

- (c) Withdrawal of Partner. In the event any Partner desires to withdraw from the Venture during his lifetime, he must first offer his interest to the remaining Partners by providing written notice to the Secretary of the Venture of his desire to sell his interest and the price at which he is willing to sell. The remaining Partners shall have a period of thirty (30) days after receipt of such notice to give the offeror notice in writing of election to purchase his interest. Any such purchase shall be consummated within thirty (30) days following notice of election of the remaining Partners to purchase the interest of the withdrawing Partner. In the event the remaining Partners do not exercise their option to purchase the interest of the withdrawing Partner within the time herein stipulated, the withdrawing Partner may then offer his interest for sale to any other person or party, but not at a price less than the price at which the Partnership interest was offered to the remaining Partners; provided, however, in the event a withdrawing Partner shall not have consummated a sale of his Partnership interest within sixth (60) days following the expiration of the option period herein provided, the withdrawing Partner shall have no right to sell his Partnership interest to a third party without again offering his Partnership interest to the remaining Partners in the manner, at the price and on the terms of this Agreement.
- (d) Successors to Partners. In the event of sale of a Partnership interest upon the death or withdrawal of a Partner pursuant to the provisions of Subparagraphs (b) and (c) above, any successor Partner approved by the remaining Partners shall be substituted as a Partner in the place and stead of the deceased or withdrawing Partner upon receipt of written acknowledgement and acceptance of the new Partner on all terms, provisions and conditions hereof.
- (e) Creditors of Partners. No Partner shall pledge, create a security interest in or in any way encumber his Partnership interest in the Venture. In the event the Partnership interest of any Partner is transferred without complying with the provisions of this Agreement, or such interest be taken in execution, or seized or sold in any voluntary or involuntary legal proceedings, execution, sale, bankruptcy, insolvency or any other manner, the remaining Partners, upon actual notice thereof, shall have an option to purchase the interest under the same terms and at the same price provided under Paragraph (11) hereof respecting the occurrence of a delinquency by a Partner, reduced by any unpaid capital contributions then due and owing by the Partner.

(12) Defaults

- (a) Upon failure of any Partner to meet any requirement for advancement of funds to the Partnership by way of capital contributions, quarterly assessments or otherwise and in the event the default or deficiency shall continue for a period of fifteen (15) days after the date such amount be due, the defaulting Partner shall be assessed a ten (10%) per cent penalty based on the amount due. In the event the default is not cured within thirty (30) days from the date it is due, the defaulting Partner will be assessed a twenty-five (25%) per cent penalty based on the amount due the Partnership. If such Partner has failed to cure such default by the time of the due date of the next quarterly assessments, then such Partner shall have forfeited his rights under this Partnership Agreement.
- (b) In the event of the monetary default described above, or in the event any Partner defaults under any other provision of this Agreement and fails to cure such default within 90 days after notice has been received from the Managing Partner, all of his rights hereunder shall have been forfeited (except as specifically provided below), and his interest in the Partnership assets may be purchased at any time thereafter by the Partnership or any number of the remaining Partners upon payment to him of his pro rata share of the actual purchase price of the Partnership property, including furniture and other personal property less his pro rata share of any indebtedness on the property; provided,

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