

When recorded mail to:

SW Associates  
4316 Marina City Drive #633  
Marina Del Rey, California 90291

8721  
①

PARTNERSHIP AGREEMENT

This Partnership Agreement is entered into and effective as of April 24, 1985, by and between J. Thomas Williams, Jr., and Nancy R. Schauer (the "Partners").

RECITALS:

The Partners desire to form a general partnership under the laws of the State of California for the purposes and on the terms and conditions stated in this Agreement.

AGREEMENT:

The parties to this Agreement agree to become partners and to form a general partnership under the laws of the State of California and therefore agree as follows:

1. Name. The name of the partnership shall be SW Associates.

2. Place of Business. The Partners principal place of business shall be located at 4316 Marina City Drive, Suite 633CTN, Marina del Rey, California.

3. Term. The partnership shall begin as of the date of this Agreement and shall continue until dissolved by mutual agreement of all of the Partners or under the provisions for dissolution and winding up in this Agreement.

4. Purpose. The purpose of the partnership is to invest in a variety of opportunities including, but not limited to, real estate and to do all things related to, incidental to, or in furtherance of that business.

5. Capital. The partnership's initial capital shall consist of cash to be contributed by the partners in the following amounts:

<u>Name</u>	<u>Amount</u>
J. Thomas Williams, Jr.,	\$13,761.84
Nancy R. Schauer	\$ 4,587.28

Additional capital contributed for additional investments shall be set forth on Exhibit A attached hereto and incorporated herein by this reference.

6. Withdrawals of Capital. No Partner may withdraw

capital from the partnership without the consent of all of the Partners.

7. Divisions of Profits and Losses. The partnership's profits and losses shall be shared among the Partners as follows

<u>Name</u>	<u>Percentage</u>
J. Thomas Williams, Jr.	75%
Nancy R. Schauer	25%

8. Distribution to Partners. Within ninety (90) days after the end of each fiscal year of the partnership there shall be distributed in cash to the Partners, in proportion to their respective shares in the partnership's profits, an amount equal to the sum of the partnership's net profit for that fiscal year as computed under this Agreement, but increased by the amounts deducted as depreciation, depletion, or amortization on the partnership's federal income tax return, and increased by any payments received and reduced by any payments made, by the partnership during that fiscal year on account of the principal of all debt obligations, other than obligations for which provision was made in computing net profit.

The aggregate amounts distributed to the Partners from the partnership's profits shall not, however, exceed the amount of cash available for distribution, taking into account the partnership's reasonable working capital needs as determined by the mutual agreement of the Partners.

9. Fiscal Year. The fiscal year of the partnership shall be the calendar year.

10. Accounting Method. The partnership's books shall be kept on a cash basis.

11. Determination of Profit and Loss. The partnership's net profit or net loss for each fiscal year shall be determined as soon as practicable after the close of that fiscal year in accordance with the accounting principles employed in the preparation of the federal income tax return filed by the partnership for that year.

12. Partnership Books. Proper and complete books of account of the partnership business shall be kept at the partnership place of business and shall be open to inspection by any of the Partners or their accredited representatives at any reasonable time during business hours.

13. Control of Business. Each Partner shall participate in the control, management, and direction of the business of the partnership with the mutual consent of all of the Partners required to so manage, direct or control the business of the partnership.

14. Outside Activities Anticipated. It is understood and agreed that each partner may engage in other enterprises, including enterprises in competition with the partnership, and that the partners need not offer business opportunities to the partnership but may take advantage of those opportunities for their own accounts or for the accounts of other partnerships or enterprises with which they are associated. Neither the partnership nor any other partner shall have any right to any income or profit derived by a partner from any enterprises or opportunity permitted by this section.

15. Transfer of Partnership Interests. A Partner's interest in the partnership shall not be transferred, in whole or in part, without the consent of all of the Partners.

16. Dissolution. In the case of a Partner's death, permanent physical or mental disability, or voluntary withdrawal from the partnership, the Partners shall not dissolve, terminate, liquidate or wind up the affairs of the partnership but shall continue to conduct the partnership under the terms of this Agreement with any successor or transferee of the deceased or withdrawn partner.

17. Amendments. This Agreement may be amended at any time and from time to time, but any amendment must be in writing and signed by each person who is then a Partner.

18. Notice. Any written notice to any of the Partners required or permitted under this Agreement shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the tenth day after mailing, if mailed to the party to whom notice is to be given, by first class or airmail, certified mail, return receipt requested, postage prepaid, and addressed to the addressee at the address stated with his name below or at the most recent address, specified by written notice given to the sender by the addressee under this provision. Notices to the partnership shall be similarly given, and addressed to its principal place of business.

19. Counterparts. The parties may execute this Agreement in two or more counterparts which shall, in the aggregate, be signed by all the parties; each counterpart shall be deemed an original instrument as against any party who has signed it.

20. Governing Law. This Agreement is executed in the State of California and the laws of that state shall govern its interpretation and effect.

21. Successors. This Agreement shall be binding on and inure to the benefit of its respective successors, assigns, and personal representatives of the parties, except to the extent of any contrary provision in this Agreement.

22. Severability. If any term, provision, covenant, or

condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of the agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

23. Entire Agreement. This instrument contains the entire agreement of the parties relating to the rights granted and obligations assumed in this instrument. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged.

IN WITNESS WHEREOF, the Partners have executed this Agreement as of the date first shown above.

*J. Thomas Williams, Jr.*  
J. Thomas Williams, Jr.

*Nancy R. Schauer*  
Nancy R. Schauer

CAT. NO. NN00630  
TO 21946 CA (1-83)

 **TICOR TITLE INSURANCE**

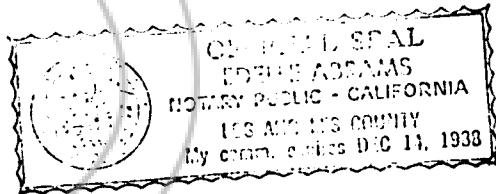
(Partnership)

STATE OF CALIFORNIA  
COUNTY OF Los Angeles } ss.

On March 4, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared J. Thomas Williams, Jr.

\_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the person \_\_\_\_\_ who executed the within instrument as one of the partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.  
WITNESS my hand and official seal.

Signature Hilda Cortes



STAPLE HERE

CAT. NO. NN00630  
TO 21946 CA (1-83)

 **TICOR TITLE INSURANCE**

(Partnership)

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES } ss.

On March 4, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared NANCY R. SCHAUER

\_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the person \_\_\_\_\_ who executed the within instrument as one of the partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.  
WITNESS my hand and official seal.

Signature Hilda Cortes



STAPLE HERE

Exhibit A

Name

Amount

J. Thomas Williams, Jr.  
Nancy R. Schauer

\$15,000  
\$ 5,000

COPY

REQUESTED BY  
**DOUGLAS COUNTY TITLE**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'86 MAR -7 P3:59

SUZANNE BEAUREAU  
RECORDER

\$ 900 PAID. JU DEPUTY

**131809**

BOOK **386** PAGE **632**