

(c) Net losses incurred by the partnership during any fiscal year shall be borne by the partners in the following manner for the purposes of the partnership, including distribution, and for income tax purposes:

Losses shall first be debited in an equal amount to each partner against any undistributed net profits in the cash account of each partner. If the undistributed net profits in the cash account shall then be reduced to zero, any remaining net losses shall be debited against the remaining cash capital account of the partners. Any remaining net losses shall then be debited against the property account of each partner.

ARTICLE VII.

RESTRICTIONS

Neither David D. Douglas, Thomas B. Huguenin nor John A. Cooter during his or her lifetime, except with the prior written consent of the other, give, assign, transfer, or sell his or her interest in this partnership, without first giving the other written notice of such intent, whereby the partner receiving such written notice shall have an option, exercisable or not within sixty (60) days from the date of receipt of said notice, to purchase the partnership interest of the withdrawing partner upon the same terms and conditions as those set out in ARTICLE IX hereof (i.e. appraisal adjustment and periodic payments). In the event said option is not exercised then the withdrawing partner shall dispose of his or her interest in the partnership as he or she deems best, however, any purchaser, or any other transferee, shall take said partnership interest subject to the same terms and conditions as set out herein.

ARTICLE VIII.

DISSOLUTION

This partnership may be dissolved at any time by either