

PARTNERSHIP/CO-TENANCY AGREEMENT

THIS AGREEMENT is made this 30 day of April, 1993, by and between RAY M. COLLINS and CAROL J. COLLINS, husband and wife as tenants by the entirety, of 825 Calhoun Avenue, Juneau, Alaska 99801, hereinafter referred to as "Collins", and DALE BARTON, a single man, of 8247 Aspen Ave, Juneau, Alaska 99801, hereinafter referred to as "Barton",

WITNESSETH:

WHEREAS, Collins and Barton own the following described real property:

Lot 14, Area 1, Colt Island Alaska Recreational Development according to Plat 75-11, USS 1755, Juneau Recording District, First Judicial District, State of Alaska,

and

WHEREAS, Collins and Barton anticipate building a recreational duplex on said property with each party having exclusive use of and responsibility for maintenance of their individual unit; and

WHEREAS, Collins and Barton wish to form a partnership for the express purpose of owning, maintaining and using the above-described recreational property, and

WHEREAS, Collins and Barton wish to establish in writing their agreement regarding the property, including but not limited to authorized types of activity on the property, maintenance costs and responsibilities, insurance costs, and buy-sell provisions,

NOW, THEREFORE, it is hereby agreed as follows:

ATTORNEYS AT LAW  
BAXTER, BRUCE,  
BRAND & RODRIGUEZ  
P.O. BOX 32819  
JUNEAU, ALASKA 99803-2819  
Telephone: (907) 789-3166  
Telecopier: (907) 789-1913

1           1.   **NAME.**   The name of the partnership shall be The  
2 Collins/Barton Colt Island Recreational Group, and the mailing address is  
3 825 Calhoun, Juneau, Alaska, 99801.

4           2.   **PURPOSE.** The purpose of said partnership is the ownership  
5 of a recreational duplex located on the above-described property with  
6 partnership activities restricted to ownership, use and enjoyment of the  
7 above-described property. Neither partner shall have the authority to  
8 bind the partnership for anything other than the Colt Island property and  
9 the maintenance matters the subject of this agreement.

10          3.   **DURATION.** The partnership shall continue until dissolved in  
11 accordance with the terms of this agreement; the resulting legal effect of  
12 any dissolution shall be as specified herein.

13          4.   **PERCENTAGE OF PARTNERSHIP INTEREST.** The interest  
14 of each partner in the partnership is as follows:

15           Ray and Carol Collins	50%
16           Dale Barton	50%

17          5.   **DESIGNATION OF EXCLUSIVE USE OF INDIVIDUAL**  
18 **UNIT.** Attached to this agreement as Exhibit "A" is a drawing of the  
19 duplex showing the wall dividing the individual units and the designation  
20 of the units as Unit B and Unit C. Ray and Carol Collins shall have  
21 exclusive use of Unit C and Dale Barton shall have exclusive use of Unit  
22 B.

23          5.   **EXPENSES OF PARTNERSHIP.** All losses and disbursements  
24 incurred in building, holding, and protecting the property shall be the  
25 responsibility of the members of the partnership on a pro rata basis in  
26

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1 accordance with the percentage of ownership as set forth above. In the  
2 event the property should become subject to levy for real property taxes  
3 to any governmental agency, any tax imposed shall be considered a  
4 partnership expense.

5       6. **FINANCIAL RECORDS.** There shall be maintained at all  
6 times during the continuation of the partnership perfect, true and just  
7 books of account wherein the partners shall enter and set down all  
8 monies by them or any of them paid out, or expended in and by the  
9 partnership, together with all capital items and all other matters  
10 whatsoever relating in any way to the partnership. These books shall be  
11 used in common among the partners so that any of them may have access  
12 thereto at all times without interruption or hindrance from the others.

13       7. **INSURANCE.** The structure, exclusive of contents, located on  
14 the property the subject of this partnership shall be kept insured at full  
15 insurable value by the partners against fire and other perils and  
16 casualties, together with liability coverage in an amount of at least  
17 \$300,000.00 under a policy providing the broadest coverage available at  
18 a reasonable cost. All premiums shall be shared according to the  
19 provisions of Paragraph 5 above. Each partner shall be responsible for  
20 providing and maintaining whatever insurance coverage he/she feels is  
21 necessary for the contents of his/her individual unit.

22       8. **MAINTENANCE.** Maintenance of the exterior of the duplex,  
23 i.e., stairs, painting, roof, etc., shall be the responsibility of the partnership  
24 on a prorata basis according to the provisions of Paragraph 5.  
25  
26

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1 All interior maintenance shall be the responsibility of each partner  
 2 for their individual unit. The partners agree that their individual units  
 3 will be maintained to the original integrity at the sole cost, expense and  
 4 responsibility of the partner to which the exclusive right of possession of  
 5 the individual unit belongs. Any additions, modifications or alterations of  
 6 the structure shall not compromise the integrity of the original structure.  
 7 Any and all structural changes must be agreed upon by both partners.

8 **9. SMOKE DETECTORS AND FIRE EXTINGUISHERS.** Each  
 9 partner is required to and shall be responsible for equipping their  
 10 individual unit with at least 2 working smoke detectors. Each partner  
 11 shall also be responsible to keep in their individual unit at least 3 fire  
 12 extinguishers placed in strategic locations throughout the unit. The  
 13 smoke detectors and fire extinguishers shall be kept in top working order  
 14 at all times.

15 **10. CUTTING TREES.** It is the intent of the partners that the  
 16 natural surroundings of the lot be maintained by limiting removal of only  
 17 the minimum number of trees for the construction and continued safety  
 18 of the dwelling. No further trees can be cut on the lot unless both  
 19 partners are in agreement.

20 **11. LIENS.** With the exception of jointly executed partnership  
 21 liabilities, the partners shall keep the property free and clear from all  
 22 mechanics liens and other encumbrances and if a mechanics lien or other  
 23 encumbrance against an individual partner is filed against said property  
 24 the same shall be discharged within sixty (60) days of notice by the other  
 25 partner, or the partner against whom the lien is filed will provide a  
 26

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1 surety bond or cash deposit payable to the other partner in an amount  
 2 equal to one and one-half times the amount listed on the mechanics lien  
 3 or other encumbrance as filed. Further, a partner may post to the other  
 4 partner's individual unit a notice of non-responsibility pursuant to AS  
 5 34.35.065.

6 In the event that after ninety (90) days of the recording of a lien,  
 7 and the lien is not removed pursuant to the above provisions, the interest  
 8 of the defaulting partner may be purchased by the non-defaulting  
 9 partners pursuant to Section 15(B) herein.

10 12. **NON-PAYMENT OF PARTNERSHIP LIABILITIES.** Should  
 11 a partner neglect or refuse to pay that partner's share of a partnership  
 12 liability or liabilities, the other partner shall have the option of paying the  
 13 liability and shall thereafter be entitled to a lien against the individual  
 14 unit of the defaulting partner for the amount so paid, together with  
 15 interest at the statutory rate. If satisfactory arrangements have not been  
 16 made for payment of the lien within six (6) months of the creation of the  
 17 lien, the creditor partner may purchase the interest of the debtor partner  
 18 pursuant to the provisions of Section 15(B).

19 13. **ANIMALS.** Each partner shall be allowed to keep such  
 20 animals on the property as he/she so chooses, provided that the animal(s)  
 21 does not become a nuisance.

22 14. **RESTRICTION OF PARTNERS.** No partner, without the  
 23 consent of all other partners, shall:

24 A. Sell, assign, create a security interest in, or pledge his  
 25 interest in the partnership;  
 26

1 B. Borrow or lend money on behalf of the partnership, or  
2 purchase any security or bond except for cash in full;

3 C Assign, transfer, pledge, compromise, or release any  
4 claim of the partnership except for full payment, or arbitrate or  
5 consent to the arbitration of any of its disputes or controversies;

6 D Use the name, credit or property of the partnership for  
7 any purpose other than a proper partnership venture;

8 **15. PURCHASE AND SALE OF INTEREST IN PARTNERSHIP.**

9 A. Any partner shall have the right to withdraw from the  
10 partnership by giving notice to the other partner of his intention to  
11 withdraw at least six (6) months prior to the time when the  
12 withdrawal is to be effective. The withdrawing partner may solicit  
13 offers from other persons. Once a bona fide offer for purchase has  
14 been received, the withdrawing partner shall convey the offer to  
15 the remaining partner, who have the right of first refusal to  
16 purchase the withdrawing partner's interest at the offered price. If  
17 the partner elects not to purchase the withdrawing partner's  
18 interest in the partnership, then the withdrawing partner may sell  
19 to a third party mutually agreeable to the remaining partner. The  
20 remaining partner agrees that he/she will not unreasonably  
21 withhold his/her acceptance.

22 B. If the withdrawing partner is unable to find a  
23 prospective purchaser for his/her interest in the partnership, the  
24 remaining partner shall have the option to purchase the  
25 withdrawing partner's interest at fair market value.  
26

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1 Fair market value shall be determined by a real estate  
 2 appraiser appraising the individual unit and improvements, added  
 3 to which shall be the sum of \$5,000.00 herein agreed to be one-half  
 4 of the value of the land upon which the building and improvements  
 5 are located. The total of value determined as above provided,  
 6 minus the prorata percentage of partnership liabilities pursuant to  
 7 Paragraph 5 above, shall equal the fair market value of the  
 8 individual unit. If the parties cannot agree on an appraiser  
 9 acceptable to all parties, then the withdrawing partner shall appoint  
 10 an appraiser of his choosing, and the remaining partner shall  
 11 appoint an appraiser of his/her choosing. The two appraisers,  
 12 working together, will establish a mutually agreed-upon value of  
 13 the withdrawing partner's interest. If the two appraisers are  
 14 unable to agree on a value, then the Superior Court at Juneau,  
 15 Alaska, shall be requested to appoint a third appraiser with the  
 16 majority of the three appraisers determining the value of the  
 17 partnership interest in question. The parties will negotiate a  
 18 reasonable payout plan to compensate the withdrawing partner.  
 19 The payout plan shall be required to provide for a down payment of  
 20 no less than ten percent (10.0%), a reasonable rate of interest, and a  
 21 purchase term not to exceed seven (7) years.

22 C Upon the death of a partner, his partnership interest in  
 23 the partnership shall pass to his/her heirs according to the terms  
 24 and provisions of his/her Last Will and Testament or by the laws of  
 25 decent. Should the heirs of the estate elect not to retain their  
 26

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1 interest in this partnership the provisions in A and B of this  
2 paragraph shall control any sale of the partnership interest by the  
3 heirs.

4 **16. DISSOLUTION.** The partnership shall be dissolved:

5 A. Upon the affirmative vote of the partners.

6 B. Upon the bankruptcy or receivership of the partnership.

7 C. Notwithstanding any other provisions of this agreement,  
8 upon the dissolution of the partnership, the partnership shall have  
9 the responsibility of expeditiously dissolving and liquidating the  
10 partnership. They shall promptly proceed to wind up its affairs,  
11 and after payment, or making provisions for payment of liabilities  
12 owing to creditors (excluding partners), shall cause the remaining  
13 assets to be distributed to the partners in accordance with their  
14 percentage of ownership.

15 **17. COVENANTS RUNNING WITH THE LAND.** This partnership  
16 agreement shall be recorded in the office of the District Recorder for the  
17 Juneau Recording District and shall be considered as covenants running  
18 with the land until such time as this agreement is dissolved according to  
19 the terms herein.

20 **18. LIABILITY FOR GUESTS.** Each partner shall be individually  
21 responsible for any damage to property caused by their respective guests.

22 **19. SUCCESSORS AND ASSIGNS.** This agreement and each and  
23 every provision hereof shall be binding upon each of the partners and his  
24 successors, assigns and executors, administrators, heirs and legal  
25 representatives. Each partner agrees, on behalf of himself, and his  
26

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1 successors, assigns, executors, administrators, heirs and legal  
 2 representatives, to execute any instruments that may be necessary or  
 3 appropriate to carry out and fulfill the purpose and intentions of this  
 4 agreement, and hereby authorizes and directs his successors, assigns,  
 5 executors, administrators, heirs and legal representatives, to execute any  
 6 and all such instruments. Each and every successor in interest to any  
 7 partner, however the successor acquires his interest, shall hold his  
 8 interest subject to all of the terms and provisions of this agreement. It is  
 9 the intention of the partners that during the term of this agreement, the  
 10 right of the partners and their successors in interest, as among  
 11 themselves, shall be governed by the terms of this agreement.

12       20. **AMENDMENTS.** No change, modification or amendment of  
 13 this agreement shall be valid or binding upon the partners unless the  
 14 change or modification shall be in writing and signed by all the partners.

15       21. **INTEGRATION.** This agreement constitutes the full and  
 16 complete agreement of the partners.

17       22. **APPLICABLE LAW.** This agreement shall be governed by  
 18 and construed in accordance with the laws of the State of Alaska.

19       23. **EFFECTIVE DATE OF AGREEMENT.** This agreement shall  
 20 become effective as of the date set forth above.

21       IN WITNESS WHEREOF, the parties have hereunto set their hands  
 22 the day, month and year first above written.

23  
 24   
 25 \_\_\_\_\_  
 26 Ray M. Collins

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Carol J. Collins  
Carol J. Collins

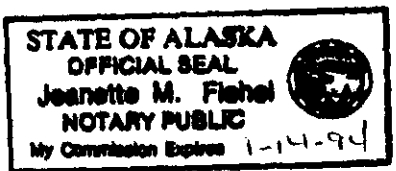
Dale Barton  
Dale Barton

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STATE OF ALASKA )  
: ss.  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 30 day of April, 1993, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared Ray M. Collins and Carol J. Collins, to me known and known to me to be the person named in and who executed the within and foregoing instrument, and they individually acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.



Jeanette M. Fiebel  
Notary Public, State of Alaska  
My commission expires: 1-14-94

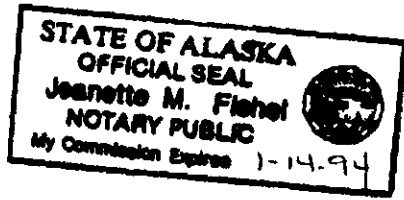
STATE OF ALASKA )  
: ss.  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 30 day of April, 1993, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared Dale Barton, to me known and known to me to be the person named in and who executed the within and foregoing instrument, and he acknowledged to me that he

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1 signed the same freely and voluntarily for the uses and purposes therein  
2 mentioned.

3 WITNESS my hand and official seal the day and year in this  
4 certificate first above written.



*Jeanette M. Fisher*

Notary Public, State of Alaska  
My commission expires: \_\_\_\_\_

10 After recording return to:  
11 Baxter, Bruce, Brand & Rodriguez  
12 P.O. Box 32819  
13 Juneau, AK 99803

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JUNEAU REC. DISTRICT  
REQUESTED BY Baxter Bruce  
CC ETAL  
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