RETURN TG: HOUSE, BLANCO & OSBORN, P. A.--Box at Register of Deeds' Office DRAFTED BY: NEAL E. TACKABERY, ESQUIRE 50

## CERTIFICATE OF LIMITED PARTNERSHIP OF D & L BRENDLE ASSOCIATES

THIS CERTIFICATE OF LIMITED PARTNERSHIP is prepared and filed for record in accordance with Chapter 59 of the North Carolina General Statutes, as amended.

- A. NAME. The name of the Partnership shall be D & L Brendle Associates.
- B. CHARACTER OF BUSINESS. The purpose of the business to be carried on by the Partnership is to acquire shares of Brendle's Incorporated and to hold them for investment.
- C. PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Limited Partnership shall be 2000 Georgia Avenue, Winston-Salem, Forsyth County, North Carolina 27104 or such other place or places as the General Partners may from time to time determine.
- D. NAMES OF PARTNERS AND PLACES OF RESIDENCE. The names and places of residence of the General Partners are as follows:

D & L Brendle Corp. 2000 Georgia Avenue Winston-Salem, NC 27104 Lydia U. Brendle 2000 Georgia Avenue Winston-Salem, NC 27104

The name and place of residence of the Limited Partner are as follows:

Douglas D. Brendle 2000 Georgia Avenue Winston-Salem, NC 27104 Lydia U. Brendle, Trustee of the Adelia Jane Brendle Trust 2000 Georgia Avenue Winston-Salem, NC 27104

- E. TERM OF PARTNERSHIP. The Partnership shall commence on the filing of this Certificate and shall continue until December 31, 2026, unless terminated prior thereto in accordance with the Partnership Agreement or by law.
- F. <u>CAPITAL CONTRIBUTION OF LIMITED PARTNER</u>. The Limited Partners have contributed or will contribute common shares of Brendle's Incorporated to the Partnership, as shown below, the value of which is also shown.

Limited Partner	No. of Shares	Approximate Value
Douglas D. Brendle Lydia U. Brendle, Trustee	825,000	\$9,693,750
	185,000	\$2,173,750

- G. <u>ADDITIONAL CONTRIBUTIONS AGREED TO:</u> The Limited Partners have not agreed to make any capital contributions other than the amounts set forth under Section F hereof.
- H. TIME FOR RETURN OF CAPITAL. The Special Limited Partner, Douglas D. Brendle, shall be entitled to the return of his full capital contribution upon demand. The Regular Limited Partner, Lydia U. Brendle, Trustee, shall not be entitled to the return of any portion of her capital contribution except upon liquidation of the Partnership.
- LIMITED PARTNER. The Special Limited Partner, Douglas D. Brendle, is entitled to receive ninety-five percent (95%) of the first \$750,000 of annual income flow; seventy-five percent (75%) of the next \$750,000 of annual income; and ten percent (10%) of the remaining annual income. The Regular Limited Partner, Lydia U. Brendle, Trustee shall share the remaining profits with the General Partners in proportion to Units owned.
- J. RIGHT TO SUBSTITUTE AN ASSIGNEE AS CONTRIBUTOR. An assignee of the Partnership interest of a Limited Partner or Special Limited Partner as defined in the Limited Partnership Agreement may not be substituted as a Limited Partner, in whole or in part unless the following terms and conditions have been satisfied:
  - (1) Upon furnishing to the General Partners evidence that the transferee accepts in writing all the terms and provisions of the Partnership Agreement, that the transfer will not violate federal or state securities laws and that the proposed transfer will not result in a termination of the Partnership for federal income tax purposes;
  - (2) When the Certificate of Limited Partnership has been appropriately amended and recorded; and
  - (3) In the case of a transfer by a Regular Limited Partner to a person or entity other than a family member, after offering the remaining Partners a right of first refusal and having such offer not be accepted, all as set forth in the Partnership Agreement.

- RIGHT TO ADMIT ADDITIONAL LIMITED PARTNERS. The General Partners shall have the right to admit additional Limited Partners only with the consent of the existing Limited Partners.
- L. RIGHTS TO PRIORITY TO PROFITS OR RETURN OF CAPITAL. The Special Limited Partner shall have priority over the Regular Limited Partner as to return of capital contributions upon liquidation of the Partnership and as to compensation by way of income as set forth in I above. The Special Limited Partner shall have the right to convert his interest into that of a Regular Limited Partner.
- M. RIGHT TO CONTINUE BUSINESS UPON DEATH, OR INSANITY OF THE GENERAL PARTNER. In the event of the withdrawal, retirement, resignation, liquidation, adjudication of bankruptcy, death or adjudication of incompetency of a General Partner, the Partnership shall be terminated unless, if there is a remaining General Partner, such General Partner elects to continue the Partnership, or if there if no remaining General Partner, all Limited Partners elect to continue the Partnership. If no General Partners exist, the Limited Partner may appoint a new General Partner.
- N. RIGHT TO DEMAND RETURN OF CAPITAL IN PROPERTY OTHER THAN CASH. No Limited Partner has the right to demand and receive property other than cash in return for his contribution.

IN WITNESS WHEREOF, the parties hereto have executed and sworn to this Certificate of Limited Partnership, this \_\_\_\_\_\_ day of May, 1986.

**GENERAL PARTNERS:** 

D & L BRENDLE CORP.

Danid & Planco
ast Secretary

By Douglas D. Prendle

President

D E (AFFIX CORPORATE SEAL)

Lydia U. Brendle

LIMITED PARTNER:

Lydia U. Brendle, Trustee of the Adelia Jane Brendle Trust

SPECIAL LIMITED PARTNER:

Douglas D. Brendle

STATE OF NORTH CAROLINA - COUNTY OF Joksuth I, a Notary Public of Stokes County and said State, certify that ANID B. BIANCO, personally came before me this day and acknowledged that (a) he is the ASI. Secretary of D & L BRENDLE CORP., a North Carolina Corporation, General Partner of D & L BRENDLE ASSOCIATES, a North Carolina Limited Partnership, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by NAVLD B. REANCO, as its/Secretary, for and on behalf of said Partnership. WITNESS my hand and notarial seal, this the 14th day of \_\_\_\_, 1986. PAT MICKEY ly commission expires expires: NOTARIAL SEAL: STATE OF NORTH CAROLINA - COUNTY OF TORSUY I, a Notary Public of County and State aforesaid, certify that LYDIA U. BRENDLE personally appeared before me this day and acknowledged the due execution of the foregoing instrument. THESS my hand and Notarial Seal or Stamp, this the 14th day , 1986. PAT MICKEY My commissed on expires: Sept. 29, 1988 County of Stokes NOTARIAL GENL/STAMP: STATE OF NORTH CAROLINA - COUNTY OF JORSYNA I, a Notary Public of County and State aforesaid, certify that LYDIA U. BRENDLE, TRUSTEE OF THE ADELIA JANE BRENDLE TRUST personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and Notarial Seal or Stamp, this the 14th day of <u>May</u>, 1986. My commission expires: NOTARIALOSEAL/STAMP: PAT MICKEY My commission expires Sept. 29, 1988 County of Stokes

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I, a Notary Public of County and State aforesaid, certify that DOUGLAS D. BRENDLE personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Séal or Stamp, this the May day of May, 1986.

PAT MICKEY
My commission expires
Sept. 29, 1988
County of Stokes

My commission expires

PRESE TLUFOR
REC - ATTN

May 14 12 20 PM '86

REGISTER OF DEEDS FORSYTH OTY 5 N.C.

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