

ARTICLE VII.OWNERSHIP, PROFITS AND LOSSES

(a) The net assets of the general partnership shall be owned as follows:

James W. Wall	50%
William C. McEachern	50%

(b) The net profits earned by the general partnership during each fiscal year shall be divided as follows:

James W. Wall	50%
William C. McEachern	50%

(c) Net losses incurred by the General Partnership during any fiscal year shall be borne by the Partners in the following manner for the purposes of the partnership, including distribution, and for income tax purposes:

Losses shall be debited in an amount equal to each partner against any undistributed net profits in the cash account of each partner. If the undistributed net profits in the cash account shall then be reduced to zero, any remaining net losses shall be debited against the remaining cash capital account of the partners. Any remaining net losses shall then be debited against the proper account for each partner.

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