

CERTIFICATE OF LIMITED PARTNERSHIP

of

DELAS A. MUNNS LIMITED PARTNERSHIP

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We, the undersigned, desiring to form a Limited Partnership pursuant to the Idaho Limited Partnership Act, Title 53, Chapter 2, Idaho Code, do hereby agree and certify:

1. Name.

The name of the limited partnership is:

DELAS A. MUNNS LIMITED PARTNERSHIP

2. Character of Business.

The general character of the business of the partnership is:

Ranching, livestock raising, farming, dealing in real and personal property.

3. Registered Agent.

The name and address of the registered agent of the limited partnership, for service of process, as required by Idaho Code, Section 53-204, is:

Delas A. Munns
1424 W. 7200 S.
Rexburg, ID 83440

4. Partners' Names and Addresses.

(a) The name and business address of the General Partners are:

Delas A. Munns
1424 W. 7200 S.
Rexburg, ID 83440

Elaine S. Munns
1424 W. 7200 S.
Rexburg, ID 83440

(b) The names and business addresses of the Limited Partners are:

Nicki M. Hayes
7227 S. 1800 W.
Rexburg, ID 83440

Steven S. Munns
6756 S. 2000 W.
Rexburg, ID 83440

Nancy Munns
1424 W. 7200 S.
Rexburg, ID 83440

Garth S. Munns
1424 W. 7200 S.
Rexburg, ID 83440

5. Initial Contributions to Capital.

The amount of cash and a description and statement of the agreed value of other property or labor or services contributed by each partner is as follows:

Partner Name	Contribution	Value
Delas A. Munns	Net interest in real estate, cattle and machinery in Madison County, Idaho	\$25,300.00
Elaine S. Munns	Net interest in real estate, cattle and machinery in Madison County, Idaho	5,200.00
Nicki M. Hayes	Net interest in real estate, cattle and machinery in Madison County, Idaho	2,600.00
Steven S. Munns	Net interest in real estate, cattle and machinery in Madison County, Idaho	2,600.00
Nancy Munns	Net interest in real estate, cattle and machinery in Madison County, Idaho	2,600.00
Garth S. Munns	Net interest in real estate, cattle and machinery in Madison County, Idaho	<u>2,600.00</u>
Total of all contributions		\$40,900.00

The name of the partner and the partnership units owned by each partner after said gifts is as follows:

<u>GENERAL PARTNER</u>	<u>UNITS</u>
Delas A. Munns	253
Elaine S. Munns	52
<u>LIMITED PARTNERS</u>	<u>UNITS</u>
Nicki M. Hayes	26
Steven S. Munns	26
Nancy Munns	26
Garth S. Munns	<u>26</u>
Total of all units	409

All units have a value of \$100.00 each at the commencement of the partnership, and the total 409 units represent \$40,900.00 in value, which is equivalent to the fair market value of the real and personal property transferred to the partnership, as set forth above.

The contributions of capital were made in the following manner: Arthur J. Munns and Janet C. Munns owned certain real estate, cattle and machinery. The said Arthur J. Munns died, intestate, and said property was the community property of the said Arthur J. Munns and his wife, Janet C. Munns, and was therefore inherited by the said Janet C. Munns. The said Janet C. Munns, during her lifetime, conveyed said real estate, cattle and machinery to Arthur J. and Janet C. Munns Ranches, a limited partnership, which she created with her seven (7) children, and systematically gifted units of interest in said partnership to her said children, their spouses and her childrens' children.

One of those children, Janet Ann Hansen, died, and the remaining six (6) children purchased all units of interest of the said Janet Ann Hansen, her husband and their children, including those units of interest received by gift from the said Janet C. Munns, during her lifetime, and those received by the said Janet Ann Hansen pursuant to the Last Will and Testament of the said Janet C. Munns.

The said Janet C. Munns died and her will left all of her remaining units of interest in said partnership to her children. All partners of ARTHUR J. and JANET C. MUNNS RANCHES, Limited Partnership, desire to now distribute, in kind, assets of the party of the first part on an equal, pro rata basis to six (6) new limited partnerships, one for each of the living children of the said Janet C. Munns, as a partial distribution of the assets of the said ARTHUR J. and JANET C. MUNNS RANCHES, Limited Partnership.

The assets included in this partnership are the assets received from said distribution.

6. Additional Contributions.

There is no agreement to make additional contributions to capital.

7. Substitute Limited Partners.

A limited partner has no power to grant the right to become a limited partner to an assignee of any part of his partnership interest, except with written approval by the General Partner.

8. Termination.

No partner has the right to terminate his membership in the partnership prior to the end of the agreed term of the partnership.

9. Right to Distributions.

(a) The General Partners shall cause the limited partnership to maintain such reserves to cover anticipated future expenses and disbursements as in the discretion of the General Partners, may seem appropriate.

(b) The General Partners shall be compensated from time to time for management and other services provided to the partnership. Compensation shall be in a reasonable amount.

(c) Balances of revenues and profits, if any, after payment of necessary expenses, compensation to the General Partners, and after maintenance of necessary reserves, shall be distributed at periodic intervals, not less often than annually, as shall be determined by the General Partners, on a per unit basis.

(d) In the event of liquidation of the partnership, all proceeds shall be distributed in the following order of priority:

(1) To the payment of the debts and liabilities of the partnership and the expense of liquidation. For this purpose, the liquidator, in his discretion, shall set up such reserves as may seem necessary for any contingent or unforeseen liabilities of the partnership.

(2) Current and unpaid compensation or reimbursement of expenses, owing to the General Partners.

(3) To the partners with respect to their shares of any undrawn profits for the fiscal year.

(4) Pro-rata on a per unit basis.

10. No Other Right to Distribution.

There is no other right of a partner to receive, nor of the General Partners to make, distributions to a partner, whether by way of return of all or any part of the partner's contribution.

11. Dissolution of Partnership.

The limited partnership shall be dissolved and its affairs wound up upon the first of the following events to occur:

(a) Retirement, death, bankruptcy, or insanity of the General Partners.

(b) The written agreement of all partners, general and limited, to terminate as of a stated date.

12. Continuance of Business.

(a) In the event of dissolution of the partnership, the General Partners, if they remain the General Partners, or if not, any one or more limited partners may elect, by notice in writing to all interested parties within thirty days of dissolution, to become a substituted General Partner or Partners and to continue the business. But if the General Partners do not continue, then a limited partner or partners

becoming a General Partner or Partners must pay to each limited partner who requests in writing (within 15 days) withdrawal of his partnership units, the value of the units of each partner not continuing or withdrawing. Value shall be determined and paid as provided in sub-paragraphs (c) and (d) hereof. If more than one limited partner elects to be a new General Partner, but not together, then the limited partners shall determine who shall be the new General Partner by majority vote of units; otherwise, the partnership shall be liquidated.

(b) The new General Partner shall have the right to form a new limited partnership and shall have the right:

(1) To transfer and convey the assets of the dissolved limited partnership to the new limited partnership, subject to liabilities;

(2) Amend this certificate to establish the new General Partner or Partners;

(3) Perform all such other acts, or cause all such things to be done, as shall be necessary or advisable for the formation of the new limited partnership.

(c) In the event of the formation of a new limited partnership, the value of each partnership unit, as to any non-continuing or withdrawing limited partner, shall be based upon book value adjusted to include fair market value of all tangible real property and personal property owned by the partnership. Partnership capital shall be allocated pro-rata to all units. Any disputes as to value shall be arbitrated in accordance with sub-paragraph (e) hereof.

(d) The price of a partnership unit shall be payable ten per cent down, the balance shall bear interest at nine per cent per annum from the date the limited partner requested withdrawal, in ten equal annual installments. The price shall be evidenced by a written promissory note, shall be a debt of the partnership and shall be secured by a mortgage or deed of trust on the partnership interest in real estate.

(e) In the event of any dispute as to the value of a partnership unit, upon an election for continuance of the business, then the continuing partner or partners shall appoint an appraiser, the non-continuing partner or partners (or representative thereof) shall appoint an appraiser, and the three appraisers shall determine, in compliance with this agreement, and by majority vote, the value of the partnership units being retired, which determination shall bind all parties.

13. Additional Agreements.

The partners agree to the following additional provisions:

(a) This certificate, and the partnership agreement contained herein, may not be amended by the General Partners without consent, in writing, of the limited partners.

(b) Except as otherwise expressly herein provided, the partnership may not, by the General Partners, without written consent of the limited partners, do any of the following:

(1) Dissolve or wind up the limited partnership;

(2) Sell, exchange, lease, mortgage, pledge, or make any other transfer of all, or substantially all, of the assets of the limited partnership, other than in the ordinary course of business;

(3) Incur any indebtedness other than in the ordinary course of business; nor

(4) Change the nature of the business.

(c) The limited partners shall not participate in the control of the business; nor shall they be personally liable for any obligations of the limited partnership.

(d) Any partner, with consent of the General Partners, may loan money to the partnership, from time to time, with the amount, interest, terms and repayment of each loan to be evidenced by a written promissory note. Each such loan shall constitute a debt of the limited partnership.

(e) Adequate books of account shall be kept at all times under the supervision of the General Partners. The books shall be open to inspection by any limited partner, or his accredited representative, at any reasonable time.

(f) The partnership books shall contain a capital account and an income account for each partner. Profits and losses shall be credited or debited to an individual income account of each partner as soon as practicable after the close of each fiscal year. If there be no balance in the individual income account, net losses shall be debited to the individual capital accounts. If there be no balance in the capital account of a partner, or if the capital account shall have been

depleted by the debiting of losses under this paragraph, future profits of that partner shall not be credited to his income account until the depletion shall have been made good, but shall be credited to his capital account. After such depletion in his capital account shall have been made good, his share of the profits shall thereafter be credited to his income account.

(g) The books of account shall be examined and reviewed at the close of each fiscal year by an independent public accountant designated by the General Partners, who shall make a report thereon. A copy of the report shall be furnished to each limited partner.

(h) The fiscal year of the partnership shall be the calendar year from January 1 to December 31 of the same year.

(i) The General Partners shall not be required to devote their entire business time to this partnership. They may have other businesses and/or employment. They agree to devote such time and attention to this enterprise as may be necessary, in their discretion, for the successful functioning and completion of the work of the partnership.

(j) Each party hereto shall execute such other and further instruments and shall perform such additional acts as are necessary to effectuate this partnership and to carry on its business.

(k) Delas A. Munns has the power of attorney by each limited partner, authorizing him to execute and file for record amendments to the Certificate of Limited Partnership. However, this certificate of limited partnership may only be amended by

a new certificate executed and filed as required by law.

EXECUTED This 30th day of November, 1988.

GENERAL PARTNERS

Delas A. Munns
Delas A. Munns

Elaine S. Munns
Elaine S. Munns

LIMITED PARTNERS

Nicki M. Hayes
Nicki M. Hayes

Steven S. Munns
Steven S. Munns

Nancy Munns
Nancy Munns

Garth S. Munns
Garth S. Munns

STATE OF IDAHO,)
 ss.
County of Madison.)

On this 30th day of November, 1988, appeared Delas A. Munns, Elaine S. Munns, Nicki M. Hayes, Steven S. Munns, Nancy Munns and Garth S. Munns, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Lay W. Ligby
Notary Public for Idaho
Residing at: Rexburg, Idaho
My Commission Expires: 3-12-93