

CERTIFICATE OF LIMITED PARTNERSHIP  
of  
SHIRLEY A. POULSEN LIMITED PARTNERSHIP

AUG 25 8 35 AM '83  
SECRETARY OF STATE

-----

ARTICLE I. FORMATION OF LIMITED PARTNERSHIP

Section 1.1 Agreement. The parties agree to the terms of this certificate, form a Limited Partnership pursuant hereto and under the provisions of the Idaho Uniform Limited Partnership Law, Title 53, Chapter 2, Idaho Code, and certify to the formation of the Limited Partnership.

ARTICLE II. NAME, CHARACTER OF BUSINESS, LOCATION AND TERM.

Section 2.1 Name. The name of the Limited Partnership is: SHIRLEY A. POULSEN LIMITED PARTNERSHIP

Section 2.2 Character of Business. The character of the business of the Limited Partnership is:

Own, lease and sell farm real estate; Raise, sell and show horses; and misc. investments of money.

Section 2.3 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:

Shirley A. Poulsen  
Route 1, Box 31  
St. Anthony, ID 83445

Section 2.4 Principal Place of Business. The principal place of business of the partnership has the following location and post office address:

Route 1, Box 31, St. Anthony, Idaho 83445

Section 2.5 Other Place of Business. The address of each other place of business of the partnership:

None

Section 2.6 Term. The partnership commenced July 1, 1983, and shall continue until terminated as hereinafter provided.

ARTICLE III. PARTNERS, CONTRIBUTIONS, UNITS, WITH-  
DRAWALS AND LOANS

Section 3.1 General Partner. The name and residence of each general partner, the amount of cash and a description and agreed value of other property contributed by each, and the class and number of units of each in the Limited Partnership,

are as follows:

Name and Residence	Item	Contribution Amount	Class & Number
Shirley A. Poulsen Route 1, Box 31 St. Anthony, ID 83445	85% interest in real property located in Teton and Fremont Counties, Idaho; livestock and cash		Fixed 667 Growth 1033
		\$170,000.00	

Section 3.2 Limited Partner. The name and residence of each limited partner, the amount of cash, and a description and agreed value of other property contributed by each, and the class and number of units of each in the Limited Partnership, are as follows:

Name and Residence	Item	Contribution Amount	Class & Number
Billy R. Poulsen Route 1, Box 31 St. Anthony, ID 83445	5% interest in real property located in Teton and Fremont Counties, Idaho; livestock and cash		Growth 100
		\$10,000.00	
Barbara Grossnickle 308 S. Vista Apache Junction, AZ 85220	5% interest in real property located in Teton and Fremont Counties, Idaho; livestock and cash		Growth 100
		\$10,000.00	
Carolyn Rae Ballard 216 N.W. Old Orchard Vancouver, Wash. 98665	5% interest in real property located in Teton and Fremont Counties, Idaho; livestock and cash		Growth 100
		\$10,000.00	

SHIRLEY A. POULSEN does hereby give and grant to each of the above donees the units above described representing the listed percentage interest in the described real estate which has this day been deeded by Shirley A. Poulsen and the described personal property which has this day been conveyed by Shirley A. Poulsen by bill of sale to this Limited Partnership.

Section 3.3 Additional Contributions. It is covenanted and agreed that additional contributions shall be made to the Limited Partnership as follows:

None required by this agreement

Section 3.4 Return of Contributions. It is covenanted and agreed that the Limited Partnership shall return, and the limited partners shall withdraw, capital contributions as follows:

None required by this clause

Section 3.5 Loans by Partners. Any partner with consent of the partnership may loan money to the partnership, from time to time, with the amount, interest, terms and repayment to be evidenced by a written note or agreement.

Section 3.6 Transfers of Units to Partnership. Each partner has the right to assign any unit or units of partnership interest to any other partner, limited or general, of the partnership. No consent of the general partners and no amendment of this certificate shall be required for any such transfer; however, notice in writing of the transfer must be given to the partnership by personal delivery to any general partner or by mailing the same to the mailing address for the partnership. Transferee partner becomes, for all purposes, a substituted general or limited partner, as the case may be, as to the transferred unit or units.

Section 3.7 Spouses of Partners. The following is a schedule showing the spouse of each married partner, who is not also a named partner herein, and describing the nature of the partnership interest as to whether it is the separate property of the partner or community property of the partner and spouse:

Partner	Spouse	Nature of Interest
Barbara Ann Grossnickle	Charles Grossnickle	Separate
Billy R. Poulsen	None	Separate
Carolyn Rae Ballard	None	Separate

#### ARTICLE IV. CLASSIFICATION & DISTRIBUTION OF UNITS

Section 4.1 Total Units. The partnership capital interests are divided and the separate units are classified as

provided in this article. The total outstanding units and the unit name are as follows:

Unit Names	Number of Units
Fixed Units	667
Growth Units	1333

Section 4.2 Fixed Units. Fixed units have a stated value of \$100.00 each. Upon dissolution, withdrawal, return of contribution or liquidation, the stated value only, plus any unpaid share of profits due on fixed units, shall be distributed in cash to the holder of each fixed unit. Upon liquidation the stated value, plus the share of unpaid profits, shall be paid as to each fixed unit outstanding before any return is made as to growth units; if there be not sufficient capital to return stated value, plus any unpaid profits, as to each fixed unit, the capital available shall be returned prorata to the fixed units with no distribution to growth units.

As to profits, there shall be allocated each fiscal year to fixed units profits, if any, equivalent to twelve per cent of the stated value of each unit; if profits are not sufficient to allocate that percentage for a fiscal year, the profit shall be allocated prorata among fixed units. No losses shall be allocated against fixed units. Any additional profits, or any losses, in a fiscal year shall be allocated prorata to growth units. Profits allocated to fixed units for each fiscal year shall be distributed in cash to the holders of those units promptly after determination of the amount thereof, except as to amounts which are necessary to be retained for the reasonable needs of the business.

The general partners shall have the right to determine, by unanimous vote, the reasonable needs of the business as justifying not distributing part or all of earnings, but notice in writing of such determination, with the reasons therefor, must be given to each partner, limited and general, within ten days after the determination.

Section 4.3 Growth Units. Growth units do not have fixed or stated value, although at the time of formation of the partnership each growth unit has the same fair market value as each fixed unit. Upon dissolution, withdrawal, return of contribution or liquidation, growth units are entitled to a pro-rata share of cash to be distributed after allowance for the stated value, and any unpaid profits, due as to all fixed units.

Growth units are entitled to be allocated a prorata share of profits earned annually after allowance for the specified rate to fixed units. Annual earnings on growth units shall be distributed in cash to the holders of those units promptly after determination of the amount thereof, except as to amounts which are necessary to be retained for the reasonable needs of the business. Reasonable needs of business shall be determined by unanimous vote of the general partners, but written notice thereof shall be promptly given to each partner, limited and general, with the reasons therefor.

In the event that earnings for any fiscal year are to be retained in part for the needs of the business, then the part to be distributed shall be distributed among holders of fixed units and growth units as follows:

If there be enough distributable earnings to distribute the stated amount to each fixed unit and at least an equal amount to each growth unit, then the stated amount shall go to fixed units and equal distribution in cash shall be made to growth units; if there be not enough earnings for distribution as above, and if earnings allocated to growth shares were at least equal to the stated amount for fixed shares, then earnings in cash shall be distributed prorata to the holders of all fixed and growth units; if earnings allocated to the growth units were less than the stated amount due on fixed units, then prorata distribution to all units in proportion to the reduced earnings as to growth units. In the event of a loss in any fiscal year, that loss shall be allocated solely to growth units.

## ARTICLE V. MANAGEMENT.

Section 5.1 General Partners. The general partners shall have equal rights in the management of the partnership business. Each general partner shall devote such time as is necessary to the conduct of the partnership business.

Section 5.2 Limitations on General Partners. No general partner shall, without unanimous consent of all general partners:

- a. Borrow or lend money on behalf of the partnership.
- b. Sell, assign or pledge his interest in the partnership.
- c. Execute any deed, security agreement, mortgage, deed of trust, bond, guaranty, surety agreement, lease, contract of sale of real estate, contract of sale of other property out of the ordinary course of business, confession of judgment, or assignment for the benefit of creditors.
- d. Assign, transfer, pledge, compromise, or release any of the claims of or debts due the partnership except upon payment in full, or arbitrate or consent to arbitration of any of the disputes or controversies of the partnership.

Section 5.3 Limited Partners. The limited partners shall take no part in the conduct or control of the partnership business and shall have no right or authority to act for or bind the partnership.

## ARTICLE VI. DISSOLUTION; CONTINUANCE OF BUSINESS

Section 6.1 Retirement. Any general partner shall have the right to retire from the partnership at the end of any partnership fiscal year. Written notice of intention to retire shall be served on each other general partner at the office of the partnership at least three months before the end of such fiscal year.

Section 6.2 Dissolution. Retirement, death, bankruptcy, or insanity of a general partner shall work an immediate dissolution of the partnership. The partnership shall be dissolved upon written demand of any general partner. Upon

dissolution of the partnership for any of the above reasons, or for any reason provided by law, and unless the business is continued as provided in Section 6.3 hereof, any remaining general partner shall proceed with reasonable promptness to liquidate and terminate the partnership business, settle its accounts, and wind up its affairs as provided by law.

Section 6.3 Continuance of Business. In the event of dissolution of the partnership any remaining general partners, or any one remaining general partner, shall have the right to continue the partnership business under its present name, either alone or in conjunction with any other person, but he (or they) must pay to or on behalf of each general partner not continuing, the value of his interest in the partnership, which value shall be the sum of:

- a. His capital account, adjusted as hereinafter provided to reflect current value.
- b. His income account.
- c. Any earned and unpaid salary due him.
- d. Any unpaid loan due him.
- e. His share of accrued net profit (or deduction for accrued net loss).

To continue the business, notice of election thereof must be given to all interested parties in writing within thirty days of the date of dissolution; otherwise the business shall be liquidated. In the event more than one partner desires to continue the business, but cannot agree to continue together, then the partnership shall be liquidated.

Section 6.4 Valuation of Assets. In determining the amount of the capital account of a partner, for continuance of the business, fixed units owned by a partner shall be valued at stated value plus any unpaid share of profit. If growth units are owned, then the value of the assets of the partnership shall be adjusted to reflect the then current market value, in accordance with the following rules:

a. Real estate shall be valued at its current fair market value.

b. Machinery and equipment shall be valued at its then fair market value.

c. Livestock shall be valued at its then fair market value.

d. All crops on hand, and growing crops, shall be valued at fair market value.

e. Accounts receivable shall be discounted to an appraised value.

f. No value shall be placed upon good will.

Section 6.5 Disputes. In the event of any dispute as to the value of a partnership interest, in the event of an election for continuance of the business, then the continuing partner or partners shall appoint an appraiser, the retiring partner or partners (or representative thereof) shall appoint an appraiser, the two appraisers shall jointly appoint a third appraiser, and the three appraisers shall determine, in compliance with this agreement, and by majority vote, the value of the partnership interest being retired, which determination shall bind all parties.

Section 6.6 Payment of Determined Value. In the event of continuance of the business, after dissolution, the determined value of the interest of a partner not continuing shall be paid with accrued interest on the unpaid balance at six per cent per annum from date of dissolution, one-sixth thereof plus interest paid down within thirty days of the date of determination of value, and the balance shall be payable in five equal annual installments of principal, plus interest. The determined value shall be the joint and several obligation of each continuing general partner and of any new general partner in the business, all of whom, as a condition of continuing the partnership, must execute and deliver a promissory note for the price payable to the party entitled thereto and on a form approved by that party.



Section 6. 7 Life Insurance. The general partners may determine that there shall be life insurance upon the life of each general partner, with the other general partners as owners, premium payers, and beneficiaries. The partnership as such shall have no right of ownership in and to any such policy, and in the event of the death of a general partner, the proceeds of the policy shall not be taken into account as an asset of the partnership. However, in the event of the death of a general partner, the remaining general partners, if continuing the business, shall apply and pay directly to the spouse or legal representative of the deceased general partner the lesser of (a) the value of the deceased partner's interest in the partnership or (b) the full proceeds of the policy. If the proceeds of the insurance are greater than the value of the deceased partner's interest, or if the business is not continued, then the remaining partners as owners of the policy may retain the balance of the policy proceeds. In the event a general partner died with such a policy in force, owned by the remaining general partners, and the remaining general partners survive for a period of at least sixty days, then the remaining general partners shall purchase the deceased partner's interest in the partnership as provided in this Article.

Section 6.8 Death of a Limited Partner. The death of a limited partner shall not terminate the partnership business, but the interest of the deceased partner shall pass in accordance with the provisions of Article VII of this agreement.

Section 6.9 New General Partner. In the event of dissolution of the partnership with no general partner electing to continue the partnership business, any one or more limited partner may elect by notice in writing to all interested parties, within sixty days after dissolution, to become substituted general partner or partners and to continue the business by paying to each general partner and to each limited partner who requests in writing (within fifteen days) withdrawal of his partnership interest, the value of the interest of each partner

not continuing or withdrawing. Value shall be determined and paid as in Sections 7.4 and 7.5 hereof. Payment shall also be the joint and several obligation, in writing, of continuing general partner. If more than one limited partner elects to be a new general partner, but not together, the partnership shall be liquidated.

ARTICLE VII. ASSIGNMENT; SUBSTITUTION; WITHDRAWAL

Section 7.1 Right to Assign. Any limited partner shall have the right to assign his interest in the partnership upon thirty days' written notice delivered to a general partner at the principal office of the partnership. Any such assignment shall be effective only to give the assignee the right to receive a share of profits to which his assignor would otherwise be entitled, and shall not give the assignee the right to become a substituted limited partner.

Section 7.2 Substitution. Only with the unanimous consent in writing of all general partners may a limited partner substitute an assignee as a new limited partner in his place, either in whole or in part.

Section 7.3 Required Redemption. In the event that (1) the general partner shall refuse or fail to consent to substitute a transferee as a new limited partner in place of an assigning limited partner, in whole or in part, or (2) a limited partner shall give three months' advance notice of an intent to withdraw his partnership interest as of a designated date which must be the nearest fiscal year end to the date of the notice, then, in either event, upon written demand of that limited partner for withdrawal of his partnership interest, the partnership shall retire and redeem that partnership interest at the fair market value as of the nearest fiscal year end as provided in Section 7.4, 7.5 and 7.6 hereof.

Section 7.4 Value of a Withdrawn Interest. Value of a withdrawn interest shall be determined as of the applicable fiscal year end as follows:

Fixed units shall be valued at stated value plus any earned, but unpaid, share of profits.

Growth units shall be valued at fair market value, which shall require a valuation of assets, to bring those assets to current market value, as provided in Section 6.4 hereof. A partnership balance sheet shall be prepared, by an independent public accountant, with current value of assets; the net worth of the partnership shall first be allocated to fixed units and the remaining net worth shall be allocated prorata to growth units. That allocated value, plus any earned, but unpaid, share of profits, shall be the value of each growth unit. Any disputes as to the value shall be arbitrated as provided in Section 6.5.

Section 7.5 Withdrawal Payment. The redemption price for a withdrawn partnership interest shall be payable, with accruing interest on the unpaid balance at six per cent per annum, from the valuation date until paid, with one-sixth of the value plus accrued interest to be paid thirty days after the value is determined and with a like payment of principal plus interest to be paid on the same day of each year thereafter until paid in full. The price shall be evidenced by a written promissory note and shall be a debt of the partnership.

Section 7.6 Optional Dissolution. Upon any demand for withdrawal by one or more limited partners, the general partners may elect by notice in writing to all partners, limited and general, to dissolve and liquidate the partnership, rather than redeem the interest of each withdrawing limited partner, and in that event, the general partnership shall proceed promptly to an orderly liquidation of the partnership.

#### ARTICLE VIII. ADMINISTRATIVE PROVISIONS

Section 8.1 Books of Account. Adequate books of account shall be kept at all times under supervision of a general partner designated by the general partners. Such books shall be open to inspection by any partner, or his accredited representative, at any reasonable time. At the option of the

general partner, the books of account shall be examined and reviewed at the close of each fiscal year by an independent public accountant designated by the partnership, and he shall make a report thereon.

Section 8.2 Fiscal Year.

The fiscal year of the partnership shall be the calendar year from January 1 to December 31 in each year.

Section 8.3 Banking. All funds of the partnership are to be deposited in its name in such checking account or accounts as shall be determined by the general partners.

Section 8.4 Salaries. Any general partner may be paid a salary or management fee for services rendered to the partnership. No salary or management fee shall be paid that is not fair and reasonable, and that is not unanimously approved by all general partners. Notice of an intended salary or management fee (or any change thereof after such salary or fee be once determined) must be given in writing to each limited partner with an explanation for the basis of establishing the salary or fee. If any limited partner objects to the salary or fee as being unfair or unreasonable, then the determination of a reasonable salary or fee shall be made by arbitration. The general partners shall appoint an arbitrator, the limited partners shall appoint an arbitrator by majority vote of all units held by the limited partners, and the two arbitrators shall jointly appoint a third arbitrator, and the three arbitrators shall determine by majority vote the reasonable fee or salary to be allowed.

If the arbitrators approve the fee or salary previously set by the general partners, then the limited partner requesting the arbitration shall pay the fee of the arbitrators. If the arbitrators reduce that fee or salary, then the general partners shall pay the fee of the arbitrators.

Section 8.5 Further Instruments. Each party hereto shall execute such further instruments and shall perform such

additional acts as are necessary to effectuate this partnership and to carry on its business.

Section 8.6. Limited Liability. No limited partner shall be liable for any debts and obligations of the partnership whatsoever. The risk of each limited partner in the partnership is strictly restricted to the contributions of the limited partner to the partnership as recited herein.

Section 8.7 Amendments. This certificate and agreement of limited partnership may only be amended by a new certificate and agreement duly executed and sworn to by all general and limited partners and properly recorded as required by law.

IN WITNESS WHEREOF, the parties have executed this agreement and each party hereto, being first duly sworn, verifies the truth of each statement in the foregoing certificate of limited partnership this \_\_\_\_\_ day of July, 1983.

"GENERAL PARTNERS"

Shirley A. Poulsen  
Shirley A. Poulsen

"LIMITED PARTNERS"

Billy R. Poulsen  
Billy R. Poulsen

Barbara Ann Grossnickle  
Barbara Ann Grossnickle

Carolyn Rae Ballard  
Carolyn Rae Ballard

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

Subscribed, sworn to and acknowledged before me, the undersigned, a Notary Public in and for said State, by SHIRLEY A. POULSEN and BILLY R. POULSEN this 1<sup>st</sup> day of ~~July~~<sup>AUG</sup>, 1983.

Ralph G. Scott  
Notary Public for Idaho  
Residing at: Rexburg, Idaho  
My Commission is for Life

STATE OF ARIZONA,                    )  
County of Pinal.                    ) ss.

Subscribed, sworn to and acknowledged before me, the undersigned, a Notary Public in and for said State, by BARBARA GROSSNICKLE this 9 day of ~~July~~<sup>Aug.</sup>, 1983.

Mae L. Mason  
Notary Public for Arizona  
Residing at: Yuma, Ariz.  
My Commission expires: 2/10/87

STATE OF WASHINGTON,                )  
County of Clark.                    ) ss.

Subscribed, sworn to and acknowledged before me, the undersigned, a Notary Public in and for said State, by CAROLYN RAE BALLARD this 11<sup>th</sup> day of ~~July~~<sup>August</sup>, 1983.

Madalynne Kuehn  
Notary Public for Washington  
Residing at: Vancouver  
My Commission expires: 3-28-87