

obligations of the Partnership and the return of the Partners' then existing capital accounts.

(b) Interest. No interest shall be paid on the initial contributions to the capital of the Partnership or on any subsequent contributions of or additions to capital. The capital accounts of the Partners shall at all times be maintained in amounts that are proportionately equal to their respective proportionate percentage interests in the Partnership, but no additional or lesser percentage interest in profits or losses shall inure to the benefit or detriment of any Partner solely by reason of the Partner's capital account being in excess of or less than the Partner's share of said proportionate amounts.

(c) Income account. A separate income account shall be maintained for each Partner. Partnership profits shall be credited annually to the separate income account of each Partner. To the extent that profit credited to a Partner's income account is not distributed annually, said profit shall be transferred and credited to the Partner's capital account. Partnership losses shall be charged annually to the separate capital account of each Partner.

(d) Distributions. (1) Except as otherwise specifically provided hereinbelow in subparagraph 5(d)(4), all distributions, whenever made, to Partners, including any distributions in excess of profits for federal income tax purposes, shall be made pro rata in accordance with the respective interests of the Partners as set forth in subparagraph 5(a).

(2) Before the taxable year in which the termination of the Partnership occurs, as much of accumulated and annual "net cash" (defined in subparagraph 5(d)(3) below) as is feasible and consistent with sound financial management, considering only the financial needs of the particular venture of the Partnership, shall be shared by and distributed annually to the Partners in proportion to their respective interests in the profits and losses of the Partnership.