

- (a) Debts of the Partnership, other than to Partners.
- (b) Amounts owed to Partners for the credit balance in their respective drawing accounts.
- (c) The capital contributions of the Partners as reflected in their respective capital accounts.

2. Any gain or loss or 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 interests in profits or losses as specified in Article VII.

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 30 days after written demand by the other partners.

ARTICLE XIII.

DEATH OF A PARTNER

In the event that any Partner shall die, 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. To the extent that the deceased Partner's interest in the Partnership shall pass by operation of his Last Will and Testament or by operation of law to his spouse and/or to his children, such spouse and/or children shall automatically become partners to the extent of their respective beneficial interests with all of the rights, duties and responsibilities applicable to Partners generally as if they had originally been named Partners herein.

To the extent that any beneficial interest in the deceased Partner's Partnership interest shall pass to someone other than his spouse and/or children, the Partnership shall have an option to purchase that portion of such deceased Partner's Partnership interest upon the terms and conditions hereinafter specified. In such case, within 90 days after receipt by the Partnership of notice that such beneficial interest has passed to a person other than the deceased Partner's spouse and/or children, the Partnership shall have an option to purchase such interest at a price equal to its fair market value. In the event that agreement cannot be reached upon such fair market value, each party shall select an appraiser and the two appraisers so selected shall choose a third appraiser, and the value set on the Partnership interest by these three appraisers shall be final, binding and conclusive upon all parties. The price set by these appraisers shall be paid in a lump