

1079-4

dissolution of the partnership.

16. In the event of the retirement, death or insanity of a partner, the remaining partner shall have the right to continue the business of the partnership under its present name, either by himself or in conjunction with any other person or persons he may select, but he shall pay to the retiring partner, or to the legal representatives of the deceased or insane partner, as the case may be, the value of his interest in the partnership, as provided in the following paragraph.

17. The value of the interest of a retiring, deceased or insane partner shall be the sum of (a) his capital account, (b) any unpaid loans due him, (c) his proportionate share of accrued net profits remaining undistributed in his drawing account, and (d) his interest in any prior agreed appreciation in the value of the partnership property over its book value. No value for good will shall be included in determining the value of the partner's interest.

18. The value of the partner's interest as determined in the above paragraph shall be paid without interest to the retiring partner, or to the legal representatives of the deceased or insane partner, as the case may be, in twelve monthly installments, commencing on the first day of the second month after the effective date of the purchase.

19. In the event the remaining partner does not elect to purchase the interest of the retiring, deceased or insane partner, or in the event the partners mutually agree to dissolve the partnership, the partnership shall terminate and the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The assets of the partnership shall first be used to pay or provide for all debts of the partnership. Thereafter, all moneys remaining undistributed in

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