

# DoctorInternet Publishing Group, L.P.

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## Limited Partnership Agreement

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### Synopsis

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DoctorInternet Publishing Group, L.P. is a limited partnership which is governed by the laws of the State of California.

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The purpose of

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The Partnership is to act as the publisher of the DoctorInternet Program which has been created by The General Partner and of which the right to commercialize The Program is assigned exclusively to this partnership. The DoctorInternet Program provides instructions and utilities for using the Internet for health and medical applications, and it is for Patients, Facilitators (i.e., persons helping patients) and Professionals (i.e., various types of medical doctors, nurses, and other treating specialties and bio-medical researchers). The Partnership has a capitalization of 1,000,000 shares that are allocated as follows: the General Partner holds 51% of the shares at the time of inception, 15% is available for issue to the first round, Original Limited Partners at \$1 per share, and 34% is available for expansion if needed. Five percent (5%) of the gross income shall be allocated to repay the initial contribution of the Original Limited Partners with the General Partner's percentage of profits forfeited until all of the original investment of the Limited Partners is repaid. If the Partnership were to fail and be dissolved, the General Partner guarantees the pay-back of the Original Limited Partners' investment to the extent that there is a remainder of the capital interest that has not been recovered.

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This document constitutes the Partnership Agreement or "certificate", and it has been extracted from the California Legal Forms, Chapter 15A-157 (UC Berkeley Boalt Hall Library call number: KFC 68 C34).

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## **Induction**

44 AGREEMENT of Limited Partnership made by and between The Foundation for Infinite  
46 Survival, Inc. with Chadd Everone, as the General Partner, and the Limited Partners that are  
48 designated herein. The General Partner has full legal responsibility and financial liability in the  
conduct of the business; and a Limited Partner has financial liability only to the extend of one's  
individual share in the business.

50 IT IS HEREBY AGREED:

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## **The Definition of Some Terms**

54 "FIS" means the Foundation for Infinite Survival, Inc. (a California, tax-exempt corporation)  
with Chadd Everone, as its trustee, which together constitute the General Partner.

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58 "Agreement" means this partnership agreement in its original form and as amended from time to  
time.

60 "Partnership" means this business, inclusive of the assets, activities, and the limited and general  
partners.

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"Program" means the DoctorInternet Program.

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66 "As Defined By Law" means as defined in the California Corporations Code, Title 2. Partner-  
ships. Chapter 5. Uniform Limited Partnership Act of 1994, Sections 16100 et seq., which is  
publicly available at the following URL: (<http://www.leginfo.ca.gov/calaw.html>).

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70 "Assigning Limited Partner" means a Limited Partner who has assigned a beneficial interest in  
that Partner's limited partnership interest but the Assignee of which has not become a "Substi-  
tuted Limited Partner".

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74 "Cash Available for Distribution" means total cash income from operations during any given  
76 accounting period plus the cash proceeds, if any, from the sale, refinancing, or liquidation of The  
Partnership property, less cash expenses as well as any allowances or reserves for contingencies  
and anticipated obligations which the General Partner shall, in one's discretion, deem necessary  
during that same accounting period. This does not include cash from new investor capital.

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"Distribution" means any cash distributed to The Partners from Cash Available for Distribution.

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82 "General Partner" refers to the Foundation for Infinite Survival, Inc. with Chadd Everone as  
Trustee thereof. This refers also a majority in interest or 51% of the General Partners, if there  
were to be more than one.

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86 “Limited Partners” refers to any person who is admitted to the Partnership, either as an Original  
Limited Partner or as a Substituted Limited Partner or as a “new or Secondary Limited Partner”  
who may be admitted from time to time.

88 “Partners” refers collectively to the General Partner and the Limited Partners. “Partner” is a  
90 reference to any single one of the Partners.

92 “Majority in interest of the Limited Partners” means Fifty One (51%) of the interests of the  
Limited Partners.

94 “Net income” and “net loss” means the net income or net loss of the Partnership as determined  
96 for the purposes of computing federal income taxes pursuant to the Internal Revenue Code in  
accordance with generally accepted accounting principles.

98 “Vote” includes written consent.

100 The definition of other specialized terms is defined in Corporations Code, Title 2. Partnerships.  
102 Chapter 5. Uniform Limited Partnership Act of 1994, Sections 16101.

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- - - - - End of Definition of Some Terms - - - - -

106 **ARTICLE 1.**  
108 **THE PARTNERSHIP**

110 **1.01 - Formation of Limited Partnership.** The General Partner and the Limited Partners agree to form a limited partnership (The Partnership), As Defined By Law.

112 **1.02 - Name of The Partnership.** The name of The Partnership is “DoctorInternet Publishing Group, L.P.”. The business of The Partnership shall be conducted under that name. The name of  
114 The Partnership may be changed by the General Partner with the consent of the majority in interest of the Limited Partners, and by filing a certificate of amendment or restated certificate with  
116 the California Secretary of State.

118 **1.03 - Purpose of The Partnership.** The Partnership will act as the publisher of the DoctorInternet Program, which had been developed by The General Partner and which provides  
120 instructions and utilities for using the Internet for health and medical applications. The Program is for Patients, Facilitators (i.e., persons helping patients) and Professionals (i.e., various types of  
122 medical doctors, nurses, and other treating specialties and bio-medical researchers). Because there are only a few sources of authoritative bio-medical information, the same program (or  
124 variations thereon) would apply to all groups. These applications include but are not limited to the following.

126  
128 1) The DoctorInternet Program has a module which enables a person to activate a link, with a simple click, and thereby send a complex command into the MEDLINE database and retrieve the most current medical information on any  
130 disease according to defined areas of interest - e.g., diagnosis, therapy, prevention, clinical trials, and some 20 other specialized sub-headings. This is a very  
132 powerful, easy, and fast way to have direct access to the worlds most advanced information and to stay posted on current developments. And this feature alone  
134 should make the subscription worthwhile.

136 2) The DoctorInternet Program will include another module which will automatically notify a subscriber of new reports on subjects which have been selected by  
138 the subscriber - thus, the system will provide a convenient subscription service on targeted areas of interest.

140 3) The DoctorInternet Program is an instruction manual and book which shows a subscriber how to use many other functions on the Internet for health and  
142 medicine. This is the definitive work on the subject; and, again, would be, by itself, well worth the cost of subscription.

144 4) The DoctorInternet Program is a program which has the Internet templates for the various functions in item #3, the manual/book. This makes it more easy to  
146 navigate the research routines. There is also a comprehensive glossary of medical  
148 terms.

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152 5) The DoctorInternet Program will have a medical records module, a directory of  
153 medical doctors, and other features that are currently in development.

154 Items 1, 3 & 4 already exist and are fully operational. Items 2 & 5 need program-  
155 ming, with 2 being the priority.

156 Commensurate with the above objectives, The Partnership may engage in any activities that are  
157 related or incidental to that business.

160 **1.04 - Principal Place of Business.** The principal place of business of The Partnership is at the  
161 location of The General Partner, 2054 University Ave. #407, Berkeley, Alameda County, Califor-  
162 nia 94707 or at any other place , as may be determined from time to time by The General Partner.  
163 If The General Partner changes the principal place of business of The Partnership, he must give  
164 written notice of the change of address to each Limited Partner at least 30 days before that  
165 change; and it may not be relocated outside of Alameda or Contra Costa Counties without the  
166 written consent by a majority in interest of the Limited Partners.

168 **1.05 - Term of The Partnership.** The term of the Partnership commences on the date on which  
169 the Partnership's Certificate of Limited Partnership is filed by the Secretary of State of California  
170 in the manner As Defined By Law and as described below, and it continues indefinitely unless  
171 terminated according to other provisions in The Agreement.

172 **1.06 - Certificate of Limited Partnership.** The General Partner will immediately execute a  
173 Certificate of Limited Partnership and cause that Certificate to be filed in the office of the Secre-  
174 tary of State of California. Thereafter, The General Partner will execute and file certificates of  
175 amendment of the Certificate of Limited Partnership whenever that may be required As Defined  
176 By Law or whenever may be required by The Agreement. The General Partner will execute and  
177 cause to be filed the original and amended certificates evidencing the formation and operation of  
178 The Partnership whenever required under the laws of any other state or nation in which The  
179 Partnership determines to do business.

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**ARTICLE 2.**

**MEMBERS OF PARTNERSHIP**

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186 **2.01 - Original General Partner.** The name of the original General Partner is as follows: FIS or  
the Foundation for Infinite Survival, Inc. with Chadd Everone, as its Governing Trustee.

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190 **2.02 - Original Limited Partners.** The names of the original Limited Partners are as follows:  
Douglas Walsh, Richard Stancliff, William Martin, and Ruben Galindo.

192 **2.03 - Admission of Additional General Partners.** Subject to any other provision of The  
Agreement, a person may be admitted as a General Partner after the Certificate of Limited  
194 Partnership is filed and only with the written consent of The General Partner and a vote or  
written consent of a majority in interest of the Limited Partners.

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198 **2.04 - Replacement of Sole Remaining General Partner.** If a General Partner ceases to be a  
General Partner and there is no remaining General Partner, one or more new General Partners  
may be admitted to The Partnership on the written consent of a majority in interest of the Limited  
200 Partners.

202 **2.05 - Admission of Additional Limited Partners.** Subject to the provisions of Article 9 of The  
Agreement, which deals with the transfer of partnership interests, a person may acquire an inter-  
204 est in The Partnership directly from The Partnership and be admitted as an additional Limited  
Partner on the vote of the General Partner.

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208 **2.06 - Admission of Substituted Limited Partners.** The Assignee of a limited partnership  
interest may be admitted as a substituted Limited Partner with the vote or written consent of The  
General Partner and the written consent of a majority in interest of the Limited Partners.

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212 **2.07 - Amendment of Partnership Records.** On the admission of a General Partner or Limited  
Partner, the General Partner will add the name, address, contribution, and that Partner's share in  
Partnership profits or losses to the list of Partners which is kept in the principal place of business  
214 of The Partnership.

216 **2.08 - Additional Partners Bound by Agreement.** Before any person is admitted to the  
Partnership as a General or Limited Partner, that person shall agree in writing to be bound by all  
218 of the provisions of the Agreement.

220 **2.09 - Certificate of Interest.** The interest of a Partner or assignee may be evidenced by a  
certificate of interest in the Partnership. The certificate will be in the form as determined by The  
222 General Partner. The assignment or transfer of the interest represented by the certificate and the  
admission of transferees of the certificate will be determined in accordance with Articles 2 and 9  
224 of the Agreement.

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**ARTICLE 3.  
FINANCING**

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230 **3.01 - Capitalization.** The authorized capital of The Partnership is \$1,000,000 comprising  
1,000,000 shares at \$1 par value.

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234 **3.02(a) - General Partner s Capital Contribution.** Fifty-one percent (51%) of the shares is  
issued to The General Partner for the assignment of the intellectual property of the DoctorInternet  
Program. That includes the assignment of the exclusive right to commercialize the present and  
236 future modules of The Program that have been and will be developed by The General Partner and  
to the exclusive use the URL “doctorinternet.com”. Prior to The Partnership, the General Partner  
238 allocated about \$25,000 in cash to the project and about 2 years of work..

240 The General Partner retains the copyright of that property and the assignment to commercialize  
the property would revert back to The General Partner if The Partnership were to be dissolved as  
242 provided in Article 12.

244 **(b) - New or Additional Capital Contribution of General Partner.** The General Partner shall  
contribute to The Partnership the assignment of new intellectual properties that pertain to The  
246 Program as they are developed without any increase in the share of The General Partner.

248 **(c) - Retention of The Right to Use The Program.** The General Partner, in its on-going Life-  
Extension Program, may not offer The Program as separate product except under the standard  
250 licensing agreement with The Partnership. However, the General Partner retains the right to  
continue to include, in its membership program, The Program as one module. Further, The  
252 General Partner shall be identified as the originator of The Program in promotional material of  
The Partnership.

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256 **3.03 - Limited Partner Capital Contribution.** Each of the Limited Partners shall contribute to  
the capital of The Partnership the amount of money that is designated below:

Limited Partners	Prior Contribution	New Contribution	Pledged Contribution	Totals
Richard Stancliff	\$10,000	\$0	\$0	\$10,000
Douglas Walsh	10,000	0	0	10,000
Bill Martin	2,500	10,000	0	12,500
Ruben Galindo	0	5,000	5,000	10,000
<b>Totals</b>	<b>\$22,500</b>	<b>\$15,000</b>	<b>\$5,000</b>	<b>\$42,500</b>

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260 **3.03 - Original Limited Partnership Share.** Fifteen percent (15%) of the authorized capital of  
1,000,000 shares at \$1 par value or 150,000 shares will be issued to the Original Limited Partners  
262 at \$1 par value, totaling \$150,000.

264 **3.03 - Pay-back of Contribution of Original Limited Partners Investment.** Five percent  
(5%) of the gross income from The Partnership will be allocated to paying back the original  
266 contribution of the Limited Partners on a *pro rata* basis. The General Partner's share of the  
earnings shall be forfeited until that capital has been fully repaid and, during that period, the  
268 General Partner's share of the earnings will not accrue. If The Partnership should fail and be  
dissolved, The General Partner guarantees the pay-back of the remainder interest of the Limited  
270 Partners, which would be the Limited Partners original contribution minus pay-backs under this  
Paragraph. Unless amended by consent of the General Partner and a majority in interest of the  
272 Limited Partners, this pay-back of capital shall apply on to the Original Limited Partners and not  
to Secondary Limited Partners.

274 **3.04 - Additional Capital Contributions.** Beyond the Original Investors capital, additional  
276 capital may be admitted and at a different par value per share.

278 **3.05 - Interest on Contributions.** No interest shall be paid on the initial contributions of The  
Partnership capital.

280 **3.06 - Withdrawal and Return of Capital.** No Partner is entitled to demand the distribution of  
282 Partnership property other than cash as distributed from earn income. No Limited Partner has a  
priority over any other Limited Partner on income or on the dissolution of The Partnership assets,  
284 unless agreed in writing by The General Partner and by a majority in interest of the Limited  
Partners.

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----- End of Article 3 -----



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**ARTICLE 4.**

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**ALLOCATION AND DISTRIBUTION  
OF PROFITS AND LOSSES.**

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**4.01 - Allocation of Profits and Losses.** The net profits of the Partnership are allocated to The Partners on a *pro rata* basis according to the percentage of issued shares held by each Partner.

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Any net losses suffered by The Partnership will be borne by The Partners on a *pro rata* basis according to the percentage of issued share held by each individual. However, in reference to net

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losses for the purpose of income tax deduction, the portion of loss which would ordinarily accrue to the General Partner will be distributed on a *pro rata* basis to the Limited Partners, unless this

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type of transfer is disallowed by the Internal Revenue Service.

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**4.02 - Distribution of Cash which is Available for Distribution.** The cash of The Partnership, which is available for distribution, will be distributed to The Partners according to the percentage

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of the issued shares - except as qualified in Article 3.03 which pertains to the pay-back of the Limited Partnership contributions.

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**4.03 - Distribution Other Than Cash.** No Partner (General or Limited) has the right to receive property other than money on the distribution of profits. No Partner may be compelled to accept

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the distribution of any asset in kind from The Partnership in lieu of any distribution of money that is due to that Partner.

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**4.04 - Priorities Among Limited Partners.** No Limited Partner shall be entitled to any priority or preference over any other Limited Partner as to the distribution of cash which is available for

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distribution.

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----- End of Article 4 -----

**ARTICLE 5.  
MANAGEMENT OF  
PARTNERSHIP AFFAIRS**

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**5.01 - Control and Management.** The General Partner has the sole and exclusive control of  
320 The Partnership. Subject to any limitations which are expressly set forth in The Agreement, the  
322 General Partner has the power and authority to take any action from time to time as he may deem  
324 to be necessary, appropriate, or convenient in connection with the management and conduct of  
the business affairs of The Partnership, including without limitation, the power to do the  
following.

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(1) The General Partner may acquire property, including real or personal property, for the use  
of The Partnership on the terms and conditions as the General Partner may determine to  
be advantageous to The Partnership.

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(2) The General Partner may dispose of Partnership property, either in the ordinary course of  
the business of the Partnership or, from time to time, when the General Partner deems the  
disposition to be in the best interests of the Partnership.

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(3) The General Partner may finance the Partnership's activities by borrowing money from  
third parties on an unsecured basis on the terms and under the conditions as the General  
Partner deems appropriate. If money is borrowed for Partnership purposes, The General  
Partner is not authorized to mortgage, encumber, or grant a security interest in Partnership  
properties without the consent of the majority in interest of the Limited Partners.

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(4) The General Partner may employ, retain, or otherwise secure the service of any personnel  
or firms which he deems necessary by The General Partners for or to facilitate the  
conduct of Partnership business affairs, all on the terms and for the consideration as The  
General Partner may deem advisable; and

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(5) The General Partner may take any and all other actions permitted by law and that is  
customary in or reasonably related to the conduct of The Partnership's business.

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**5.02 - Restrictions on Limited Partners.** The Limited Partners do not have either the obligation  
or the right to take part, directly or indirectly, in the active management or control of the business  
of the Partnership, except as otherwise permitted in The Agreement and except for the following.

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(1) A Limited Partner may act as a contractor for or an agent or employee of The Partnership  
or as officer, director, or employee of The Partnership.

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(2) A Limited Partner may consult with and advise The General Partner with regard to the  
business of The Partnership.

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(3) A Limited Partner may act as surety for The Partnership or guarantee specific debts of The  
Partnership.

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**5.03 - Standard of Care of General Partner.** The General Partner must exercise ordinary  
business judgment in the management of the affairs of The Partnership. Unless fraud, deceit, or a  
wrongful taking is involved, The General Partner is not liable or obligated to the Limited  
Partners for any mistake of fact or judgment made by The General Partner in operating the  
business of The Partnership that may results in any loss to the Partnership or its Partners.

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**5.04 - Authority for Use of Nominees.** Nominees to the interest of either The General Partner or the Limited Partners is not authorized without the consent of The General Partner and the majority in interest of the Limited Partners.

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**5.05 - Removal of General Partners.** Any General Partner may be removed by the affirmative vote of a majority in interest of the Limited Partners who are not General Partners. Written notice of a General Partner's removal must be served on that Partner by certified mail with affidavit of the majority in interest of The Limited Partners. The notice must set forth the day on which the removal is to be effective, and that date shall not be less than 30 days after the service of notice on the General Partner. If there is no other remaining General Partner and if the Limited Partners fail to elect a new General Partner pursuant to Paragraph 2.04 of The Agreement within 30 days after their removal becomes effective, the Partnership will be dissolved and its business wound up and terminated. If the removal of a General Partner does not cause the dissolution of The Partnership, The General Partner's interest may be purchased pursuant to Paragraphs 9.04 or 9.05 of The Agreement. Otherwise, that removal will cause that Partner's interest in The Partnership to be converted to that of a Limited Partner. A former General Partner whose interest has been converted to that of a Limited Partner has the same rights and obligations under The Agreement as any other Limited Partner.

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----- End of Article 5-----

**ARTICLE 6.**  
**BOOKS, RECORDS, AND ACCOUNTS**

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384 **6.01 - Partnership Accounting Practices.** The Partnership books shall be kept on a cash basis.  
The Partnership books shall be closed and balanced and audited by an independent certified  
386 public accountant at the end of each fiscal year of The Partnership. The fiscal year of The  
Partnership is the calendar year.

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**6.02 - Maintenance of Records and Accounts.** At all times, the General Partner must maintain  
390 or cause to be maintained true and proper books, records, reports, and accounts in which shall be  
entered fully and accurately all transactions of The Partnership.

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**6.03 - Required Records.** The General Partner must maintain at the principal business office of  
394 The Partnership within California all of the following records:

- 396 (1) A current list of the full name and last known business or residence of each Partner, set  
forth in alphabetical order, together with the contribution and the share in profits and  
losses of each Partner.
- 398 (2) A copy of the certificate of limited partnership and all certificates of amendment together  
with executed copies of any powers of attorney pursuant to which any certificate has been  
400 executed.
- 402 (3) 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.
- 404 (4) Copies of The Agreement and all amendments to this Agreement.
- 404 (5) Financial statements of The Partnership for the six most recent fiscal years.
- 406 (6) The Partnership's books and records for at least the current and past three fiscal years.

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**6.04 - Delivery of Records to Limited Partners.** On the request of any Limited Partner or one's  
408 agent or attorney, the General Partner will promptly deliver to that Partner or one's agent or attor-  
ney a copy of any of the following:

- 410 (1) The current list of each Partner's name, address, contribution, and share in profits and  
losses.
- 412 (2) The certificate of limited partnership, as amended, and any powers of attorney pursuant to  
which any certificate was executed.
- 414 (3) This Agreement, as amended.

416 **6.05 - Access to Records by Limited Partners.** Each Limited Partner and/or one's authorized  
representative, attorney, or attorney-in-fact has the right, on reasonable request to:

- 418 (1) Inspect and copy any Partnership records which The Partnership is required to maintain,  
pursuant to Paragraph 6.02 and 6.03. of The Agreement.
- 420 (2) Obtain from the General Partner, promptly after becoming available, a copy of The  
Partnership's federal, state, and local tax or information returns for each year.

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**6.06 - Financial Statements if The Partnership has more than 35 Limited Partners.** This is  
424 not applicable at this time; but if it were to become the provisions would apply As Defined By  
Law - See Corp. Code 15634(c).

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**6.07 - Amendments to Agreement.** The General Partner will promptly (within 5 business days) furnish any Limited Partner who executed a power of attorney authorizing the General Partner to execute an amendment to The Agreement with a copy of any amendment to The Agreement executed by a General Partner pursuant to that power of attorney.

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**6.08 - Income Tax Data.** The General Partner will send to each Partner, within 90 days after the end of each taxable year, such information as is necessary for them to complete their federal and state income tax or information returns.

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**6.09 - Partnership Tax or Information Returns.** Not applicable unless The Partnership has more than 35 Limited Partners otherwise As Defined By Law - See Corp. Code 15534(c)

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**6.10 - Capital Accounts.** An individual capital account must be maintained for each Partner. A capital account consists of a Partner's contribution to the initial capital of The Partnership, any additional contributions to The Partnership capital made by The Partner pursuant to The Agreement, and any amounts transferred to the capital account from that Partner's income account pursuant to The Agreement.

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**6.11 - Income Accounts.** An individual income account will be maintained for each Partner. At the close of the year end accounting period, each Partner's share of the net profits or net losses of The Partnership will be credited or debited to, and that Partner's distributions received during each fiscal year will be will be deducted from that Partner's income account and any resulting balance or deficit shall be transferred to or charged against that Partner's capital account.

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**6.12 - Banking.** The General Partner will open and maintain a separate bank account in the name of the Partnership with Wells Fargo Bank, in which there shall be deposited all of the funds of The Partnership. No other funds may be deposited in that account. The funds therein must be used solely for the business of The Partnership, and all withdrawals from that account are to be made only on checks signed by The General Partner or designee appointed by The General Partner.

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**ARTICLE 7. RIGHTS, POWERS, DUTIES, AND  
RESTRICTIONS OF PARTNERS**

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462 **7.01 - General Partner s Exclusive Right to Manage.** The General Partner has full and exclu-  
464 sive charge and control of the management, conduct, and operation of The Partnership in all  
matters and respects.

466 **7.02 - Devotion of Time by General Partner.** The General Partner must devote such care,  
468 attention, time, and business capacity to the affairs of The Partnership as may be reasonably  
necessary.

470 **7.03 - Voting Rights of General Partner.** The General Partner has equal rights in the manage-  
ment and conduct of The Partnership business. Any difference arising with regard to the  
472 ordinary course of The Partnership business will be decided by a majority in interest of The  
General Partner.

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**7.04 - Restrictions on General Partner.** Except as otherwise expressly provided in The Agree-  
476 ment, The General Partner is subject to all of the restrictions imposed on general partners As  
Defined By Law and has all the rights and powers granted to general partners under those  
478 statutes.

480 **7.05 - Salaries of General Partner.** As compensation for one's services to The Partnership in  
the conduct of its business, The General Partner is entitled to a salary of \$2,000 per month. That  
482 salary will be deducted by The Partnership as an ordinary and necessary expense of The Partner-  
ship business before determination of net profits or cash available for distribution.

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**7.06 (a) - Voting Rights of Limited Partners.** In addition to any other voting rights granted to  
486 the Limited Partners under The Agreement, the Limited Partners have the right to vote on the  
following matters.

- 488 (1) The dissolution and winding up of The Partnership, pursuant to Article 12.  
490 (2) The merger of The Partnership or the sale, exchange, lease, mortgage, pledge, or other  
transfer of or granting a security interest in all, or substantially part of the assets of The  
Partnership other than in the ordinary course of its business.  
492 (3) The incurrence of indebtedness by The Partnership other than in the ordinary course of its  
business.  
494 (4) A change in the nature of The Partnership's business.  
496 (5) The removal of a General Partner.  
(6) An election to continue the business of The Partnership when a General Partner ceases to  
be a General Partner and at least one General Partner remains.

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**(b) -** All of the actions specified in Subparagraph 7.06 (a) of The Agreement may be taken  
500 following the vote of a majority in interest of the Limited Partners.

502 **(c) -** The Limited Partners have the right to vote on the admission of an additional General  
Partner. Except as specifically provided in Paragraphs 7.06 (d) and 7.06 (e) or any other

504 provision of The Agreement, the admission of an additional General Partner may be accom-  
506 plished on the written consent of The General Partner and the affirmative vote of a majority in  
interest of the Limited Partners.

508 **(d)** - The Limited Partners have the right to vote on an election to continue the business of The  
Partnership and the admission of one or more General Partners after a General Partner has ceased  
510 to be a General Partner other than pursuant to Corporations Code 15642 (See Appendix, and  
there is not a remaining General Partner.

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**(e)** - The Limited Partners have the right to vote on any other matters related to the business of  
514 The Partnership that are made subject to the approval or disapproval of the Limited Partners by  
The Agreement.

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**7.07 - Loans to the Partnership.** Nothing in this Agreement prevents a Partner from lending  
518 money to The Partnership on a promissory note for a reasonable rate of interest. Any Partner  
lending money to The Partnership has the same right and risks regarding the loan as would any  
520 person or entity making the transaction who was not a member of The Partnership.

522 **7.08 - Transaction of Business With Partnership.** Except as otherwise provided in The Agree-  
ment, a Partner may transact other business with The Partnership as would any person or entity  
524 making the loan who was not a member of The Partnership.

526 **7.09 - Partners Engaging in Other Business.** Except as otherwise provided in Paragraph 7.02  
of The Agreement, any of the Partners may engage in or possess an interest in other business  
528 ventures of every nature and description independently or with others, excluding a business  
which is in direct competition with The Partnership. If such a potential conflict interest were to  
530 occur, and exemption by be made by written consent of The General Partner and a majority in  
interest of the Limited Partners.

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----- End of Article 7 -----

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**ARTICLE 8. PARTNERSHIP MEETINGS.**

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**8.01 (a) - Call and Place of Meetings.** Meetings of The Partners will be held at any place selected by the person(s) calling the meeting within the counties of Alameda or Contra Costa at the call and pursuant to the written request of The General Partner or Limited Partners who represent more than 10% of the interests of the Limited Partners, for consideration of any of the matters as to which Limited Partners are entitled to vote pursuant to Paragraph 7.06 of The Agreement.

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**(b)** - In addition to meetings that are personally attended, the Partners may participate in a meeting through the use of conference telephones, e-mail or similar communication equipment - provided that all Partners participating in the meeting can hear one another. Participation in this type of telephone meeting constitutes presence in person at the meeting.

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**8.02 - Notice of Meetings.** Immediately on receipt of a written request stating that the Partner(s) request a meeting on a specific date (which date shall not be less than 10 days nor more than 60 days after the receipt of that request), the General Partner must give notice to all Partners entitled to vote, as determined in accordance with Paragraph 13.01 of The Agreement. No business other than the business stated in the notice of the meeting may be transacted at the meeting. Notice must be given personally or by mail, addressed to each Partner entitled to vote at the meeting at the address for the Partner appearing on the books of The Partnership.

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**8.03 - Quorum.** At any duly held or called meeting of Partners, a majority in interest of the Limited Partners represented in person or by proxy constitutes a quorum. The Partners who are present at a duly called and held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Partners to leave less than a quorum, if any action taken other than adjournment, is approved by the requisite percentage of interest of the Limited Partners.

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**8.04 - Adjournment of Meetings.** A Partnership meeting at which a quorum is present may be adjourned to another time or place and any business that might have been transacted at the original meeting may be transacted at the adjourned meeting. If a quorum is not present at an original meeting, that meeting may be adjourned by the vote of a majority of the interests who are represented either in person or by proxy. Notice of the adjourned meeting need not be given to Partners who are entitled to notice if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless (1) the adjournment is for more than 45 days or (2) after the adjournment, a new record date is fixed for the adjourned meeting, in which case notice of the adjourned meeting shall be given to each Partner of record entitled to vote at the adjourned meeting.

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**8.05 - Meetings Not Duly Called, Noticed, or Held.** The transactions of any meeting of Partners, however called and noticed, and wherever held, shall be a valid as though consummated at a meeting duly held after regular call and notice, if a quorum is present at that meeting, either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to

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578 vote, not present in person or by proxy, signs either a written waiver of notice, a consent to the  
580 holding of the meeting, or an approval of the minutes of the meeting.

**8.06 - Waiver of Notice.** Attendance of a Partner at a meeting constitutes waiver of notice,  
582 except when that Partner objects, at the beginning of the meeting, to the transaction of any  
584 business on the grounds that the meeting was not lawfully called or convened. Attendance at a  
586 meeting is not a waiver of any right to object to the consideration of matters required to be  
588 described in the notice of the meeting and not so included, if the objection is expressly made at  
590 the meeting. Any partner approval at a meeting (other than unanimous approval by Limited  
Partners of an election to continue the business of the Partners after the retirement, death, or  
adjudication of incompetence of a General Partner) is valid only if the general nature of the  
proposal is stated in any written waiver of notice.

**8.07 - Consent to Action Without Meeting.** Any action that may be taken at any meeting of the  
592 Partners may be taken without a meeting if a consent in writing, setting forth the action so taken,  
594 is signed by Partners having not less than the minimum number of votes that would be necessary  
596 to authorize or take that action at a meeting at which all Partners who are entitled to vote on the  
598 matter were present and voted. If the Limited Partners are requested to consent to a matter  
600 without a meeting, each Partner shall be given notice of the matter to be voted on in the manner  
602 described in Paragraph 8.02. If the General Partner, or Limited Partners representing more than  
604 10 percent of the interests of the Limited Partners, request a meeting for the purpose of discuss-  
ing or voting on the matter so noticed, notice of a meeting will be given pursuant to Paragraph  
8.02 and no action may be taken until the meeting is held. Unless delayed by a request for and  
the conduct of a meeting, any action taken without a meeting is effective 15 days after the  
required minimum number of voters have signed consents to action without a meeting; however,  
the action is effective immediately if all General Partners and Limited Partners representing at  
least 90 percent of the interests of the Limited Partners sign consents to the action without a  
meeting.

**8.08 (a) - Proxies or Substitutes.** Every Partner entitled to vote may authorize another person or  
608 persons to act by proxy with regard to that Partner's interest in The Partnership.

610 **(b)** Any proxy purporting to have been executed in accordance with this Paragraph is presump-  
tively valid.

612 **(c)** No Proxy is valid after the expiration of 11 months from the date of the proxy unless other-  
614 wise provided in the proxy. Subject to Subparagraphs (f) and (g) of this Paragraph, every proxy  
616 continues in full force and effect until revoked by the person executing it. The dates contained  
618 on the proxy forms are presumed to determine the order of execution, regardless of the postmark  
dates on the envelope in which they are mailed.

**(d)** A proxy is not revoked by the death or incapacity of the person executing it, unless before  
620 the vote is counted, written notice of the death or incapacity of the maker is received by The  
Partnership.

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624 (e) Revocation of a proxy is effected by a writing delivered to The Partnership stating that the  
626 proxy is revoked or by a subsequent proxy executed by The Partner who executed the original  
The Partner who executed the proxy.

628 (f) A proxy that states that it is irrevocable is irrevocable for the period specified in the proxy  
630 when it is held by any creditor or creditors of The Partnership or The Partner who extended or  
632 continued credit to The Partnership or The Partner in consideration of the proxy if the proxy  
634 states that it was given in consideration of that credit and also states the name of the person who  
extended the credit. In addition, a proxy may be made irrevocable if it is given to secure the  
performance of a duty or to protect a title, either legal or equitable, until the happening or events  
that, by its terms, discharge the obligation secured by it.

636 (g) Notwithstanding the period of irrevocability specified in the proxy as provided in Subpara-  
638 graph (f) of this Paragraph, the proxy becomes revocable when the debt of the Partnership or  
Partner is paid.

640 (h) A proxy may be revoked, notwithstanding a provision a provision making it irrevocable, by  
642 the assignment of the interest in The Partnership of the Partner who executed the proxy to an  
assignee without knowledge of the existence of the proxy and the admission of that assignee to  
The Partnership as a Partner.

644 (i) The General Partners may, in advance of any Partnership meeting, prescribe additional  
646 regulations concerning the manner of execution and filing of proxies and their validation.

648 - - - - End of Article 8 - - - -

**ARTICLE 9.**

**TRANSFER OF PARTNERSHIP INTERESTS**

650

652 **9.01 - Conditions for Transfer.** A Limited Partner may sell, assign, transfer, encumber, or  
otherwise dispose of an interest in The Partnership subject to the provisions in this Article 9.

654

656 **9.02 (a) - Permitted Transfers.** If a Limited Partner receives a bona fide offer for the purchase  
of all or part of that Limited Partner's interest in The Partnership, that Limited Partner must  
either refuse that offer or give the General Partner written notice setting out full details of that  
658 offer. The notice must specify, among other things, the name of the offeror, the percentage of  
interest in The Partnership covered by the offer, the terms of payment, whether for cash or credit  
660 and, if on credit, the time and interest rate, as well as all other consideration being received or  
paid in connection with the proposed transaction, and all other terms, conditions, and details of  
662 the offer. Evidence of a bona fide offer shall be 1) a deposit in escrow of the full amount of the  
offer shall be evidence of a bona fide offer; 2) a deposit in escrow of 50% of the full amount of  
664 the offer plus submittal of a binding purchase contract from a credible purchaser shall be  
evidence of a bona fide offer; or 3) a waiver of these criteria in writing from the General Partner.

666

668 **(b)** On receipt of the notice with regard to that offer, the General Partner shall have the exclusive  
right and option, exercisable at any time during a period of 30 days from the date of notice, to  
purchase the interest in The Partnership covered by the offer in question at the same price and on  
670 the same terms and conditions of the offer as set out in the notice. If the General Partner decides  
to exercise this option on behalf of himself exclusively or in conjunction with other Limited  
672 Partners on a *pro rata* basis as described in Subparagraph (c), he must give written notice of that  
effect to the Limited Partner who desires to sell, and the sale and purchase must be consummated  
674 within 30 days. If the General Partner does not elect to exercise one's option or waive one's  
rights in writing, the selling Limited Partner must be so notified in writing and (subject to any  
676 prohibitions or restrictions on transfer imposed by the General Partner for purposes of compli-  
ance with applicable securities law) is free to sell the interest in The Partnership covered by the  
678 offer, if the sale is consummated within 90 days, or the interest once again becomes subject to the  
restrictions of this Article. The sale, if permitted, must be made strictly on the terms and condi-  
680 tions and to the person who is described in the required notice.

682 **(c)** If the General Partner fails to purchase all of the portion of the selling Limited Partner's  
interest in The Partnership which is specified in the notice to him as provided in this Paragraph,  
684 he shall, at the expiration of 10 days after the receipt by him of that notice, transmit a copy of the  
notice to each of the remaining Limited Partners. Each of the remaining Limited Partners shall  
686 have 10 days after receipt by them of that notice to serve on the General Partner a notice in  
writing of that Partner's intention to purchase that portion of the selling Partner's interest as  
688 pertains to the Limited Partners share of The Partnership. Provided, however, if any Limited  
Partner fails to purchase a proportionate share of the interest offered by the selling Partner, notice  
690 of that fact shall be give to each Limited Partner by the General Partner, and the interest may be  
purchased by any one or more of the other Limited Partners.

692

694 (d) Any assignment made to anyone, not already a Partner, is effective only to give the assignee  
the right to receive distributions, and allocations of income, gain, loss, deduction, credit, or  
696 similar items to which the assignor would otherwise be entitled. This does not relieve the  
assignor from liability under any agreement to make additional contributions to capital; it does  
not relieve the assignor from liability under the provisions of The Agreement; it does not give the  
698 assignee the right to become a substituted Limited Partner. Neither the General Partner nor the  
Partnership are required to determine the tax consequences to a Limited Partner or one's  
700 assignee, arising from the assignment of a Limited Partnership interest. The Partnership will  
continue with the same basis and capital account for the assignee as was attributable to the  
702 former owner who assigned the Limited Partnership interest. The Partnership interest of the  
General Partner cannot be voluntarily assigned or transferred except pursuant to Paragraph 9.04  
704 or when the transfer occurs by operation of law.

706 **9.03 - Death, Bankruptcy, or Incompetence of Limited Partner.** If any Limited Partner dies  
or is adjudged incompetent or bankrupt by an court of competent jurisdiction, the remaining  
708 General and Limited Partners have an option to purchase the Partnership interest of that Limited  
Partner by paying to the person legally entitled to that interest, with 60 days after the date of  
710 death or the adjudication of incompetency or bankruptcy, the net book value of that Partnership  
interest as it appears on the last regular accounting of the Partnership affairs provided for in The  
712 Agreement. Each remaining General or Limited Partner has the right to purchase on a *pro rata*  
basis that proportionate part of the deceased, incompetent, or bankrupt Limited Partner's interest  
714 in The Partnership as the remaining Partner's interest in The Partnership. Provided, however, if  
any remaining General or Limited Partner fails to purchase a proportionate share of interest  
716 offered by the selling Partner, notice of that fact must be given to each General and Limited  
Partner, and it may be purchase by any one or more of the remaining Partners according to an  
718 equitable formula.

720 **9.04 - Option to Buy Terminated Interest of General Partner.** When any General Partner  
ceases to be a General Partner, on an involuntary basis and pursuant to Corporations Code  
722 Section 15642, the remaining General Partners may continue The Partnership business and may  
purchase the interest of that withdrawing General Partner in the assets and goodwill of The  
724 Partnership. The remaining Partners have an option, exercisable by them at any time within 60  
days after the date on which the withdrawing General Partner ceases to be a General Partner, to  
726 purchase the withdrawing General Partner's interest by paying to the person legally entitled to the  
value of that interest determined as provided in Paragraph 9.06.

728 **9.05 - Sale to New General Partner.** When any General Partner ceases to be a General Partner,  
730 on an involuntary basis and pursuant to Corporations Code Section 15642 (see Appendix for  
text), and the remaining General Partners are unable or unwilling to exercise the  
732 purchase option which is provided in Paragraph 9.04, the interest of the withdrawing General  
Partner may be purchased by a new General Partner during the option period set forth in  
734 Paragraph 9.04, on admission of the new Partner to the Partnership and on payment of the value  
of that interest as determined by the provisions in Paragraph 9.06.

736

738 **9.06 - Purchase Price of General Partner s Interest.** The value of the interest of a withdraw-  
ing General Partner, for the purposes of Paragraph 9.04 of The Agreement, is the value of that  
740 interest as shown on the last regular accounting of The Partnership preceding the date on which  
the General Partner ceased to be a General Partner of The Partnership, together with the full  
742 remaining portion of the withdrawing General Partner’s distributive share of any net profits  
earned by The Partnership between the date of that accounting and the date on which the  
withdrawing General Partner ceased to be a General Partner of The Partnership.

744

**9.07 - Duties of The Remaining Purchasing General Partners.** On the purchase and sale of a  
746 withdrawing General Partner’s interest, the remaining General Partners will assume all obliga-  
tions of The Partnership and shall hold the withdrawing General Partner, or the personal repre-  
748 sentative and estate of the withdrawing General Partner, and the property of the withdrawing  
General Partner free and harmless from all liability for those obligations. Further, the remaining  
750 General Partner, at their own expense, must immediately amend the Certificate of Limited  
Partnership as required by the California Revised Limited Partnership Act, and cause to be  
752 prepared, executed, acknowledged, filed, served, and published all other notices required by law  
to protect the withdrawing General Partner or the personal representative and estate thereof from  
754 all liability for the future obligations of The Partnership business.

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- - - - - End of Article 9 - - - - -

**ARTICLE 10.**  
**LIABILITIES OF PARTNERS**

758

760 **10.01 - Liability of General Partner.** Except as may be otherwise provided in The Agreement,  
762 the liability of the General Partner is unrestricted with respect to the conduct of the business  
affairs or operations of The Partnership or for the debts of The Partnership.

764 **10.02 - Liability of Limited Partner.** The liability of the Limited Partners is restricted and  
766 limited to the amount of the actual capital contributions that each Limited Partner makes or  
agrees to make to the Partnership.

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- - - - - End of Article 10 - - - - -

**ARTICLE 11.**  
**PROHIBITED TRANSACTIONS**

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772 **11.01 - Specified Acts.** During the time of the organization or continuance of The Partnership,  
neither the General nor Limited Partners may take any of the following actions; and the Partners  
774 specifically promise not to do so.

776 (1) Use the name of The Partnership (or any substantially similar name) or any trademark or  
trade name adopted by The Partnership, except in the ordinary course of Partnership  
778 business.

780 (2) Disclose to any non-partner any of The Partnership business practices, trade secrets, or any  
other information not generally known to the business community.

782

784 (3) Do any other act or deed with the intention of harming the business operations of The  
Partnership.

786 (4) Do any act contrary to The Agreement, except with the prior written approval of all  
Partners.

788

790 (5) Do any act that would make it impossible to carry on the intended or ordinary business of  
The Partnership.

792 (6) Abandon or transfer or dispose of Partnership property.

794 (7) Admit another person or entity as a General Partner.

796 **11.02 - Use of Partnership Assets.** The General Partner may not use, and specifically promises  
not to use, the assets of The Partnership for any purpose other than conducting the business of  
798 The Partnership, for the full and exclusive benefit of all its Partners.

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- - - - End of Article 11 - - - -

**ARTICLE 12.**  
**DISSOLUTION OF THE PARTNERSHIP**

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804 **12.01 - Dissolution and Winding Up.** The Partnership will be dissolved and its affairs will be  
wound up on the expiration of the term which is provided for the existence of The Partnership in  
806 Paragraph 1.05 or on the occurrence of any of the events that are specified in Paragraphs 12.02  
through 12.05, whichever is the first to occur.

808

810 **12.02 - Dissolution Upon Consent.** The Partnership will be dissolved on any date that is speci-  
fied in a Consent to Dissolve that is signed by The General Partner and by a majority in interest  
(51%) of the Limited Partners.

812

814 **12.03 (a) - Dissolution Upon Loss of a General Partner.** The Partnership will dissolved and its  
affairs will be wound up if a General Partner ceases to be a General Partner unless there is at  
least one other General Partner. If one or more General Partners remain, The Agreement  
816 expressly permits the remaining General Partner(s) to continue The Partnership as before.

818 **(b) -** If a General Partner ceases to be a General Partner and there is no remaining General  
Partner, The Partnership will dissolve and its affairs will be wound up unless a majority in inter-  
820 est (51%) of the Limited Partners agree in writing to continue the business of The Partnership  
and to the admission of one or more new General Partners within six months after the last  
822 remaining General Partner ceases to be a General Partner.

824 **12.04 - Dissolution Upon Sale or Disposition of Assets.** The Partnership will be dissolved and  
its affairs wound up when its assets are sold or otherwise disposed of and the only property of  
826 The Partnership consists of cash available for distribution to The Partners.

828 **12.05 - Dissolution Upon Judicial Decree.** The Partnership will be dissolved and its affairs  
wound up when required by a decree of judicial dissolution entered under Section 15682 of the  
830 California Corporations Code.

832 **12.06 - Responsibility for Winding Up (a).** On dissolution of The Partnership, the affairs of  
The Partnership will be wound up by those General Partners who have not wrongfully caused the  
834 dissolution.

836 **(b)** If no General Partner is available to wind up the affairs of The Partnership, or the only  
remaining General Partner fail to wind up the affairs of The Partnership, one or more authorized  
838 Limited Partners may wind up the affairs of The Partnership. Authorization constitutes written  
consent by a majority in interest of the Limited Partners.

840

842 **(c)** If a Limited Partner is authorized to wind up the affairs of The Partnership, the Certificate of  
Limited Partnership must be amended to add the name and the business, residence, or mailing  
address of each Limited Partner who is winding up the Partnership's affairs. Any Limited  
844 Partner who is winding up the Partnership's affairs may not be subject to liability as a General



846 Partner based on this amendment. Any remaining General Partner not winding up the Partner-  
ship's affairs need not execute the Certificate of Amendment.

848 (d) If one or more Limited Partners wind up the affairs of The Partnership, those Limit Partners  
are entitled to reasonable compensation.

850

852 **12.07 - Liquidation and Distribution.** The person or persons who are responsible for winding  
up the affairs of The Partnership pursuant to Paragraph 12.06 will take full account of the  
Partnership assets and liabilities, liquidating the assets of The Partnership as promptly as is  
854 consistent with obtaining the final value those assets, and applying and distributing the proceeds  
in the following order:

856

858 (1) To creditors of The Partnership, including Partners who are creditors to the extent permit-  
ted by law, in satisfaction of liabilities of the Partnership other than liabilities for any of  
the following:

860 (a) Distributions owing to Partners before their withdrawal from The Partnership and  
before the dissolution and winding up of The Partnership.

862 (b) Distributions owing to Partners on their withdrawal from The Partnership.

864 (2) Except as otherwise provided in The Agreement, to Partners and former Partners in satis-  
faction of liabilities for distributions owing to them before their withdrawal from The  
Partnership and before dissolution and winding up of The Partnership and on their  
866 withdrawal form The Partnership.

868 (3) To The Partners in accordance with the provisions set forth in The Agreement for the  
distribution of the assets of The Partnership.

870 **12.08 - Filing Certificate of Dissolution.** On the dissolution of The Partnership, The General  
Partner, or one or more Limited Partners representing a majority in interest of the Partners, must  
872 execute and file in the office of the Secretary of State a certificate of dissolution.

874 **12.09 - Cancellation of Certificate of Limited Partnership.** On completion of the winding up  
of The Partnership's affairs, The General Partner must execute and file in the office of the Secre-  
876 tary of State a certificate of cancellation of the Certificate of Limited Partnership. If the Limited  
Partners are winding up the Partnership's affairs pursuant to Paragraph 12.06, the person author-  
878 ized by a majority in interest of the Limited Partners must execute and file the certificate of  
cancellation of the Certificate of Limited Partnership.

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----- End of Article 12 -----

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**ARTICLE 13.  
RECORD DATES**

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**13.01 - Setting Record Date for Meetings.** The record date for determining the Partners who are entitled to notice of meetings, or the right to take any other lawful action with regard to a meeting or the conduct of a vote by The Partners will be the date set by the General Partner; however, that date may not be more than 60 nor less than 10 days before the date of the meeting nor more than 60 days before any other action.

890

**13.02 - Setting Record Date for Distributions.** The record date for determining the Partners who are entitled to any distribution or the right to take any other lawful actions will be 10 days before that date; however, that date may not be more than 60 days before any such action.

894

**13.03 - Automatic Record Date.** In the absence of any action setting a record date, the record date will be determined as follows:

896

- 898 (1) The record date for determining the Partner's who are entitled to notice of, or to vote at, meetings will be at the close of business on the business day preceding the day on which notice is given, or, if notice is waived, at the close of business on business day preceding the day on which the meeting is held.
- 900
- 902 (2) The record date for determining Partners who are entitled to give consent to Partnership action in writing without a meeting is the day on which the first written consent is given.
- 904 (3) The record date for determining Partners for any other purpose is at the close of business on the day on which the General Partners adopt the record date or the 60<sup>th</sup> day before the date of action relating to that other purpose, whichever is later.
- 906
- 908 (4) The record date for adjourned meetings is the record date set in determining the Partners entitled to notice of, or to vote at, the original meeting; however, the Partners who called that meeting may fix a new record date for the adjourned meeting and must fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.
- 910
- 912

- - - - - End of Article 13 - - - - -

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**ARTICLE 14.  
MISCELLANEOUS PROVISIONS**

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**14.01 - Entire Agreement.** The Agreement contains the entire understanding among the Partners and supersedes any prior written or oral agreements between them regarding the subject matter contained in this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the Partners relating to the subject matter of this Agreement that are not fully expressed in The Agreement.

922

**14.02 (a) - Amendments.** Subject to Subparagraph (b) of this Paragraph 14.02. the provisions of The Agreement may be amended by The General Partner with the consent of a majority in interest of the Limited Partners. Any amendment of The Agreement must be in writing, dated, and executed by all Partners. If any conflict arises between the provisions of any amendment and the original Agreement as previously amended, the most recent provisions control.

928

**(b)** The provisions of The Agreement governing the right of the Limited Partners to vote on the admission of a General Partner may not be amended. This proscription against the amendment of the voting rights of Limited Partners also applies when there is a remaining or surviving General Partner, and the right of the Limited Partners to vote on the admission of a General Partner or an election to continue the business of The Partnership after a General Partner ceases to be a General Partner other than by removal and there is not remaining or surviving General Partner.

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**14.03 - Attorneys Fees.** If any action at law or in equity, including an action for declaratory or injunctive relief, is brought to enforce or interpret the provisions of The Agreement, the prevailing party is entitled to reasonable attorneys fees.

940

**14.04 - Governing Law.** All questions with regard to the construction of The Agreement and the rights and liabilities of the parties will be governed by the laws of the State of California.

942

**14.05 - Notices.** All notices must be in writing and sent to the e-mail address of the recipient, if there is one. All such receipts must be confirmed by a reply that acknowledges the receipt. If no such replay is received, then notice must be by first class United States mail. All such mailed notices to the Partners must be sent to them at the address shown for them in the records of The Partnership. All notices to The Partnership must be sent in the same manner.

948

**14.06 - Successors.** Subject to the restrictions against assignment of limited partnership interests contained in The Agreement, The Agreement inures to the benefit of and is binding on the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties.

954

**14.07 - Severability.** If any provisions of The Agreement are declared by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions continue in full force and effect.

958

960 **14.08 - Execution by Spouses.** Not applicable to The Agreement.

960

962 **14.09 - Election of Adjusted Basis.** In the event of a transfer of all or part of the interest of a  
964 Limited Partner, the General Partner may elect, on behalf of The Partnership, to adjust the basis  
966 of the Partnership property pursuant to Section 754 of the Internal Revenue Code. All other  
elections required or permitted to be made by The Partnership under the Internal Revenue Code  
must be made by the General Partner in such a manner as will, in the opinion of the General  
Partner, be most advantageous to a majority in interest of the Limited Partners.

968

**14.10 - Counterparts.** The Agreement may be executed in several counterparts and all counter-  
parts so executed constitute one agreement that is binding on all of the parties, notwithstanding  
that all of the parties are not signatory to the original or same counterpart.

970

972

**14.11 - Headings.** The headings which precede the paragraphs of The Agreement are for  
convenience or reference only, are not a part of The Agreement, and are to be disregarded in the  
interpretation of any portion of The Agreement.

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**14.12 - Other Instruments.** The parties to The Agreement covenant and agree that they shall  
execute all other instruments and documents that are or may become necessary or convenient to  
effectuate and carry out The Partnership created by The Agreement

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- - - - End of Article 14 - - - -

**Confirmation**

982

Executed by

984

GENERAL PARTNER:

986

\_\_\_\_\_ date: \_\_\_\_\_

988

Chadd Everone

990

LIMITED PARTNERS:

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\_\_\_\_\_ date: \_\_\_\_\_

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Douglas Walsh

996

\_\_\_\_\_ date: \_\_\_\_\_

Bill Martin

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\_\_\_\_\_ date: \_\_\_\_\_

Richard Stancliff

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\_\_\_\_\_ date: \_\_\_\_\_

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Ruben Galindo

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\_\_\_\_\_ date: \_\_\_\_\_

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\_\_\_\_\_ date: \_\_\_\_\_

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\_\_\_\_\_ date: \_\_\_\_\_

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## APPENDIX

1022 **Codes cited**

1024

1026 15642. A person ceases to be a general partner of a limited partnership upon the happening of any of the following events:

1028 (a) The general partner withdraws from the limited partnership as provided in Section 15662.

(b) The general partner is removed as a general partner.

1030 (c) Unless otherwise provided in the partnership agreement, an order for relief against the general partner is entered under Chapter 7 of the federal bankruptcy law, or the general partner: (1) makes a general assignment for the benefit of creditors, (2) files a voluntary petition under the federal bankruptcy law, (3) files a petition or answer seeking for that partner any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, (4) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against that partner in any proceeding of this nature, or (5) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of that partner's properties.

1044 (d) Unless otherwise provided in the partnership agreement, 60 days after the commencement of any proceeding against the general partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, the proceeding has not been dismissed, or if within 60 days after the appointment without that partner's consent or acquiescence of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of that partner's properties, the appointment is not vacated or stayed, or within 60 days after the expiration of any such stay, the appointment is not vacated.

1056 (e) In the case of a general partner who is an individual, either of the following:

(1) The death of that partner.

1058 (2) The entry by a court of competent jurisdiction of an order adjudicating the partner incompetent to manage the general partner's estate.

1060 (f) Unless otherwise provided in the partnership agreement, in the case of a general partner who is acting as a general partner by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee, in which case the

new trustee automatically becomes the new general partner).

1066 (g) Unless otherwise provided in the partnership agreement, in the  
1068 case of a general partner that is a separate partnership, the  
dissolution of the separate partnership.

1070 (h) In the case of a general partner that is a corporation, the  
filing of a certificate of dissolution, or its equivalent, for the  
corporation.

1072 (i) In the case of a general partner that is an estate, the  
1074 distribution by the fiduciary of the estate's entire interest in the  
limited partnership.

1076 (j) In the case of a general partner that is a limited liability  
company, the filing of a certificate of dissolution or its equivalent  
for the limited liability company.

1078 Notwithstanding the provisions of this section, a person who  
1080 ceases to be a general partner of a limited partnership, shall be  
deemed to be acting as a general partner with respect to a third  
1082 party doing business with the limited partnership, until an amended  
certificate of limited partnership is filed in accordance with  
Section 15622.

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