

CODE ENFORCER, L.P., A TEXAS LIMITED PARTNERSHIP

Limited Partnership Unit Offering

CONFIDENTIAL OFFERING MEMORANDUM

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Memorandum No. _____

CODE ENFORCER, L.P., A TEXAS LIMITED PARTNERSHIP
224 Clubhouse Drive, Austin, Texas 78734

Offer to Sell for Cash
a Minimum of Twenty (20) up to a Maximum
of Forty (40) Limited Partnership Units
\$5,000.00 Per Unit

CODE ENFORCER, L.P. is a Limited Partnership that shall be organized and exist under the laws of the State of Texas (the "Partnership" or "Limited Partnership"), whose General Partner shall be Doorcall, L.L.C., a Texas Limited Liability Company. The Partnership is offering (the "Offering") to sell a minimum of Twenty (20) and up to a maximum of Forty (40) Limited Partnership Units (the "Offered Units" or "Units") at a price of Five Thousand Dollars (\$5,000.00) per Unit to investors who meet the investor suitability requirements hereinafter described, or who are otherwise permitted to participate in this Offering by law.

The Offering will commence on July 20, 2008 and will terminate on July 19, 2009, unless extended by the Partnership for up to an additional sixty (60) days. The Partnership reserves the right to close the Offering earlier than July 19, 2009. If an offeree subscribes to the Offering and the Partnership, in its sole discretion, exercises its right to reject that subscription, all amounts paid by such subscriber will be returned without interest or deduction. See "TERMS OF THE OFFERING--General."

The purchase or acquisition of Units under the Offering involves a high degree of risk. See "RISK FACTORS."

Provided herewith, but not made a part hereof, is a Prospectus/Business Plan for the development and production of a motion picture currently entitled, "CODE ENFORCER" (the "Picture").

ANY REPRODUCTION OR DISTRIBUTION OF THIS CONFIDENTIAL OFFERING MEMORANDUM, IN WHOLE OR IN PART, OR THE DISSEMINATION OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE PARTNERSHIP IS PROHIBITED. ANY ACTION CONTRARY TO THESE INSTRUCTIONS MAY CAUSE YOU TO BE IN VIOLATION OF APPLICABLE SECURITIES LAWS.

The date of this Confidential Offering Memorandum is
July 20, 2008

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ARE BEING OFFERED PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT AND THE REGULATIONS PROMULGATED THEREUNDER. THE HOLDER OF THE SECURITIES ACQUIRED PURSUANT TO THIS OFFERING

CANNOT MAKE ANY SALE, ASSIGNMENT OR OTHER TRANSFER OF THESE SECURITIES EXCEPT PURSUANT TO AN OFFERING DULY REGISTERED UNDER THE SECURITIES ACT AND REGISTERED OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS, OR UNDER SUCH OTHER CIRCUMSTANCES AS IN THE OPINION OF COUNSEL SATISFACTORY TO THE PARTNERSHIP SHALL NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND/OR REGISTRATION OR QUALIFICATION UNDER SUCH STATE LAW. ANY SECURITIES THAT MAY BE PURCHASED BY NON-U.S. PERSONS MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES COMMISSION OF ANY STATE. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS CONFIDENTIAL OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS CONFIDENTIAL OFFERING MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT MATTERS DISCUSSED HEREIN HAVE NOT CHANGED SINCE THE DATE HEREOF. HOWEVER, IN THE EVENT ANY MATERIAL CHANGES IN SUCH MATTERS COME TO THE ATTENTION OF THE PARTNERSHIP DURING THE TERM OF THIS OFFERING, THIS CONFIDENTIAL OFFERING MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED ACCORDINGLY.

OFFEREES MUST NOT CONSTRUE THE CONTENTS OF THIS CONFIDENTIAL OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE PARTNERSHIP, ITS AGENTS OR AFFILIATES, OR ANY OTHER PERSON ASSOCIATED WITH THIS OFFERING, AS LEGAL, FINANCIAL, TAX OR INVESTMENT ADVICE. EACH OFFEREE SHOULD CONSULT HIS, HER OR ITS OWN PERSONAL LEGAL COUNSEL OR BUSINESS OR TAX ADVISOR AS TO LEGAL, TAX, FINANCIAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN. THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES DEEMED RELIABLE, BUT NO REPRESENTATION OR WARRANTY IS MADE AS TO ITS ACCURACY OR COMPLETENESS.

THE PARTNERSHIP HAS AGREED TO MAKE AVAILABLE TO ANY OFFEREE THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE PARTNERSHIP CONCERNING THE TERMS AND CONDITIONS OF THE CONFIDENTIAL OFFERING MEMORANDUM, AND THE PARTNERSHIP HAS AGREED TO PROVIDE ANY ADDITIONAL INFORMATION REQUESTED THAT IS NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH IN THIS

CONFIDENTIAL OFFERING MEMORANDUM, TO THE EXTENT THE PARTNERSHIP POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

THIS CONFIDENTIAL OFFERING MEMORANDUM IS SUBMITTED IN CONNECTION WITH A PRIVATE OFFERING OF LIMITED PARTNERSHIP UNITS AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. ANY DISTRIBUTION OF THIS CONFIDENTIAL OFFERING MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, IS UNAUTHORIZED.

THIS OFFERING INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS."

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CONFIDENTIAL OFFERING MEMORANDUM SUMMARY

The following summary is qualified in its entirety by the detailed information and financial documentation appearing elsewhere in this Confidential Offering Memorandum and/or in the accompanying Prospectus/Business Plan.

The Partnership. The Partnership shall be a Texas Limited Partnership formed for the purpose of developing and producing for sale or assignment to a distributor, or self release, the motion picture currently entitled, "CODE ENFORCER."

The Offering. The Partnership is offering a maximum of Forty (40) Units at a price of Five Thousand Dollars (\$5,000.00) per Unit for a maximum total subscription amount of Two Hundred Thousand Dollars (\$200,000.00).

Termination Date. The termination date of the Offering is 5:00 p.m., Austin, Texas time, on July 19, 2009 (the "Termination Date"), unless extended by the Partnership for up to an additional sixty (60) days.

Plan of Distribution. The Limited Partnership Units are being offered directly by representatives of the Partnership, without compensation, and it is not anticipated that any other persons will solicit subscriptions for the Offered Units.

Conditions to Closing of the Offering. It is a condition to the closing of the Offering that the Partnership receives and accepts subscriptions for a minimum of Twenty (20) of the Offered Units, or its monetary equivalent, from any combination of the sale of Units, loans, sales, presales, in-kind services or any other financing or investment device. In the event that the Offering does not close, all funds tendered to the Partnership by subscribers will be promptly returned without interest or deduction.

Minimum Investment. The minimum investment under the Offering is Five Thousand Dollars (\$5,000.00) (one (1) of the Offered Units). The Partnership may, in its sole discretion, accept subscriptions of less than Five Thousand Dollars (\$5,000.00) from qualified investors.

High Degree of Risk. An investment in the Limited Partnership Units under the Offering involves a high degree of risk. Among other things, the Partnership shall be a newly organized entity and has no history of operations or earnings. Additionally, this venture is of a speculative nature. Prior to this Offering there has been no public market for the Units offered by the Partnership and it is likely that after the Offering there will be no such market for the Units. In addition, the transferability of the Units is restricted and any investor herein cannot expect to be able to readily liquidate such investment in the event of an emergency and that said investor may have to continue to bear the risk of holding the Units for an indefinite period. Each prospective investor should carefully examine this Confidential Offering Memorandum, including the section captioned "RISK FACTORS."

Acceptance of Offering. Each offeree who desires to purchase Limited Partnership Units under the Offering must complete the Limited Partnership Offering Subscription Booklet and return the booklet to Steve Cauley, Manager of the General Partner of the Partnership. All subscriptions for Offered Units must be paid by certified check or wire transfer and made payable to the order of *DOORCALL, L.L.C., Holding Account*, and received by the Partnership on or before 5:00 p.m., Austin, Texas time, on the Termination Date, unless such date is extended by the Partnership. All subscription funds will be deposited by the Partnership into a holding account maintained by the General Partner.

Investor Suitability Requirements. Each purchaser of Limited Partnership Units under the Offering must make certain representations concerning, among other things, his, her or its financial resources and investment experience. These representations are contained in the Limited Partnership Offering Subscription Booklet. The Offering is being made only to investors who are accredited (“Accredited Investors”) within the meaning of Regulation D, as promulgated under the Securities Act, or are otherwise permitted by law to participate in this Offering.

Private Placement. The Limited Partnership Units offered hereby will not be registered under the Securities Act of 1933, as amended, or under the securities laws of any state, but will be offered and sold pursuant to exemptions therefrom. Accordingly, the Units may not be resold or otherwise distributed without registration or exemption under such laws.

BUSINESS

Information regarding the business of the General Partner and plans for the development and production of the motion picture currently entitled “CODE ENFORCER” are contained in the accompanying Prospectus/Business Plan, which is provided herewith, but is not made a part hereof.

RISK FACTORS

There are risks and special factors associated with the purchase of the Limited Partnership Units under this Offering. In analyzing the Offering, prospective investors should carefully consider, among others, the matters set forth below.

(1) Newly Organized Entity. The Partnership is a newly organized entity and as such has no history of operations or earnings. This Partnership is being created for the sole purpose of developing and producing one motion picture to be sold or assigned to a distributor or self-distributed and exploited in various ancillary markets. Once all revenue has been received and all distributions made, the Partnership will cease to exist. Any other motion picture developed or produced by the General Partner shall be developed or produced under the direction of a newly created limited partnership or other entity.

(2) Tax Issues. The Internal Revenue Service may disallow some or all of the deductions or losses to be claimed by the Partnership and the Internal Revenue Service may attempt to treat the Partnership as an association taxable as a corporation, which would have an adverse economic effect on the Limited Partners by: (i) taxation of the Partnership as a corporation, resulting in double taxation of income to the Limited Partners and no flow through of losses, and (ii) substantial reduction in yield, if any, of the Limited Partners’ investment in the Partnership.

(3) Unaudited Financial Information. Any financial information such as budgets and projections of the Partnership that are included with this Offering material has not been audited as of this date. Although the Partnership believes that the financial information included in the budget accurately reflects the financial budgets and projections for the Picture, such financial information has not been subjected to the additional procedures and verification required in the audit process. However, such budget and projections have been made in good faith and, to the best of the knowledge of the General Partner, are accurate.

(4) Other Activities of the General Partner. The General Partner and affiliates of the General Partner may engage in businesses and projects that are competitive with that of the Partnership and there may be inherent conflicts of interest as a result thereof.

(5) Marketing and Distribution. Although the Partnership intends to assign and/or sell the Picture to a distributor or distribute the Picture and exploit its rights in various ancillary markets through industry standard methods, there can be no assurance that these efforts will be successful

or that the Partnership will assign and/or sell the rights to a distributor or otherwise successfully distribute and/or otherwise exploit the Picture in various ancillary markets.

(6) Competitive Market. The Picture is targeted at moviegoers, videotape and videodisc purchasers and renters, as well as cable, satellite and standard television viewers. This is an extremely competitive market. Many motion pictures are released during a given year. Many utilize the strength of studios and large companies with far greater resources in talent, production, marketing and distribution than the Partnership possesses. The Partnership shall also be competing against other smaller production companies with financing that may be greater than that sought herein.

(7) Dependence on Management. The Partnership's success depends to a significant degree upon Steve Cauley and Greg Dorchak. The loss of Steve Cauley, Greg Dorchak and/or other key members of the development/production team could have a material adverse effect on the project. The Partnership's success also depends upon its ability to attract and retain highly skilled above-the-line and below-the-line talent, management and other personnel. Competition for such personnel is intense and the inability to attract and retain such talent, management and other personnel or the loss of current key talent, management or other personnel could materially and adversely affect the Picture's success.

(8) Lack of Feature Film Experience. The Partnership, which is a new entity formed specifically for the development and production of this Picture, has never produced, written, directed, developed or distributed a motion picture.

(9) Marketability of Units. Prior to this Offering there has been no market for the Units offered by the Partnership. There is currently no active market for Units of the Partnership and it is unlikely that a market will develop as a result of this Offering. Further, transfers of the Units will be restricted under the applicable securities laws and the holder of any Unit(s) cannot expect to be able to readily liquidate such investment in the event of an emergency. Such Unit holders may have to continue to bear the risk of holding the Units for an indefinite period.

(10) High Degree of Risk. The motion picture industry is highly speculative and risky. Many motion pictures fail to obtain any release at all. Many motion pictures that are targeted for theatrical release may only obtain direct-to-video or direct-to-cable release. Many motion pictures that are developed for presentation to a distributor for sale or assignment are not "picked up" (sold or assigned) nor actually distributed even if "picked up." The Unit holders should be prepared to lose their investment as part of the risk of this venture.

(11) Development and Production. Particularly as developed and produced by independent filmmakers, each motion picture is a separate business venture with its own management, employees and equipment and its own budgetary requirements. There are substantial risks associated with film development and production, including death or disability of key personnel, strikes/labor disputes, other factors causing delays, destruction or malfunction of sets or equipment, the inability of personnel to comply with budgetary or scheduling requirements and physical destruction or damage to the films themselves. Significant difficulties such as these may materially increase the cost of development or production or may cause the entire project to be abandoned.

(12) Audience Appeal. The ultimate profitability of any motion picture depends upon its audience appeal in relation to the cost of its development, production and distribution. The audience appeal of a given motion picture depends, among other things, on unpredictable critical reviews and changing public tastes and such appeal cannot be anticipated with certainty.

(13) Premature Abandonment. The development, production or distribution of a motion picture may be abandoned at any stage if further expenditures do not appear commercially feasible, with the resulting loss of some or all of the funds previously expended on the development, production or distribution of the Picture, including funds expended in connection with the development and packaging of the screenplay and pre-production of the Picture.

(14) Cost Overruns. The costs of developing and producing motion pictures are often underestimated and may be increased by reason of factors beyond the control of the producers. Such factors may include weather conditions, illness of technical and/or artistic personnel, artistic requirements, strikes/labor disputes, governmental regulations, equipment breakdowns and other production disruptions. While the Partnership intends to engage development and production personnel who have demonstrated an ability to complete their assigned responsibilities within the assigned budget, the risk of a motion picture running over budget is always significant and may have a substantial adverse impact on the profitability of the Picture.

(15) Distribution. The profitable distribution of a motion picture depends in large part on the availability of one or more capable and efficient distributors who are able to arrange for appropriate advertising and promotion, proper release dates and bookings in first run and other theaters. There can be no assurance that profitable distribution arrangements will be obtained for the Picture or that the Picture can and will be distributed profitably.

(16) Long Term Project. The development, production and distribution of a motion picture involves the passage of a significant amount of time. Development may extend for months. Pre-production on a motion picture may extend for two or three months or more. Principal photography may extend for several weeks or more. Post production may extend from three to four months or more. Distribution and exhibition of motion pictures generally, and of the Partnership's Picture specifically, may continue for years before Partnership gross revenues or distributable cash may be generated, if at all.

(17) Foreign Distribution. Foreign distribution of a motion picture (i.e., outside the United States and Canada) may require the use of various foreign distributors. Some foreign countries may impose government regulations on the distribution of motion pictures. Also, revenues derived from the distribution of a motion picture in foreign countries, if any, may be subject to currency controls and other restrictions that may temporarily or permanently prevent the inclusion of such revenue in Partnership gross revenues.

(18) Revenue Stream. A motion picture typically goes from the producer to the distributor who in turn may send it to territorial sub-distributors, who send it to theatrical exhibitors. The box office receipts generated by a motion picture travel this same route in reverse. The exhibitor takes a cut and sends the balance to the sub-distributor, who takes a cut and sends the balance to the distributor, who takes a cut and sends the balance to the producer. The problem for the private investors with this system is that unless substantial distributor advances are paid upon delivery of a completed motion picture, such investors, who have had their money at risk for the longest time, are at the tail-end of the box office receipts chain. Thus, if the Partnership, in negotiating a distribution deal, has to rely heavily on a participation in some defined level of the Picture's revenue stream, revenues to the Partnership and thus the purchasers of Units are likely to be the last in line to benefit from such a revenue stream, if any.

(19) Industry Changes. The entertainment business in general, and the motion picture business in particular, are undergoing significant changes, primarily due to technological developments. These developments have resulted in the availability of alternative forms of leisure time entertainment, including expanded pay and basic cable television, syndicated television, videocassettes, video discs, video games, the Internet, the worldwide web and other electronic forms of transmission (i.e. I-Pods and cell phone downloads). During the last several years, revenues

from licensing a motion picture to network television have decreased (and fewer motion pictures are now being licensed for any price to network television), while revenues from pay television, videocassettes and video discs have increased relative to network. The level of theatrical success remains a critical factor in generating revenues in these ancillary markets. It is impossible to accurately predict the effect that these and other new technological developments may have on the motion picture industry.

(20) Additional Sales of Partnership Units for Production. Although same is not anticipated, in the event of budget overruns, the Partnership may need to raise additional capital from sales of additional Units. There can be no assurance that the Partnership will be successful in raising such funds or, even if the Partnership is successful in this regard, that such funds will be adequate to complete production of the Picture.

TERMS OF THE OFFERING

General

The Partnership is offering a minimum of Twenty (20) and a maximum of Forty (40) Limited Partnership Units at Five Thousand Dollars (\$5,000.00) per Unit. The Units will be sold only to persons who are acceptable to the Partnership and who meet the suitability standards set forth herein or are otherwise permitted to participate in this Offering under law. Subscriptions may be rejected in whole or in part by the Partnership and need not be accepted in the order received. The Partnership reserves the right to reduce any subscriptions and, in the event that the Offered Units are over-subscribed, to allocate subscriptions or accept an amount greater than the Offered Units as permitted under applicable securities laws.

Minimum Investment

Each investor must purchase a minimum of one (1) Limited Partnership Unit at Five Thousand Dollars (\$5,000.00) per Unit. The Partnership reserves the right to permit individual investors to purchase fewer than the above minimum number of Units.

Investor Suitability Requirements

Investment in the Offered Units involves a high degree of risk. See "RISK FACTORS." The Offered Units have not been registered under the Securities Act or under the securities laws of any state. This is a private offering only to Accredited Investors, or unaccredited investors who may be allowed to participate in this Offering under law, for investment purposes only, as more fully described below. Each investor will be required to represent that he, she or it is acquiring the Offered Units for his, her or its own account, for investment purposes, and with no intention of making a distribution or resale. No resale or transfer will be permitted except in accordance with the provisions of the Securities Act, the rules and regulations thereunder, and any applicable state securities laws and the terms of the Limited Partnership Agreement. Accordingly, a purchaser of the Offered Units must bear the economic risk of the investment for an indefinite period of time.

Each person to whom the Offered Units will be sold must be an Accredited Investor under Rule 501 of Regulation D of the Securities and Exchange Commission, or must otherwise be permitted to participate in this Offering as permitted by law. In addition, an investor must meet certain "suitability" requirements, and must represent in writing that, among other things, in connection with evaluating the merits and risks of investment in the Offered Units, either he, she or

it has such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risks of an investment in the Offered Units and of making an informed investment decision, or he, she or it is represented by a purchaser representative (an attorney, accountant or other financial advisor) who must represent in writing that: (i) he, she or it has such knowledge and experience in financial and business matters, (ii) he, she or it is capable of evaluating the merits and risks of an investment in the Offered Units and of assisting the investor in making an informed investment decision, and (iii) he, she or it is familiar with the financial and tax positions and plans of the prospective investor.

The Partnership reserves the right, in its sole discretion, to reject any potential investor and/or to limit the amount of Offered Units acquired by any purchaser. The acquisition of Offered Units is suitable only for long-term investment and for persons who have no need for liquidity in such an investment.

Method of Subscription

In order to subscribe for the purchase of the Partnership's Limited Partnership Units, offerees should read and follow the instructions set forth in the Limited Partnership Offering Subscription Booklet included with this Confidential Offering Memorandum and must deliver such Subscription Agreement to the Partnership, together with the subscription price, payable by certified check or wire transfer and made payable to the order of *DOORCALL, L.L.C., Holding Account*.

Offering Period

The Offering period for the Limited Partnership Units commences on the date of this Confidential Offering Memorandum and expires at 5:00 p.m., Austin, Texas time, on July 19, 2009. The Partnership, at its option and without further notice to prospective investors, may extend the Offering period for up to an additional sixty (60) days. The Partnership may, prior to the termination date of the Offering period, close the Offering (the "Closing Date") at any time without further notice to offerees.

Plan of Distribution

Representatives of the Partnership will directly solicit subscriptions for the Offered Units in those jurisdictions where they may lawfully do so and will receive no remuneration or compensation in connection with the solicitation or sale of the Offered Units.

USE OF PROCEEDS

Under the Offering, the Partnership plans to offer for cash a maximum of Forty (40) and a minimum of Twenty (20) Limited Partnership Units at Five Thousand Dollars (\$5,000.00) per Unit. The maximum amount to be realized from the sale of the Offered Units under the Offering based on the offering of Forty (40) Units will be Two Hundred Thousand Dollars (\$200,000.00). The minimum amount to be realized from the sale of the Offered Units under the Offering based on the offering of Twenty (20) Limited Partnership Units will be One Hundred Thousand Dollars (\$100,000.00) if the minimum amount is raised. The Partnership anticipates that such proceeds will be used in the manner set forth in the production budget for "CODE ENFORCER."

Cash Distributions

All gross monies ("Partnership Gross Receipts") received by the Partnership from Partnership activities will, when received by the Partnership, be applied first in payment of the following items:

(a) all operating expenses of the Partnership, including all expenses incurred by the Partnership in connection with the development, production, distribution and other exploitation of the Picture and the ancillary rights therein;

(b) all costs of development, production, distribution and other exploitation of the Picture which have not been supplied by the Partnership, if any, or by any pre-sales or other similar agreements; and

(c) such reserves as the General Partner deems necessary in accordance with good business practice to cover future Partnership expenses.

All remaining gross receipts (“Cash Available for Distribution”) will next be distributed as follows: (a) All Limited Partners shall achieve recoupment of their respective capital contributions, which are anticipated to be between One Hundred Thousand Dollars (\$100,000.00) and Two Hundred Thousand Dollars (\$200,000.00), plus an additional return on investment in an amount equal to Twenty percent (20%) of the Limited Partners' combined investments. In the event that there are not sufficient funds to provide for a One Hundred percent (100%) recoupment plus an amount equal to Twenty percent (20%) of the amount of each Limited Partner's investment, then each Limited Partner shall be provided with a pro-rata distribution based upon the percentage of that Limited Partner's capital contribution to the total Offered Units sold. (b) Thereafter, all deferrals, if any, shall be paid. (c) Provided that additional funds are available after recoupment and return on investment for all Limited Partners and payment of deferrals, as set forth in sections (a) and (b) hereinabove, then Cash Available for Distribution shall be distributed to the General Partner Fifty percent (50%) and all Limited Partners Fifty percent (50%), pro-rata, in accordance with their respective percentage interests in the Partnership. Any net profit participation of third parties, such as actors and other above-the-line talent, shall be paid and distributed from the General Partner's share and shall not affect the percentage allocated to the Limited Partners. Distributions shall be made at the end of each semi-annual period on the basis of the number of days that such Limited Partners held their ownership rights to such Units during the applicable period.

Allocation of Net Profits, Net Losses, Gains, Deductions and Tax Credits

The profits and losses of the Partnership shall be computed on the same basis as that used in preparation of the Partnership's information tax return for federal income tax purposes. Each item of Partnership income, gain, loss, deduction and credit shall be allocated to the General Partner and the Limited Partners at the end of each tax year (whether fiscal or calendar) of the Partnership in accordance with the following:

(a) All net profits and gains of the Partnership shall be allocated One Hundred percent (100%) to the Limited Partners until the Limited Partners receive their respective shares of recoupment plus their respective return on capital contribution thereon in the manner set forth hereinabove. After recoupment and return on capital contribution as set forth hereinabove, the General Partner's interest shall equal Fifty percent (50%) of the net profits, net losses, deductions, gains and tax credits from Partnership operations and all Limited Partners will share, pro-rata, in accordance with their respective percentage interests in the Partnership, in Fifty percent (50%) of such items.

(b) Net losses and tax credits shall be allocated to the Limited Partners in accordance with their respective percentage interests in the Partnership. No allocation of net loss shall be made to the Limited Partners to the extent that the allocation would create a negative balance in that Limited Partner's capital account.

(c) All losses in excess of those allocated pursuant to section (b) immediately hereinabove, if any, shall be charged to the General Partner.

Compensation of General Partner

The Partnership shall pay all of its own operating expenses directly and the General Partner shall not be entitled to receive any compensation for services to the Partnership in its capacity as General Partner. However, certain managers or members of the General Partner may be receiving fees as allocated in the budget (directly, deferred or otherwise) for developing, producing, directing and/or writing the Picture.

Management of the Partnership--The General Partner

Information regarding the background and qualifications of the General Partner is contained in the accompanying Prospectus/Business Plan.