CERTIFICATE OF LIMITED PARTNERSHIP SEC. OF STATE

A. NAME

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- 1. The name of the limited partnership is PDQ Express Limited Partnership.
- B. GENERAL CHARACTER OF BUSINESS
- 1. The partnership shall engage in the general business of express and/or overnight mail and shall be authorized to do anything incidental, convenient, or necessary to carry out that general business.
- 2. The partnership may engage in any other business authorized by the laws of the State of Idaho provided there is express written agreement from all Limited Partners consenting to any other business.
- C. NAME AND ADDRESS OF REGISTERED AGENT
- 1. The name and address of the registered agent for this limited partnership is Michael Sheets at 358 West 1st North, Rigby, Idaho 83442.
- D. NAME AND ADDRESS OF PARTNERS
- General Partner The General Partner of this limited partnership is Michael Sheets at 358 West 1st North, Rigby, Idaho 83442.
- 2. <u>Limited Partner</u> The name and address of the Limited Partner is Margaret Lemmon at 349 South 3rd West, Rigby, Idaho 83442.
- E. DESCRIPTION AND VALUE OF PROPERTY CONTRIBUTED
- 1. The General Partner, Michael Sheets, shall contribute to the partnership Ten Thousand (\$10,000.00) Dollars in the form of a business enterprise known as PDQ purchased November 29, 1989, together with all of the assets thereof consisting generally of good will, office equipment, customer lists, business procedures and practices, and interest in vehicles.
- 2. The Limited Partner, Margaret Lemmon, will contribute Three Thousand Three Hundred and Thirty Three (\$3,333.00) Dollars in cash.

F. ADDITIONAL CONTRIBUTIONS

- 1. The General Partner may make additional contributions at any time under any circumstances. However, any additional contributions shall not effect distribution of partnership earnings to the Limited Partner as provided hereafter.
- 2. The Limited Partner shall have no obligation to make any additional contributions of any kind or in any amount.
- G. LIMITED PARTNER RIGHT OF ASSIGNMENT
- 1. The Limited Partner may at any time assign and/or transfer all or any part of her limited partnership interest subject to all of the terms and conditions of this limited partnership agreement. The Assignment of any such assignment shall be bound by all terms and conditions of this agreement.
- H. TERMINATION OF LIMITED PARTNER
- 1. The Limited Partner may terminate her interest in this partnership at any time during the life of the partnership when it is financially able to repay the Limited Partner's contribution. In determining whether it is able to make said payment, generally accepted accounting principles shall be followed, and the reasonable business needs of the partnership shall be considered.
- 2. If the Limited Partner elects to terminate as provided in this paragraph, she shall be paid her initial contribution together with any contributions made thereafter.
- 3. Except for said contribution, if the Limited Partner terminates under this paragraph, her contribution is all she shall be entitled to.
- I. PAYMENTS TO PARTNERS
- 1. General Partner The General Partner shall be entitled to receive from the partnership compensation, whether in the form of salary, bonus, and mileage, of not more than Eight Hundred and Fifty (\$850.00) Dollars per month without at that point the Limited Partner also receiving a return as set forth hereafter. The General Partner may take addition compensation, but only when return is made to the Limited Partner as provided in the following paragraph.

- 2. Once the General Partner has received compensation, spelled out in the above paragraph, in the amount of Eight Hundred and Fifty (\$850.00) Dollars per month, thereafter, for each additional dollar of compensation taken by the General Partner, whether in the form of salary, bonus, advances on the General Partner's drawing account or otherwise, the Limited Partner shall receive 25 cents. In other words, the Limited Partner shall receive one-fourth (1/4) of the amount taken by the General Partner.
- 3. The General Partner shall not be permitted to avoid the terms of this paragraph by payments to immediate members of his family. He is not prevented from hiring members of the family, provided they actually perform a needed service and are paid an amount reasonable for the service provided. If the service could be provided at significantly less by hiring an unrelated person, then the lesser amount will be used in determining the amounts due the limited partner under this paragraph.
- 4. Any amounts payable to the Limited Partner under this paragraph shall not be considered repayment of the Limited Partner's capital contribution, but simply earnings returned to the Limited Partner on her capital contribution.
- 5. The earnings of the partnership shall be distributed at least annually on the basis described herein. The General Partner may not simply accumulate earnings for purposes of expansion.
- J. RETURN OF CONTRIBUTION
- 1. The General Partner shall not be entitled to any return of capital contribution until termination or dissolution of this partnership.
- 2. The Limited Partner shall not be entitled to any return of capital contribution until termination or dissolution of this partnership.
- 3. Notwithstanding the above, return of capital contribution may be made provided both the General and Limited Partner agree on the terms and conditions thereof.

K. DISSOLUTION OF PARTNERSHIP

- 1. On voluntary dissolution, the partnership shall immediately commence to wind up its affairs. The Partners shall continue to share profits and losses during the period of liquidation in the same proportions as before dissolution. The proceeds from liquidation of partnership assets shall be applied as follows:
 - (a) Payment to creditors of the partnership, other than partners, in the order of priority provided by law.
 - (b) Payment to General Partner for any unpaid salary.
 - (c) Payment to the Limited Partner of her capital contribution.
 - (d) Payment to the General Partner of his capital contribution.
 - (e) Any excess shall be shared three-fourths (3/4) to the General Partner and one-fourth (1/4) to the Limited Partner.

L. CONTROL

- 1. The General Partner shall have absolute control of the partnership. The Limited Partner shall not have any right to make any decisions in connection with the operation or control of the partnership affairs.
- 2. The Limited Partner shall have no liability of any kind for partnership obligations.
- M. ACCOUNT FOR THE PARTNERSHIP
- 1. Method of Accounting The partnership shall keep its accounting records and shall report for income tax purposes on a cash basis. The records shall be maintained on a cash basis, in accordance with generally accepted accounting principles. For purposes of this paragraph, it is hereby agreed that a cash basis of accounting for the business contemplated by the partnership is a generally accepted accounting principle.
- 2. Annual Statements Financial Statements shall be prepared not less than annually by an independent public accountant, and copies of the statements shall be made available to each partner. Copies of all income tax returns filed by the partnership shall also be made available to all partners and a Schedule K-1 shall be

furnished each year.

- 3. <u>Annual Meeting to Review Financial Statements</u> Not less than once a year, and as soon as possible after completion of the financial statements, a meeting shall be held of the General and the Limited Partner.
- 4. <u>Interim Financial Statement</u> On written request, either the General or Limited Partner shall be entitled to copies of any interim financial statements, together with year end financial statements prepared for the General Partner.
- N. AMENDMENTS
- 1. This agreement can be amended only by consent of both the General and Limited Partner.

DATED and signed this 3/ day of January, 1990.

PDQ EXPRESS

MARGARET LEMMON

MICHARL SHRETS