

STATE OF ALABAMA )  
SHELBY COUNTY )

79

CERTIFICATE AND AGREEMENT  
OF  
LIMITED PARTNERSHIP  
OF  
KEY-ROYAL REALTY NO. V, LTD.

This Certificate and Agreement of Limited Partnership is made and entered into by and between KEY-ROYAL AUTOMOTIVE COMPANY, as the General Partner, and JOHN B. RICHARDSON as the Limited Partner, for the purpose of forming a limited partnership under the provisions of the Alabama Limited Partnership Act of 1983, [Code of Alabama, 1975, Sections 10-9A-1, et seq.], upon the terms and conditions hereinafter set forth.

1. Name, Registered Office and Registered Agent.

(a) Name: The business of the Partnership shall be conducted under the firm name of Key-Royal Realty No. V, Ltd., or such other name as the General Partner shall hereinafter designate in writing to the Limited Partners.

(b) Registered Office: The Partnership shall maintain its office in Alabama pursuant to Section 103 of the Act [Section 10-9A-3 of the Code of Alabama, 1975] at 100 Corporate Ridge, Birmingham, Alabama 35243, or at such other address as the General Partner may from time to time designate by filing a report with the Secretary of State of the State of Alabama pursuant to Section 103 of the Act. All of the records required to be maintained by Section 104 of the Act, [Section 10-9A-4 of the Code of Alabama, 1975] shall be kept at said office.

(c) Registered Agent: John B. Richardson, with an address of 100 Corporate Ridge, Birmingham, Alabama 35243, shall be the designated agent for service of process on the Partnership as required by Section 103 of the Act [Section 10-9A-3 of the Code of Alabama, 1975]. The General Partner may from time to time designate other persons to be the agent for service of process by naming such person in a report filed with the Secretary of State of the State of Alabama pursuant to Section 103 of the Act.

(d) Other Locations: The Partnership may have one or more other offices at such other places as may be determined by the General Partner; provided that the General Partner shall have caused to be filed such certificates and shall have taken such further action as may be required, to provide that the Partnership shall be treated as a limited partnership under the laws of

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each state or other jurisdiction in which the Partnership conducts its business.

2. Definitions. As used in this Certificate and Agreement of Limited Partnership, the following terms shall have the following respective meanings (unless otherwise specifically indicated):

(a) Act: The Alabama Limited Partnership Act of 1983, Section 10-9A-1, et seq., Code of Alabama, 1975, as amended.

(b) Capital Account: The capital account of each Partner established and maintained in accordance with paragraph 6 hereof.

(c) Capital Contributions: Any Capital Contribution made by the Partners pursuant to paragraph 6 hereof.

(d) Cash Flow: The actual cash receipts of the Partnership from all sources other than Sale or Refinancing proceeds, less the sum of (i) expenditures incurred in connection with the acquisition of the Property, the construction of the improvements thereon, and the financing thereof as contemplated in paragraph 3 below; and (ii) the Operating Requirements of the Property (as herein defined).

(e) Debt Service: Payments of principal and interest which are due and payable on any indebtedness of the Partnership.

(f) First Mortgage: The first mortgage on the Property securing a \$2,150,000.00 loan which SouthTrust Bank of Alabama, N.A. has committed to extend to the Partnership in connection with its acquisition of the Property.

(g) General Partner: Key-Royal Automotive Company, or any person or persons who at the time of reference thereto has been admitted, as herein provided, as a successor to his interest or as an additional General Partner, in each such person's capacity as a General Partner.

(h) Incentive Limited Partner: The Limited Partner to whom, pursuant to paragraph 7(a) hereof, 16.00% of the profits and losses of the Partnership will be allocated.

(i) Investor Limited Partner: The Limited Partners to whom, pursuant to paragraph 7(a) hereof, 14.00% of the profits and losses of the Partnership will be allocated.

(j) Limited Partners: The persons named in subparagraph (b) of paragraph 6(b) below as Limited Partners, or any person who at the time of reference thereto has been admitted, as herein provided, as a substituted Limited Partner for any such person or as an additional Limited Partner.

(k) Majority in Interest: The Partners having 51% or more of the percentage interest in the Partnership as set forth in subparagraph 7(a) hereof.

(l) Operating Requirements: All costs and expenses of any type incurred incident to the ownership and operation of the Property (excluding property acquisition costs, and construction period expenses), including, without limitation, taxes, management fees, reimbursable expenses, routine capital improvements which are necessary for the maintenance of the Property, the cost of operations maintenance and repairs, the funding of any reserves, and Debt Service (excluding depreciation and other non-cash expenses).

(m) Partners: The General Partner and all Limited Partners when no distinction is required by the context in which the term is used.

(n) Partnership: Key-Royal Realty No. V, Ltd., an Alabama limited partnership, formed pursuant to the Act governed by the terms and conditions of this Partnership Agreement.

(o) Partnership Units: The interest of the Limited Partners to be offered as provided in Section 6(b) hereof.

(p) Partnership Agreement: This Certificate and Agreement of Limited Partnership which shall be filed with the Office of the Judge of Probate of Shelby County, Alabama pursuant to the Act [Section 10-9A-20 Code of Alabama, 1975], and all amendments to this Partnership Agreement.

(q) Property: That real estate located at 15906 Wayzata Boulevard, Wayzata, Minnesota, which real estate is currently owned by Earl N. Miller, Jr., and currently being utilized as a location for the sales and service of Nissan automobiles.

(r) Rental Proceeds: All rent paid by the lessee of the Property to the Partnership in consideration for the lessee's use and occupancy of the Property.

(s) Sale or Refinancing: Any Partnership transaction (other than Capital Contributions, the First Mortgage, and loans

made pursuant to subparagraph 6(c) hereof) not in the ordinary course of business, including, without limitation, sales, exchanges or other dispositions of real or personal property, condemnation, recoveries of damage awards and insurance proceeds (other than business or rental interruption and insurance proceeds) or borrowings or mortgage refinancings.

(t) Sale or Refinancing Proceeds: All cash receipts arising from a Sale or Refinancing less the following: (i) the amount of cash paid or to be paid in connection with such Sale or Refinancing (which shall include with regard to damage recoveries or insurance or condemnation proceeds, cash paid or to be paid in connection with repairs, replacements or renewals, in the discretion of the General Partner, relating to damage or partial condemnation of the Property); (ii) the amount necessary for the payment of all debts and obligations of the Partnership due or becoming due as a result of such Sale or Refinancing other than loans from Partners pursuant to subparagraph 6(c) below; and (iii) the amount considered appropriate by the General Partner to provide reserves to pay taxes, insurance, Partnership indebtedness, repairs, replacements, or renewals or other costs and expenses of the Partnership (including costs of improvements or additions in connection with the Property).

(u) Special Limited Partner: The Limited Partner to whom, pursuant to paragraph 7(a) hereof, 15.00% of the profits and losses of the Partnership will be allocated.

3. Purpose. The purposes of the Partnership are to acquire, own, manage, maintain, improve, develop, operate, lease, sell, convey, mortgage, finance, refinance, hold as investment or otherwise dispose of real property situated in the State of Virginia. In furtherance of the above purposes and subject to any restrictions contained in this Partnership Agreement, the Partnership shall have the following powers:

(a) To acquire the Property and to acquire, convey, transfer, assign, mortgage and otherwise encumber fee and leasehold estates in real and personal property (including the Property), and the rights therein or pertinent thereto, necessary, appropriate or incidental to the construction, operation, ownership, development, maintenance and leasing of the Property.

(b) To hold, improve, or develop the Property and to alter, improve, and repair the improvements situated thereon or to be situated thereon and to make additions to said improvements as the General Partner shall in its sole discretion determine are in the best interests of the Partnership.

(c) To obtain financing and refinancing from time to time for the cost of acquiring the Property and the construction of improvements thereon; and to borrow money and to evidence the same by notes or other evidences of indebtedness and to secure the same by mortgage, deed of trust, pledge or other lien or security interest in furtherance of any or all of the purposes of the Partnership, and such loan as may be obtained by the General Partner under the terms hereof to refinance said construction loan.

(d) To enter into, perform, and carry out contracts of any kind necessary for or incidental to the accomplishment of the purposes of the Partnership.

(e) To carry on any other activities necessary or incidental to or in connection with, the accomplishment of the purposes of the Partnership, so long as such activities may be carried on or performed under the provisions hereof without causing any violation of law.

4. Term. The term of the Partnership shall commence on the date of filing this Partnership Agreement with the Office of the Judge of Probate of Shelby County, Alabama and shall continue in full effect until terminated in accordance with the provisions of paragraph 17 below or in accordance with the Act.

5. Names and Addresses of Partners.

(a) General Partner: The name and address of the General Partner is as follows:

Key-Royal Automotive Company  
100 Corporate Ridge  
Birmingham, Alabama 35243

(b) Original Limited Partner: The name and address of the Original Limited Partner is as follows:

John B. Richardson  
100 Corporate Ridge  
Birmingham, Alabama 35243

(c) Limited Partners: The Limited Partners shall be the persons who purchase partnership units authorized under Section 6(b) hereof.

6. Capital Contributions. Neither the General Partner nor Original Limited Partner shall make any contribution to the capital of the Partnership at the time of its formation. It is

contemplated that the Partners shall contribute to the capital of the Partnership such amount of cash as the General Partner deems necessary for the operation of the Partnership and the conduct of its activities in accordance with the following provisions:

(a) The General Partner shall contribute to the capital of the Partnership two hundred and fifty dollars (\$250.00) in cash upon the admission of the Limited Partners.

(b) The General Partner shall cause the Partnership to offer limited partnership interests in the form of partnership units, requiring a capital contribution of Ten Dollars (\$10.00) for each percentage point or partial percentage point of interest in the Partnership profits and losses. The limited partnership interests to be issued shall consist of one (1) Incentive Limited Partnership Unit, one (1) Special Limited Partnership Unit, one (1) Investor Limited Partnership Unit, and one (1) Participant Limited Partnership Unit, each of which interests shall share in the profits and losses of the Partnership as indicated in subparagraph 7(a), below. The entire capital contribution will be paid immediately upon execution by the Limited Partners of the First Certificate of Amendment of this Certificate, pursuant to which each such Limited Partner will be admitted to the Partnership.

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(c) The General Partner may, in its sole discretion, require each Limited Partner to contribute additional capital to the Partnership in an amount equal to such Limited Partner's pro-rata percentage of any difference between the Rental Proceeds and the Operating Requirements of any month. Any such contribution shall be made by the Limited Partners within 15 days of notification by the General Partner that such an additional capital contribution is required.

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(d) Should any Limited Partner not pay any additional capital contribution required under subparagraph 6(d) hereof on or before the due date thereof, and should such default continue for a period of ten (10) days after such due date, the General Partner may immediately purchase the Partnership Unit of the defaulting Limited Partner for a price equal to the additional capital contribution required from and unsatisfied by the defaulting Limited Partner, which price shall be immediately paid in cash by the General Partner to the Partnership. In such event, the failure of the defaulting Limited Partner to make such additional capital contributions during the aforementioned ten (10) day period shall be deemed to be his consent to the forced sale of his Partnership Unit and the substitution of the General Partner in his place as a Limited Partner pursuant to Section 502 of the Act, and the General Partner shall have all of the rights

and privileges of a Limited Partner with respect to such interest, including the right to assign such interest and have the assignee substituted as a Limited Partner. The General Partner shall be entitled to receive any allocation of profits and losses or cash distributions from the Partnership with respect to such defaulting Limited Partner's interest for the year in which such default occurs until the date of any assignment of such interest by the General Partner.

(f) Any contribution to the capital of the Partnership in excess of that amount provided for in subparagraph 6(a), (b), (c) and (d), shall be treated as a loan to the Partnership and such Partner shall be entitled to repayment of such funds by the Partnership at prevailing interest rates.

(g) A capital account shall be established and maintained for the General Partner and for each Limited Partner in accordance with the federal income tax accounting practices and rules established under Code Section 704(b) and the Treasury Regulations issued thereunder. It is the intent of the Partners that the Capital Accounts of the Partners will be determined and maintained in accordance with Treasury Regulation §1.704-1(b), as promulgated under Code Section 704(b), and the General Partner will make appropriate entries and adjustments to the Capital Accounts for the purpose of determining and maintaining the Capital Accounts in conformance with this intent. The General Partner may make entries and adjustments to the Capital Accounts hereunder in reliance upon the advice of the Partnership's accountants and/or its counsel pursuant to their fiduciary obligation to the Partnership and the Limited Partners, and their actions hereunder shall not give rise to any claim or cause of action by any Limited Partner.

(h) A Partner shall not be required to make any Capital Contribution, or be entitled to bring an action for partition against the Partnership, or to demand or receive any distribution of or with respect to his Capital Contribution except as specifically provided under this Agreement. For the purposes of this paragraph 6, a substitute Partner shall be deemed to have made the Capital Contribution to the Partnership which was made by the partner who such substitute Partner succeeds, and to have received from the Partnership the credits, allocations and charges received from the Partnership by such former Partner. No loan made by the General Partner or a Limited Partner to the Partnership shall constitute a Capital Contribution for any purpose.

7. Allocations of Profits and Losses; Distributions.



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(a) Allocations of Profits and Losses. Profits and losses of the Partnership shall be determined each year in accordance with the accounting methods followed by the Partnership for federal income tax purposes. The profits and losses shall be shared by the Partners as herein specified without regard to the amounts in their respective Capital Accounts and except as provided in subparagraph (b) below, the determination of each Partner's distributive share of any Partnership item of income, gain, loss, deduction, credit or allowance for any Partnership accounting period shall be made in accordance with the following allocations:

(i) 41% of the profits shall be allocated to the General Partner, and the amount so allocated shall be credited to his Capital Account; and 45% of the losses shall be allocated to the General Partner, and the amount so allocated shall be debited to his Capital Account.

(ii) 69% of the profits shall be allocated to the Limited Partners according to the following percentages, and the amount so allocated shall be credited to each of their respective capital accounts:

One (1) Incentive Limited Partner	16.00%
One (1) Special Limited Partner	15.00%
Two (2) Investor Limited Partners	14.00%

(iii) 69% of the losses shall be allocated to the Limited Partners according to the following percentages, and the amount so allocated shall be debited to their respective capital accounts:

One (1) Incentive Limited Partner	16.00%
One (1) Special Limited Partner	15.00%
Two (2) Investor Limited Partners	14.00%

(b) Allocation of Gain and Loss on Sale or Refinancing. The taxable income or gain on a Sale or Refinancing shall be allocated among the Partners for the taxable years during which such income or gain shall be recognizable as follows:

(i) (A) The gain shall first be allocated to the Partners, if any, who had a negative balance in their respective Capital Accounts immediately prior to such sale or refinancing in the same ratio that the negative Capital Accounts of each Partner bears to the sum of the negative Capital Accounts of all Partners until the Capital Accounts of all Partners having negative Capital Accounts have been restored to zero.



(B) The balance of the gain shall be allocated among the Partners in the percentages set forth in subparagraph (a) (i) and (a) (ii) above.

(ii) The taxable loss from a Sale or Refinancing shall be allocated among the Partners for the taxable years during which such loss shall be recognizable as follows:

(A) The loss shall first be allocated to the Partners, if any, who then have a positive balance in their respective Capital Accounts in the same ratio that the positive Capital Account of each Partner bears to the sum of the positive Capital Accounts of all Partners until the Capital Accounts of all Partners having a positive Capital Account have been restored to zero;

(B) The balance of the loss, if any, shall be allocated to the Partners in the percentages set forth in subparagraphs (a) (i) and (a) (iii) above.

(c) Distributions of Cash Flow. The Cash Flow of the Partnership shall be determined for each fiscal year and shall be distributed to the extent available in the following order of priority:

(i) To the Partners for the payment of principal and accrued interest with respect to any loans made to the Partnership pursuant to subparagraph 6 (c) above:

(ii) Thereafter, to the Partners in the proportion of each respective Partner's interest in the Partnership as provided in subparagraph 7 (a) above.

**BOOK 033 PAGE 707** Distributions of Cash Flow, if any, of the Partnership to the Partners shall be made at the sole discretion of the General Partner.

(d) Distributions of Sale or Refinancing Proceeds. All Sale or Refinancing Proceeds shall be distributed in the following order of priority:

(i) First, to the repayment of all loans made to the Partnership by Partners under subparagraphs 6 (e) above, and if funds are insufficient therefor then pro rata based on the ratio that each Partner's loan bears to the sum of all Partners' loans;

(ii) Thereafter, the balance shall be applied to the payment to the Partners with positive Capital Accounts,

after giving effect to the allocations of gain or loss with respect to such Sale or Refinancing as provided in subparagraph 7(b) above, to the extent of, and in proportion to, such positive Capital Account balances, and if funds are insufficient therefor, then pro rata to the Partners in the ratio that the positive Capital Account of each Partner bears to the sum of the positive Capital Accounts of all Partners.

8. Fiscal Matters.

(a) Books and Records. Partnership books, in which shall be entered fully and accurately each transaction of the Partnership, shall be maintained by the General Partner at the office of the Partnership in accordance with the Act. Each Partner shall, upon reasonable request and at all reasonable times during ordinary business hours, have the right to inspect and copy, at his expense, all such books and records or any other books and records of the Partnership. In addition, the Partnership shall maintain at its office the following records:

(i) A current list of the full name and last known address or residence address of each Partner (which address shall be a street address);

(ii) A copy of the Partnership Agreement and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any certificate or amendment thereto has been executed pursuant to the Act;

(iii) Copies of the Partnership's federal, state, and local income tax returns and reports, if any, for the three most recent years; and

(iv) Copies of the financial statements of the Partnership for the three most recent fiscal years.

The books of the Partnership shall be maintained in accordance with the accounting method selected by the General Partner for federal income tax purposes and shall be closed and balanced at the end of each accounting year.

(b) Annual Reports. Annual financial statements shall be prepared and furnished to the Limited Partners within one hundred twenty (120) days after the close of the fiscal year of the Partnership. The General Partner shall select the accounting method for the Partnership with the advice of the accountants retained by the Partnership. The Partnership shall use its best

efforts to cause the accountants to furnish such other information as shall be necessary for the Limited Partners to complete their federal income tax returns with respect to the participation in the Partnership within seventy-five (75) days of the close of each taxable year.

(c) Fiscal Year. The fiscal year of the Partnership shall begin on the 1st day of January and end on the 31st day of December of each year.

(d) Bank Accounts. All funds of the Partnership shall be deposited in its name in such checking or savings accounts or time certificates as shall be designated and authorized by the General Partner. Withdrawals therefrom shall be made upon such signature or signatures as the General Partner may designate.

9. Status of Limited Partner.

(a) Liability. The liability of the Limited Partner is limited to the Capital Contributions and any additional capital contributions which may be required of the Limited Partner by the General Partner pursuant to subparagraph 6(c) hereof, and he shall not be bound by, or be personally liable for, any expenses, liabilities or obligations of the Partnership (except for those liabilities of the Partnership which the Limited Partners have guaranteed pursuant to subparagraph 6(c) hereof); provided, however, that Capital Contributions of the Limited Partner shall be subject to the risk of the business of the Partnership and subject to the claims of creditors of the Partnership. In addition, (i) if any portion of the Limited Partner's Capital Contribution to the Partnership is returned to him in accordance with the terms of this Partnership Agreement, such Limited Partner will be liable to the Partnership for a period of one year thereafter for the amount of the Capital Contribution returned to such Limited Partner, but only to the extent that such return of Capital Contribution is necessary to discharge the Partnership's liabilities to creditors who extended credit to the Partnership during the period such Limited Partner's contribution was held by the Partnership; and (ii) if any portion of the Limited Partner's Capital Contribution to the Partnership is returned to him in violation of the terms of this Partnership Agreement, such Limited Partner will be liable to the Partnership for a period of six years thereafter for the amount of the Capital Contribution wrongfully returned to such Limited Partner. Partnership creditors shall have no right to look to and are hereby notified that they may not look to the personal estate of the Limited Partner for satisfaction of a Partnership debt.

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(b) Management. The Limited Partner shall not participate in the management or control of the Partnership's business, nor shall he transact any business for the Partnership, nor shall he have any right or authority to act for or bind the Partnership in any manner whatsoever. Except as may be otherwise provided herein, the Limited Partner shall not have the right to vote on any matter concerning the management and affairs of the Partnership.

(c) Rights of Limited Partner. The Limited Partner shall have the following rights, powers, privileges, duties and liabilities:

(i) The Limited Partner shall be entitled to such reports as are set forth in paragraph 8 of this Partnership Agreement and shall have the right to obtain from the General Partner upon reasonable demand other information regarding the affairs of the Partnership as is just and reasonable;

(ii) The Limited Partner shall receive from the Partnership any distributions of Cash Flow and Sale or Refinancing Proceeds provided for in this Partnership Agreement. No Partner has any priority over the other Partner with respect to any such distribution.

(iii) The Limited Partner shall not have the right to demand the return of his Capital Contribution except as provided in paragraph 18 hereof. The Limited Partner shall not have the right to demand and receive property other than cash for his Capital Contribution or to bring an action for partition against the Partnership.

(iv) The Limited Partner or his duly authorized representatives shall be entitled, at reasonable times and at the office designated in subparagraph 2(a) above to inspect and copy, at his expense, the records required to be maintained by the General Partner pursuant to subparagraph 8(a) above.

10. Management of the Partnership; Powers and Duties of the General Partner.

(a) Management. The General Partner shall be responsible for the management of the Partnership business with all rights and powers generally conferred by law or necessary, advisable, or consistent in connection therewith, and any action taken by the General Partner shall constitute the act of and serve to bind the Partnership. In dealing with the General Partner acting

on behalf of the Partnership, no person shall be required to inquire into the authority of such Partner or such individual to bind the Partnership. Persons dealing with the Partnership are entitled to rely conclusively on the power and authority of the General Partner as set forth in this Partnership Agreement.

(b) Powers of the General Partner. Subject to the provisions of subparagraph (c) below, in addition to any other rights and powers which the General Partner may possess by virtue of this Partnership Agreement or specifically granted by law, the General Partner shall have all specific rights and powers required or appropriate to the management of the Partnership business, which shall include, but not be limited to, the following rights and powers on behalf of the Partnership:

(i) To acquire by purchase, lease, or exchange or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership, including, but not limited to, the acquisition of the Property as contemplated by subparagraph 3(a) above;

(ii) To operate, maintain, finance, improve, own, grant options with respect to, sell, convey, assign, mortgage, exchange or lease the Property or any portion thereof and to cause to have constructed any improvements contemplated under subparagraph 3(b) above and such other alterations, additions and improvements thereon as may be convenient or incidental to the accomplishment of the purposes of the Partnership;

(iii) To borrow money and issue evidences of indebtedness necessary, convenient or incidental to the accomplishment of the purposes of the Partnership, including any borrowing that may be deemed to have been incurred by the Partnership in connection with the acquisition of the Property subject to existing financing and/or the assumption of such existing financing in connection therewith, and to secure the same by mortgage, pledge or other lien on the Property or other assets of the Partnership, all of the foregoing on such terms as the General Partner deems to be in the best interest of the Partnership;

(iv) To execute in furtherance of the purposes of the Partnership any deed, mortgage, mortgage note, bill of sale, contract or other instrument purporting to convey, exchange or encumber real or personal property of the Partnership;

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(v) To prepay in whole or in part, refinance, recast, increase, modify or extend any indebtedness of the Partnership whether or not secured by mortgages affecting the Property and in connection therewith to execute any extensions or renewals on notes and mortgages on the Property;

(vi) To acquire or enter into any contract of insurance which the General Partner deems necessary and proper for the protection of the Partnership, for the conservation of its assets, or for any purpose convenient or beneficial to the Partnership;

(vii) To employ, engage or contract with persons in the operation and management of the Partnership business, including, but not limited to, supervisory managing agents, building management agents, insurance brokers, real estate brokers and loan brokers, accountants, and attorneys, on such terms and for such compensation as the General Partner shall determine;

(viii) To perform, or to engage other persons to perform any of the foregoing functions.

(c) Limitations of Authority. The General Partner shall have all of the rights and powers and be subject to all of the restrictions and liabilities of a partner in a partnership without limited partners, except as such rights and powers are restricted pursuant to this Partnership Agreement, and in particular, the General Partner has no authority to:

(i) Do any act in contravention of this Partnership Agreement;

(ii) Do any act which would make it impossible to carry on the ordinary business of the Partnership other than a sale of the Property;

(iii) Confess a judgment against the Partnership;

(iv) Possess Partnership property or assign the rights of the Partnership and specific Partnership property for other than a Partnership purpose;

(v) Admit a person as a General Partner except as otherwise provided in this Partnership Agreement;

(vi) Admit a person as a Limited Partner except as otherwise provided in this Partnership Agreement;

(vii) Perform any act that would subject any Limited Partner to liability as a general partner in any jurisdiction;

(viii) Sell or exchange substantially all of the Property of the Partnership at a single sale or exchange which takes place at one time or from time to time or in multiple sales at one time, without the prior approval of a Majority in Interest of the Partners.

(d) Competition. The General Partner may form other partnerships and may engage in other forms of real estate syndications and real estate investment trusts. Any of the Partners, or any shareholder, officer, director, employee, partner, or other person holding a legal or beneficial interest in an entity which is a Partner, may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property; and neither the Partnership nor the Partners shall have any right by virtue of the Partnership Agreement in and to such independent ventures or to the income or profits derived therefrom.

11. Amendment of the Partnership Agreement.

(a) Right to Amend. Subject to the provisions of subparagraph (b) below, the Partnership Agreement may only be amended by adoption of an amendment hereto by the unanimous written consent of the Partners.

(b) Certain Amendments Required by Law. Notwithstanding any other provision of this paragraph 11, appropriate amendments to the Partnership Agreement may be made by the General Partner with respect to the following: (a) the admission of a substituted Limited Partner in accordance with paragraph 15 hereof; (b) the withdrawal of a General Partner under paragraph 13 hereof; (c) change in the name of the Partnership; or (d) change in the name or address of a Partner designated in paragraph 5 hereof. Such amendments shall not require the approval of the Limited Partners.

(c) Effectiveness of Amendments. As soon as possible after the adoption of an amendment, but no later than thirty (30) days thereafter, the General Partner shall execute, acknowledge, record, and if required, file such amendments and any other required certificates, amended certificates or other documents with the Judge of Probate of Shelby County, Alabama and the appropriate offices in each state in which the Partnership is



qualified. The Certificate of Amendment to be filed with the Judge of Probate of Shelby County, Alabama, shall also be executed by each person who is designated therein as a substituted or additional Partner or whose capital contribution is described as having been modified; provided that a General Partner may execute any such certificate on behalf of such persons pursuant to a power of attorney specifically describing such admission or change in capital contribution. Such amendment shall become effective when the Certificate of Amendment is filed in the Office of the Judge of Probate of Shelby County, Alabama.

12. Transfer of Partnership Interest.

(a) Restriction on Transfer. A Partner may not sell, assign, transfer or otherwise dispose of or pledge, hypothecate or in any manner encumber his interest in the Partnership or any part thereof without complying with the provisions of subparagraphs (b) below, and paragraphs 13, 14, 15 and 16 of this Partnership Agreement, and any act in contravention of this Partnership Agreement shall be null and void as against the Partnership.

(b) First Refusal. If at any time a Partner (the "Selling Partner") shall receive a bona fide offer to purchase all or any part of his interest in the Partnership (herein referred to in this paragraph only as the "Offer"), and the Selling Partner desires to accept said Offer, the Selling Partner shall have no right to sell his interest in the Partnership without first giving written notice to the other Partners of his desire to sell such interest. The notice shall contain the name of the proposed purchaser and the price and the terms of payment for the interest in the Partnership subject to the Offer and shall constitute an offer by the Selling Partner to sell all such interest in the Partnership to the other Partners at a price and on the terms and conditions of the Offer. Each of the other Partners shall have the right to purchase a proportionate share of the interest of the Selling Partner which is subject to the Offer, which proportionate share shall be determined according to that Partner's percentage interest in the capital of the Partnership, as determined by subparagraphs 6(a) and 6(b) hereof. Should any Partner other than the Selling Partner not desire to purchase his proportionate share of the Selling Partner's interest, then each Partner which intends to purchase his proportionate share of such interest (the "Purchasing Partner") may purchase his proportionate share of the unsold percentage of the Selling Partner's Partnership Interest, until all of the Selling Partner's Partnership Interest is sold. Each Purchasing Partner may exercise his rights under this paragraph by delivering written notice of acceptance within thirty (30) days

of his receipt of Selling Partner's notification of the Offer. The closing of the purchase by Purchasing Partners of Selling Partner's interest shall take place at the offices of the General Partner of the Partnership within sixty (60) days after the receipt by Selling Partner of the written notices of acceptance by the Purchasing Partners. Should the Purchasing Partners decline to purchase any portion of Selling Partner's Partnership Interest, such portion may be sold to that person named in the offer as the prospective purchaser, but only in accordance with those terms and conditions specified in paragraphs 13, 14, 15 and 16 hereof.

13. Withdrawal of the General Partner.

(a) Events of Withdrawal. A General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any of the following events with respect to such General Partner:

(i) The assignment of all of the interest of the General Partner as provided in subparagraph (c) below;

(ii) In the case of the General Partner who is a natural person, the death of such General Partner or the entry of a judgment by a court of competent jurisdiction adjudicating such General Partner to be incompetent to manage his personal estate;

(iii) In the case of a General Partner acting as General Partner by virtue of being a trustee of a trust, the termination of such trust (but not merely the substitution of a new trustee);

(iv) In the case of a General Partner which is a partnership, the dissolution and winding up of the affairs of such separate partnership;

(v) In the case of a General Partner which is a corporation, the filing of a certificate of dissolution, or its equivalent for the corporation or the revocation of its charter;

(vi) In the case of a General Partner which is an estate, the distribution by the fiduciary of the estate's entire interest in the Partnership;

(vii) The General Partner makes an assignment for the benefit of creditors; files a voluntary petition in bankruptcy; is adjudicated a bankrupt or insolvent or is

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subject of an order for relief under the bankruptcy laws; files an answer or petition seeking for itself any reorganization, arrangement, or similar relief under any statute, law or regulation; files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature; or seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of all or any substantial part of its property; or

(viii) Such General Partner fails, within one hundred twenty (120) days after commencement, to cause the dismissal of any proceeding to attach or charge his Partnership interest or seeking reorganization, arrangement, composition, readjustment, or liquidation, dissolution, or similar relief under any statute, law or regulation; or if within ninety (90) days after a court order attaching or charging his Partnership interest or appointing without his consent or acquiescence, a trustee, receiver or liquidator of such General Partner, the order or appointment is not vacated or stayed, or within ninety (90) days after the expiration of such stay, the order or appointment is not vacated.

(b) Restriction on Withdrawal of the General Partner. Except as provided in subparagraph (a) above, the General Partner may not voluntarily or involuntarily withdraw from the Partnership without the unanimous approval of the Partners.

(c) Substitution or Addition of a General Partner.

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(i) Subject to the provisions of subparagraph 12(b) above, the General Partner, or the legal representative, successor or heirs of the General Partner, may designate a person(s) to become a substitute General Partner(s) with such partnership interest as may be agreed on by the General Partner and the designated person(s). Any person so designated shall, subject to the consent of any remaining General Partner and the consent of 100% of the Limited Partners, and upon acceptance of the terms of this Partnership Agreement, become a substitute General Partner with respect to such Partnership interest as may be agreed upon.

(ii) Until the consent to the admission of a substitute General Partner required by subparagraph (i) is received from the other General Partner(s) and the Limited Partners, any person who acquires, in any manner whatsoever, all or any portion of the interest of a General Partner

shall be subject to the terms and conditions of this Partnership Agreement and shall hold such interest as an assignee of a Partnership interest who has not been admitted to the Partnership as a substituted Partner. Such person shall have no right or power as a General Partner, nor as a Partner, to consent, approve, vote or in any manner participate in the affairs of the Limited Partnership except a right to distribution of profit, loss, gains and distributions otherwise allocable to the portion of such interest previously held by the General Partner.

(d) Continuation of the Partnership Business.

(i) In the event of the withdrawal of the General Partner, the remaining General Partner or Partners, if any, shall immediately send notice of such withdrawal to each Limited Partner. In such event, the General Partner hereby covenants and agrees, unless there is no remaining General Partner or substitute General Partner, to elect to continue the business of the Partnership for the balance of the term specified in paragraph 4 above.

(ii) In the event of the withdrawal of the General Partner (as defined in subparagraph (a) above), the General Partner shall use its best efforts to propose for admission, in the manner set forth in subparagraph (c) above, a substitute general partner or partners. The General Partner hereby covenants and agrees at the time of its withdrawal to transfer to such substitute General Partner its interest as General Partner, such transfer to be made in consideration of the payment by the substitute general partner to the transferring General Partner of the purchase price of its interest as herein determined. The purchase price for the interest of the withdrawing General Partner shall be the agreed or market value of such interest. The market value shall be determined in accordance with the following procedure. The withdrawing General Partner and the new General Partner shall each select a qualified independent appraiser who shall agree on the market value of the interest. If the appraisers are unable to agree, they shall select a third appraiser and the market value shall be determined by using the average of the values of the two appraisers whose appraisals have the lesser difference in amount. The purchase price shall be paid in cash on or before sixty days from the date of determination of the price.

(e) Liability of Withdrawing General Partner. In the event that the General Partner withdraws from the Partnership in

violation of subparagraph (b) above, such withdrawal shall not release such General Partner from any liability to the Partnership or any other Partner and such withdrawal shall constitute and be deemed to be a violation of and default under this Partnership Agreement and the Partnership and Partners shall be entitled to recover from such General Partner any and all losses, liability, costs, expenses or damages of any nature whatsoever incurred or sustained by the Partnership or any other Partner or Partners as a result thereof. The Partnership may offset the damages against the amounts, if any, otherwise or thereafter distributable to such General Partner in any capacity or to anyone else claiming through or under such General Partner or regarding amounts relating to or arising from or through such General Partner's interest in the Partnership. A withdrawing General Partner, however, shall not incur any obligation or liability on account of the business of the Partnership or the activities of the General Partner conducted after its withdrawal.

14. Assignment of Limited Partner Interests.

BOOK 033 PAGE 718 (a) Subject to the provisions of paragraph 12(b) above, a Limited Partner shall have the right to sell, assign, convey or exchange the whole or any portion of his interest in the Partnership by a written assignment, the terms of which are not in contravention of the provisions of this Partnership Agreement which assignment has been duly executed by the assignor and the assignee and received by the General Partner and recorded on the books of the Partnership, subject to the requirements of the Act; provided, however, any such assignment shall have prior written approval of the General Partner and such approval shall be at the sole and absolute discretion of such General Partner. The General Partner may require, as a condition to its approval for any such assignment, an opinion of legal counsel satisfactory to the General Partner along with other evidence satisfactory to the General Partner that such assignment is not in violation of the registration requirements of the federal and applicable state securities laws; that the assignment shall not cause the Partnership to be terminated under Section 708 of the Code; that such assignment will not cause the Partnership to be classified as an association and not as a partnership under the Code and that such assignment is not to a person who is a minor or suffering from a legal disability.

(b) An assignee of a Limited Partner is an individual or legal entity who has not become a substituted Limited Partner and as an assignee has no right to acquire any information or account of the Partnership's transactions or to inspect the Partnership's books, but only shall be entitled to receive the share of profits or other compensation by way of income or the return

of Capital Contributions to which his assignor would otherwise be entitled as set forth in subparagraph (f) below. An assignee shall not become a substituted limited partner except as provided in paragraph 15 of this Partnership Agreement.

(c) An assignee of a Limited Partner's interest in the Partnership shall be entitled to receive distributions of cash or other property from the Partnership attributable to the interest acquired by reason of such assignment as the record holder from and after the effective date of assignment. The Capital Account of an assignee of a Limited Partner's interest shall be that of the assigning Limited Partner. The effective date of an assignment of a Partnership interest as used in this paragraph shall be the last day of the month of receipt and approval of the written instrument of assignment by the General Partner and recording on the books of the Partnership. An assignment by a Limited Partner shall not release the assignor from his liability to the Partnership.

(d) The net profits and net losses attributable to the Partnership interest acquired by reason of such assignment shall be divided among and allocated between the assignor and assignee of such interest as of the effective date of the assignment of such interest and in accordance with subparagraph (f) below.

(e) Anything herein to the contrary notwithstanding, both the Partnership and the General Partner shall be entitled to treat the assignor of such interest as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to him, until the effective date of assignment.

(f) The division and allocation of net profits and net losses attributable to the Partnership interest which is the subject of such assignment between assignor and assignee during any fiscal year of the Partnership shall be based, to the extent determinable, upon the date or dates during such fiscal year on which income was earned or losses were incurred by the Partnership; to the extent that such division is not determinable the division and allocation shall be made pro rata based on the number of days during the fiscal year that each the assignor and assignee owned the interest.

15. Substitution of a Limited Partner.

(a) A substituted Limited Partner is a person admitted to all the rights of a Limited Partner. No assignee of the whole or any portion of a Limited Partner's interest in the Partnership



shall have the right to become a substituted Limited Partner in place of his assignor unless all of the following conditions are satisfied:

(i) The written consent of the General Partner to such substitution shall be obtained, the granting or denial of which shall be within the sole and absolute discretion of the General Partner.

(ii) The assignor and assignee execute and acknowledge a written instrument of assignment which sets forth the intention of the assignor that the assignee become a substituted Limited Partner in his place, and files such instrument with the General Partner.

(iii) The assignor and assignee execute and acknowledge such other instruments as the General Partner may deem necessary or desirable to effect such admission, including the written acceptance and adoption by the assignee of the provisions of this Partnership Agreement.

(iv) A transfer fee has been paid to the Partnership which is sufficient to cover all reasonable expenses connected with such assignment and substitution.

(b) The General Partner may elect to treat an assignee who has not become a substituted Limited Partner as a substituted Limited Partner in the place of his assignor should the General Partner deem in its sole discretion that such treatment is in the best interest of the Partnership for any of its purposes or for any of the purposes of this Partnership Agreement.

(c) Upon the death or legal incompetency of an individual Limited Partner, his personal representative shall have all of the rights of the Limited Partner for the purpose of settling or managing his estate, and such power as the decedent or incompetent possessed to constitute a successor as an assignee of its interest in the Partnership and to join with such assignee in making application to substitute such assignee as a Limited Partner.

(d) Upon the bankruptcy, insolvency, dissolution or other cessation to exist as a legal entity of a Limited Partner not an individual, the authorized representative of such entity shall have all of the rights of a Limited Partner for the purpose of perfecting an orderly winding up and disposition of the business of such entity and such power as such entity possessed to constitute a successor as an assignee of its interest in the Partnership and to join in with such assignee on making application to substitute such assignee as a Limited Partner.



16. Partnership Liability.

(a) Liability of Limited Partners. Except as provided herein, no Limited Partner shall be liable (i) to Partnership creditors as a General Partner unless in addition to the exercise of his rights and powers as a Limited Partner, he takes part in the control of the Partnership's business; or (ii) to the Partnership or to the General Partner unless a liability of the Partnership or of the General Partner, as the case may be, is founded upon the unauthorized activity of such Limited Partner in attempting to take part in the control of the Partnership's business.

(b) Payment of Partnership Liabilities. The General Partner is hereby authorized to prosecute, defend, settle or compromise actions or claims by or against the Partnership at the Partnership's expense, as may be necessary or appropriate to enforce or protect the Partnership's interest. The General Partner shall satisfy any judgment, decree or decision of any court, board or authority having jurisdiction or any settlement of any suit or claim prior to the judgment or final decision thereon, first, out of any insurance proceeds available therefor, next out of Partnership assets, and finally out of assets and income of the General Partner, if required.

(c) Indemnification of the General Partner. Except in the case of gross negligence or willful misconduct, the General Partner shall not be liable, responsible, or accountable in damages or otherwise to the Partners for any act or failure to act which may cause or result in loss or damage to the Partnership, if done pursuant to the advice of legal counsel employed by the General Partner on behalf of the Partnership or if done in good faith to promote the best interest of the Partnership. The General Partner or any Partnership employee or agent shall be entitled to be indemnified by the Partnership solely from the assets of the Partnership or as an expense of the Partnership against any loss or threat of loss, as a result of any claim or legal proceeding relating to the performance or non-performance of any act concerning the activities of the Partnership, except in the case where a General Partner is guilty of bad faith, gross negligence, or willful misconduct. The indemnification authorized by this subparagraph shall include the payment of reasonable attorneys' fees and other expenses incurred in settling or defending any claims, threatened action, or finally adjudicated legal proceedings.

(d) No Liability for Return of Capital. The General Partner shall not be personally liable for the return of all or any part of the Capital Contributions of the Limited Partners.

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17. Termination and Dissolution.

(a) Terminating Events. The Partnership shall be dissolved and its affairs shall be wound up upon the happening of the first to occur of the following:

(i) The disposition for cash of all of its interest or substantially all of its interest in the Property;

(ii) The arrival of the year 2025;

(iii) The written consent of all Partners;

(iv) The withdrawal of the sole General Partner under subparagraph 13(a) above and the failure of the Limited Partners to elect to continue the business of the Partnership under subparagraph 13(c) above within ninety (90) days from the withdrawal of the sole General Partner;

(v) The Partnership becomes insolvent or bankrupt; or

(vi) The entry of a decree of judicial dissolution by a court of competent jurisdiction.

(b) Winding Up of the Affairs of the Partnership. Upon the happening of any event causing dissolution of the Partnership under subparagraph (a) above, a statement shall be prepared under the direction of the General Partner or the liquidating partner designated by a Majority in Interest of the Limited Partners, as the case may be, setting forth the assets and liabilities of the Partnership, and a copy of such statement shall be furnished to all Partners within 30 days after such event causing dissolution of the Partnership. The General Partner or the liquidating partner, as the case may be, shall promptly take such action as is necessary so that the Partnership's business shall be terminated, its liabilities discharged, and its assets distributed as hereinafter described. A reasonable period of time shall be allowed for the orderly termination of the Partnership's business, the discharge of its liabilities, and the distribution of its remaining assets so as to enable the Partnership to minimize the normal losses incurred in the liquidation process.

(c) Terminating Distributions. Upon the dissolution and winding up of the Partnership, the assets of the Partnership shall be sold and any gain or loss resulting therefrom shall be allocated among the Partners in accordance with the provisions of

paragraph 7 above. Any resulting proceeds of the Partnership shall be distributed in the following order of priority in lieu of the order provided for in Section 804 of the Act [Section 10-9A-143 Code of Alabama, 1975]:

(i) To the payment of debts and liabilities of the Partnership (except for any loans or advances that may have been made by the Partners to the Partnership in accordance with the terms of this Partnership Agreement) and expenses of litigation;

(ii) To the setting up of any reserves which the General Partner or liquidating partner, as the case may be, may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership or of the Partners arising out of or in connection with the Partnership; and

(iii) To the Partners in the manner provided for the distribution of the Sale or Refinancing Proceeds as provided in subparagraph 7(e) above.

18. Notice. All notices, except for reports to be provided to Limited Partners under paragraph 8 hereof, under the Partnership Agreement shall be in writing and shall be given to the Partner entitled thereto by personal service or by mailing the same by Certified or Registered Mail, return receipt requested, postage prepaid, to the address set forth in this Partnership Agreement or at such other addresses as any such Partner may specify in writing; except that notices to an executor, administrator, representative, successor or assign of a Partner shall be mailed to such executor, administrator, representative, successor or assign at such address to which notices to such Partner would have been mailed unless the executor, administrator, representative, successor or assign shall have designated a different address in writing. All notices shall be deemed to have been delivered when deposited in the mail as specified in this paragraph; provided that a notice or demand not given as above, if it is in writing, shall be deemed to have been given if and when it is actually received by the Partner to whom it is required or permitted to be given.

19. Applicable Law. This Partnership Agreement and the rights of the parties hereunder shall be governed by the laws of the State of Alabama.

20. Entire Agreement. This writing constitutes the entire agreement of the parties and supersedes any prior understandings or agreements among the parties with respect to the subject

matter. There are no representations, arrangements, understandings, or agreements, oral or written among the parties hereto relating to the subject matter of this Partnership Agreement except those fully expressed herein. No changes, alterations, modifications, additions or qualifications to the terms of this Certificate shall be made or be binding unless made as provided in paragraph 11 hereof.

21. Successors in Interest. Except as otherwise provided herein, all provisions of this Partnership Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective heirs, executors, administrators, representatives, successors and assigns of any of the parties to this Agreement.

22. Headings. Section titles or captions contained in this Partnership Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Partnership Agreement or the intent of any of the provisions hereof.

23. Words. Whenever the singular number is used in this Partnership Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders and the word "person" shall include corporation, firm, partnership, or other forms of association as well as individuals.

24. Counterparts. This Partnership Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto set their respective hands and seals as of this the 20th day of June, 1987.

GENERAL PARTNER:

KEY-ROYAL AUTOMOTIVE COMPANY

By: [Signature]  
Its President

ORIGINAL LIMITED PARTNER:

John B. Richardson  
John B. Richardson

STATE OF ALABAMA )  
SHELBY COUNTY )

I, Patricia R. Mize, a Notary Public in and for said County in said State, hereby certify that John B. Richardson, whose name as President of Key-Royal Automotive Company, a Delaware corporation, which is the General Partner hereunder, and as the individual Original Limited Partner hereunder is signed to the foregoing Certificate of Agreement of Limited Partnership, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing Certificate and Agreement of Limited Partnership, he, in his capacity as President of the General Partner and as the individual Original Limited Partner, executed the same voluntarily as of this date.

Given under my hand and official seal of this office this the 30<sup>th</sup> day of June, 1987.

Patricia R. Mize  
Notary Public

My Commission Expires July 23, 1989  
My Commission Expires: \_\_\_\_\_

RECORDING FEES  
Recording Fee \$ 67.50  
Index Fee 1.00  
TOTAL \$ 68.50

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED

1987 JUL -1 PM 3:45

Thomas A. Saunders, Jr.  
JUDGE OF PROBATE

