

**LIMITED PARTNERSHIP
AGREEMENT
OF
SAMPLE FLP,
A DELAWARE LIMITED
PARTNERSHIP**

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**AGREEMENT OF LIMITED PARTNERSHIP
SAMPLE FLP,
A DELAWARE LIMITED PARTNERSHIP**

This Agreement of Limited Partnership is made and entered into as of MONTH DAY, YEAR by and among **NAME OF GENERAL PARTNER** the general partner (herein referred to as the “General Partner”) and the **NAME OF LIMITED PARTNER OFTEN AN ASSET PROTECTION TRUST** (herein referred to as the “Limited Partner”). Certain capitalized words used herein have the meanings set forth in Section 2 hereof.

1. Organization

1.1 A DELAWARE LIMITED PARTNERSHIP. The parties hereby enter into a limited partnership (hereinafter referred to as the “Partnership”) under the provisions of the Act, and the rights and liabilities of the Partners shall be as provided in such Act except as may be modified in this Agreement. In the event of a conflict between the provisions of the Act and the provisions of this Agreement, the provisions of this Agreement shall prevail unless the Act specifically provides that the Partnership Agreement may not change the provision in question.

1.2 BUSINESS PURPOSE. The business of the Partnership is to own those assets described on Exhibit B attached hereto as may be amended from time to time as assets are sold, distributed or contributed or otherwise become or discontinue being assets of the Partnership and to deal in those assets in any manner and to engage in all activities incidental thereto.

1.3 NAME AND ADDRESS OF PARTNERSHIP. The business of the Partnership shall be conducted under the name “Sample FLP, a Delaware Limited Partnership,” at the following address:

123 Main Street
City, State ZIP

1.4 TERM. The Partnership shall commence on the later to occur of the date a Certificate of Limited Partnership is filed with the Secretary of State of the State of Delaware pursuant to the Act or the execution hereof, and shall continue until sixty (60) years from the commencement date, unless sooner terminated in accordance with the provisions of this Agreement.

1.5 CERTIFICATE OF LIMITED PARTNERSHIP. On or before the execution of this Agreement, the General Partner shall record with the Delaware Secretary of State, a Certificate of Limited Partnership, prepared in accordance with the requirements of the Act.

1.6 PARTNERS. There shall be two classes of Partners as follows:

(a) **General Partner.** The name and address of the General Partner shall be:

NAME OF GENERAL PARTNER
123 Main Street
City, State ZIP

(b) **Limited Partners.** The names and addresses of the Limited Partners are shown on Exhibit A.

2. Definitions

For purposes of this Agreement, the terms defined hereinbelow shall have the following meaning unless the context clearly requires a different interpretation:

2.1 *Act* shall mean the Delaware Revised Limited Partnership Act.

2.2 *Agreement* shall mean this Agreement of Limited Partnership of Sample FLP, a Delaware Limited Partnership.

2.3 *Capital Account* of a Partner shall mean the capital account of that Partner determined from the inception of the Partnership strictly in accordance with the rules set forth in Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

2.4 *Capital Contributions* shall mean the total investment and contribution to the capital of the Partnership by the Partners.

2.5 *Code* shall mean the Internal Revenue Code of 1986, as amended to date, or corresponding provisions of subsequent superseding revenue laws.

2.6 *Distributable Cash* shall mean (i) the excess of cash received from operations of the Partnership over: (a) operational cash disbursements (including debt service payments, if any); and, (b) an allowance for reserves, contingencies and anticipated obligations as determined in the reasonable discretion of the General Partner.

2.7 *Distributions* shall mean any cash (or property to the extent applicable) distributed to the Partners arising from their Interests in the Partnership.

2.8 *Economic Risk of Loss* shall mean the economic risk of loss within the meaning of Section 1.752-2 of the Treasury Regulations.

2.9 *General Partner* shall refer to the General Partner defined in the opening preamble of this Agreement or to any other person or entity which succeeds it in that capacity.

2.10 *Interest* shall mean the ownership interest as a Partner in the Partnership.

2.11 Limited Partner(s) shall mean any individual or entity listed, and collectively those persons listed, in Exhibit A and any of their assignees.

2.12 Majority Vote shall mean the vote of Limited Partners who in the aggregate own two-thirds (2/3) or more of the total Percentage Interests of the Limited Partners.

2.13 Net Income and Net Losses shall mean the net income and net losses, respectively, of the Partnership as determined for federal income tax purposes; provided however, that the “book” value of an asset shall be substituted for its adjusted tax basis if the two differ, and provided that the following items shall be excluded from the computation of Net Income and Net Losses:

- (a) Any gain or income specially allocated under Sections 4.4(a), 4.4(b), or 4.4(c) of this Agreement.
- (b) Any Nonrecourse Deductions.
- (c) Any Partner Nonrecourse Deductions.

2.14 Nonrecourse Deductions in any fiscal year means the amount of Partnership deductions that are characterized as “nonrecourse deductions” under Section 1.704-2(b)(1) of the Treasury Regulations.

2.15 Nonrecourse Liabilities shall mean the liabilities of the Partnership treated as “nonrecourse liabilities” under Section 1.752-1(a)(2) of the Treasury Regulations.

2.16 Partner Nonrecourse Debt shall mean liabilities of the Partnership treated as “partner nonrecourse debt” under Section 1.704-2(b)(4) of the Treasury Regulations.

2.17 Partner Nonrecourse Deductions shall mean in any Partnership fiscal year, the Partnership deductions that are characterized as “partnership nonrecourse deductions” under Section 1.704-2(i)(2) of the Treasury Regulations.

2.18 Partners shall refer collectively to the General Partner and the Limited Partners, and reference to a “Partner” shall be to any of such Partners.

2.19 Partnership shall refer to the Limited Partnership created under this Agreement.

2.20 Partnership Minimum Gain with respect to any taxable year of the Partnership shall mean the partnership minimum gain of the Partnership computed strictly in accordance with the principles of Section 1.704-2(b)(2) of the Treasury Regulations.

2.21 Percentage Interests shall mean the “Percentage Interest” indicated on Exhibit A.

2.22 Treasury Regulations shall mean the regulations of the United States Treasury Department pertaining to the Code, as amended, and any successor provision(s).

3. Partnership Capital

3.1 CAPITAL CONTRIBUTIONS. The Partners shall initially contribute to the Partnership the cash or property indicated on Exhibit A. No Partner shall be required to contribute additional capital to the Partnership.

3.2 INTEREST. No Partner shall receive interest on his contribution to the capital of the Partnership.

3.3 WITHDRAWAL AND RETURN OF CAPITAL. Except as may be provided herein, no Partner may withdraw any portion of the capital of the Partnership and no Partner shall be entitled to the return of his contribution to the capital of the Partnership except on dissolution of the Partnership.

3.4 CAPITAL ACCOUNTS.

(a) Partners' Capital Accounts. An individual Capital Account shall be maintained for each Partner.

(b) Capital Account of Transferee. On any sale or transfer of any Interest, the Capital Account of a transferor Partner shall become the Capital Account of a transferee Partner, as it existed at the effective date of the transfer of a Partner's Interest.

4. Financial

4.1 ACCOUNTING METHOD. The Partnership books shall be kept on a basis to be determined by the General Partner.

4.2 FISCAL YEAR. The fiscal year of the Partnership shall end on December 31, unless the General Partner shall determine that some other fiscal year would be more appropriate and the General Partner obtains the consent of the Internal Revenue Service to use that other fiscal year.

4.3 EXPENSES OF THE PARTNERSHIP. The Partnership shall pay or reimburse to the General Partner the operating expenses of the Partnership. No Partner other than the General Partner shall incur any costs or expenses on behalf of the Partnership without the prior written consent of the General Partner.

4.4 INCOME LOSSES AND DISTRIBUTIONS.

(a) Distributions of Distributable Cash. Distributable Cash, if any, shall be determined for each fiscal year and, subject to Section 9.2 (that is, other

than Distributable Cash being distributed upon dissolution of the Partnership), shall be distributed in such amount and at such times as the General Partner, in its sole discretion, shall determine; provided that when Distributions are made, they shall be made to the Partners in accordance with their Percentage Interests.

(a) Allocation of Net Income. The Net Income of the Partnership shall be allocated:

(i) To the General Partner to the extent of any Net Losses allocated to the General Partner pursuant to Section 4.4(c)(i)(B) less any Net Income previously allocated to the General Partner pursuant to this Section 4.4(b)(i); and thereafter

(ii) To the Partners in accordance with their Percentage Interests.

(c) Allocation of Net Losses and Nonrecourse Deductions.

(i) Net Losses shall be allocated:

(A) Subject to Section (c)(i)(B) below, to the Partners in accordance with their Percentage Interests.

(B) Notwithstanding Section (c)(i)(A), in no event shall a Limited Partner be allocated any Net Losses that would create or increase a negative balance in his or her Capital Account. For this purpose, the Limited Partners' Capital Accounts shall be adjusted as set forth in Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

(ii) After the allocations of Net Losses, Nonrecourse Deductions shall be allocated in accordance with the Partner's Percentage Interests.

(iii) After the allocations of Net Losses and Nonrecourse Deductions, Partner Nonrecourse Deductions shall be allocated between the Partners as required in Section 1.704-2(i)(1) of the Treasury Regulations, in accordance with the manner in which the Partner or Partners bear the Economic Risk of Loss for the Partner Nonrecourse Debt corresponding to the Partner Nonrecourse Deductions, and if more than one Partner bears such Economic Risk of Loss for a Partner Nonrecourse Debt, the corresponding Partner Nonrecourse Deductions must be allocated among such Partners in accordance with the ratios in which the Partners share the Economic Risk of Loss for the Partner Nonrecourse Debt.

(d) Tax Allocations.

(i) Tax Allocations. To the extent permitted by Section 1.704-1(b)(4)(i) of the Treasury Regulations, all items of income, gain, loss, and deduction for Federal and state income tax purposes shall be allocated in accordance with the corresponding “book” items in accordance with the principles of Section 704(c) of the Code and Section 1.704-1(b)(4)(i) of the Treasury Regulations.

(ii) Recapture. In the event that the Partnership has taxable income that is characterized as ordinary income under the recapture provisions of the Code, each Partner’s distributive share of taxable gain or loss from the sale of Partnership assets (to the extent possible) shall include a proportionate share of this recapture income equal to that Partner’s prior share of prior cumulative depreciation deductions with respect to the assets which gave rise to the recapture income.

(iii) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, in the event that there is a net decrease in the Partnership Minimum Gain during any Partnership taxable year, each Partner shall be allocated items of income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner’s share of the net decrease in such Partnership Minimum Gain during such year in accordance with Section 1.704-2(g) of the Treasury Regulations.

(iv) Partner Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Treasury Regulations, in the event there is a net decrease in the minimum gain attributable to a Partner Nonrecourse Debt during any Partnership taxable year, each Partner with a share of such minimum gain shall be allocated income and gain for the year (and, if necessary, subsequent years) in accordance with Section 1.704-2(i) of the Treasury Regulations.

(v) Qualified Income Offset. Any Partner who unexpectedly receives an adjustment, allocation, or distribution described in subparagraphs (4), (5) or (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations, which adjustment, allocation or distribution creates or increases a deficit balance in that Partner’s Capital Account, shall be allocated items of “book” income and gain in an amount and manner sufficient to eliminate or to reduce the deficit balance in that Partner’s Capital Account so created or increased as quickly as possible in accordance with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and its requirements for a “qualified income offset.” For purposes of this Section 4.4(d)(v), Capital Accounts shall be adjusted as provided for in Sections 1.704-1(b)(2)(ii)(d), 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations. The Partners intend that the provision set forth in this Section 4.4(d)(v) will constitute a “qualified income offset” as described in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations. The

regulations shall control in the case of any conflict between those regulations and this Paragraph 4.4(d)(v).

(e) **Varying Interests.** Where any Partner's Interest, or portion thereof, is acquired or transferred during a taxable year, the General Partner may choose to implement the provisions of Section 706(d) of the Code in allocating among the varying interests.

5. Management

5.1 MANAGEMENT OF THE PARTNERSHIP. The operations and affairs of the Partnership shall be administered by the General Partner, who shall have all authority, rights, and powers conferred by law and those necessary or appropriate to carry out the purposes of the Partnership as set forth in Section 1.2. By way of illustration, but not by way of limitation, the General Partner shall have the sole and exclusive right, power, and authority, subject to Section 5.3 and 6.3, to do any of the following, which rights may be exercised without approval or vote of the Limited Partners:

(a) **Acquire Property.** Acquire property, including real or personal property, for the use of the Partnership upon such terms and conditions as the General Partner may from time to time determine to be advantageous to the Partnership;

(b) **Dispose of Property.** Dispose of Partnership property, either in the ordinary course of the business of the Partnership or from time to time when the General Partner shall deem such disposition to be in the best interests of the Partnership;

(c) **Borrow Funds.** Finance the Partnership's activities by borrowing money from third parties on such terms and conditions as the General Partner shall deem appropriate. When money is borrowed for Partnership purposes, the General Partner shall be and they hereby are authorized to pledge, mortgage, encumber or grant a security interest in Partnership properties as security for the repayment of such loans;

(d) **Contract for Insurance.** Acquire and enter into any contract of insurance which the General Partner shall deem necessary and proper for the protection of the Partnership, for the conservation of its assets, or for any purpose convenient or beneficial to the Partnership;

(e) **Employ Persons and Services.** Employ at the Partnership's expense such agents, employees, independent contractors, attorneys, accountants and advisors as reasonably necessary to carry out the Partnership purpose as the General Partner shall determine in his sole and absolute discretion; provided, however that such authority shall not relieve the General Partner from his obligations or responsibilities hereunder;

(f) Prepare Reports. Prepare or cause to be prepared reports, statements and other relevant information for distribution to Partners;

(g) Maintain Bank Accounts. Open accounts and deposit and maintain funds in the name of the Partnership in banks or savings and loan associations; provided, however, that the Partnership's funds shall not be commingled with the funds of any other person;

(h) Make Internal Revenue Service Elections. Cause the Partnership to make or revoke any of the elections referred to in Sections 754, 709, or 168 of the Code or any similar provisions enacted in lieu thereof;

(i) Select Accounting Method and Year. Select as its accounting year a calendar year or such fiscal year as approved by the Internal Revenue Service, and to determine the appropriate accounting method or methods to be used by the Partnership;

(j) Enter Into Nonrecourse Contracts. Require in any or all Partnership contracts that the General Partner shall have no personal liability thereon but that the person or entity contracting with the Partnership is to look solely to the Partnership and its assets for satisfaction;

(k) Amend Partnership Agreement. Amend this Partnership Agreement: (a) to reflect the addition or substitution of Limited Partners; (b) to add to the representations, duties, or obligations of the General Partner, or surrender any right or power granted to the General Partner herein, for the benefit of the Limited Partners; (c) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provisions with respect to matters or questions arising under this Partnership Agreement which will not be inconsistent with the provisions of this Partnership Agreement; (d) to reflect the change to the Percentage Interests of any Partner; (e) to ensure the compliance of the allocations of income, loss, deduction, and credit contained herein with applicable law and regulations; and (f) to comply with any changes in the Delaware Corporations Code;

(l) Maintain Reserve Account. Maintain a reasonable cash reserve for normal contingencies;

(m) Execute Documents. Execute, acknowledge and deliver any and all instruments to effectuate the terms of this Partnership Agreement, and to take all such action in connection therewith, as the General Partner shall deem necessary or appropriate. Any and all documents may be executed on behalf of the Partnership by the General Partner;

(n) Nominee. Acquire any or all real and personal property, arrange all financing, enter into contracts and complete all other arrangements needed to effectuate the purpose of the Partnership, either in its own name or in the name of a nominee, without having to disclose the existence of the Partnership. If the

General Partner shall decide to transact any part of the business of the Partnership or to hold any part of the Partnership Property in his own name or the name of a nominee, it shall place a written declaration of trust in the Partnership books and records that acknowledges that capacity in which the nominee acts and the Partnership as the true or equitable owner;

(o) **Compromise and Settle Claims.** Compromise, arbitrate, or otherwise adjust claims in favor of or against the Partnership;

(p) **Assign Interest.** Assign all or part of its Interests in the Partnership; and

(q) **Dissolve Partnership.** Dissolve the Partnership on written notice to the Limited Partners.

5.2 RESPONSIBILITIES OF THE GENERAL PARTNER. The General Partner shall devote such time to administering the business of the Partnership as it reasonably deems necessary to perform its duties as set forth in this Agreement. Nothing in this Agreement shall preclude the employment by the Partnership of any agent or third party to provide services in respect of the business of the Partnership; provided, however, that the General Partner shall continue to have ultimate responsibility under this Agreement.

5.3 LIMITATIONS ON GENERAL PARTNER'S AUTHORITY. The General Partner shall not have the authority to:

(a) **Act in Contravention of Agreement.** Do any act in contravention of this Agreement;

(b) **Use Partnership Assets.** Employ, or permit to employ, the funds or assets of the Partnership in any manner except for the exclusive benefit of the Partnership;

(c) **Create Liability to the Limited Partners.** Perform any action (other than an act required by this Agreement or any act taken in good faith) which would, at the time such act occurred, subject the Partners to liability as a general partner in any jurisdiction;

(d) **Alter or Hinder Purpose of Partnership.** Alter the primary purpose of the Partnership as set forth in Section 1.2 or do any act which would make it impossible to carry on the ordinary business of the Partnership;

(e) **Possess Partnership Property.** Possess Partnership property, assign the rights of the Partnership in any property for other than a Partnership purpose, or commingle Partnership funds with those of any other person or entity;

5.4 COMPENSATION OF GENERAL PARTNER. The General Partner shall be entitled to reasonable compensation for providing services to the Partnership in an amount as determined by the General Partner, which amount shall be determined based

upon the amount that would be charged by an unrelated party for the same or similar services.

5.5 WITHDRAWAL, BANKRUPTCY, DISSOLUTION OR CHANGE IN CONTROL OF THE GENERAL PARTNER.

(a) Voluntary Withdrawal. The General Partner may voluntarily withdraw from the Partnership without the consent of any of the Limited Partners. In the event of withdrawal of the General Partner, the provisions of Section 9.1(a) shall be applicable.

(b) Bankruptcy of the General Partner. The General Partner shall cease to be a General Partner upon being adjudicated a bankrupt. In the event of bankruptcy of the General Partner, the provisions of Section 9.1(a) shall be applicable.

(c) Death. In the event of the death of a General Partner, the provisions of Section 9.1(a) shall be applicable.

(d) Conversion of Interest. On voluntary withdrawal, bankruptcy or death of the General Partner and continuation of the Partnership in accordance with Section 9.1(a), the Interest of the General Partner shall be converted to a limited partner Interest (the "Conversion"). After the Conversion the General Partner (now as a Limited Partner) shall:

(i) continue to have the same Percentage Interest, Capital Account, and interest in Net Income, Net Losses, Distribution and any other item it would have had if he remained a General Partner;

(ii) no longer be liable in any manner to the Partnership, the Partners or creditor's of the Partnership for the debts, obligations, or liabilities of the Partnership arising after the Conversion;

(iii) in no event have its Interest or any economic right under this Agreement reduced, amended, changed or modified by reason of the Conversion, admission of a new general partner or Limited Partner to the Partnership, or otherwise without the affected General Partner's consent; and

(iv) remain obligated pursuant to Section 3.4(c) to restore any deficit in his Capital Account existing as of the date of the Conversion; provided, however, that there shall be a ceiling to such deficit equal to the amount of such deficit as of the date of the Conversion such that the deficit in its Capital Account shall never be increased after the Conversion, and each time such deficit is reduced after the Conversion the ceiling shall be reduced to an amount equal to such reduced deficit amount and not be increased thereafter.

5.6 REMOVAL OF GENERAL PARTNER. The General Partner may not be removed from the Partnership.

5.7 TAX MATTERS PARTNER. The General Partner is hereby designated, with full power of substitution, as the “Tax Matters Partner” in accordance with Section 6231(a)(7) of the Code and in connection therewith and in addition to all the powers given thereunder, shall have all other powers needed to fully perform hereunder including, without limitation, the power to retain all attorneys and accountants of its choice and the right to settle any audits without the approval of the Limited Partners. The designation made in this Section is hereby expressly consented to by each Partner as an express condition to becoming a Partner.

5.8 LIABILITY OF GENERAL PARTNER. The General Partner shall incur no liability for any mistakes or errors in judgment made in good faith and in the exercise of due care in connection with the Partnership business. The General Partner shall not be deemed to have violated any provision of this Agreement for any such mistakes or errors in judgment.

6. Limited Partners

6.1 LIMITED LIABILITY. The Limited Partners shall not be bound by, or be personally liable for, the expenses, liabilities or obligations of the Partnership.

6.2 NO MANAGEMENT AND CONTROL. Limited Partners shall take no part in or interfere in any manner with the control, conduct or operation of the Partnership and shall have no right or authority to act for or bind the Partnership.

6.3 VOTING RIGHTS AND POWERS. Limited Partners shall have equal voting rights and powers in accordance with their Percentage Interests on all matters requiring or permitting a vote.

(a) Right to Vote. The Limited Partners shall have the right to vote upon the following matters:

(i) Except as provided in Section 5.1(k), the amendment of this Agreement shall require a Majority Vote except that this Agreement may not be amended without the consent of all Partners to be adversely affected by an amendment that:

(A) Converts a Limited Partner into a General Partner;

(B) Modifies the limited liability of a Limited Partner;

(C) Alters the interest of a General Partner or a Limited Partner in Net Income, Net Losses or Distributions from the Partnership; or

(D) Affects the status of the Partnership as a partnership for federal income tax purposes.

(ii) The election to continue the business of the Partnership after the withdrawal, adjudication of bankruptcy, or death of the General Partner and the election of a successor General Partner to continue the Partnership as provided in Section 9.1(a), which elections shall require unanimous approval of the Limited Partners; and

(iii) Any other action requiring the vote or consent of the Limited Partners as provided in this Agreement which action shall require the approval of the Limited Partners as may be provided therein.

(b) **Request for Vote.** The General Partner may call a meeting of the Limited Partners for a vote, or may call for a vote without a meeting. By Majority Vote the Limited Partners shall have the right to call for a meeting on any matter for which they are entitled to vote.

(c) **Procedures.** A Limited Partner shall be entitled to vote in accordance with his relative Percentage Interest: (1) at a meeting, in person, by written proxy or by a signed writing directing the manner in which he desires that his vote be cast, which writing must be received by the General Partner prior to such meeting; or, (2) without a meeting, by a signed writing directing the manner in which he desires that his vote be cast.

6.4 LIMITATIONS. A Limited Partner shall have no right or power to: (a) withdraw or reduce his or its contribution to the capital of the Partnership except as a result of the dissolution of the Partnership or as otherwise provided by law; (b) bring an action for partition against the Partnership or any Partnership asset; (c) cause the termination and dissolution of the Partnership, except as set forth in this Agreement; or, (d) demand or receive property other than cash upon any Distribution.

7. Transfers of Interests and Withdrawals

7.1 TRANSFERS AND WITHDRAWALS RESTRICTED. No Limited Partner may transfer an Interest in the Partnership or withdraw from the Partnership without the written consent of the General Partner, which consent shall be granted or withheld in the General Partner's sole discretion. Upon an approved transfer, the assignee shall become a substituted limited partner only upon the General Partner's further consent which consent shall be in addition to the consent of the General Partner required for any transfer and shall be granted or denied in the General Partner's sole discretion.

7.2 CONDITIONS TO CONSENT. The consent to a transfer of an Interest and/or substitution as a Limited Partner may be conditioned upon any one or more of the following:

(a) **Written Assignment.** A duly executed and acknowledged written instrument of assignment;

(b) **Instruments of Substitution.** The assignor and assignee shall have executed and acknowledged such other instruments as may be necessary or desirable to effect such substitution, including the written acceptance and adoption by the assignee of the provisions of this Agreement and his execution and delivery to the General Partner of a special power of Attorney;

(c) **Transfer Fee.** A transfer fee shall have been paid to the Partnership which is sufficient to cover all reasonable expenses connected with such substitutions.

7.3 TRANSFERS IN VIOLATION OF AGREEMENT. Any transfer of an Interest in violation of this Agreement shall be null and void and of no effect. The transfer restrictions contained herein are expressly consented to by the Partners as an express condition of becoming a Partner.

7.4 EFFECT OF INVOLUNTARY TRANSFER. In the event that any Interest is taken by levy, foreclosure, charging order, execution or any similar proceeding (hereinafter "Involuntary Transfer") the following provisions shall govern the rights and obligations of the Partner whose Interest is so taken (the "Charged Partner") and the creditor in whose favor the transfer was made:

(a) A creditor who is the beneficiary of an Involuntary Transfer shall have no right to participate, vote or interfere in the management of the Partnership and shall have no other rights as a Partner, except the same right to receive the allocation of Net Income and Losses and the Distributions to which the Charged Partner would otherwise be entitled and only when the Charged Partner would be so entitled. Under no circumstances shall an Involuntary Transfer effect a dissolution of this Partnership.

(b) The Interest of a Partner so charged may not be foreclosed upon or otherwise sold pursuant to a court order without the express written consent of all of the Partners, other than the Partner whose Interest is so charged.

(c) It is acknowledged by the Partners that the General Partner (as well as its consensual assignees) possesses managerial skills essential for the continued operation of the business of the Partnership and therefore the foreclosure upon or other court-ordered sale of the General Partner's Interest would unduly interfere with the business and management of the Partnership. Accordingly, the Interests of the General Partner may not be foreclosed upon or otherwise sold pursuant to court order without the express written consent of all of the Partners.

8. Books and Records

8.1 RECORDS. The General Partner shall keep at the principal office of the Partnership, or such other place as shall be designated by the General Partner, the following Partnership documents:

(a) A current list of the full name and last known business or residence address of each Partner, together with the contribution and share in profits and losses of each Partner;

(b) A copy of the Certificate of Limited Partnership and all certificates of Amendment, and executed copies of any powers of attorney pursuant to which any certificate has been executed;

(c) Copies of the Partnership's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years;

(d) Copies of the original Agreement and all Amendments to the Agreement;

(e) Financial statements of the Partnership for the six most recent fiscal years; and,

(f) The Partnership's books and records for at least the current and past three fiscal years.

8.2 INSPECTION.

(a) Upon the request of a Limited Partner, the General Partner shall promptly deliver to the requesting Partner, at the expense of the Partnership, a copy of the information required to be maintained by Sections 8.1(a), 8.1(b) or 8.1(d), above.

(b) Each Limited Partner has the right, upon reasonable request, to:

(i) Inspect and copy during normal business hours any of the Partnership records required to be maintained by Section 8.1.

(ii) Obtain from the General Partner, promptly after becoming available, a copy of the Partnership's federal, state and local income tax or information returns for each year.

8.3 REPORTS.

(a) The General Partner shall cause an annual financial report and a copy of the Partnership tax return to be sent to each Partner not later than 120 days after the close of each fiscal year and that financial report shall contain: (1) a balance sheet as of the end of the fiscal year; and (2) an operating statement; and (3) a statement of changes in financial position.

(b) The General Partner shall send to each Partner within 75 days after the end of each taxable year the information necessary for the Partner to complete his federal and state income tax or information returns, and a copy of the Partnership's Federal, state, and local income tax or information returns for the year.

9. Dissolution and Termination of the Partnership

9.1 EVENTS CAUSING DISSOLUTION. The Partnership shall be dissolved and its affairs shall be wound-up upon the earliest to occur of the following events:

(a) The withdrawal, adjudication of bankruptcy, or death of the General Partner, unless the Limited Partners meet within 120 days of such terminating event and elect, by unanimous vote, one or more new General Partners to continue the Partnership's business, in which event, upon the filing of a new Certificate of Limited Partnership to reflect the new General Partner(s), this Partnership shall continue in business. In the event that the Limited Partners elect a new General Partner and continue the business, Section 5.5(d) shall apply;

(b) Election by the General Partner; or

(c) The expiration of the term of the Partnership.

9.2 DISTRIBUTION ON DISSOLUTION. Unless the business of the Partnership is continued pursuant to Section 9.1(a), the General Partner shall take full account of the Partnership assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining their fair value, or, if the assets cannot be sold, they shall be valued and distributed in kind, and shall apply and distribute the proceeds or assets in the following order:

(a) To the payment of creditors of the Partnership but excluding secured creditors whose obligations will be assumed or otherwise transferred on the liquidation of Partnership assets;

(b) To the creation of any reserves which the General Partner shall deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership;

(c) To the repayment of any outstanding loans made by any Partner to the Partnership; and

(d) To the Partners with positive Capital Accounts in accordance with the ratio of their Capital Accounts.

In the event that there is no General Partner at the time of dissolution, the person responsible for dissolution shall be that person selected by a Majority Vote of the Limited

Partners. If the Limited Partners do not elect such a person by Majority Vote, the person responsible for the acts described in this Section 9.2 shall be the Limited Partner with the highest Percentage Interest.

10. Indemnification

10.1 GENERAL PARTNER. The Partnership, its receiver or its trustee, shall indemnify, save harmless and pay all judgments and claims against the General Partner from any liability, loss or damage incurred by it or by the Partnership by reason of any act performed or omitted to be performed by it in connection with the business of the Partnership, including costs and attorneys' fees (which attorneys' fees may be paid as incurred) and any amounts expended in the settlements of any claims of liability, loss or damage; provided that if the liability, loss or claim arises out of any action or inaction of the General Partner: (a) the General Partner must have determined, in good faith, that its course of conduct was in the best interests of the Partnership; and, (b) the action or inaction did not constitute fraud, breach of fiduciary duty, gross negligence or gross misconduct by the General Partner; and, provided further, that the indemnification shall be recoverable only from the assets of the Partnership and not any other assets of the Limited Partners. The Partnership may, however, purchase and pay for that insurance, including extended coverage liability and casualty and worker's compensation, as would be customary for any person engaging in a similar business, and name the General Partner as an additional or primary insured party.

10.2 SECURITIES LAWS. Notwithstanding the provisions of Section 10.1, the General Partner shall not be indemnified from any liability, loss, or damage incurred in connection with any claim or settlement involving allegations that the Securities Act of 1933 or the Delaware Corporate Securities Law were violated by the General Partner unless:

- (a) The General Partner is successful in defending the action;
- (b) The indemnification is specifically approved by a court of law which shall have been advised as to the current position of the Securities and Exchange Commission (as to any claim involving allegations that the Securities Act of 1933 was violated) or the Delaware Department of Corporations Law (as to any claim involving allegations that the Delaware Corporate Securities Law was violated); or,
- (c) In the opinion of counsel for the Partnership, the right to indemnification has been settled by controlling precedent.

11. Power of Attorney

11.1 ATTORNEY-IN-FACT. Each Limited Partner hereby grants to the General Partner a special power of attorney irrevocably making, constituting and appointing the

General Partner as the Limited Partner's attorney-in-fact, with full power of substitution, with power and authority to act in his or its name and on his or its behalf to execute, acknowledge and swear to in the execution, acknowledgment, and filing of documents, which shall include, by way of illustration, but not of limitation, the following:

(a) This Agreement, any separate certificates of limited partnership, as well as any amendments to the foregoing which, under the laws of the State of Delaware or the laws of any other state, are required to be executed or filed or which the General Partner shall deem to be advisable to execute or file;

(b) Any other instrument or document which may be required to be filed by the Partnership under the laws of any state or by any governmental agency, or which the General Partner shall deem advisable to file;

(c) Any instrument or document which may be required to effect the continuation of the Partnership, the admission of additional or substituted Limited Partners, or the dissolution and termination of the Partnership (provided the continuation, admission or dissolution and termination are in accordance with the terms of this Agreement) or to reflect any reduction in amount of Capital Contributions of Partners; and

(d) Any other documents deemed by the General Partner to be necessary for the business of the Partnership.

The General Partner shall promptly furnish to the Limited Partners a copy of any amendment to this Agreement executed by the General Partner pursuant to a power of attorney from the Limited Partners.

11.2 SPECIAL PROVISIONS. The special power of attorney granted by each Limited Partner:

(a) Is a special power of attorney coupled with an interest; is irrevocable; shall survive the death or incapacity of the granting Limited Partner; and is limited to the matters set forth herein; and

(b) May be exercised by the General Partner acting for the Limited Partner by a facsimile signature of the General Partner, or by listing all of the Limited Partners executing any instrument with a signature of the General Partner acting as an attorney-in-fact for all of them.

12. Miscellaneous

12.1 COUNTERPARTS. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all of the Partners, notwithstanding that all of the Partners are not signatory to the original or the same counterpart.

12.2 BINDING ON SUCCESSORS. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Partners.

12.3 SEVERABILITY. If any sentence or paragraph of this Agreement is declared by a court of competent jurisdiction to be void, the sentence or paragraph shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in effect.

12.4 NOTICES. All notices under this Agreement shall be in writing and shall be given to the person entitled thereto, by personal service, or by mail, posted to the address maintained by the Partnership for that person or at any other address that he specifies in writing. The names, addresses and Capital Contributions of the Limited Partners shall be maintained at the principal place of business of the Partnership.

12.5 CAPTIONS. Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenient reference. The titles and captions in no way define, limit, extend, or describe the scope of this Agreement nor the intent of any provision hereof.

12.6 GENDER. Whenever required by the context, the masculine gender shall include the feminine and neuter genders, and vice versa; and the word “person” shall include a corporation, partnership, limited liability company, firm, or other form of association; the singular shall include the plural, and vice versa.

12.7 CHOICE OF LAW. This Agreement shall be construed under the laws of the State of _____ as if this Agreement were executed in and to be performed entirely within _____ and as if all the Partners reside in _____.

12.8 ENTIRE AGREEMENT. This Agreement contains the entire understanding among the Partners and supersedes any prior written or oral agreements between them respecting the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Partners relating to the subject matter of this Agreement that are not fully expressed herein.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first above written.

GENERAL PARTNER

SIGNED AND DELIVERED
by the General Partner in the
presence of

Witness

NAME OF GENERAL PARTNER

LIMITED PARTNER

The COMMON SEAL of
OFFSHORE TRUSTEE
was hereunto affixed by its
Authorized Representative
in the presence of

Witness

ASSET PROTECTION TRUST

By its Trustee

OFFSHORE TRUSTEE INC.

SIGNED AND DELIVERED
by the United States Co-Trustee
in the presence of

Witness

NAME OF US Co-TRUSTEE

EXHIBIT A

\$100.00