

NORTH CAROLINA
GUILFORD COUNTY

PARTNERSHIP AGREEMENT

Partnership agreement made this the 18th day of June, 1981, between JAMES H. AUSTIN, JR. of Guilford County, North Carolina, CLAYTON C. MCKAUGHAN and RACHEL P. MCKAUGHAN of Greenville County, South Carolina, and JAMES H. AUSTIN and ELIZABETH R. AUSTIN of Greenville County, South Carolina.

1. Name of business. The parties hereby form a partnership under the name of Beech Mountain Associates to conduct a business of investing in and owning real estate. The principal office of the business shall be at 106 Claxton Drive, Kernersville, North Carolina.

2. Term. The partnership shall begin on May 1, 1981, and continue until terminated as herein provided.

3. Capital. The capital of the partnership shall consist of the partners' equity interests in real property located at 229 Teaberry Trail, Beech Mountain, North Carolina and shall be contributed by the partners as follows:

<u>Name</u>	<u>Equity Percent</u>	<u>Amount</u>
James H. Austin, Jr.	25%	\$16,250.00
James H. Austin and Elizabeth R. Austin	25%	\$16,250.00
Clayton C. McKaughan and Rachel C. McKaughan	50%	\$32,500.00

A separate capital account shall be maintained for each partner. No partner shall withdraw any part of his capital account. Upon demand of any partner, the capital accounts of all partners shall be increased to an amount which is required to continue the ongoing business of the partnership. If capital increases are required, such increases shall be maintained at all times in the proportions in which the partners share in the profits and losses of the partnership.

4. Profit and Loss. The net profits of the partnership shall be divided among the partners in proportion to their interest in the capital assets of the partnership and the net losses shall be borne by them in the same proportion. A separate income account