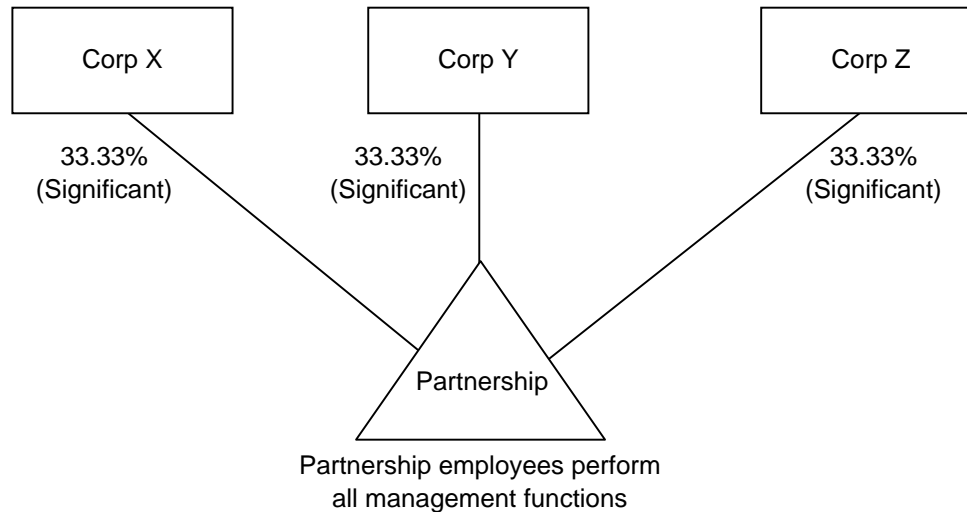


**Partnership - Multiple
Significant Interests**



For more than five years, unrelated X, Y, and Z have each owned a 33 1/3-percent interest in Partnership. For more than five years, Partnership has manufactured power equipment. Partnership satisfies all the requirements of being engaged in the active conduct of a trade or business.

All the management functions related to the business of Partnership are performed by employees of Partnership. Because X, Y, and Z each own a significant interest in Partnership, each of X, Y, and Z is attributed the trade or business assets and activities of Partnership's business. Accordingly, X, Y, and Z satisfy the requirements to be engaged in the active conduct of the business of manufacturing power equipment.