

PARTNERSHIP AGREEMENT

THIS AGREEMENT, made and entered into by and between ARDIS DORINE SOPER and RICHARD C. COONS, all of the City of Caliente, County of Lincoln, State of Nevada, hereinafter referred to as "Partners".

ARTICLE I

NAME, PURPOSE, AND PRINCIPAL PLACE OF BUSINESS

SECTION 1.01. Name. The name of the Partnership shall be THAT LITTLE SHOP IN CALIENTE.

SECTION 1.02. Purpose. The Partnership shall be conducted for the purpose of a retail gift shop together with any other lawful business in the world.

SECTION 1.03. Principal Place of Business. The principal place of business shall be at 101 Clover Street, City of Caliente, County of Lincoln, State of Nevada, unless relocated by a majority consent of the partners.

ARTICLE II

FORMATION/DURATION OF AGREEMENT

SECTION 2.01. Formation. The Partners hereby form a Partnership under the Uniform Partnership Act of Nevada.

SECTION 2.02. Term. The term of the Partnership shall commence on August 20, 1994, and shall continue thereafter for an indefinite period, to expire only by operation of law or pursuant to the sections in this agreement concerning the death of Partners and dissolution and winding up.

ARTICLE III

CAPITAL CONTRIBUTIONS/PROFITS AND LOSSES

SECTION 3.01. Initial Contribution. Partner, ARDIS DORINE SOPER, shall contribute the sum of Fifty Thousand Dollars (\$50,000.00) in initial capital. Partner, RICHARD C. COONS, shall not contribute any initial capital to the Partnership, but shall devote his time and efforts to a success of the Partnership

GARY D. FAIRMAN  
A PROFESSIONAL CORPORATION  
482 FIFTH STREET, P. O. BOX 8  
ELY, NEVADA, 89301  
(702) 888-4422

1 business as more fully set forth in this Agreement.

2 SECTION 3.02. Profits and Losses. Partner, ARDIS DORINE  
3 SOPER, shall have a seventy-five percent (75%) interest in the  
4 Partnership and Partner, RICHARD C. COONS, shall have a twenty-five  
5 percent (25%) interest in the Partnership meaning that Partner,  
6 ARDIS DORINE SOPER, shall receive seventy-five percent (75%) of all  
7 profits and Partner, RICHARD C. COONS, shall receive twenty-five  
8 percent (25%) of all profits. Each Partner, however, shall share  
9 proportionally the responsibility for all losses in the  
10 Partnership.

11 SECTION 3.03. Capital Account of Partnership. A capital  
12 account shall be maintained for the Partnership which shall consist  
13 of each Partner's original capital contribution, together with any  
14 monthly contributions, and shall be subject to increases and  
15 decreases as follows:

16 (a) Increased by (i) additional contributions made by  
17 each Partner, and (ii) each Partner's share of the Partnership  
18 profits; and

19 (b) decreased by (i) distribution of such profits and  
20 capital to each Partner, and (ii) each Partner's share of the  
21 Partnership losses.

22 SECTION 3.04. Additional Contributions/Deficits. In the  
23 event the Partnership business is conducted at a deficit, for each  
24 year of the Partnership operations, each Partner shall contribute  
25 as additional capital to the Partnership, in the same proportions  
26 as they are entitled to share in the profits, sufficient funds to  
27 eliminate any deficits. In the event that there is an unequal  
28 contribution of Partnership capital in relation to the percentage  
29 ownership of the Partners, the interest of the Partner who does not  
30 contribute his or her proportionate share may be further diluted  
31 and the Partner who contributes disproportionate contributions  
32 shall have an increase in his/her Partnership interest in

JANE M. FAIRBANKS  
A PROFESSIONAL CORPORATION  
488 FIFTH STREET, P. O. BOX 8  
ELY, NEVADA 89301  
(702) 388-4432

1 proportion to the amount of contributions paid by said Partner.  
2 Subject to the foregoing, whenever the Partners determine that the  
3 Partnership is otherwise in need of additional capital, the  
4 Partners shall contribute such additional capital in the same  
5 proportions as they are entitled to share the profits of the  
6 Partnership. At the election of the majority of the Partners, if  
7 any of the Partners fail to make additional contributions of  
8 capital when required hereunder, he\she shall not be entitled to  
9 draw against his\her capital account or receive any distributions  
10 of cash from the Partnership until such contribution has been made  
11 by him\her.

12 SECTION 3.06. Advance of Funds to Partnership. If any  
13 of the Partners shall advance any funds or properties to the  
14 Partnership other than as hereinabove provided, the amount of such  
15 advance shall not be an increase of his\her capital contribution or  
16 proportion of profits and losses of the Partnership but, the amount  
17 of any such advance shall be deemed a loan to the Partnership by  
18 him\her, and such loan shall be repaid to him\her on demand with  
19 interest at the prime interest rate at the time of the making of  
20 the loan as set by Bank of America, Las Vegas, Nevada, unless an  
21 interest amount is agreed upon by the Partners in writing. The  
22 Partnership shall be deemed to have waived the statute of  
23 limitations in any action which may be brought for the collection  
24 of any loan by a Partner to the Partnership. Amounts left undrawn  
25 in the capital account of any of the Partners, whether voluntarily  
26 or involuntarily, shall not be deemed a debt of the Partnership to  
27 such Partner for the purposes of this subsection 3.05.

28 SECTION 3.07. Limitation and Withdrawal of Capital.  
29 Except as specifically provided in this Agreement, no Partner shall  
30 have the right to withdraw or reduce his\her contributions of  
31 capital to the Partnership.

32 SECTION 3.08. Negative Capital Account. The parties

GARY D. FAIRMAN  
A PROFESSIONAL CORPORATION  
482 NORTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 289-4422

1 recognize the likelihood that a negative capital account could  
2 result from a distribution hereunder or from losses incurred by the  
3 Partnership. Such a negative capital account shall not effect a  
4 Partner's participation in the profits and losses of the  
5 Partnership, another Partner, or any person, firm or corporation  
6 claiming through the Partnership of a Partner, by reason of a  
7 negative capital account, and no action for the recovery of the  
8 amount of a negative capital account shall ever be brought by the  
9 Partnership, a Partner, or any person, firm or corporation claiming  
10 through the Partnership or a Partner, against any Partner. Nothing  
11 in this subsection 3.08 shall be deemed to limit or affect the  
12 right of contribution of any Partner who had paid, or against whom  
13 a claim has been made for payment of, any obligation of the  
14 Partnership, from any other Partner.

15 **ARTICLE IV**

16 **DISTRIBUTION OF PROFITS**

17 **SECTION 4.01. Distribution.** The net cash from  
18 operations of the Partnership shall be distributed at such times as  
19 may be determined by the Partners.

20 **SECTION 4.02. Definition.** The term "net cash from  
21 operations" shall mean:

22 The taxable income of the Partnership for federal income  
23 tax purposes as shown on the books of the Partnership, increased  
24 and decreased as follows: (a) increased by (i) the amount of  
25 depreciation and amortization deductions taken in computing such  
26 taxable income and (ii) any non-taxable income or receipts of the  
27 Partnership; and (b) decreased by (i) payments upon the principal  
28 of any installment obligations, mortgages or deeds of trust  
29 respecting Partnership assets or of other Partnership debts, (ii)  
30 capital expenditures for improvements and placements, and (iii)  
31 such reserves for capital improvements and replacements, for  
32 repairs, to meet anticipated expenses, and for working capital as

GARY D. FAIRMAN  
A PROFESSIONAL CORPORATION  
498 FIFTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 269-4422

1 the Partners shall determine to be reasonably necessary in the  
2 efficient conduct of the business of the Partnership; plus

3 Any excess funds resulting from the placement, or excess  
4 of refinancing of, any mortgages or deeds of trust on Partnership  
5 property or any encumbering or financing of such property in any  
6 other manner; plus

7 Any other funds deemed available for distribution by the  
8 Partners.

9 SECTION 4.03. Proportion of Distributions. Net cash  
10 from operation shall be distributed to the Partners in the same  
11 proportions as each is entitled to share in the profits of the  
12 Partnership.

13 **ARTICLE V**

14 **PERFORMANCE/SERVICES BY PARTNERS**

15 SECTION 5.01. Performance by Partner, RICHARD C. COONS.  
16 Partner, RICHARD C. COONS, shall apply his experience and ability  
17 in discharging his assigned functions in the Partnership and in the  
18 performance of all work that may be necessary or advantageous to  
19 further the business interest of the Partnership. Partner, ARDIS  
20 DORINE SOPER, shall not be obligated to be directly involved in the  
21 day to day in store operations because of her obligations to other  
22 business commitments.

23 **ARTICLE VI**

24 **MANAGEMENT**

25 SECTION 6.01. Co-responsibilities. The establishment,  
26 implementation, and conduct of the Partnership business policy  
27 shall be the responsibility of all partners. There shall be no  
28 regular partnership business meetings on a scheduled basis, but  
29 each partner shall be responsible for obtaining the concurrence of  
30 the other Partners before putting any new or changed policy or  
31 management decision into effect.

32 SECTION 6.02. Limitations on Duties. Neither Partner

JACK L. FAULKMAN  
A PROFESSIONAL CORPORATION  
488 FIFTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 289-4422

1 shall obligate the Partnership indirectly as a result of his/her  
2 own personal business dealings, or directly by assuming or  
3 discharging any liability for or to the Partnership, without the  
4 consent of the majority of the Partners.

5 SECTION 6.03. Business Activities. Nothing contained in  
6 this Agreement shall be construed to constitute any Partner an  
7 agent of another Partner, except as expressly provided herein, or  
8 in any manner to limit the Partners in the carrying on of their  
9 respective business or activities. Any of the Partners, or any  
10 agent, servant, or employee of any of the Partners, may engage in  
11 and possess any interest in other businesses or ventures of every  
12 nature and description, independently or with others, provided that  
13 the same is not in direct competition with the business or purpose  
14 of the Partnership. The Partnership may deal with such businesses  
15 or ventures as approved by the Partnership.

16 ARTICLE VII

17 SALARIES

18 SECTION 7.01. Restriction. Unless otherwise agreed by  
19 a majority of the Partners, Partners shall not be entitled to  
20 receive a salary but shall, upon concurrence of the majority of the  
21 Partners, be entitled to receive an advanced draw in anticipation  
22 of Partnership profits.

23 ARTICLE VIII

24 BUSINESS RECORDS/BANKING

25 SECTION 8.01. Records and Banking. Accurate and  
26 complete books of account shall be kept by the Partners. Entries  
27 promptly shall be made therein of all the transactions of the  
28 Partnership, and such books of account shall be open at all times  
29 to the inspection and examination of the Partners. The books shall  
30 be kept on the basis of accounting selected by the accountant  
31 regularly servicing the Partnership. A compilation, review or  
32 audit of the Partnership, as determined by the Partners, shall be

JAKE L. FAIKMAN  
A PROFESSIONAL CORPORATION  
482 PIPPIN STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 889-6422

1 made as of the closing of each fiscal year of the Partnership by  
2 the accountants who shall then be engaged by the Partnership.

3 SECTION 8.02. Deposits of Revenues. All revenues of the  
4 Partnership shall be deposited regularly in the Partnership  
5 accounts at such banks or savings institutions as shall be selected  
6 by the Partners, and shall be subject to withdrawal only by an  
7 instrument made in the name of the Partnership.

8 ARTICLE IX

9 LIABILITY OF PARTNERS

10 SECTION 9.01. Losses Caused by Improper Conduct of  
11 Partner. The losses of the Partnership are to be borne by the  
12 Partners in the same proportions as provided herein for the sharing  
13 of profits, except that where losses are caused by the willful  
14 neglect or default, the gross negligent conduct, including acts and  
15 failures to act, or the intentional negligent conduct, of any  
16 Partner, those losses shall be borne solely and made good by the  
17 Partner so causing the loss.

18 SECTION 9.02. Third Party Liability. The Partnership  
19 shall be primarily liable to creditors for all Partnership debts.  
20 All debts shall be paid on a timely basis, as regular business  
21 operating expenses. The payments shall be made from the gross  
22 business receipts prior to making a determination of net profits  
23 and a distribution thereof to Partners.

24 Each Partner shall be proportionably liable for any  
25 Partnership debts to third party creditors that the Partnership is  
26 financially unable to discharge. Each Partner shall pay his/her  
27 proportionable share within thirty (30) days after the Partner  
28 deficiency is determined, the additional contribution requirements  
29 are assessed and the Partner is notified thereof.

30 SECTION 9.03. Liability to Third Party-Personal  
31 Liability. Each Partner shall be separately liable for any  
32 personal obligations he/she may have incurred with thirty-party

MARIL D. FAIRMAN  
A PROFESSIONAL CORPORATION  
488 SOUTH STEWART ST., BOX 8  
RENO, NEVADA 89501  
(702) 788-4412



1 creditors either prior to or after the formation of this  
2 Partnership. Partners shall hold the Partnership harmless on any  
3 personal indebtedness, and if the Partnership shall be legally  
4 obligated to discharge any of the Partner's separate indebtedness,  
5 that Partner shall reimburse the Partnership within thirty (30)  
6 days thereafter, or his\her capital account shall be debited for  
7 the account in issue then his\her Partnership share shall be  
8 proportionately reduced.

9 **ARTICLE X**

10 **DEATH OF PARTNERS**

11 SECTION 10.01. Death. In the event of death of Partner,  
12 RICHARD C. COONS, this Partnership shall terminate. In the event  
13 of the death of Partner, ARDIS DORINE SOPER, the Partnership shall  
14 not be liquidated, but shall endure until terminated pursuant to  
15 the terms of this Agreement and subject to any testamentary  
16 disposition of Partner, ARDIS DORINE SOPER'S, interest in this  
17 Partnership pursuant to her Last Will and Testament and any Codicil  
18 thereto. Subject to the foregoing, the interest of the deceased  
19 Partner, ARDIS DORINE SOPER, in the Partnership pass to and vest in  
20 her personal representative, beneficiary, or next of kin, who shall  
21 be bound by the terms and conditions of this Agreement.

22 **ARTICLE XI**

23 **DISSOLUTION AND WINDING UP**

24 SECTION 11.01. Procedure. The Partnership shall be  
25 dissolved and its affairs wound up on the first to occur of the  
26 following:

- 27 (a) The agreement of the Partners to wind up the affairs  
28 of the Partnership and terminate the Partnership;  
29 (b) The sale of all or substantially all of the assets  
30 owned by the Partnership, provided that such sale has been  
31 authorized in accordance with the terms of this Agreement.

32 SECTION 11.02. Governing Law. Upon the happening of any

JACK J. FALKMAN  
A PROFESSIONAL CORPORATION  
408 FIFTH STREET - P.O. BOX 8  
ELY, NEVADA 89301  
(702) 886-4422



1 of the events set forth in the foregoing subsection 11.01, the  
2 Partnership shall remain in existence solely for the purpose of  
3 winding up its affairs. Upon the happening of any event to a  
4 Partner which is not specified in the foregoing subsection 11.01,  
5 but which would otherwise be a cause of dissolution under the  
6 Nevada Uniform Partnership Act as then in effect, the Partnership  
7 shall not thereby deemed to be dissolved and the Partnership shall  
8 continue as if the Partner to whom such event had happened had  
9 died.

10 SECTION 11.03. Procedure for Evaluating Affairs of  
11 Partnership. Upon the happening of an event specified in the  
12 foregoing subsection 11.02, the Partners shall cause a statement to  
13 be prepared by the certified public accountants then serving the  
14 Partnership which shall set forth the assets and liabilities of the  
15 Partnership as of the date of dissolution. The assets of the  
16 Partnership shall be liquidated and the proceeds distributed in the  
17 following order of priority:

18 (a) To the payment of the debts and liabilities of the  
19 Partnership (other than any loans or advances that may have been  
20 made by Partners to the Partnership) and the expenses of  
21 liquidation.

22 (b) To the setting up on any reserves which the  
23 Partners, or the certified public accountants preparing such  
24 statement, may deem reasonably necessary to provide for the payment  
25 of any contingent or unknown liabilities or obligations of the  
26 Partnership. Said reserves shall be paid over to any bank, savings  
27 institution, or attorney doing business or qualified to practice  
28 law in the State of Nevada, a escrowee, to be held by it or him/her  
29 for the purpose of disbursing such reserves to the payment of any  
30 of such contingent liabilities that may become fixed or certain.  
31 At the expiration of three years after the termination of the  
32 Partnership's business, or earlier in the discretion of the escrow,

GARY D. FAIRMAN  
A PROFESSIONAL CORPORATION  
488 FIFTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 888-4422

1 the balance remaining of the escrow funds which is not required to  
2 meet the then known or reasonably certain liabilities shall be  
3 distributed in the matter hereinafter provided in this subsection  
4 11.03.

5 (c) To the repayment of any loans or advances made by  
6 any of the Partners to the Partnership, but if the amount available  
7 for such repayment shall be insufficient, then pro rata on account  
8 thereof.

9 (d) Any balance remaining shall be distributed among the  
10 Partners in the same proration as each shares in the profits of the  
11 Partnership.

12 ARTICLE XII

13 TRANSFER OF INTEREST

14 SECTION 12.01. Written Consent Necessary/Management.

15 Neither party shall transfer, assign, or sell his\her respective  
16 interest in the Partnership without the prior written consent of  
17 the other Partner. Any transfer, assignment, or the sale of an  
18 interest shall not allow any new Partner to have any management  
19 rights in the business except as agreed upon by the remaining  
20 Partner.

21 SECTION 12.02. Procedure for Evaluations of Interest in  
22 the Event of a Transfer of Interest or Resignation of Partnership.  
23 In the event of the resignation of a Partner from the Partnership,  
24 the Partner so resigning from the Partnership shall give one  
25 hundred and eight (180) days advance notice to the Partners of  
26 his\her intended resignation from the Partnership. In the event  
27 any Partner desires to otherwise sell his\her Partnership interest  
28 without resigning the Partner so desirous of selling said interest  
29 shall first offer said interest to the remaining Partners. Said  
30 Partnership interest of a resigning Partner or a Partner who  
31 desires to sell his\her interest shall be evaluated pursuant to  
32 . . .

JAMES L. FAIRMAN  
A PROFESSIONAL CORPORATION  
488 FIFTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 288-4422

1 Section 11.03.

2 ARTICLE XIII

3 MISCELLANEOUS

4 SECTION 13.01. Remedy upon Breach. In the event of a  
5 breach of this Agreement by any party hereto, the remaining  
6 Partners shall be allowed to enforce their legal or equitable  
7 rights as provided by law.

8 SECTION 13.02. Construction. The provisions of this  
9 Agreement shall be interpreted and construed in accordance with the  
10 statutes of the State of Nevada and the provisions thereof  
11 governing the conduct of the business being rendered by the  
12 Partnership.

13 SECTION 13.03. Notices. Any notice required by this  
14 Agreement or by provisions of the laws of the State of Nevada shall  
15 be delivered to the party to be notified in person, or shall be  
16 mailed to that Partner, postage prepaid, at his/her last known  
17 address.

18 SECTION 13.04. Effect of Agreement. This Agreement  
19 shall bind and be for the benefit of the parties to the Agreement  
20 as well as their respective representatives, executives,  
21 administrators, heirs, or successors.

22 SECTION 13.05. Additions, Alterations, or Modifications.  
23 Where it shall appear to the Partners that this Agreement, or any  
24 terms and conditions contained herein, are in any way ineffective  
25 or deficient, or not expressed as originally intended, and any  
26 alteration or addition shall be deemed necessary, the Partners will  
27 enter into, execute, and perform all future deeds and instruments  
28 as their counsel shall advise. Any addition, alteration, or  
29 modification shall be in writing, and no oral agreement shall be  
30 effective.

31 IN WITNESS WHEREOF, the said parties have executed this  
32 . . . . .

WANDA M. I. RABBITT  
A PROFESSIONAL CORPORATION  
488 PERRY STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 289-4412

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agreement on this 26<sup>th</sup> day of September, 1994.

Ardis Dorine Soper  
ARDIS DORINE SOPER

Richard C. Coons  
RICHARD C. COONS

STATE OF NEVADA )  
COUNTY OF LINCOLN ) SS.

On September 26<sup>th</sup>, 1994, personally appeared before me, a Notary Public, ARDIS DORINE SOPER, who acknowledged that she executed the above instrument.

Donya J. Smith  
NOTARY PUBLIC



TONYA T. SMITH  
Notary Public - Nevada  
Lincoln County  
My appt. exp. Jan. 18, 1998

STATE OF NEVADA )  
COUNTY OF LINCOLN ) SS.

On September 26<sup>th</sup>, 1994, personally appeared before me, a Notary Public, RICHARD C. COONS, who acknowledged that he executed the above instrument.

Donya J. Smith  
NOTARY PUBLIC



TONYA T. SMITH  
Notary Public - Nevada  
Lincoln County  
My appt. exp. Jan. 18, 1998

WILLIAM L. STANBURN  
A PROFESSIONAL CORPORATION  
488 FIFTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 289-4422

NOTICE OF PARTNERSHIP

NOTICE IS HEREBY GIVEN that on the 26<sup>th</sup> day of September, 1994, ARDIS DORINE SOPER of Caliente, Nevada, and RICHARD C. COONS of Caliente, Nevada, entered into a certain Partnership Agreement for the operation of the business known as THAT LITTLE SHOP OF CALIENTE. The Partners may be contacted at 101 Clover Street, Caliente, Nevada, for the particulars of said Agreement.

DATED this 26<sup>th</sup> day of September, 1994.

Ardis Dorine Soper  
ARDIS DORINE SOPER

Richard C. Coons  
RICHARD C. COONS

STATE OF NEVADA )  
COUNTY OF LINCOLN ) SS.

On September 26, 1994, personally appeared before me, a Notary Public, ARDIS DORINE SOPER, who acknowledged that she executed the above instrument.

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NOTARY PUBLIC



TONYA T. SMITH  
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Lincoln County  
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STATE OF NEVADA )  
COUNTY OF LINCOLN ) SS.

On September 26, 1994, personally appeared before me, a Notary Public, RICHARD C. COONS, who acknowledged that he executed the above instrument.

Donya J. Smith  
NOTARY PUBLIC



TONYA T. SMITH  
Notary Public - Nevada  
Lincoln County  
My appt. exp. Jan. 18, 1998

No. 102439

FILED AND RECORDED AT REQUEST OF  
Richard Coons

September 26, 1994

11:05 MINUTES PAST 1 O'CLOCK

P.M. IN BOOK 111 OF OFFICIAL

RECORDS, PAGE 66 LINCOLN

COUNTY, NEVADA.

Yuriko Setzer

By Lubie Boucher  
Deputy

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BOOK 111 PAGE 78

JAKY D. FAIRMAN  
A PROFESSIONAL CORPORATION  
492 FIFTH STREET - P. O. BOX 8  
ELY, NEVADA 89301  
(702) 896-6482