# CERTIFICATE AND AGREEMENT OF LIMITED PARTNERSHIP

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This certificate and agreement (this "Agreement") of limited partnership is made the date stated below on the signature page hereof between Extended Systems Incorporated, an Idaho Corporation ("General Partner"), and Gary D. Atkins ("Original Limited Partner").

## ARTICLE 1 - THE PARIMERSHIP

- 1.1 Formation of Limited Partnership. The General Partner and the Original Limited Partner have hereby formed a limited partnership (the "Partnership") pursuant to the provisions of Title 53, Chapter 2, Idaho Code, known as the "Idaho Limited Partnership Act" (the "Act"). The terms and provisions hereof will be construed and interpreted to accord with the terms and provisions of the Act, and if any of the terms and provisions of this Agreement should be adjudged inconsistent with those of the Act, the Act will be controlling.
- 1.2 Name. The Partnership will be conducted under the name and style of: EXTENDED SYSTEMS RESEARCH Limited Partnership.
- develop new data storage and retrieval technology, through its own research, joint ventures or other arrangements with other entities, and to exploit such technology. The Partnership will also engage in all such activities and transactions as the General Partner shall deem necessary or advisable for carrying out the foregoing purposes.
- 1.4 Principal Office. The principal office of the business of the Partnership shall be: 6062 Morris Hill Lane, Boise, Idaho 83704. Its mailing address is Box 4937, Boise, Idaho 83711. The office address of the Partnership may be changed to such other place or places as may be determined from time to time by the General Partner by giving written notice of change of address of the principal office of the Partnership to each limited partner.
- 1.5 <u>Registered Agent</u>. The name and address of the Partnership's registered agent for service of process on the Partnership is Gary D. Atkins, 606 Stillwell Drive, Eagle, Idaho 83616. Mr. Atkins is an individual resident of Idaho.
- 1.6 Term. This Agreement will become effective upon filing with the Idaho Secretary of State in accordance with the Act. The Partnership will continue until December 31, 1990 unless sconer terminated pursuant to any provisions of this Agreement.

#### ARTICLE 2 - CERTAIN DEFINITIONS

- 2.1 "Act" means the Idaho Limited Partnership Act.
- 2.2 "Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with another person or entity.
- 2.3 "Capital Account" means, for each partner, the amount of his initial capital contribution, which amount shall be (i) increased by his additional capital contribution to the Partnership, if any, and his share of Partnership profits allocated under Article 7 and (ii) decreased by cash distributions to him (exclusive of distribution of royalties under Article 6) and his share of Partnership losses or specifically allocated deductions of the Partnership.
- 2.4 "Capital Contribution" means, for each partner, the amount of his initial investment plus additional capital invested in the Partnership.
- 2.5 "General Partner" means Extended Systems Incorporated, an Idaho corporation, the general partner of this partnership.
- 2.6 "Information Engine" means the system which encompasses the data storage and retrieval technology developed under this partnership.
- 2.7 "Limited Partner" means any person who purchases one or more Units and each person who succeeds to the interest of a limited partner in such Units, and shall include the General Partner to the extent that the General Partner purchases or succeeds to the interest of a Limited Partner in one or more Units
- 2.8 "Majority in interest of limited partners" means Limited Partners whose aggregate Capital Contributions exceed fifty percent (50%) of the aggregate Capital Contributions of all Limited Partners who may vote.
- 2.9 "Partners" means the General Partner and the Limited Partners.
- 2.10 "Partnership" means EXTENDED SYSTEMS RESEARCH Limited Partnership, this Idaho limited partnership.
- 2.11 "Partnership Agreement" or "Agreement" means this Cartificate and Agreement of Limited Partnership as it may be amended from time to time.
- 2.12 "Royalty" means all sums earned by the Partnership for the license of an Information Engine, exclusive of sums received from the sale of any technology, patent or patent application.
- 2.13 "Unit" means one of the 200 limited partnership interests in this partnership.

## ARTICLE 3 - NAME AND ADDRESS OF PARINERS

- 3.1 <u>General Partner</u>. The name of the general partner is Extended Systems <u>Incorporated</u>, an Idaho corporation. Its address and principal place of business is set forth below its signature hereto.
- 3.2 <u>Original Limited Partner</u>. Gary D. Atkins is the Original Limited Partner. His address is set forth below his signature hereto.
- 3.3 Additional Limited Partners. The names and addresses of any additional Limited Partner will be set forth by amendment hereto.

## ARTICLE 4 - PURPOSE AND POWERS OF THE PARTMERSHIP

The purposes of the Partnership are as set forth in Section 1.3 hereof. In accomplishing and carrying out such purposes, the Partnership is authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to, or convenient for, the furtherance and accomplishment of its purposes, and for the protection and benefit of the Partnership, including but not limited to the following:

- 4.1 <u>Personnel</u>. Employ such personnel and establish and designate their duties, responsibilities, authority and titles as the General Partner deems advisable in the course of the Partnership's operations under this Agreement.
- 4.2 <u>Professional Services</u>. Obtain such legal, accounting and other professional services and advice as the General Partner deems advisable in the course of the Partnership's operations under this Agreement.
- 4.3 <u>Borrowing</u>. Borrow money and issue evidences of indebtedness and secure any such indebtedness by pledge or other lien, as shall be necessary or appropriate for the conduct of the Partnership business.
- 4.4 <u>Agreements</u>. Negotiate for and conclude agreements for manufacture, marketing, joint venture, licensing, research and development, purchase option, royalty, sale, exchange and all other agreements in the interest, operation and optimization of the Partnership's business.
- 4.5 <u>Acquisition and Disposition of Property</u>. Purchase, acquire, sell, lease, rent, exchange, hold and otherwise deal with real and personal property, both tangible and intangible, of all kinds and nature, located anywhere in the world.

## ARTICLE 5 - CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS; LOANS; ADDITIONAL PARTNERS; RIGHTS OF CREDITORS

- 5.1 <u>General Partner</u>. The General Partner has contributed \$1,000 cash to the Partnership's capital. The General Partner will contribute additional capital equal to 1.1% of the capital contributed by Limited Partners.
- 5.2 <u>Original Limited Partner</u>. The Original Limited Partner has contributed \$100 to the Partnership. The interest of the Original Limited Partner shall terminate upon the admission of additional Limited Partners, and the Original Limited Partner's \$100 contribution shall then be returned to him.
- 5.3 Additional Limited Partners. The capital contribution of Limited Partners shall be \$10,000 per unit of limited partnership interest, with a maximum of 200 units and \$2,000,000, payable in cash at the time of subscription. The Units will be numbered 1 through 200 in the sequence that they are subscribed and paid for. At the date of execution of this Agreement there are no additional Limited Partners. The number of Units, capital contribution, name and address of each additional Limited Partner will be set forth on a schedule included with amendments to this Agreement.
- 5.4 <u>Capital Account</u>. There shall be established for each Partner a Capital Account in the amount of his initial capital contribution, which Capital Account shall be increased by (i) his additional capital contributions to the Partnership, if any, and (ii) his share of partnership profit, and decreased by (a) cash distributions to him, and (b) his share of partnership losses or specially allocated deductions of the Partnership.
- 5.5 Loans to the Partnership. The amount of a loan, if any, made to the Partnership by a Partner shall not be considered an increase in such Partner's capital contribution or otherwise constitute a contribution to the Partnership nor shall the making of such loan entitle such Partner to an increased share of the profits, royalties, losses or distributions to be made pursuant to the provisions of this Agreement. Loans made to the Partnership shall bear such interest as shall be agreed upon by the General Partner and the person making such loan. In the event the General Partner or its Affiliates makes loans to the Partnership, they may not receive interest in excess of the lesser of their interest charges or that which may be charged by unrelated lending institutions on comparable loans for the same purpose. In no event shall the Partnership make loans to the General Partner or its Affiliates.

- 5.6 Admission of Limited Partners. The Partnership is offering the Units in a private offering. The Partnership will set forth in the disclosure documents for such offering the minimum number of Units to be subscribed for. When such minimum is subscribed, and when the Partnership accepts such minimum, the Partnership will admit the subscribers as Limited Partners and file an appropriate amendment to this Agreement setting forth the new Limited Partners. The effective date of the limited partnership interest shall be the date the additional Limited Partner pays his initial contribution to the Partnership. Thereafter the Partnership may continue the private offering and admit additional subscribers as Limited Partners, all as set forth in the disclosure documents.
- 5.7 <u>Additional Capital Contributions Not Required</u>. Except through additional subscription agreements, no Limited Partner shall be required to make any additional capital contribution.
- 5.8 No Interest on Capital. No interest shall be paid on contributions to the capital of the Partnership or on any Partner's Capital Account or Royalty Payable Account.
- 5.9 <u>No Withdrawal of Capital</u>. No Partner shall have the right to withdraw such Partner's Capital Contribution or withdraw funds from his Capital Account.
- 5.10 No Voluntary Capital Contribution. No Partner shall have the right to make voluntary contributions to the Capital of the Partnership without the consent of the General Partner.
- 5.11 <u>Creditors</u>. No creditor who makes a nonrecourse loan to the Partnership shall have or acquire, at any time as a result of making the loan, any direct or indirect interests in the profits, capital or property of the Partnership other than as a secured creditor.

#### ARTICLE 6 - ROYALTIES

- 6.1 Allocation of Royalties. Royalties will be allocated to the General and Limited Partners as provided in this Article 6 as a part of the computation and allocation of profits and losses under the following Article 7. The Partnership will develop new data storage and retrieval technology and market the same as "Information Engines", as the same is defined in Section 3.6. The General and Limited Partners shall be entitled to royalties on each Information Engine shipped by the Partnership or any licensee of technology devaloped by the Partnership. The Partnership may enter into licensee agreements with the General Partner or others whereby the licensee will acquire the rights to manufacture, market, and modify all technology of the Information Engine. The General and each Limited Partner of record on the last day of each calendar month shall be entitled to royalties on all Information Engines shipped during that month. The royalties of the General and each Limited Partner shall be calculated at the end of each month and allocated to him by adding the amount thereof to his Royalty Payable Account.
- 6.2 <u>Calculation of Royalties</u>. The royalties of the Limited Partners and the General Partner shall be calculated on the total number of Information Engines shipped during each month in accordance with the following formulas:
- (a) Each Limited Partnership Unit Numbered 1 through 50 shall be entitled to \$1.50 for each Information Engine shipped.
- (b) Each Limited Partnership Unit Numbered 51 through 100 shall be entitled to \$1.30 for each Information Engine shipped.
- (c) Each Limited Partnership Unit Numbered 101 through 150 shall be entitled to \$1.10 for each Information Engine shipped.
- (d) Each Limited Partnership Unit Numbered 151 through 200 shall be entitled to \$.90 for each Information Engine shipped.
- (e) The General Partner shall be entitled to \$10.00 for each Information Engine shipped.
- 6.3 <u>Distribution of Royalties</u>. The Partnership shall distribute all royalties credited to the Royalty Payable Account in cash to the General and Limited Partners entitled thereto by April 1 of the calendar year following the year in which the royalties were credited. Upon the payment of such royalties the amount shall be deducted from the Royalty Payable Account of each respective Partner.
- 6.4 Royalties To Be Considered as Profit Allocation. The Royalties allocated to Partners under Section 6.1 shall be considered an allocation of income for purposes of Section 7.2, and the Royalty Payable Account shall be accounted for as part of a Partner's undistributed partnership capital.

#### ARTICLE 7 - PROFIT; LOSSES; DISTRIBUTIONS

- 7.1 <u>Profits and Losses</u>. The "profits" and "losses" of the Partnership shall mean (during each accounting period of the Partnership) the net profits and net losses of the Partnership as determined on the Partnership's basis of accounting for federal tax purposes;
- 7.2 <u>Allocations of Profits and Losses</u>. The profits and losses of the Partnership and all items of income, gain, loss, deduction or credit which enter into the computation thereof shall be allocated as follows:
- (a) Income of the Partnership from the license of Information Engines shall first be allocated to the Partners as a Royalties as provided in Article 6 of this Agreement.
- (b) All other income of the Partnership in excess of the amount allocated as Royalties under Article 6, and all deductions, expenses, gains, losses or credits shall be allocated 98.9% to the Limited Partners in proportion to their Capital Contribution and 1.1% to the General Partner. Profit or loss allocated under this Article 7.2 (b) shall be added to or deducted from the Capital Account of each Partner.
- (c) The foregoing provision is subject to the qualification that if at any time all Limited Partners' Capital Account are exhausted, further excess losses during any month shall be allocated entirely to the General Partner's Capital Account but the General Partners Capital Account shall be credited with subsequent Partnership profits (exclusive of Royalties allocable to the Royalties Payable Account under Article 6) which would otherwise be allocable to the Limited Partner whose Capital Account has been enhausted until the General Partner's Capital Account has been reimbursed for such excess losses. The foregoing provision is subject to the additional qualification that if at any time a Limited Partner's Capital Account has been exhausted, any further losses or deductions otherwise allocable to such Limited Partners shall be reallocated to the Limited Partners whose Capital Accounts have not been exhausted in proportionate to the Capital Contributions of the other Limited Partners. It is the intent of the foregoing to limit losses and deductions allocable to a Limited Partner to his Capital Contribution, and losses and deductions in excess of the Capital Contribution shall not create a deficit in any Limited Partner's Capital Account.

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- (d) In any month during which there is a change in each Partners' distributive share of any item of income (including Royalties) gain, loss, deduction or credit because of the addition of a Limited Partner or the assignment of a Limited Partner's interest, if the change in Partners' distributive share occurs during the first 15 days of the month such change shall be deemed to have occurred on the first day of the month of change, and if the change occurs after the 15th day of the month such change shall be deemed to have occurred on the first day of the month following the month of change. This provision shall only apply to changes due to the admission of a Limited Partner or the assignment of a limited partnership interest, and shall not apply to changes in distributive share which result from the application of the provisions of Section 7.2 (c).
- (e) Notwithstanding any other provisions of this Agreement, at least 1.1% of each item of partnership income, gain, loss, deduction and credit shall be allocated to the General Partner.
- 7.3 Assignment of Limited Partner Interest. In the event of an assignment of an interest in the Partnership by a Limited Partner all allocations under Article 6 or this Article 7 shall be apportioned between the assignor and the assignee as provided in Section 7.2 (d), and as measured by the effective date of the assignment, as provided in Section 14.8.
- 7.4 Contingency Reserves. The General Partner shall have the right to set up such reserves and to set aside partnership funds therein as the General Partner in its discretion determines to be reasonable in connection with the operation of the Partnership's business, including sums the General Partner deems necessary to reserve for future payment or reduction of obligations of the Partnership.
- 7.5 Cash Distributions to Partners. The Partnership shall distribute to the Partners such distributions of cash as the General Partner deems available for distribution, after taking into consideration the business needs of the Partnership, including reserves as described in Section 7.4 in the same proportion that profits and losses are being allocated between the Limited Partners and the General Partner, pursuant to Section 7.2 upon the payment of profits to a Limited Partner, the amount thereof shall be deducted from his Capital Account. Only persons who are Partners according to the books and records of the Partnership shall be entitled to distributions.
- 7.6 <u>Limitation of Liability</u>. Nothing contained in this Article 7 shall be construed as making any Limited Partner liable for any losses of the Partnership.

#### ARTICLE 8 - DEPOSIT AND USE OF PARTNERSHIP FUNDS

Upon formation of the Partnership, all monies received by the Partnership from the Partners shall be deposited in a partnership account or accounts which shall be in such bank or banks as are selected by the General Partner and which shall be maintained in the name of and for the benefit of the Partnership. Thereafter, all revenues, bank loan proceeds and other receipts will be deposited and maintained in such account or accounts and all expenses, costs and similar items will be paid from such accounts by the General Partner for partnership purposes. Until required in the conduct of the partnership's business, partnership funds, including, but not limited to, partners' capital contributions, partnership revenue and proceeds of borrowings by the Partnership, will be maintained on deposit (including time deposits) in such account or accounts, with or without interest, or invested in short-term governmental securities, certificates of deposit, money market funds, bank repurchase agreements or commercial paper as the General Partner, in its sole discretion, deems advisable. Any interest or other income generated by such deposits or investments will be for the Partmership account. Partnership funds from any of the various sources mentioned above may be commingled with other partnership funds, but not with the separate funds of the General Partner, or any other person, partnership or entity, and may be withdrawn, expended and distributed as authorized by the terms and provisions of this Agreement.

#### ARTICLE 9 - LIMITATION OF LIABILITY

Notwithstanding anything contained herein to the contrary, no Limited Partner shall be required to make any contributions of cash (other than the capital contributions specified in Article 5 hereof) or other property to the Partnership; provided, however, that a Limited Partner who has received distributions from the Partnership representing, in whole or in part, a return of his Capital Contribution may be liable to the Partnership or its creditors for an amount up to the amount distributed to the Limited Partner, not in excess of the amount of his Capital Contribution so returned to the extent provided in the Act. No Limited Partner shall be liable to pay any portion of the Capital Contribution of any other Limited Partner.

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#### ARTICLE 10 - REINBURGEMENTS AND ORGANIZATION EXPENSES

- 10.1 Reimbursement of Direct Expenses. The General Partner shall be entitled to prompt reimbursement for all direct expenses borne, incurred or advanced by it for goods and materials used for, by or on behalf of the Partnership. The Partnership shall be billed directly for direct partnership expenses whenever possible.
- 10.2 <u>Organization and Offering Expenses</u>. Organization and offering expenses of the Partnership shall be paid by the Partnership or reimbursed to the General Partner.

#### ARTICLE 11 - GENERAL PARTNER

- 11.1 Powers, Duties and Obligations of the General Partner. Subject to the restrictions otherwise contained in this Agreement, the business and affairs of the Partnership shall be managed and supervised solely by the General Partner. The General Partner shall have all necessary powers to carry out the purposes of the Partnership and, subject to the provisions of Section 11.2 and 11.3, is authorized to enter into agreements with respect to any and all matters pertaining to the business of the Partnership. The General Partner shall devote so much of its time and efforts to the Partnership as it in its sole discretion shall determine provided that the General Partner shall be responsible for the day-to-day conduct of the Partnership's affairs. Nothing contained herein, however, shall prevent the General Partner from engaging in any other business or activity which is not in competition with, or does not create a material conflict of interest with the Partnership. No person in his capacity as a Limited Partner shall take part in the management or supervision of the Partnership, nor shall he have the power to act for or on behalf of the Partnership
- 11.2 <u>Specific Authorities Granted to the General Partner.</u>
  By way of extension of the foregoing, and not in limitation thereof, the General Partner shall, in its sole discretion and without consent of the Limited Partners, have the full right, power and authority, from time to time and at any time, on behalf of the Partnership:
- (a) To open, maintain and close bank accounts and draw checks or otherwise provide for the payment of monies;
- (b) To receive, receipt for and otherwise dispose of and deal in all checks, monies, securities and other property of the Partnership;
- (c) To do any act or execute any document or enter into any contract or agreement of any nature necessary or desirable, in the opinion of the General Partner, for any partnership purpose;
- (d) Subject to the restrictions of Section 11.3 hereof, to borrow or raise monies for any of the purposes of the Partnership, including, without limitation, to draw, make, issue, accept, endorse, execute, sell or otherwise dispose of promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidence of indebtedness, and to mortgage, hypothecate, pledge or credit any security interest in any property of the Partnership;
- (e) To adjust, compromise, settle or refer to arbitration, any claim against or in favor of the Partnership or any nominee, and to institute, prosecute or defend any legal proceedings relating to the business and property of the Partnership;

- (f) To maintain for the conduct of the Partnership affairs one or more offices and do such other acts as the General Partner may deem necessary or advisable in connection with the maintenance or administration of such office or offices;
- (g) If required in the opinion of counsel, to place record title to, or the right to use, partnership assets in the name or names of a nominee or nominees for any purpose convenient or beneficial to the Partnership;
- (h) To purchase from others, at the expense of the Partnership, contracts of liability, casualty and other insurance which the General Partner deems advisable, appropriate or convenient for the protection of the assets or affairs of the Partnership or for any purpose convenient or beneficial to the Partnership;
- (i) To engage independent attorneys, accountants, or such other persons, firms or corporations as the General Partner may deem necessary or advisable and for such compensation as the General Partner may determine;
- (j) To set up and, from time to time increase or decrease, such reserves for partnership losses and liabilities as the General Partner in its sole discretion deems reasonable and necessary;
- (k) To do any and all of the foregoing upon such terms and conditions as the General Partner may deem proper, and to execute, acknowledge and deliver any and all instruments in connection with any or all of the foregoing and to take such further action as the General Partner may deem necessary or advisable in connection with the management and business of the Partnership; and
- (1) Otherwise to carry out its duties, the General Partner shall have, in addition to the powers specifically enumerated above, all rights and powers generally conferred by law or necessary, advisable, or consistent in connection therewith, or in connection with accomplishing the purpose of the Partnership, and may take all actions required to carry out the business of the Partnership.
- (m) To act as the tax matters partner for the Partnership, to represent the Partnership before the Internal Revenue Service and any state taxing authority, and to represent the Partnership in connection with any proceeding or matter involving Partnership tax matters.

- 11.3 <u>Restrictions</u>. The General Partner shall not, without the prior consent of a majority in interest of the Limited Partners, have the power to:
  - (a) Do any act in contravention of this Agreement;
- (b) Except as provided in Article 5 and in Article 14 hereof with respect to substituted partners, admit any additional partners into the Partnership or establish any additional classes of limited partners;
- (c) Perform any act which would impair or make impossible the ordinary conduct of the Partnership business;
  - (d) Confess a judgment against the Partnership;
- (e) File or consent to the filing of a petition under any federal or state bankruptcy, insolvency or reorganization act with respect to the Partnership;
- (f) Possess Partnership property or assign its rights in Partnership property for other than a Partnership purpose;
- (g) Sell, exchange or transfer all or substantially all of the assets of the Partnership;
- (h) Except as provided otherwise in Article 18 amend this Agreement.
  - 11.4 Duties of the General Partner.
- (a) The General Partner shall use reasonable efforts to protect the secrecy of all proprietary rights;
- (b) The General Partner shall promptly take or cause to be taken all action which may be necessary or appropriate for the proper management, maintenance and operation of the Partnership, including, without limitation, bookkeeping, filing of tax returns, purchasing supplies, paying bills, maintaining insurance and the hiring and firing of personnel, promotional and advertising activities, and providing for repairs and replacements if such activities are reasonably determined to be necessary;
- (c) The General Partner shall furnish to the Limited Partners, within 120 days after the end of each year, financial statements for the Partnership prepared on the accrual basis of accounting;
- (d) The General Partner shall also, on or prior to March 15th in each calendar year, furnish each Partner with his Schedule K-1, setting forth taxable income (loss) from the Partnership for the preceding fiscal year, and appropriate state income tax information where applicable. The Partnership shall file with the Internal Revenue Service and all appropriate local taxing authorities such income tax reports as may be required.

## 11.5 Contracts and Arrangements with Affiliates.

- (a) The General Partner may, on behalf of the Partnership, employ such agents, employees, managers, accountants, attorneys, consultants and other persons, including itself, necessary or appropriate to carry out the business and affairs of the Partnership, whether or not any such persons so employed are Affiliates of the General Partner, and the General Partner may pay such fees, expenses, salaries, wages and other compensation to such persons as it shall in its sole discretion determine;
- (b) The General Partner may also, on behalf of the Partnership, enter into contracts for goods or services with itself or with any of its Affiliates. The validity of any transaction, agreement or payment, involving the Partnership and the General Partner or any Affiliate and otherwise permitted by the terms of this Agreement, shall not be affected by reason of (i) the relationship between the Partnership and the General Partner or such Affiliate or (ii) the approval of said transaction, agreement or payment by officers or directors of the General Partner.

## 11.6 Miscellaneous.

- (a) The General Partner shall not be personally liable for the return of any contribution made to the Partnership by a Limited Partner:
- (b) The General Partner shall not be personally liable to the Partnership for any loss suffered by the Partnership in such a loss or liability arising out of any action or inaction of the General Partner, the General Partner made a determination in good faith that such course of conduct was in the best interests of the Partnership, and such course of conduct did not constitute gross megligence or gross misconduct by the General Partner;
- (c) The Partnership shall indemnify and hold the General Partner harmless from any liability or loss suffered by the General Partner solely by virtue of its acting as General Partner for the Partnership in connection with its partnership activities; provided, however, that such indemnification or agreement to hold harmless shall only be recoverable out of the assets of the Partnership and not from the Limited Partners;

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Partnership in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the General Partner to repay such amount without interest if it shall finally be determined that the General Partner is not entitled to be indemnified by the Partnership as authorized herein;

The indemnification provided by this subsection (c) of this Section 11.6 shall not be deemed exclusive of any other rights to which an indemnified party may be entitled under any agreement, vote of Limited Partners, or otherwise, and shall continue as to a person who has ceased to be an indemnified party and shall inure to the benefit of the heirs, executors and administrators of such a person;

- (d) No provision in this Agreement shall operate to limit the liability of the General Partner to creditors of the Partnership, and the General Partner shall be subject to liability to creditors as provided in the Act.
- (e) Persons dealing with the Partnership are entitled to rely conclusively upon the certificate of the General Partner to the effect that it is then acting as the General Partner and has the power and authority of a general partner as herein set forth;
- (f) The General Partner may, from time to time, move the office of the Partnership to such location as the General Partner shall, in his sole discretion, deem best suited for the conduct of the business of the Partnership.

#### ARTICLE 12 - LIMITED PARTNERS

- 12.1 Names and Addresses of Limited Partners. The names and places of residence of the Limited Partners will be set forth in an amendment to this Agreement. The General Partner and Affiliates of the General Partner may purchase Units and thereby become Limited Partners.
- 12.2 No Liability of Limited Partner as a General Partner. No person dealing with the Partnership shall consider a person as a General Partner unless such person has been named as such on the Partnership's Certificate of Limited Partnership (or an amendment thereto).
- 12.3 <u>Authority</u>. No Limited Partner shall take any part in, or interfere in any manner with, the conduct or control of the business of the Partnership and no Limited Partner shall have any right or authority to act for or bind the Partnership. No Limited Partner shall have the right to bring an action for partition against the Partnership, or the right to receive interest on this Capital Account balance or Royalty Payable Account balance.

#### ARTICLE 13 - OTHER BUSINESS

All of the Partners and their officers, directors and employees may engage in, or possess an interest in, other business ventures of every nature and description, independently or with others, whether or not (except with respect to the General Partner) such other enterprises shall be in competition with the Partnership. Neither the Partnership nor any other Partners shall have any right by virtue of the Agreement in and to such independent ventures or to the income or profits derived therefrom.

#### ARTICLE 14 - TRANSFERBILITY OF PARTNERSHIP INTERESTS

Partner shall not sell, assign, transfer, mortgage, charge or otherwise dispose of his interest in the Partnership without the prior consent of a majority in interest of the Limited Partners. Any attempted or purported sale, assignment, transfer, mortgage, charge or other disposition made without such consent shall be automatically void ab initio. No sale, assignment, transfer, mortgage, charge or other disposition made by the General Partner shall in any event release such General Partner from its obligations under this Agreement.

## 14.2 Assignment of Limited Partner's Interest.

- (a) Subject to any restrictions on transferability required by law or contained elsewhere in this Agreement, a Limited Partner may assign in writing his interest in the Partnership, provided all of the conditions of subsections (i) through (v) of this Article 14.2 (a) are complied with.
- (i) The assignee meets all of the requirements applicable to a Limited Partner purchasing Units in the Partnership as set forth in the disclosure documents and consents in writing, in form satisfactory to the General Partner, to be bound by the terms of this Agreement as if he were a Limited Partner.
- (ii) Immediately after the effective date of the assignment (as hereinafter defined), neither the assignee nor the assignor, if the assignor has retained any part of his interest in the Partnership, shall hold an interest in the Partnership that represents a capital contribution to the Partnership that is less than \$10,000.
- (iii) The General Partner consents in writing to the assignment. The General Partner retains the sole authority to grant or withhold its consent to any assignment. Factors which the General Partner will take into account include, but are not limited to, whether such assignment would jeopardize the status of the Partnership as a partnership for federal income tax purposes, would cause a termination of the Partnership under Section 708 of the Internal Revenue Code of 1954 as amended, or would violate, or cause the Partnership to violate, any applicable law or governmental rule or regulation, including (without limitation) any applicable federal or state securities law.
- (iv) If requested by the General Partner, and at the expense of the Partnership, an opinion from counsel for the Partnership is delivered to the General Partner stating that, in the opinion of said counsel, such assignment would not jeopardize the status of the Partnership as a partnership for federal income tax purposes, would not cause a termination of the Partnership under Section 708 of the Internal Revenue Code of 1954, as amended, and would not violate, nor cause the Partnership to violate, any applicable law or governmental rule or regulation, including (without limitation) any applicable federal or state securities law.

- (v) The assignor has paid in full, his Capital Contribution to the Partnership.
- (b) Each Limited Partner agrees that he will, upon request of the General Partner, execute such certificates or other documents and perform such acts as the General Partner deems appropriate after an assignment of interest by that Limited Partner to preserve the limited liability status of the Partnership under the laws of the jurisdictions in which the Partnership is doing business. For purposes of this paragraph, any transfer of an interest in the Partnership, whether any transfer of an interest in the Partnership, whether voluntary or by operation of law, shall be considered an assignment.
- (c) Any purported assignment of an interest in the Partnership which is not made in compliance with this Agreement is hereby declared to the null and void and of no force or effect whatsoever.
- (d) Each Limited Partner agrees that he will, prior to the time the General Partner consents to an assignment of interest by that Limited Partner, pay all reasonable expenses, including attornsys' fees, incurred by the Partnership in connection with such assignment.
- (e) Each of the Limited Partners, by executing this Agreement, hereby covenants and agrees that he will not, in any event, sell or distribute his interest or any portion thereof unless, in the opinion of counsel to the assignee (which counsel and opinion shall be satisfactory to counsel for the General Partner) delivered to the General Partner prior to such assignment, such interest may be legally sold or distributed in compliance with applicable state and federal statues, rules and regulations.
- (f) Anything herein to the contrary notwithstanding, in no event shall an assignment be made to a minor (except in trust or pursuant to the Uniform Gifts to Minors Act) or to an incompetent.
- 14.3 Assignee's Rights. An assignee of any interest of a Limited Partner in the Partnership shall be entitled to receive distributions of cash or other property from the Partnership attributable to such interest after the effective date of the assignment. The effective date of an assignment of an interest of a Limited Partner in the Partnership the purposes of this Agreement shall be the date the assignment is accepted by the General Partner.
- 14.4 <u>Satisfactory Written Assignment Required</u>. Anything herein to the contrary notwithstanding, both the Partnership and the General Partner shall be entitled to treat the Limited Partner who has executed this Agreement by amendment as the absolute owner of the Units subscribed to by such Limited Partner in all respects, and shall incur no liability for distributions of cash made in good faith to him, until such time as a written assignment that conforms to the requirements of this Article 14 has been received by the Partnership and accepted by the General Partner.

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## 14.5 Substituted Limited Partner.

- The General Partner may, but need not, in its sole discretion, permit an assignee or transferee (whether such assignee or transferee has acquired his interest by virtue of a voluntary assignment pursuant to Section 14.2, an involuntary transfer or a transfer by operation of law) of an interest (or a part thereof) of a Limited Partner in the Partnership to be and become a Substituted Limited Partner ("Substituted Limited Partner") in the Partnership entitled to all the rights and benefits under this Agreement of the transferor or assignor of such interest; but no such assignee or transferee shall be or become a Substituted Limited Partner unless and until the General Partner in writing consents to the admission of such person as a Substituted Limited Partner, which consent may be withheld in the absolute discretion of the General Partner. By executing this Agreement, each Limited Partner shall be deemed to have consented to any assignment consented to by the General Partner, and agree that the General Partner may, on behalf of each Partner and on behalf of the Partnership, cause the Certificate of Limited Partnership of the Partnership to be appropriately amended, and filed as so amended, in the event of such admission;
- (b) Each Substituted Limited Partner, as a condition to his admission as a Limited Partner, shall execute and acknowledge such instruments, in form and substance satisfactory to the General Partner, as the General Partner shall deem necessary or desirable to effectuate such admission and to confirm the agreement of the Substituted Limited Partner to be bound by all the terms and provisions of this Agreement with respect to the interest acquired. All reasonable expenses, including attorneys' fees, incurred by the Partnership in this connection shall be borne by such Substituted Limited Partner;
- (c) Any person who acquires an interest of a Limited Partner in the Partnership or is admitted to the Partnership as a Substituted Limited Partner shall be subject to and bound by all the provisions of this Agreement as if originally a party to this Agreement.
- 14.6 Indemnification and Terms of Admission. Each Limited Partner shall indemnify and hold harmless the Partnership, the General Partner and every other Limited Partner who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of or arising from any actual or alleged misrepresentation or misstatement of facts or omission to state facts made (or omitted to be made) by such Limited Partner in connection with any assignment, transfer, encumbrance or other disposition of all or any part of an interest as a Limited Partner in the Partnership, or the admission of a Substituted Limited Partner to the Partnership, against expenses for which the Partnership, the General Partner or any other Limited Partner has not otherwise been reimbursed (including attorneys' fees, judgments, fines and amounts paid in settlement), actually and reasonably incurred by him in connection with such action, suit or proceeding.

- 14.7 <u>Substitution Required for Vote</u>. Unless and until an assignee of an interest as a Limited Partner in the Partnership becomes a Substituted Limited Partner, such assignee shall not be entitled to vote with respect to such interest. In the event a vote of the Limited Partners shall be taken pursuant to this Agreement for any reason, a Limited Partner shall, solely for the purpose of determining his vote, be deemed the holder of any interest, or portion thereof, assigned by him in respect of which the assignee has not become a Substituted Limited Partner.
- 14.8 <u>Effective Date</u>. The effective date of admission of a Substituted Limited Partner shall be the date the assignment is accepted by the General Partner. The General Partner will notify in writing the Substituted Limited Partner of the effective date.
- legal incapacity of a Limited Partner shall not cause a dissolution of the Partnership, but the rights of such Limited Partner to share in the profits and losses of the Partnership, to receive distributions of Partnership funds and to assign his interest as a Limited Partner in the Partnership pursuant to Section 14.2 shall, on the happening of such an event, devolve on his personal representative, or in the event of the death of a Limited Partner whose interest is held in joint tenancy, pass to the surviving joint tenants, subject to the terms and conditions of this Agreement, and the Partnership shall continue as a limited partnership. However, in no event shall such personal representative become a Substituted Limited Partner solely by reason of such capacity. The estate of the Limited Partner shall be liable for all the obligations of the deceased or incapacitated Limited Partner.
- 14.10 Optional Adjustment to Basis of Partnership Property. In the event of the transfer of the interest of a Partner in the Partnership during the life of a Partner or upon the death of the Partner, the General Partner may, in its sole discretion, make an election on behalf of the Partnership as provided in Section 754 of the Internal Revenue Code of 1954, as amended (if such an election is not already in effect for the Partnership) and cause the Partnership to make the adjustments to the basis of the property of the Partnership (with regard to the transferse Partner only) as provided in Section 743 of the Internal Revenue Code.

### ARTICLE 15 - DISSOLUTION AND LIQUIDATION

## 15.1 Dissolution.

- (a) The Partnership shall be dissolved and terminated on the earlier of (i) December 31, 1990 (unless otherwise extended by amendment to this Agreement); (ii) by decision of the General Partner concurred in by a majority in interest of the Limited Partners; (iii) upon the sale of all or substantially all of the assets of the Partnership; (iv) the dissolution or withdrawal of the General Partner; (v) the assignment for the benefit of creditors or adjudication of bankruptcy of the General Partner or appointment of a receiver for or seizure by a judgment creditor or judgment creditors of the General Partner's interest in the Partnership; or (vi) upon the occurrence of any other event which, under the laws of the State of Idaho would cause the termination or dissolution of a limited partnership.
- (b) The Partnership shall not be dissolved and terminated if a majority in interest of the Limited Partners elect, within sixty (60) days after the occurrence of any such event of dissolution, to continue the business of the Partnership, and admit a new General Partner or General Partners;
- (c) Upon dissolution of the Partnership due to the expiration of the term of the Agreement, the General Partner is hereby granted an option to purchase all technology developed by EXTENDED SYSTEMS RESEARCH Limited Partnership for a purchase price equal to the lessor of \$2,000,000 or an amount equal to the total royalties earned by the Partnership during the twelve months ended December 31, 1990 for the license of the technology. Any proceeds from the exercise of this option by the General Partner shall be allocated in accordance with Article 7.2 (b) hereof. In the event the General Partner fails to exercise this option, the technology shall be liquidated as provided in Article 15.2 (a).
- (d) Upon any dissolution of the Partnership, the accountants then retained by the Partnership shall prepare a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, and such statement shall be furnished to all Partners.
- (e) The death or legal incapacity of a Limited Partner shall not cause a dissolution of the Partnership.

## 15.2 Liquidation.

- (a) In the event of dissolution of the Partnership, the assets shall be liquidated as promptly as possible, but in an orderly and businesslike manner as the General Partner in its discretion shall determine and so as not to involve undue sacrifice. All assets of the Partnership, if any, other than cash, shall be sold at public or private sale at such price and upon such terms as the General Partner in its sole discretion may deem advisable. Any Partner may purchase the assets of the Partnership at any such sale.
- (b) In the event of liquidation, the profits and losses of any such sale shall be allocated in accordance with Section 7.2 (b) hereof.
- (c) In the event of liquidation, the General Partner shall not be required to contribute capital to the Partnership to restore any negative balance in its Capital Account, except to the extent necessary to satisfy Partnership liabilities to creditors for which the General Partner is liable under the Act.
- (d) The proceeds of liquidation and any other Partnership funds shall be applied and distributed after payment of creditors, including advances, loans, and accounts payable due any Partner who is a creditor of the Partnership in the following order of priority:
- (i) The balance in the Royalty Payable Account shall be paid.
- (ii) The balance in the Capital Accounts shall be paid.
- (iii) Additional funds, if any, shall be paid 98.9% to the Limited Partners in proportion to their Original Capital Contribution and 1.1% to the General Partner.
- 15.3 Return of Capital Account Balances. The General Partner shall not be liable for the return of all or any part of the Capital Account balances of the Limited Partners. Any such return shall be made solely from Partnership assets and the Limited Partners shall have no right to demand property other than cash.
- 15.4 <u>Negative Balance</u>. Any Limited Partner with a negative balance in his Capital Account shall not be obligated to the Partnership to restore such negative balance.
- 15.5 <u>No Release</u>. No dissolution of the Partnership shall release or relieve any Partner from his obligations under this Agreement.

#### ARTICLE 16 - ANNUAL ACCOUNTING PERIOD; RECORDS; REPORTS

16.1 <u>Annual Accounting Period</u>. The annual accounting period of the Partnership shall commence on January 1, and shall end on December 31 of each year.

#### 16.2 Records.

- (a) The General Partner shall maintain, or cause to be maintained, complete and accurate records of all transactions of the Partnership. The Partnership shall use the accrual basis of accounting for tax purposes and the financial statements of the Partnership for financial reporting purposes shall be prepared in accordance with generally accepted accounting principles consistently applied and shall be appropriate and adequate for the Partnership's business and for carrying out all provisions of this Agreement.
- (b) All of such records shall, at all times, be kept at an office of the Partnership and, during regular business hours, shall be open upon notice for the inspection and examination (and making of copies) by a Limited Partner or his authorized representative.
- (c) The General Partner shall maintain at its principal office a list of names and addresses of all investors in the Partnership and during regular business hours such list shall be available upon notice for inspection and examination (and making of copies) by any Limited Partner or his authorized representative.
- 16.3 <u>Annual Reports</u>. Within 120 days after the end of each fiscal year, the General Partner shall cause to be delivered to each person who was a Partner at any time during the fiscal year, an annual report containing the following;
- (i) Financial statements of the Partnership, including, without limitation, a balance sheet as of the end of the Partnership's fiscal year and statements of income, partners' equity and changes in financial position, for such fiscal year, which shall be prepared in accordance with generally accepted accounting principles consistently applied and shall be accompanied by a report of a firm of independent certified public accountants;
- (ii) A general description of the activities of the Partnership during the period covered by the report; and
- (iii) A report of any material transactions between the Partnership and the General Partner or any of its Affiliates, including fees or compensation paid by the Partnership and the services performed by the General Partner or any such Affiliate for such fees or compensation.
- 16.4 Other Reports. The General Partner may furnish quarterly or other interim reports to Limited Partners in such format and including such information as the General Partner shall determine.

- 16.5 Tax Information. Within 75 days after the end of each fiscal year, the General Partner will cause to be delivered to each person who was a Partner at any time during such fiscal year all information concerning the Partnership necessary for the preparation of such Partner's federal income tax returns, including a statement showing such Partner's share of profit or loss, deductions and credits for such year for federal income tax purposes, and the amount of any distribution made to or for the account of such Partner pursuant to this Agreement.
- 16.6 <u>Tax Returns</u>. The General Partner shall cause income tax returns for the Partnership to be prepared and timely filed with the appropriate authorities.

#### ARTICLE 17 - AMENDMENTS AND MEETINGS

- 17.1 Amendment by Partners. Except as otherwise required by law, this Agreement may be amended in any respect upon the affirmative vote of a majority in interest of the Limited Partners with the consent of the General Partner, provided, however, that without the consent of each Partner to be adversely affected by the amendment, this Agreement may not be amended so as to (i) convert a Limited Partner into a General Partner, (ii) modify the limited liability of a Limited Partner, or (iii) alter the interest of any Partner in profits (including each Partner's share of royalties under Article 6) losses or in cash distributions of the Partnership. If 10% or more in interest of the Limited Partners request in writing that the General Partner submit to a vote of the Limited Partners a particular proposed amendment to this Agreement, the General Partner shall do so. Any vote of the Limited Partners may be taken at a meeting of Limited Partners called for such purpose by the General Partner upon not less than fifteen (15) nor more than sixty (60) days' prior written notice or, in lieu of a meeting, by the written consent of the required percentage in interest of the Limited Partners.
- 17.2 Amendment by General Partner. In addition to any amendments otherwise authorized herein, the General Partner may amend this Agreement, without the consent of any of the Limited Partners, (i) to reflect changes validly made in the membership of the Partnership and the Capital Contributions of the Partners to the Partnership, (ii) to comply with the then existing requirements of the Internal Revenue Code, Treasury Regulations and rulings of the Internal Revenue Service affecting the status of the Limited Partnership as a partnership for federal income tax purposes, in accordance with advice given to the General Partner by the Partnership's independent certified public accountants, or (iii) to comply with any changes in the Idaho Act.
- 17.3 <u>Prohibited Amendment</u>. No amendment will be adopted which will directly or indirectly affect or jeopardize the then-status of the Partnership as a partnership for federal income tax purposes.

- 17.4 Meetings. Upon the written request by 10% in interest or more of the Limited Partners, the General Partner shall call a meeting at the Partnership's principal office or such other place as the General Partner may reasonably designate. Notice of such meeting shall be mailed by the General Partner within ten (10) days of the receipt of such written request. A meeting shall be held not less than fifteen (15) days nor more than sixty (60) days after mailing of the notice. The General Partner may also call a meeting of the Limited Partners on its own initiative by giving notice of such meeting not less than 15 and not more than 60 days prior to the meeting. At any meeting of the Limited Partners, a representative of the General Partner shall attend such meeting and shall respond to any questions asked by Limited Partners or their authorized representatives concerning the Partnership and its business and any necessary vote of the Limited Partners may be taken. Any notice for a meeting of the Limited Partners shall briefly state the purpose of such meeting, and any Limited Partner may obtain a list of names, addresses and interests of the Limited Partners in the Partnership upon written request to the General Partner.
- 17.5 <u>Amendment of Certificate</u>. In the event this Agreement shall be amended pursuant to this Article 17, the General Partner shall amend the Certificate of Limited Partnership to reflect such change if it deems such amendment to be necessary.

#### ARTICLE 18 - POWER OF AUTORNEY

Each Limited Partner by execution hereof irrevocably constitutes and appoints the General Partner as such Limited Partner's true and lawful attorney and agent, with full power and authority in such Limited Partner's name, place and stead, to execute, acknowledge, deliver, file and record in the appropriate public offices (i) all certificates or other instruments (including without limitation counterparts of this Agreement) and amendments thereto which the General Partner deems appropriate to qualify or to continue as a limited partnership in the jurisdictions in which the Partnership conducts business, (ii) all instruments and amendments thereto which the General Partner deems appropriate to reflect the dissolution or modification of the Partnership or the admission of additional or Substituted Partners in accordance with the terms of this Agreement, (iii) all conveyances and other instruments which the General Partner deems appropriate to evidence and reflect any sales or transfers by, or the dissolution and termination of, the Partnership, and (iv) all consents to transfers of Partnership interests, to the admission of substituted or additional Partners or to the withdrawal or reduction of any Partner's invested capital, to the extent that such actions are authorized by the terms of this Agreement.

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Each of the Limited Partners is aware that the terms hereof permit certain amendments of this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership with the approval of less than all the Limited Partners. Such actions include, without limitation, substitution of General Partners duly appointed. If, as and when (i) an amendment of this Agreement has been proposed or an action has been proposed to be taken or omitted by or with respect to the Partnership which requires, under the terms of this Agreement, the approval of a specified percentage in interest (but less than all) of the Partners, and (ii) Partners holding the percentage of partnership interests in the Partnership specified in this Agreement as being required for such amendment or action have approved such amendment or action in the manner contemplated by this Agreement, and (iii) a Limited Partner has failed or refused to approve such amendment or action (hereinafter referred to as a "non-consenting Limited Partner"), each non-consenting Limited Partner agrees that each special attorney specified above, with full power of substitution, is hereby authorized and empowered to execute, acknowledge, make, swear to, verify, deliver, record, file and /or publish, for and on behalf of such non-consenting Limited Partner, and in his name, place and stead, any and all instruments and documents which may be necessary or appropriate to permit such amendment to be lawfully made or action lawfully taken or omitted. Each consenting and non-consenting Limited Partner is fully aware that he and each other Limited Partner have executed this special power of attorney, and that each other Limited Partner will rely on the effectiveness of such powers with a view to the orderly administration of the Partnership's affairs.

The foregoing grant of authority (i) is a Special Power of Attorney coupled with an interest in favor of the General Partner and as such shall be irrevocable and shall survive the death or incompetency (or, in the case of a Limited Partner that is a corporation, association, partnership, joint venture or trust, shall survive the merger, dissolution or other termination of the existence) of the Limited Partner, (ii) may be exercised for the Limited Partner by a facsimile signature of the General Partner of the Partnership or by listing all of the Limited Partners, including such Limited Partner, executing any instrument with the signature of the General Partner acting as attornsy-in-fact for all of them, and (iii) shall survive the assignment by the Limited Partner of the whole on any portion of his interest, except that where the assignee of the whole thereof has furnished a Power of Attorney and has been approved by the General Partner for admission to the Partnership as a Substituted Limited Partner, this Power of Attorney shall survive such assignment for the sole purpose of enabling a General Partner to execute, acknowledge and file any instrument necessary to effect such substitution and shall thereafter terminate.

A similar power of attorney shall be one of the instruments which the General Partner shall require an assignee of the Limited Partner to execute as a condition of his admission as a Substituted Limited Partner, and which the General Partner shall require an additional Limited Partner to execute as a condition of his admission. The execution of such power of attorney shall not however, be a condition to the receipt of distributions from the Partnership.

Any amendment to this Agreement substituting a Limited Partner or adding a Limited Partner or General Partner may be signed by the General Partner and by the person to be substituted as a Limited Partner or added as a General or Limited Partner and shall also be signed by the assigning Limited Partner, in the case of a substitution. The execution of any such amendment on behalf of a Limited Partner or any proposed, substituted or added Limited Partner may be effected by his attorney-in-fact.

#### ARTICLE 19 - OTHER PROVISIONS

- 19.1 Modification, Waiver or Termination. No modification, waiver or termination of this Agreement, or any part hereof, shall be effective unless made in writing signed by the party or parties sought to be bound thereby and no failure to pursue or elect any remedy or waiver with respect to any default under or breach of a provision of this Agreement shall be deemed to be a waiver of any other subsequent, similar or different default, breach of a provision or of any election of remedies available in connection therewith.
- 19.2 Notices, Etc. Any offer, acceptance, election, approval, consent, request, waiver, notice or other document required or permitted to be given pursuant to any provision of this Agreement shall be deemed duly given only when in writing, signed by or on behalf of the person giving the same, and either personally delivered or deposited in a designated United States mail depository, first class mail, postage prepaid, certified mail, return receipt requested, addressed to the person or persons to whom such offer, acceptance, election, appearal, consent, request, waiver or notice is to be given at their respective addresses indicated herein, or at such other address as shall have been set forth in a notice sent pursuant to the provisions of this Section 19.2.
- 19.3 <u>Binding Effect</u>. Except as otherwise herein expressly provided, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors and permitted assigns.
- 19.4 <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall for all purposes constitute one agreement binding on all of the parties hereto.
- 19.5 <u>Applicable Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.
- 19.6 <u>Section Headings</u>. Section headings or captions contained in this Agreement are inserted only as a matter of convenience and for reference, and shall not be construed in any way to define, limit or extend or describe the scope of this Agreement or the intention of the provisions thereof. The terms Article and Section as used in this Agreement shall be deemed to have the same meaning for purposes of this Agreement.
- 19.7 <u>Variation in Pronouns</u>. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.
- 19.8 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties and may not be modified or amended except as specifically provided for in this Agreement.

19.9 Further Assurances. The parties hereto will also execute such certificates and documents, and the General Partner will file, record and publish such certificates and documents as the General Partner deems necessary or appropriate to comply with requirements of applicable laws governing the formation and operations of a limited partnership.

19.10 Date of Agreement. The date of this Agreement is

May 1, 1985.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year stated in Section 19.10 immediately preceding:

General Partner:

Original Limited Partner:

EXTENDED SYSTEMS INCORPORATED

Bv:

Gary D. Atkins, President 6062 Morris Hill Lans Boise, Idaho 83704 Gary D. Atkins

606 Stillwell Drive Eagle, Idaho 83616

Mailing Address:

P.O. Box 4937 Boise, Idaho 83711