

AGREEMENT, Made this 2974 day of <u>June</u> 1984, by and between ROBERT L. and ANDREA HUDSON, husband and wife, hereinafter referred to as the "General Partners", and ELIZABETH STERRETT, a single woman, hereinafter referred to as the "Limited Partner."

1. <u>Formation</u>: The parties hereto, hereby form a Limited Partnership pursuant to the provisions of the law of the State of Idaho.

2. <u>Name</u>: "The Hudson Collection Limited Partmership", d/b/a: "The Hudson Collection".

3. <u>Term</u>: The Partnership shall commence on the day upon which the Certificate of Limited Partnership is duly filed in the office of the Secretary of State, State of Idaho, and shall continue until terminated in accordance with this Agreement.

4. <u>Capital</u>: The Partnership shall have an initial capital of Sixty-Seven Thousand (\$67,000.00) Dollars. Of said sum, Limited Partner has contributed or will contribute the sum of Five Thousand (\$5,000.00) Dollars cash to the capital of the Partnership, and said Limited Partner shall not be required to contribute to the capital of the Partnership any sum in excess of said amount. Of said initial capital sum, the General Partners have contributed the sum of Sixty-Two Thousand (\$62,000.00) Dollars to the capital of the Partnership.

5. <u>General Character of Business</u>: The general character of the business of this Limited Partnership is a retail sales business establishment in the State of Idaho located at 7074 West State Street, Boise, Idaho and at such other locations designated by the General Partners.

6. Units/Percentage: The Limited Partnership shall be divided into three (3) units. The General Partners have one (1) unit each and the Limited Partner has one (1) unit. Said units are further delineated by the percentage of a partner's contribution to the initial capital as stated in paragraph 4 above and noted as follows:

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A. General Partners:

Robert L. Hudson, General Partner, 1 Unit = 46%

Andrea Hudson, General Partner, 1 Unit = 46%

B. Limited Partner:

Elizabeth Sterrett, Limited Partner, 1 Unit = 8%

General Partners may from time to time contribute more capital but said contributions shall not reduce Limited Partner's percentage.

7. Principle Office and Registered Agent: The principal office of the partnership shall be maintained at 7074 West State Street, Boise, Idaho. The name of the registered agent for service of process on the Limited Partnership is Andrea Hudson, General Partner, 7074 West State Street, Boise, Ada County, Idaho 83703.

8. Names of Partners and Their Business Addresses:

A. General Partners:

Robert L. Hudson, 7074 West State St., Boise, ID 83703 Andrea Hudson, 7074 West State St., Boise, ID 83703

B. Limited Partner:

Elizabeth Sterrett, 3124 Falling Brook Way, Boise, ID 83706

9. Additional Contributions: There are no additional times or events when the Limited Partner is required to or agrees to make additional contributions. The General Partners shall make additional contributions to the Partnership from time to time in amounts as determined by the General Partners, which contributions shall not reduce the percentages stated in paragraph 6. It is estimated that said contributions shall not exceed an additional Fifty Thousand (\$50,000.00) in any one fiscal year.

10. <u>Value</u>: The agreed upon value of property contributed is set forth in paragraph 6. Limited Partner shall not receive value for Limited Partnership purposes for time and labor contributed to the Partnership but shall be compensated as an employee, which employment commenced on or about June 1, 1984 at the rate of One Thousand (\$1,000.00) Dollars per month.

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11. Assignment: Limited Partner may assign her interest to any assignee acceptable to the General Partners. Assignment by the General Partners of Limited Partnership or General Partnership interests to any assignee shall constitute a dissolution of the partnership.

12. Limited Partner Does Not Participate in Control: Limited Partner shall not control or take part in the control of the business. General Partners control the business. Limited Partner may do any of the following and in doing so does not thereby participate in the control of the business:

A) Being a contractor for, or an agent or employee of the Limited Partnership or of a General Partner.

B) Consulting with or advising a General Partner with respect to the business of the Limited Partnership.

C) Approving or disapproving an amendment to the Partnership Agreement.

D) Voting on one or more of the following matters:

1. The dissolution and winding up of the Limited Partnership;

2. The sale, exchange, lease, mortgage, pledge or other transfer of all or substantially all of the assets of the Limited Partnership other than in the ordinary course of its business;

3. The incurrence of indebtedness by the Limited Partnership other than in the ordinary course of its business;

4. A change in the nature of the business; or

5. The removal of a general partner.

E) Acting as a surety for the Limited Partnership.

13. Funds Available for Distribution: All the partners herein, both General Partners and Limited Partner, agree that all funds available for distribution arising or realized from the following sources shall be allocated and distributed as provided in paragraphs 14 and 15 of this Agreement.

A) Profits earned through the activities of the Partnership in the operation of the said property as computed in accordance with normal and accepted accounting procedures but without taking any deduction for depreciation and after taxes upon said profits have been applied.

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B) The sale of any part or all of the property owned by the Partnership, except in the normal course of business.

C) Any funds deemed available for distribution by the General Partner to the extent permitted by the applicable law.

14. Distribution Among Partners: The funds described in paragraph 13 shall be allocated to each of the partners in the percentage described in paragraph 6, said distribution to take place as provided in subdivision (B)) of paragraph 15.

15. Time of Distribution, Losses and Profits:

A) All losses or deficiencies suffered or incurred in or about the business of the Partnership shall be * allocated to and borne by the General Partners without liability of the Limited Partner.

B) As funds are available in the Partnership bank account and to the extent that the General Partners deem it unnecessary in the best interests of the Partnership for such funds to be retained by the Partnership, such ⁽²⁾ funds shall, upon the direction of the General Partners, be distributed to all of the Partners in the proportion set forth in paragraph 6, and all distributions as provided for herein shall be made to the Partners semi-annually during the term of the Partnership on December 1 and June 1 of each year, if available, in accordance with the terms hereof.

16. Books and Records:

A) At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept, true and full books of account, in which shall be entered fully and accurately the transactions of the Partnership; all of said books shall at all times be maintained at the principal office of the Partnership and shall be open to the inspection and examination of the Partners or their representatives. The General Partners agree to deliver to the Limited Partner within 30 days after the expiration of each fiscal year of the Partnership a statement of receipts and expenses as prepared by or at the direction of the General Partners, together with a statement showing the profit or loss of the Partnership for Federal Income Tax purposes and the distribution thereof to each partner.

B) For accounting and tax reporting purposes only, the net profits as ascertained through the use of standard accounting principles and the Internal Revenue Code and the Regulations promulgated thereunder, shall be credited to each partner's capital account in the percentage set forth in paragraph 6.

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17. Bank Accounts:

A) The General Partners agree that they will, in the name of the Partnership, open and thereafter maintain in Idaho First National Bank, State Street Branch, a bank account or accounts in which shall be deposited all contributions of the Partners, and all other Partnership income and that they will use such funds solely for the business of the Partnership. If the account is closed or transferred to another bank, the General Partners shall notify the Limited Partner of the same.

B) Withdrawals from any Partnership bank account shall be made only upon the signature of the General Parters or such other person or persons as it may from time to time designate.

18. Rights, Duties and Obligations of General Partners: With the exception of the obligation due Limited Partner upon . withdrawal as set forth in paragraph 24, and in addition to powers given to General Partners by law, the General Partners are hereby authorized to negotiate, enter into and execute leases, and to incur obligations for and on behalf of the Partnership in connection with its business; to borrow monies for and on behalf of the Partnership which may be necessary upon such terms and conditions as it may deem advisable and 🖕 proper and to pledge the credit of the Partnership for such purpose; to prepay, in whole or in part, refinance, recast, modify or extend any mortgages or other encumbrances affecting said property owned by the Partnership, and in connection therewith to execute for and on behalf of the Partnership any or all extensions, renewals, modifications of such mortgages or encumbrances or leases, to to execute new leases, mortgages or encumbrances on the property, and to execute any and all instruments to carry out the intentions and the purposes thereof; to enter into agreements providing for the management of said property and the business.

19. <u>Sale of Interest of General Partner</u>: In the event of the sale of the interest of the General Partner, this Partnership shall thereby be dissolved and terminated.

20. Death of Limited Partner: If Limited Partner shall die, her executors or administrators shall have the same rights that such Limited Partner would have had if, he had not died, and the share of such Limited Partner in the assets of the Partnership, shall, until the termination of the Partnership, be subject to the terms, provisions and conditions of this Agreement as if such Limited Partner had not died..

21. <u>Termination</u>: In addition to any other causes stated herein, the Partnership shall terminate and shall be dissolved upon the happening of any of the following events:

- A) The sale of all of the Partnership property;
- B) Written election by the General Partners.
- C) A death of a General Partner.

22. <u>Statement After Dissolution</u>: Upon the dissolution of the Partnership a statement shall be prepared by the Certified Public Accountants then acting for the Partnership setting forth the assets and liabilities of the Partnership and a copy of such statement shall be furnished to each of the Partners within thirty (30) days after such dissolution.

23. Distribution After Dissolution: Upon the termination of the Partnership (except where the change of the entity of the Partnership may be made) a full account of the assets and liabilities of the Partnership shall be taken and the assets shall be liquidated as promptly as possible and the proceeds thereof shall be applied in the following order:

A) To the payment of all debts and liabilities of the Partnership and the expenses of liquidation.

B) To the repayment of the cash contributions as a original capital by the Limited Partner to the extent that they shall not have received the same from Partnership distributions as hereinbefore provided.

C) To the repayment of the cash contributions as original capital by the General Partners to the extent that it shall not have received the same from Partnership distributions as hereinbefore provided.

D) The surplus, if any, of the said assets remaining shall be divided among the Partners, in the same percentage as stated in paragraph 6.

24. Withdrawal by Limited Partner: The Limited Partner may withdraw from the Partnership for any reason at any time upon ten (10) days written notice to the General Partners and upon withdrawal shall be paid within eighty (80) days after the end of said ten (10) day time period (date of withdrawal) the sum of \$5,000.00, Limited Partner's initial contribution, plus that percentage of profits due pursuant to paragraph 6, 13, 14 and 15, prorated on a monthly basis up to the date of withdrawal, as well as all unpaid profits thereto unpaid. Upon withdrawal of the Limited Partner, the General Partners may if they so elect to continue the business.

25. <u>Power of Attorney</u>: The Limited Partner hereto constitutes and appoints the General Partners the true and lawful attorney for the undersigned, and in the name, place and stead of the undersigned, to make, execute, sign, acknowledge and file a Certificate of Limited Partnership under the laws of the State of Idaho and to include therein all information required by the laws of said State, and also to make, execute, sign, acknowledge and file a Certificate of Conducting Business under an Assumed Name, and to execute such other instruments as may be required under the laws of the State of Idaho. 26. <u>Notices</u>: The addresses of each General Partner and Limited Partner for all purposes are set forth in paragraph 8. Any notices and demands required to be given hereunder shall be sent by certified mail to such addresses.

27. Entire Agreement: This Agreement contains the entire understanding between the parties and supersedes any prior understandings and/or written or oral agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

28. <u>Validity</u>: In the event that any provision of this Agreement shall be held to be invalid, the same shall not effect in any respect whatsoever the validity of the remainder of this Agreement.

29. Agreement May Be Executed in Counterparts: This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

IN WITNESS WHEREOF, the parties hereto have executed this Certificate of Limited Partnership the day and year first above written.

GENERAL RTNERS

LIMITED PARTNER:

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On this 29th day of ______, 1984, before me, the undersigned, a Notary Public in and for said State, personally apppeared ROBERT L. HUDSON, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

ry Public for Idaho Residing at Boise, Idaho

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STATE OF IDAHO)) ss. County of Ada)

On this A day of MML, 1984, before me, the undersigned, a Notary Public in and for said State, personally apppeared ANDREA HUDSON, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she 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.

Public for Idaho Residing at Boise, Idaho

STATE OF IDAHO)) ss. County of Ada)

On this day of <u>June</u>, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared ELIZABETH STERRETT, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she 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.

Notary Public for Idaho Residing at Boise, Idaho $f_{\rm H}^{\rm min}$