

1071347

CERTIFICATE OF LIMITED PARTNERSHIP

OF

TOM AND JERRY MINE, PENNSYLVANIA MINING DISTRICT

We, the undersigned, desiring to form a limited partnership pursuant to the Uniform Limited Partnership Act of 1976 as set forth in California Corporation Code Sections 15611-15723, do hereby certify:

1. Name. The name of the Limited Partnership shall be the Tom and Jerry Limited Partnership.

2. Character of Business. The character of the business to be transacted by the partnership shall be as follows: To explore and develop the Pennsylvania District and to establish a mine on the property to be known as the Tom and Jerry Mine.

3. Agent for Service of Process. The agents for service of process shall be as follows:

In California: Tim Watt  
1906 Wilt Road  
Fallbrook, California 92028

In Nevada: Richard W. Harris, Esq.  
Hasse and Harris  
6121 Lakeside Drive, Suite 240  
P.O. Box 70205  
Reno, Nevada 89570-0250

4. Partners. The names and addresses of the General Partner and Limited Partner are as follows:

<u>Name</u>	<u>Status</u>	<u>Business Address</u>
Tim Watt	General Partner	1906 Wilt Road Fallbrook, CA. 92028
Jerry Helgeson	Limited Partner	3770 Poppy Lane Fallbrook, CA. 92028

5. Contributions of Partners. The contributions of the General Partner and the Limited Partner shall be as follows:

a. The General Partner shall assign to the Limited Partnership all of his right title and interest in and to the Mining Lease dated January 21, 1986 with Tom Johnston concerning the Pennsylvania Property situated in Lincoln County, Nevada. The deemed value of this contribution, together with the General Partner's services in developing and mining the property shall be an amount such as will be equal to a 45% interest in the property after the limited partner shall have earned his interest in the property as provided in

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b. next below.

b. The Limited partner shall contribute a maximum of Four Hundred Fifty Thousand Dollars or such amount as may be required to explore and develop the property, whichever be the lesser, to establish a positive cash flow after which the limited partner shall have a vested 55% interest in the property.

6. Additional Contributions. Should expenditures beyond \$450,000 be required to explore and develop the property in order that the property will provide a positive cash flow, Tim Watt will be liable to provide same to the extent that he can do so by liquidating on reasonable business terms his remaining 45% interest.

7. Assignment of Partners Interests. Either party may assign his interest in whole or in part without the consent of the other party.

8. Termination of Interest. Prior to vesting the limited partner may terminate his interest by failure to provide funds on a timely basis to further the partnership interests. The General Partner may withdraw from the partnership upon 90 days advance written notice to the Limited Partner, in which case the Limited Partner may elect to continue the business under a reconstituted limited partnership. Upon dissolution of the partnership, the assets shall be liquidated and paid or distributed in accordance with the following schedule of priorities:

a. To the payment of all taxes, debts and liabilities of the Partnership.

b. To the Limited Partner in the amount of all contributions he has made to the partnership and after he shall have received such amount from distributions of income or from the proceeds realized in liquidating the partnership assets, 55% of any remaining assets.

c. To the reduction of all loans made to the partnership by the partners.

d. To the General Partner in order that he will receive 45% of any partnership assets after the Limited Partner has recaptured the funding provided by him.

9. Distribution of Property. Neither Partner shall have the right to demand or receive cash or property except through distributions of net profits or distribution upon termination. The Partners shall have the right to receive any net profits in the form of gold or other product in kind.

10. Return of Contributions. No Partner shall have the right to receive a return of all or any part of his contribution except upon termination or by distribution from cash flow, provided the General Partner may retain sufficient sums from cash flow as he may deem necessary for the development of the property. The General Partner

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Lincoln County

NOTICE

shall not be privileged to utilize cash flow for exploration on the property beyond \$100,000 without the consent of the Limited Partner.

11. Disolution of Partnership. The Limited Partnership shall be disisolved upon the first of the followig events:

- a. Expiration of the primary term of fifty years from the date of this partnership agreement.
- b. Withdrawl, bankrupcy, or dissolution of the General Partner (unless the Partership's business is continued by the Limited Partner).
- c. Sale, assignment, lease, sublease or other disposition of the parterships assets.
- d. Dissolution of the Partership by the General Partner.

12. Contiuation of Partnership. Upon the withdrawal of the General Partner, the Limited Partner may elect to continue the business.

In Witness Whereof the parties have executed this certificate of Limited Partnership on this day of April, 1986.

D233/7U024

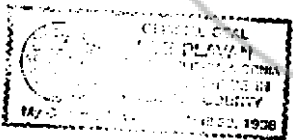
*Tim Watt*  
-----  
Tim Watt  
General Parter

*Jerry Helgeson*  
-----  
Jerry Helgeson  
Limited Parter

State of California )  
                                  ) ss.  
County of San Diago)

On this <sup>21<sup>st</sup></sup> day of April, 1986, Tim Watt and Jerry Helgeson appeared before me, a Notary Public, and acknowledged that they had executed the foregoing instrument as their free act and deed.

*Dee Carson*  
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Notary Public



1071347

RECORDS  
STATE OF NEVADA  
RECORD REQUESTED BY:

Richard Harris  
80 MAY 14 10: 11

JOE MELCHER  
COUNTY RECORDER  
FEE \$ 8.00 DEF NC

When recorded,  
return to:

Richard W Harris  
Haase and Harris  
PO Box 70250  
Reno 89570

CERTIFIED COPY  
THE FOREGOING DOCUMENT IS A FULL, TRUE AND CORRECT COPY OF THE RECORD IN THE OFFICE OF COUNTY RECORDER, WASHOE COUNTY, NEVADA. WITNESS MY HAND AND SEAL THIS 14th DAY OF May, 1986. JOE MELCHER, COUNTY RECORDER BY A. Covey DEPUTY



No. 81945

FILED AND RECORDED AT REQUEST OF  
Haase, Harris & Morrison

May 19, 1986

AT 36 MINUTES PAST 1 O'CLOCK  
P.M. IN BOOK 70 OF OFFICIAL  
RECORDS, PAGE 485 LINCOLN  
COUNTY, NEVADA.

Spencer Setzer  
COUNTY RECORDER