims of or debts due the Partnership except upon payment

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