

B. Subject to Section 3.1B, the remaining Independent General Partners shall designate a successor Independent General Partner who shall hold such office as provided in Section 3.1C.

C. The withdrawing Independent General Partner shall cooperate fully with the successor Independent General Partner so that the responsibilities of the withdrawing Independent General Partner may be transferred to the successor Independent General Partner with as little disruption of the Partnership's business and affairs as practicable.

The General Partners shall make such amendments to the Certificate and to this Agreement and execute and file for recordation such amendments or other documents or instruments as are necessary to reflect the termination of the Interest of the withdrawing General Partner, the fact that such withdrawing General Partner has ceased to be a General Partner, and the admission of such successor General Partner, all without the Consent of the Limited Partners.

Section 6.2. Withdrawal or Retirement by the Managing General Partner. Subject to Section 6.5, the Managing General Partner may voluntarily resign or withdraw from the Partnership or assign all of its Interest as General Partner to another Person, but only upon compliance with all of the following procedures:

A. The Managing General Partner shall, at least 60 days prior to such withdrawal, give Notification to all Partners that it proposes to withdraw and that there be substituted in its place a Person designated and described in such Notification or that it proposes to assign its Interest as General Partner to such Person.

B. Enclosed with the Notification shall be a certificate, duly executed by or on behalf of such proposed successor Managing General Partner, to the effect that: (1) it is experienced in performing (or employs sufficient personnel who are experienced in performing) functions that the Managing General Partner is required to perform under this Agreement; (2) it has a net worth which, in the opinion of counsel to the Partnership, is sufficient to meet the net worth requirements of any statute, federal income

tax regulations or the courts applicable to a general partner of a limited partnership in order to ensure that the Partnership will not fail to be classified for federal income tax purposes as a partnership rather than as an association taxable as a corporation; and (3) it is willing to become the Managing General Partner under this Agreement and will assume all duties and responsibilities thereunder, without receiving any compensation for services from the Partnership in excess of that payable under this Agreement to the withdrawing Managing General Partner and without receiving any participation in the withdrawing Managing General Partner's interest other than that agreed upon by the Managing General Partner and the successor Managing General Partner.

C. If a Managing General Partner resigns or withdraws or assigns all of its Interest as General Partner, there shall be on file at the principal office of the Partnership, prior to such withdrawal, audited financial statements of the proposed successor Managing General Partner, as of a date not earlier than 12 months prior to the date of the Notification required by this Section 6.2, certified by a nationally or regionally recognized firm of independent certified public accountants, together with a certificate duly executed on behalf of the proposed successor Managing General Partner, by its principal financial officer, to the effect that no material adverse change in its financial condition has occurred since the date of such audited financial statements that has caused its net worth, excluding the purchase price of its Interest in the Partnership, to be reduced to less than the amount required under Section 6.2B. Such audited financial statements and certificate shall be available for examination by any Limited Partner during normal business hours.

D. Subject to Section 11.2 a majority in Interest of the Limited Partners has Consented to the admission of any successor Managing General Partner pursuant to this Section 6.2.

E. The withdrawing Managing General Partner shall cooperate fully with the successor Managing General Partner so that the responsibilities of the withdrawing Managing General Partner may be trans-

ferred to the successor Managing General Partner with as little disruption of the Partnership's business and affairs as practicable.

The General Partners shall make such amendments to the Certificate and to this Agreement and execute and file for recordation such amendments or other documents or instruments as are necessary to reflect the termination or assignment of the Interest of the withdrawing or assigning Managing General Partner, the fact that such withdrawing or assigning Managing General Partner has ceased to be a General Partner, and the admission of such successor Managing General Partner, all without the Consent of the Limited Partners. Upon the withdrawal of Equitable Capital Management Corporation as the Managing General Partner or the assignment of all of its Interest as General Partner and upon the contribution by a successor Managing General Partner of any combination of non-interest bearing demand notes and an amount of cash which, in the aggregate, have a principal amount equal to the then outstanding principal amount of any outstanding MGP Note or Notes and the Capital Contribution of Equitable Capital Management Corporation, the MGP Note or Notes contributed to the Partnership pursuant to Section 3.1D shall be cancelled.

Section 6.3. Removal of a General Partner;
Designation of a Successor General Partner.

A. Any of the Independent General Partners may be removed either (1) for cause by the action of at least two-thirds of the remaining Independent General Partners, (2) subject to Section 11.2, by failure to be re-elected at any special meeting of the Limited Partners held for such purpose pursuant to Section 11.4, or (3) subject to Section 11.2, with the Consent of a majority in Interest of the Limited Partners. The Managing General Partner may be removed either (1) by a majority of the Independent General Partners, (2) subject to Section 11.2, by failure to be re-elected at any special meeting of the Limited Partners held for such purpose pursuant to Section 11.4 or (3) subject to Section 11.2, with the Consent of a majority in Interest of the Limited Partners. The removal of a General Partner shall in no way derogate from any rights or powers of such General Partner, or the exercise thereof, or the validity of any action taken pursuant thereto, prior to the date of such removal.

B. Subject to the receipt of an exemptive order issued by the Securities and Exchange Commission under the 1940 Act, in the event of the removal of the Managing General Partner and continuation of the Partnership, the investments held by the Partnership at the time of removal shall be appraised by two independent appraisers, one selected by the removed Managing General Partner and one by the Independent General Partners. In the event that such two appraisers are unable to agree on the value of the Partnership's investment portfolio, they shall jointly appoint a third independent appraiser who shall select one of the two appraisals and whose determination shall be final and binding. The cost of the appraisal conducted by the appraiser selected by the removed Managing General Partner shall be borne by the removed Managing General Partner and the cost of the appraisal conducted by the appraiser selected by the Independent General Partners shall be borne by the Partnership. The cost of the appraisal conducted by a third appraiser shall be borne equally by the Partnership and the removed Managing General Partner. All unrealized capital gains and losses of the Partnership shall be deemed realized at that time solely for purposes of making a final allocation to the removed Managing General Partner. With respect to its Interest pursuant to Section 4.3, to the extent permissible under the 1940 Act and State law, the removed Managing General Partner shall receive a final allocation of Profits and Losses equal to the Profits and Losses that it would have been allocated pursuant to Section 4.3 if all unrealized capital gains and losses of the Partnership were deemed realized, and an allocation of Profits and Losses were made at such time and such time were deemed to be the end of a Fiscal Year. If the Capital Account of the removed Managing General Partner has a positive balance after such allocation, to the extent permissible under the 1940 Act, the Partnership shall deliver a promissory note of the Partnership to the removed Managing General Partner, the principal amount of which shall be equal to the amount, if any, by which the positive amount of the removed Managing General Partner's Capital Account exceeds the amount of its Capital Contribution and which bears interest at a rate per annum equal to 100% of the Prime Rate in effect at the time of removal, with interest payable annually and principal payable only from 20% of any available cash before any distributions thereof are made to the Partners pursuant to Article Four. The Interest of the removed Managing General Partner shall convert to that of a Limited Partner, and the removed Managing

General Partner shall continue to receive, as a Limited Partner, distribution pursuant to Sections 4.1 and 4.2 and related allocations of Profits and Losses pursuant to Section 4.3. In the event that such exemptive order is not granted in the form applied for by the Partnership, the Managing General Partner shall not receive a final allocation of Profits and Losses and its Interest shall convert to that of a Limited Partner, and the removed Managing General Partner shall continue to receive, as a Limited Partner, distribution pursuant to Sections 4.1 and 4.2 related allocations of the Profits and Losses pursuant to Section 4.3.

C. Subject to Section 3.1B, the remaining Independent General Partners may designate one or more Persons for admission to any vacancy existing in the number of Independent General Partners fixed pursuant to Section 3.1B resulting from removal of an Independent General Partner by the Independent General Partners pursuant to Section 6.3A and each Limited Partner hereby Consents to the admission of such successor or successors, no further Consent being required. The Independent General Partners may designate one or more Persons to be successors to a Managing General Partner removed by the Independent General Partners pursuant to Section 6.3A, and each Limited Partner hereby Consents to the admission of such successor or successors, no further Consent being required. With the Consent of a majority in Interest of the Limited Partners, the Limited Partners may, subject to the provisions of Section 3.1B, at any time propose and approve a Person to be successor to a General Partner concurrently therewith being removed by the Limited Partners pursuant to Section 6.3A.

D. The General Partners shall make such amendments to the Certificate and to this Agreement and execute and file for recordation such amendments or other documents or instruments as are necessary to reflect the removal of a General Partner or a designation of a successor General Partner pursuant to this Section 6.3, the fact that such removed General Partner has ceased to be a General Partner, and the admission of such successor General Partner, all without the Consent of the Limited Partners.

Section 6.4. Incapacity of a General Partner.

A. In the event of the Incapacity of a General Partner, the business of the Partnership shall be continued by the remaining and any successor General Partners. Subject to Section 3.1C, the remaining General Partners shall give Notification to the Limited Partners of such event and shall, within 90 days, call a meeting of General Partners for the purpose of designating and admitting a successor General Partner. Any such successor General Partner shall hold such office until the next meeting of Partners or until his successor has been elected. The General Partners shall make such amendments to the Certificate and this Agreement and execute and file for recordation such amendments or other documents or instruments as are necessary to reflect the termination of the Interest of the Incapacitated General Partner, the fact that such Incapacitated General Partner has ceased to be General Partner, and the admission of such successor General Partner, all without the Consent of the Limited Partners.

B. In the event of the Incapacity of all General Partners, the Partnership shall be dissolved. Upon the Incapacity of a General Partner, the Incapacitated General Partner shall immediately cease to be a General Partner and its General Partner's Interest, as such, shall continue only for the purpose of determining the amount, if any, that it is entitled to receive upon any dissolution pursuant to Section 9.2. Any such Incapacity of a General Partner shall not affect any rights or liabilities of the Incapacitated General Partner that matured prior to such Incapacity.

Section 6.5. Admission of Successor General Partner.

A. The admission of any successor General Partner pursuant to Section 6.1, 6.2 or 6.3, as the case may be, shall be effective only if and after the following conditions are satisfied:

(i) the admission of any Person as successor General Partner shall occur, and for all purposes shall be deemed to have occurred, prior to the withdrawal or removal of the withdrawing or removed General Partner, or assignment of the withdrawing or

removed General Partner's Interest, pursuant to Section 6.1, 6.2 or 6.3, as the case may be;

(ii) the Interests of the Limited Partners shall not be affected by the admission of such successor General Partner or the transfer of the General Partner's Interests; and

(iii) the Certificate and this Agreement shall be amended to reflect the admission of a successor General Partner pursuant to Section 10.3.

B. Notwithstanding anything to the contrary set forth in this Agreement, upon the removal, withdrawal, Incapacity or retirement of any General Partner or the assignment of all of its Interest as General Partner, if one or more General Partners remain, the business of the Partnership shall continue and the remaining and any successor General Partners may and shall carry on the business of the Partnership. A General Partner shall not have the right to resign or withdraw or assign its General Partner's Interest, except that a General Partner may: (1) transfer its Interest to a successor General Partner pursuant to Section 6.1 or 6.2; (2) subject to Section 6.5A, substitute in its stead as General Partner any Person that has, by merger, consolidation or otherwise acquired substantially all of its assets and continued its business and designated thereby to succeed to the rights of the General Partner at the time of the dissolution of the General Partner; and (3) pledge or grant an interest in its right to receive payments and distributions under this Agreement. Notwithstanding any pledge or grant of interest pursuant to this Section 6.5B(3), the General Partner making the pledge will continue as a General Partner. Each Limited Partner hereby Consents to the admission of any additional or successor General Partner pursuant to this Section 6.5B and no further Consent or approval shall be required.

C. Notwithstanding anything to the contrary in this Article Six, a General Partner's Interest shall at all times be subject to the restrictions on transfer set forth herein.

Section 6.6. Liabilities of a Withdrawn or Removed General Partner. Any General Partner who shall withdraw or be removed from the Partnership, or who shall sell, transfer or assign its General Partner's Interest,

shall remain liable for obligations and liabilities incurred by it as General Partner prior to the time such withdrawal, removal, sale, transfer or assignment shall have become effective, but it shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time such withdrawal, removal, sale, transfer or assignment shall have become effective.

Section 6.7. Consent of Limited Partners to Admission of Successor General Partners. Each Limited Partner hereby Consents pursuant to Section 6.2 or 6.3C to the admission in accordance with the terms of Section 6.2 or Section 6.3C of any Person as a successor General Partner meeting the requirements of Section 6.2 or 6.3C, and no further express Consent or approval shall be required.

ARTICLE SEVEN

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 7.1. No Participation in Management. A Limited Partner shall have no right to control and shall take no part in the management or control of the Partnership's business but may exercise the rights and powers of a Limited Partner under this Agreement.

Section 7.2. No Authority to Act. A Limited Partner shall have no power to represent, act for, sign for or bind the General Partners or the Partnership. The Limited Partners hereby Consent to the exercise by the General Partners of the powers conferred on them by State law and this Agreement.

Section 7.3. Approval Rights.

A. Subject to Section 11.2, the Limited Partners shall have the following approval rights:

(1) the right to propose and approve or disapprove the removal of General Partners pursuant to Section 6.3A;

(2) the right to approve or disapprove in accordance with Section 58 of the 1940 Act, such proposed changes in the nature of the Partnership's

business as would cause the Partnership to cease to be, or to withdraw its election as, a business development company under the 1940 Act;

(3) the right initially to approve or disapprove in accordance with Section 15 of the 1940 Act, any proposed investment advisory contract or investment management agreement or the termination of any such existing contracts; provided, however, that such contracts are also approved by a majority of the Independent General Partners;

(4) the right to approve or disapprove the admission of a successor Managing General Partner pursuant to Section 6.2D;

(5) the right to approve amendments to the Agreement as provided in Article 10; provided, however, that no such amendment shall conflict with the 1940 Act; and

(6) the right to approve or disapprove of any other matters that the 1940 Act or an exemptive order of the Securities and Exchange Commission issued pursuant to such Act require to be approved by the Limited Partners so long as the Partnership is a business development company subject to the provisions of the 1940 Act; provided, however, that, prior to the exercise of any such right of approval or disapproval, the General Partners amend this Agreement to reflect such additional right, which amendment may be made by the General Partners without the Consent of the Limited Partners.

B. Notwithstanding the foregoing, no Consent shall be required of the Limited Partners for the General Partners to amend this Agreement in either of the following respects: (1) to admit an Additional Limited Partner or a Substituted Limited Partner or withdraw a Limited Partner in accordance with the terms of this Agreement; or (2) to correct any false or erroneous statement, or to make a change in any statement in order that such statement shall accurately represent the agreement among the Partners in this Agreement; provided that no such correction or change shall in any manner adversely affect the Interests of any Limited Partner.

ARTICLE EIGHT

TRANSFERABILITY OF A LIMITED PARTNER'S INTEREST

Section 8.1. Restrictions on Transfers of Interest.

A. Notwithstanding any other provisions of this Section 8.1, no sale, assignment or transfer of a Limited Partner's Interest may be made unless in the opinion of responsible counsel (who may be counsel for the Partnership), satisfactory in form and substance to the Managing General Partner and counsel for the Partnership (which opinion may be waived, in whole or in part, at the discretion of the Managing General Partner),

(1) such sale, assignment or transfer would not cause the Partnership to lose its status as a partnership which is not a publicly-traded partnership for Federal income tax purposes or, when added to the total of all other sales, exchanges, transfers or assignments of Interests within the preceding 12 months, would not result in the Partnership being considered to have terminated within the meaning of Section 708 of the Code; and

(2) such sale, assignment or transfer would not violate any Federal securities laws or any state securities or "blue sky" laws (including any investor suitability standards) applicable to the Partnership or the Interest to be sold, exchanged, transferred or assigned;

and such opinion of counsel is delivered in writing to the Partnership prior to the date of the sale, exchange, transfer or assignment. The Managing General Partner is expressly authorized to suspend transfers if and when any such transfer would result in the transfer of [(40%)] [(50%)] or more of the Interests in the Partnership within a 12-month period.

B. In no event shall all or any part of an Interest be sold, assigned or transferred to a minor or an incompetent Person except in trust, pursuant to the Uniform Gifts to Minors Act or by will or intestate succession.

C. Except for transfers incident to divorce, and gratuitous transfers or assignments (in trust or otherwise), whether on death or inter vivos, to or for the benefit of (1) the transferor's spouse, parents, children, other descendants, spouses of children, heirs or legatees or (2) a charitable, religious, scientific, literary or educational organization, [(a)] no sale, transfer or assignment by a Limited Partner of all or any part of his Interest may be made to any Person unless such Person (i) meets the suitability requirements to become an Additional Limited Partner in accordance with the terms of the offering of the Units contained in the Prospectus or (ii) is a Partner[, and (b) no Limited Partner may sell, assign or transfer any Interest or any fraction thereof without the consent of the Managing General Partner, which consent shall not be unreasonably withheld].

D. No purported sale, assignment or transfer by a transferor of, or after which the transferor and each transferee would hold, an Interest representing a Capital Contribution of less than \$1,000 will be permitted or recognized for any purpose without the consent of the Managing General Partner, which consent shall be granted only for good cause shown, except for any sale, assignment or transfer (i) that consists of the entire Interest of the transferor or (ii) that occurs by operation of law.

E. Each Limited Partner agrees that he will, upon request of the General Partners, execute such certificates or other documents and perform such acts as the General Partners deem appropriate after an assignment of Interest by the Limited Partner to preserve the limited liability of the Limited Partners under the laws of the State or the laws of any jurisdiction in which the Partnership is doing business. For purposes of this Section 8.1E, any transfer of an Interest, whether voluntary or by operation of law, shall be considered an assignment.

F. Any sale, assignment or transfer of an Interest to a person who makes a market in securities shall be void ab initio unless such person shall certify to the Managing General Partner that it has acquired such Interest solely for investment purposes and not for the purpose of resale.

G. No purported sale, assignment or transfer by a transferor of an Interest will be recognized unless (1) the transferor shall have represented that such transfer

(a) was effected through a broker-dealer or matching agent whose procedures with respect to the transfer of Units have been approved by the Managing General Partner as not being incident to a public trading market and not through any other broker-dealer or matching agent or (b) otherwise was not effected through a broker-dealer or matching agent which makes a market in Units or which provides a readily available, regular and ongoing opportunity to Unit holders to sell or exchange their Units through a public means of obtaining or providing information of offers to buy, sell or exchange Units and (2) the Managing General Partner determines that such sale, assignment or transfer [would] [will] not, by itself or together with any other sales, transfers or assignments, [likely result in] [substantially increase the risk], as determined by the Managing General Partner in its sole discretion, [of] the Partnership's being classified as a publicly-traded partnership.

H. No purported sale, assignment or transfer of a Unit will be recognized if, after giving effect to such sale, assignment or transfer, the Partnership would not satisfy at least one of the safe harbors contained in Internal Revenue Service Advance Notice 88-75 (the "Notice"). Without limiting the foregoing, no purported sale, assignment or transfer of a Unit will be recognized if such sale, assignment or transfer, together with all other such transfers during the same taxable year of the Partnership would result in both (i) the transfer of more than [4.5%] [5%] of the Units (excluding transfers described in clauses (i) through (vi) of the next succeeding sentence); and (ii)(x) the transfer of more than [1.5%] [2%] of the Units (excluding transfers described in clauses (i) through (vi) of the next succeeding sentence and sales through a matching service which meets the requirements of the Notice, part II, section D) or (y) the transfer of more than [9.5%] [10%] of the Units (excluding transfers described in clauses (i) through (vi) of the next succeeding sentence). For purposes of the [4.5%] [5%] and the [1.5%] [2%] limitations described in the preceding sentence, the following transfers will be disregarded: (i) transfers in which the basis of the Unit in the hands of the transferee is determined, in whole or in part, by reference to its basis in the hands of the transferor or is determined under section 732 of the Code; (ii) transfers at death; (iii) transfers between members of a family (as defined in section 267(c)(4) of the Code); (iv) the issuance of Units by or on behalf of the Partnership in exchange for cash, property or services; (v)

distributions from a retirement plan qualified under section 401(a) of the Code; and (vi) block transfers; and for purposes of the [1.5%] [2%] limitation, there shall be disregarded transfers through a matching service subject to the [9.5%] [10%] limitation described in the previous sentence. For purposes of the above limitations, the percentage of Units transferred during a taxable year shall equal the sum of the monthly percentage of Units transferred. The monthly percentage of Units transferred in any month shall be the percentage equal to a fraction the numerator of which is the number of Units transferred during such month and the denominator of which is the number of Units outstanding on the last day of such month provided that the denominator shall not include Units owned by the Managing General Partner or any person related to the Managing General Partner (within the meaning of section 267(b) or 707(b)(1) of the Code). The term "block transfer" means the transfer by a Partner in one or more transactions during any thirty calendar day period of Units representing in the aggregate more than 5% of the total Interests in Partnership capital or profits.

[I. No purported sale, assignment or transfer of an Interest to or for the benefit of any Tax-Exempt Investor may be made. Any such purported sale, assignment or transfer shall be null and void and of no force whatsoever. Each proposed partner, transferee or assignee shall certify that he is not, and is not purchasing on behalf of, a Tax-Exempt Investor.]

J. Any purported sale, assignment or transfer of an Interest which is not made in compliance with this Agreement is hereby declared to be null and void and of no force or effect whatsoever.

K. Each Limited Partner agrees that he will, prior to the time the Managing General Partner consents to any assignment of an Interest by that Limited Partner, pay all reasonable expenses, including attorneys' fees, incurred by the Partnership in connection with such assignment.

L. The Managing General Partner may reasonably interpret, and is hereby authorized to take such action as it deems necessary or desirable to effect, the foregoing provisions of this Section 8.1. The Managing General Partner may, in its reasonable discretion, amend the provisions of this Section 8.1 in such manner as may be

necessary [or desirable] (or eliminate or amend such provisions to the extent they are no longer necessary [or desirable]) to preserve [(1)] the tax status of the Partnership[, or (2), to the extent not inconsistent with the classification of the Partnership as a partnership for Federal income tax purposes, the free transferability of units for purposes of the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA")]. [In the event there shall be any conflict between provisions necessary to maintain the status of the partnership as a partnership which is not a publicly-traded partnership and those necessary to maintain free transferability of Units for purposes of ERISA, the Managing General Partner shall use its greater efforts to maintain free transferability of Units for purposes of ERISA if the failure to do so would result in a violation of ERISA.]

Section 8.2. Assignees.

A. The Partnership shall not recognize for any purpose any purported sale, assignment or transfer of all or any fraction of the Interest of a Limited Partner unless the provisions of Section 8.1 shall have been complied with and there shall have been filed with the Partnership a dated Notification of such sale, assignment or transfer, in form satisfactory to the Managing General Partner, executed and acknowledged by both the seller, assignor or transferor and the purchaser, assignee or transferee, and such Notification (i) contains the acceptance by the purchaser, assignee or transferee of all of the terms and provisions of this Agreement and a power of attorney consistent with Article Thirteen of this Agreement, (ii) represents that such sale, assignment or transfer was made in accordance with all applicable laws and regulations, (iii) [represents that the purchaser, assignee or transferee is not a Tax-Exempt Investor, and (iv)] is otherwise in form and substance acceptable to the Managing General Partner. Any sale, assignment or transfer shall be recognized by the Partnership as effective on the first day of the fiscal quarter following the fiscal quarter in which such Notification is filed with the Partnership. If an Interest is sold, assigned or transferred more than once during a fiscal quarter, the last purchaser, assignee or transferee with respect to whom Notification is received shall be recognized by the Partnership.

B. Unless and until an assignee of an Interest becomes a Substituted Limited Partner, such assignee shall not be entitled to vote or give Consents with respect to such Interest.

C. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner and shall not retain any statutory rights as a Limited Partner.

D. Anything herein to the contrary notwithstanding, both the Partnership and the General Partners shall be entitled to treat the assignor of an Interest as the absolute owner thereof in all respects, and shall incur no liability for distributions made in good faith to him, until such time as a written assignment by such assignor that conforms to the requirements of this Article Eight has been received by the Partnership and accepted by the Managing General Partner.

E. A Person who is the assignee of all or any fraction of the Interest of a Limited Partner, but does not become a Substituted Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article Eight to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his Interest.

Section 8.3. Substituted Limited Partners. No Limited Partner shall have the right to substitute a purchaser, assignee, transferee, donee, heir, legatee, distributee or other recipient of all or any fraction of such Limited Partner's Interest as a Limited Partner in his place. Any such purchaser, assignee, transferee, donee, heir, legatee, distributee or other recipient of an Interest (whether pursuant to a voluntary or involuntary transfer) shall be admitted to the Partnership as a Substituted Limited Partner only (1) with the consent of the Managing General Partner, which consent shall be granted or withheld in the absolute discretion of the Managing General Partner and may be arbitrarily withheld, (2) by satisfying the requirements of Sections 8.1 and 8.2 and (3) if necessary, upon an amendment to this Agreement or such other instrument, executed by all necessary parties and filed or recorded in the proper records of each jurisdiction in which such recordation is necessary to qualify the Partnership to conduct business or to preserve the limited liability of the Limited Partners. Any such consent by the Managing General Partner may be

evidenced, if necessary, by the making of an entry in the books and records of the Partnership by the General Partners evidencing the admission of such Person as a Limited Partner. The admission of a Substituted Limited Partner shall be shown in the books and records of the Partnership. The Limited Partners hereby Consent and agree to such admission of a Substituted Limited Partner by the Managing General Partner. The Managing General Partner agrees to process such amendments not less frequently than quarterly.

ARTICLE NINE

DISSOLUTION, LIQUIDATION AND TERMINATION OF THE PARTNERSHIP

Section 9.1. Events Causing Dissolution. The Partnership shall dissolve and its affairs shall be wound up upon the happening of any of the following events:

- (A) the expiration of its term;
- (B) the Incapacity, removal or resignation of all General Partners;
- (C) the sale or other disposition at one time of all or substantially all of the assets of the Partnership;
- (D) the election by a majority in Interest of the Limited Partners to dissolve the Partnership; or
- (E) the withdrawal, retirement, removal or Incapacity of the Managing General Partner or assignment of all of its General Partner's Interest, without the designation of a successor Managing General Partner under Section 6.2, 6.3 or 6.4.

Dissolution of the Partnership shall be effective on the day on which the event occurs giving rise to the dissolution, but the Partnership shall not terminate until this Agreement has been cancelled and the assets of the Partnership have been distributed as provided in Section 9.2. Upon the dissolution of the Partnership, the General Partners shall proceed with the liquidation and distribution of the assets of the Partnership, and upon the completion of the winding up of the Partnership shall

have the authority to, and shall, execute and file a certificate of cancellation and such other documents required or desirable to effectuate and evidence the dissolution and termination of the Partnership. Upon dissolution of the Partnership but prior to the distribution of all of the assets of the Partnership, the business of the Partnership and the affairs of the Partners, as such, shall be governed by Section 9.2 of this Agreement.

Section 9.2. Liquidation.

A. Upon dissolution of the Partnership, the Managing General Partner or, if the Independent General Partners appoint a liquidating trustee for the Partnership, such authorized liquidating trustee, shall commence to wind up the affairs of the Partnership and to liquidate its assets. The Managing General Partner or such liquidating trustee, as the case may be, shall have full right and unlimited discretion to determine the time required and used for liquidation, which in no event shall be greater than five years from the date of dissolution, and the manner and terms of any sale or sales of Partnership assets pursuant to such liquidation, for the purpose of obtaining, in its opinion, fair value for such assets, having due regard to the activity and condition of the relevant markets and general financial and economic conditions. On or before the last day for liquidating Partnership assets, the Partnership shall demand payment on any outstanding MGP Notes. The proceeds of such liquidation shall be applied as provided in Section 9.2C. To the extent that such assets cannot be liquidated and the Managing General Partner, or the liquidating trustee, determines, subject to the 1940 Act, that a distribution in kind would be in the best interests of the Partners, the Partnership will first receive the opinion of counsel that such distribution would not adversely affect the limited liability of the Limited Partners prior to making any such distribution. To the extent permitted by the Advisers Act, for all purposes of this Agreement, assets distributed in kind shall be deemed to have been sold for their fair market value, as determined pursuant to Section 13.3, and the proceeds of such sale shall be deemed to have been distributed.

B. Liquidation Profits and Losses shall be allocated among the Partners as follows:

Liquidation Profits shall be allocated among the Partners:

first, to each Partner having an excess of its Deemed Distribution Amount over the Capital Account of such Partner (in the case of the Managing General Partner, such Capital Account including an amount equal to the outstanding principal amount of any MGP Notes), to the extent of such excess and in accordance with the ratio that such excess bears to the aggregate excess of all such Partners; and

second, the balance, if any, to the Partners in proportion to the balances in their Capital Accounts (determined after giving effect to any allocation of Profit under clause first above and, in the case of the Managing General Partner, including an amount equal to the outstanding principal amount of any MGP Notes).

Liquidation Losses of the Partnership shall be allocated among the Partners:

first, to each Partner having an excess in its Capital Account (in the case of the Managing General Partner, such Capital Account including an amount equal to the outstanding principal amount of any MGP Notes) over the Deemed Distribution Amount of such Partner, to the extent of such excess and in accordance with the ratio that such excess bears to the aggregate excess of all such Partners;

second, to the Partners to the extent of and in proportion to the positive balance in the Capital Accounts of all such Partners (determined after giving effect to any allocation of Loss under clause first above and, in the case of the Managing General Partner, including an amount equal to the outstanding principal amount of any MGP Notes); and

third, the balance, if any, to the Managing General Partner.

C. In settling accounts after dissolution, the assets of the Partnership shall be paid out in the following order: (1) to third party creditors (whether by payment or establishment of reserves), in the order of priority as provided by law; (2) to each General Partner

for liabilities other than with respect to Profits or Capital Contribution; and (3) the balance to each Partner in an amount equivalent to the positive amount of his Capital Account on the date of distribution (determined after giving effect to all allocations of Profit and Loss pursuant to Section 9.2B) or, if the remaining assets in the Partnership are insufficient to return the entire Capital Accounts, to the Partners in proportion to the positive balances in their Capital Accounts. Notwithstanding the foregoing no distribution upon dissolution shall be made to the Managing General Partner which would result in the receipt by the Managing General Partner of cumulative distributions from Sales in excess of 20% of the cumulative capital gains based on actual costs of investments realized prior to or upon dissolution by the Partnership (net of realized capital losses and unrealized net capital depreciation). Any amount which would be distributed to the General Partner but for the previous sentence of this Section 9.2.C shall be distributed to the Limited Partners.

D. When the Managing General Partner or liquidating trustee has complied with the foregoing liquidation plan, there shall be executed and filed an instrument evidencing the cancellation of the certificate of limited partnership of the Partnership.

ARTICLE TEN

AMENDMENTS

Section 10.1. Proposal of Amendments Generally.

A. Amendments to this Agreement to reflect the addition or substitution of a Limited Partner, the admission of an additional or successor General Partner or the withdrawal or substitution of a General Partner shall be made at the time and in the manner referred to in Section 6.5A or 8.3A, as the case may be. Any other amendment to this Agreement may be proposed by the General Partners or by 10% in Interest of the Limited Partners. The Partners proposing such amendment shall submit (1) the text of such amendment, and (2) a statement of the purpose of such amendment. The Independent General Partners shall, within 20 days after receipt of any proposal under this Section 10.1, give Notification to all Partners of such proposed amendment, together, in the case of an amendment proposed

by Limited Partners, with the views, if any, of the Independent General Partners with respect to such proposed amendment. However, the Independent General Partners shall not be required to give Notification to all Partners as provided in this Section 10.1 of any such proposed amendment and no such proposed amendment shall be voted on by Partners, if, within 20 days after receipt by the Independent General Partners of any proposed amendment under this Section 10.1, counsel for the Partnership has submitted to the Partners proposing such amendment an opinion to the effect that there is a substantial likelihood that such amendment, or any vote thereon or vote provided for therein, would not be permitted by the Act, would impair the limited liability of the Limited Partners or would adversely affect the classification of the Partnership as a partnership for Federal income tax purposes.

B. The Independent General Partners shall, within a reasonable time after the adoption of any amendment to this Agreement (but not longer than the period required by the Act), make any filings or publications if required by the Act or desirable to reflect such amendment.

Section 10.2. Adoption of Amendments; Limitations Thereon.

A. Subject to Section 11.2, a majority in Interest of the Limited Partners may, without the concurrence of any General Partner, amend this Agreement; provided, however, that no amendment to this Agreement may:

(1) add to, detract from or otherwise modify the purposes of the Partnership without the Consent of all the Limited Partners;

(2) convert a Limited Partner's Interest into a General Partner's Interest; modify the limited liability of a Limited Partner; alter the Interest of any Partner in Profits or Losses, Distributable Cash from Investments or Distributable Capital Proceeds; or increase the liabilities or responsibilities of, or diminish the rights or protections of, the General Partner under this Agreement; in each case, without the Consent of each affected Partner;

(3) modify the method provided in Article Four of determining Profits and Losses and the order of allocations thereof and of determining distributions of Distributable Cash from Investments or Distributable Capital Proceeds and the order thereof without the Consent of each Partner adversely affected by such modification;

(4) amend Section 6.5B without the Consent of the General Partners;

(5) amend any provision hereof which requires the consent, action or approval of a specified percentage in interest of the Limited Partners without the Consent of such specified percentage in interest of the Limited Partners; or

(6) amend this Section 10.2A or Section 11.2 without the Consent of all the Limited Partners and the Consent of all the General Partners.

B. In addition to any amendments otherwise authorized hereby, this Agreement may be amended from time to time by the General Partners without the Consent of any Limited Partners (1) to add to the representations, duties or obligations of the General Partners or surrender any right or power granted to the General Partners herein; (2) to cure any ambiguity or correct or supplement any provisions hereof which may be inconsistent with any other provision hereof, or correct any printing, stenographic or clerical errors or omissions; (3) to conform to any safe harbor provisions which would preserve the substantial economic effect or alternative economic effect characterization of the allocations of Profits and Losses set forth in Article Four; (4) to provide any necessary information regarding the Limited Partners, or any additional or successor General Partner; (5) to reflect the issuance of limited partner interests senior to the Units; and (6) to amend any provision of this Agreement if not adverse to the interest of the Limited Partners; provided, however, that no amendment shall be adopted pursuant to this Section 10.2B unless (a) in the case of any amendment referred to in clause (1), (2), (4), (5) or (6) of this Section, such amendment would not alter the Interest of a Partner in Profits, Losses, Distributable Cash from Operations or Distributable Refinancing Proceeds or Distributable Sale Proceeds and such amendment is not adverse to the interests of the Limited Partners; and (b)

such amendment would not, in the opinion of counsel for the Partnership, adversely affect the limited liability of the Limited Partners or the status of the Partnership as a partnership for Federal income tax purposes.

C. Upon the adoption of any amendment to this Agreement, the amendment shall be executed by the General Partners on behalf of themselves and all Limited Partners and, if required by the Act, an amendment to the Certificate shall be filed in the proper records of the State and of each jurisdiction in which recordation is necessary for the Partnership to conduct business or to preserve the limited liability of the Limited Partners. Each Limited Partner hereby irrevocably appoints and constitutes the General Partners, and each of them, as his agent and attorney-in-fact to execute, deliver, swear to, file and record any and all such amendments. The power of attorney given herewith is irrevocable, is coupled with an interest and shall survive and not be affected by the subsequent Incapacity of a Limited Partner granting it.

Section 10.3. Amendments on Admission or Withdrawal of Partners. If this Agreement shall be amended to reflect the admission of an additional or successor General Partner, such amendment shall be signed by all remaining General Partners and such additional or successor General Partner. If this Agreement shall be amended to reflect the withdrawal or removal of a General Partner and the continuation of the business of the Partnership, such amendment shall be signed by the remaining and successor General Partners.

Section 10.4. Copies of Amendments. The Certificate and this Agreement and each amendment thereto shall be kept in the files of the Managing General Partner and copies thereof shall be made available to each Limited Partner upon written request only for any purpose reasonably related to the Limited Partner's interest as a limited partner in the Partnership, the General Partner not being otherwise obligated to deliver or mail a copy of the Certificate or this Agreement or any amendment thereto to the Limited Partners, either before or after its filing, if any, in the State.

ARTICLE ELEVEN

CONSENTS, VOTING AND MEETINGS

Section 11.1. Method of Giving Consent. Any Consent required by this Agreement may be given by:

(A) a written approval given by a Partner and received by the General Partners at or prior to the doing of the act or thing for which the approval is solicited, provided that such approval shall not have been nullified by (1) Notification to the General Partners of such nullification by such Partner at or prior to the time of, or the negative vote by such Partner at, any meeting called and held to consider the doing of such act or thing, or (2) Notification to the General Partners of such nullification by such Partner prior to the doing of any act or thing the doing of which is not subject to approval at a meeting called; or

(B) the affirmative vote by a Partner to the doing of the act or thing for which the approval is solicited at any meeting called and held pursuant to Sections 11.3 or 11.4 to consider the doing of such act or thing.

Section 11.2. Limitations on Requirements for Consents. Notwithstanding any other provisions of this Agreement, unless, prior to the exercise by the Limited Partners of the rights of the Limited Partners (A) to approve actions of the General Partners pursuant to Section 5.5A or the actions of the Independent General Partners pursuant to Section 5.5E, (B) to remove a General Partner pursuant to Section 6.3, or to approve the appointment of a successor General Partner pursuant to Section 6.2 or 6.3, (C) to elect to remove General Partners and to approve Partnership matters pursuant to Section 7.3A, (D) to elect to dissolve the Partnership pursuant to Section 9.1, or (E) to amend this Agreement pursuant to Section 10.2A, as the case may be, Independent counsel for the Partnership shall have delivered to the Partnership an opinion to the effect that neither the possession of such right or rights nor the exercise thereof (i) will violate the provisions of the Act or the laws of the other jurisdictions in which the Partnership is then formed or qualified, (ii) will adversely affect the limited liability of the Limited Partners or (iii)

will adversely affect the classification of the Partnership as a partnership for Federal income tax purposes, then, if such opinion has not been obtained,

(1) notwithstanding the provisions of Section 5.5A, the General Partners shall be prohibited from taking an action, performing an act or entering into a transaction, as the case may be, subject to the provisions of Section 5.5A;

(2) notwithstanding the provisions of Section 5.5E, the Independent General Partners shall be prohibited from taking an action, performing an act or entering into a transaction, as the case may be, subject to the provisions of Section 5.5E;

(3) notwithstanding the provisions of Section 6.2 or 6.3, the Limited Partners may remove a General Partner or approve the appointment of a successor General Partner, only with the Consent of 100% in interest of the Limited Partners;

(4) notwithstanding the provisions of Section 7.3A, the Limited Partners may elect or remove a General Partner or approve certain Partnership matters only with the Consent of 100% in interest of the Limited Partners;

(5) notwithstanding the provisions of Section 9.1, the Limited Partners may elect to dissolve the Partnership only with the Consent of 100% in interest of the Limited Partners; and

(6) notwithstanding the provisions of Section 10.2A, this Agreement may be amended only with the Consent of the General Partners and of a majority in interest of the Limited Partners (and the Consent of any Partner, or any specified percentage in interest of Limited Partners, whose Consent is required pursuant to the proviso to Section 10.2A) or, to the extent required by such opinion in any particular case only with the Consent of the General Partner and of 100% in interest of the Limited Partners.

The Managing General Partner shall retain Independent counsel for the Partnership to render the opinion required pursuant to this Section 11.2 within 30 days after written notification that any of the actions specified above have

been proposed by such percentage of Partners which would be required to call a meeting for the approval thereof. If, within 45 days after such notification, such counsel either gives the opinion required above or does not give an opinion that there is a substantial likelihood that the possession or exercise of the rights set forth in clauses (A), (B), (C), (D) or (E) of this Section 11.2, as appropriate, would have the results set forth in (i), (ii) or (iii) above, then the restrictions in this Section 11.2 shall not apply. Such counsel may rely as to the law of any jurisdiction, other than a jurisdiction in which such counsel's principal office is located, on an opinion of counsel in such other jurisdiction in form and substance satisfactory to them.

Section 11.3. Action by the Independent General Partners. The Independent General Partners shall act by majority vote at a meeting duly called or by unanimous written consent without a meeting, unless the 1940 Act requires that a particular action be taken only at a meeting of the Independent General Partners. Meetings of the Independent General Partners may be called by any two Independent General Partners. Subject to the requirements of the 1940 Act, the Independent General Partners by majority vote may delegate to any one of their number, or a committee thereof, their authority to approve particular matters or take particular actions on behalf of the Partnership. A quorum for all meetings of Independent General Partners shall be a majority of the Independent General Partners.

Section 11.4. Meetings of Limited Partners. The termination of the Partnership, the removal of the General Partners and the election of successors and any other matter requiring the Consent of all or any of the Limited Partners pursuant to this Agreement may be considered at a meeting of the Partners held not less than 20 nor more than 60 days after the Notification thereof shall have been given by the Independent General Partners to all Partners. Such Notification (A) may be given by the Independent General Partners, in their discretion, at any time, and (B) shall be given by the Independent General Partners within 30 days after receipt by the Independent General Partners of a request for such a meeting made by 10% in Interest of the Limited Partners. Any such Notification shall state briefly the purpose, time and place of the meeting. All such meetings shall be held within or outside the State at such reasonable place