

State of Idaho

Department of State.

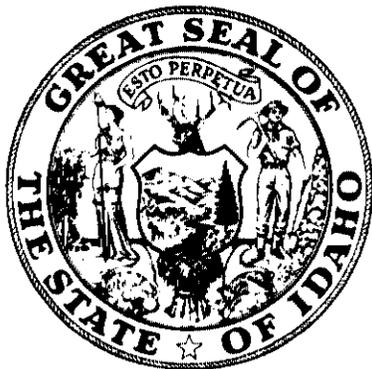
CERTIFICATE OF REGISTRATION OF

JUNIPER - PINE ROCK OREG. LTD. LIMITED PARTNERSHIP

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of JUNIPER - PINE ROCK OREG. LTD.
LIMITED PARTNERSHIP for Registration in this State, duly signed and verified pursuant to the provisions of the Idaho Limited Partnership Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Registration to JUNIPER-PINE ROCK OREG. LTD. LIMITED PARTNERSHIP
to transact business in this State under the name JUNIPER - PINE ROCK OREG. LTD.
LIMITED PARTNERSHIP and attach hereto a duplicate original of the Application for Registration.

Dated May 7, 1984



Pete T. Cenarrusa

SECRETARY OF STATE

by:

Lucy J. Clark

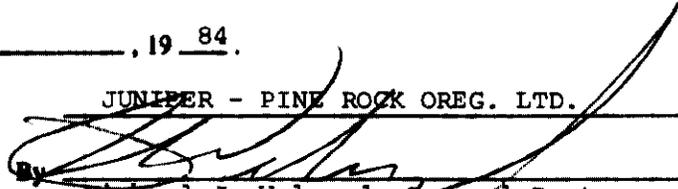
8. (Continued)

Name	General or Limited	Address
_____	_____	_____
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9. This Application is accompanied by a copy of the certificate of limited partnership and amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is organized.

Dated March 16, 19 84.

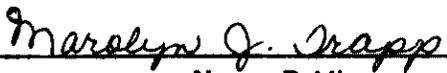
JUNIPER - PINE ROCK OREG. LTD.

By 
Michael J. Welwood, General Partner
A General Partner

STATE OF Oregon)
) ss:
COUNTY OF Marion)

I, Marolyn J. Trapp, a notary public, do hereby certify that on this
16th day of March, 19 84, personally appeared
before me Michael J. Welwood, who being by me first duly sworn,
declared that he is a general partner of Juniper - Pine Rock Oreg. Ltd.

that he signed the foregoing document as a general partner of the limited partnership and that the statements therein contained are true.


Marolyn J. Trapp
Notary Public
My Commission Expires: 7-4-87

APR 25 9 14 AM '84
SECRETARY OF STATE

TO THE SECRETARY OF STATE OF THE STATE OF IDAHO:

Juniper - Pine Rock Oreg. Ltd. Certificate of Limited Partnership was originally filed as a Foreign limited partnership on April 21, 1981 with the Canyon County Recorder's Office, Instrument #918765 as required by the State of Idaho. An Amended and Restated Certificate of Limited Partnership dated August 18, 1983, for Juniper - Pine Rock Oreg. Ltd. is attached as an amendment to the original filing of the foreign limited partnership.

Dated this 13th day of April, 1984.

JUNIPER - PINE ROCK OREG. LTD.

By: 
Michael J. Welwood, General Partner

State of Oregon)
)
County of Marion)

I, Marolyn J. Trapp, a notary public, do hereby certify that on this 13th day of April, 1984, personally appeared before me Michael J. Welwood, who being by me first duly sworn, declared that he is a general partner of Juniper - Pine Rock Oreg. Ltd. that he signed the foregoin document as a general partner of the limited partnership and that the statements therein contained are true.


Oregon Notary Public
My Commission Expires: 7-4-87

State of Oregon

Department of Commerce Corporation Division

I, Frank D. Healy, Corporation Commissioner and Custodian of the Seal of the Corporation Division of the Department of Commerce of the State of Oregon, do hereby certify that I have carefully compared the annexed copy of
Certificate and Agreement of Limited Partnership and Amendments of JUNIPER -
PINE ROCK OREG. LTD.

with the record now on file in my office, and that the same is a correct transcript therefrom, and of the whole thereof. I further certify that this authentication is in due form and by the proper officer.

In Testimony Whereof, *I have hereunto set my hand and affixed hereto the seal of the Corporation Division of the Department of Commerce of the State of Oregon this 7th day of September, 19 83.*



Frank D. Healy

Corporation Commissioner

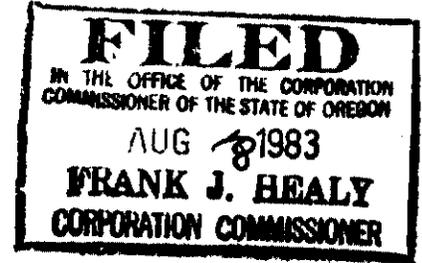
By

FILE NO. LP2599
AMENDED AND RESTATED

ARTICLES OF LIMITED PARTNERSHIP

OF

JUNIPER - PINE ROCK OREG. LTD.



The undersigned partners, pursuant to ORS 691.20 and that power of attorney granted to the General Partner as stated below, desire to amend its Articles of Limited Partnership as currently filed in the office of the Corporation Commissioner of the State of Oregon.

1. DATA: The following information is hereby incorporated in this Amended and Restated Certificate wherever referred to and as necessary to provide its fair meaning:

- 1.1 Partnership Name: Juniper - Pine Rock Oreg. Ltd.
- 1.2 Power of Attorney Granted in Section Number: 22
- 1.3 General Partner's Adjusted Cash Capital Contributions: \$(15,571)
Limited Partners' Adjusted Cash Capital Contributions: \$(81,989)

2. ADDITIONAL AND SUBSTITUTE LIMITED PARTNERS: The Limited Partners listed on Schedule A have each subscribed to a counterpart of the Articles of Limited Partnership and have been admitted by the General Partner as Limited Partners of this Partnership. Each such partner has that address and has contributed the amount of capital for the number of Units set opposite his name.

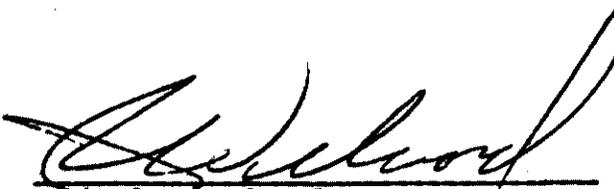
We the undersigned, declare under the penalties of perjury, that we have examined this Amended and Restated Certificate of Limited Partnership and to the best of our knowledge and belief it is true, correct and complete.

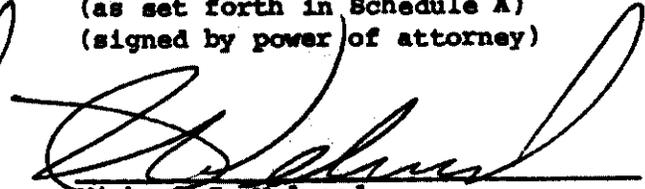
DATED AND EXECUTED this 17th day of June, 1983.

GENERAL PARTNER:

LIMITED PARTNERS:

(as set forth in Schedule A)
(signed by power of attorney)


Michael J. Welwood


Michael J. Welwood
(Attorney-in-Fact)

SCHEDULE A

<u>Limited Partners</u>	<u># Of Units</u>	<u>Capital Account</u>
ARRAF Company 2651 S.W. Vista Avenue Portland, OR 97201	.5	\$ (2,050)
Mr. Verne E. Adams 79-301 Montego Bay Drive Bermuda Dunes, CA 92201	1	\$ (4,099)
George K. Austin Joan D. Austin P.O. Box 209 Newberg, Oregon 97132	1	\$ (4,099)
Mr. Robert L. Baratta 2300 S.E. Beta Milwaukie, OR 97222	1	\$ (4,099)
David L. Brinker 20312 S.W. 70th Tualatin, OR 97062	.063281609	\$ (7,145)
Monica J. Burke 13750 S.W. Berthold Street Beaverton, OR 97005 (Ms. Burke)	.063281609	\$ (7,144)
Leo A. Cassinelli 7060 N.E. Mallory Portland, OR 97211	.5	\$ (2,050)
Mr. William E. Coit 2445 S.W. Arden Road Portland, OR 97201	1	\$ (4,099)
Mr. John Robert Foster 3925 N.E. 35th Avenue Portland, Oregon 97212	1	\$ (4,099)
J. L. Heinz Eleanor F. Heinz 6785 S.W. Canyon Drive Portland, OR 97225	1	\$ (4,099)
Mr. Neil E. Hokkanen, Jr. 945 N.W. Torreyview Lane Portland, OR 97229	.5	\$ (2,050)

<u>Limited Partners</u>	<u># Of Units</u>	<u>Capital Account</u>
David E. Howard, Sr. 13201 N. Lombard Street Portland, OR 97203	1	\$ (4,099)
Lester M. John 2753 N.W. Monte Vista Terrace Portland, OR 97210	1	\$ (4,099)
JFR Investors Mr. David S. Larimer 909 N. Tomahawk Island Dr. Portland, OR 97217	1	\$ (4,099)
Mr. Loren E. Parks P.O. Box BB Beaverton, Oregon 97005	5.373436782	\$ (8,263)
RACC Investors 6420 S.W. Canby Portland, OR 97221	1	\$ (4,099)
R & D Investment Co. 743 N.W. Harmon Blvd. Bend, OR 97701	1	\$ (4,099)
Mrs. Andree' Stevens 4536 S.W. Fairview Blvd. Portland, OR 97221	1	\$ (4,099)
Mr. William Swindells, Jr. 3800 First Interstate Tower Portland, Oregon 97201	1	\$ (4,099)

FILED 10 2599
FILED
 IN THE OFFICE OF THE CORPORATION
 COMMISSIONER OF THE STATE OF OREGON
 MAY 11 1981
FRANK J. HEALY
 CORPORATION COMMISSIONER

AMENDED CERTIFICATE OF
 LIMITED PARTNERSHIP ARTICLES
 OF
 JUNIPER-PINE ROCK OREG. LTD.

The undersigned partners, pursuant to ORS 691.20 and that power of attorney granted to the General Partner, as stated below, desire to amend its Articles of Limited Partnership as currently filed in the office of the Corporation Commissioner of the State of Oregon.

1. **DATA:** The following information is hereby incorporated in this Amended Certificate wherever referred to and as necessary to provide its fair meaning:

- 1.1 Partnership Name: Juniper-Pine Rock Oreg. Ltd.
- 1.2 Power of Attorney Granted in Section Number: 22
- 1.5 General Partner's Total Cash Capital Contribution: \$ 14,645
 Limited Partners' Total Cash Capital Contributions: \$1,305,000

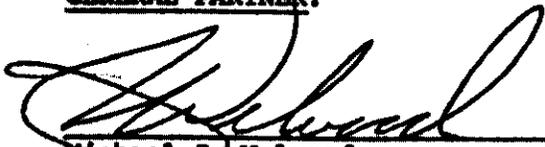
2. **ADDITIONAL AND SUBSTITUTE LIMITED PARTNERS:** The following Limited Partners have each subscribed to a counterpart of the Articles of Limited Partnership and have been admitted by the General Partner as Limited Partners of this Partnership. Each such partner has that address and has contributed the amount of capital for the number of Units set opposite his name:

<u>LIMITED PARTNER/ ADDRESS:</u>	<u>CAPITAL CONTRIBUTED:</u>	<u>NUMBER OF UNITS PURCHASED:</u>
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(Set forth on Exhibit "A", attached hereto and by this reference made a part hereof.)

The undersigned declare, under the penalties of perjury, that he has examined this Amended Certificate of Limited Partnership Articles and to the best of his knowledge and belief, it is true, correct and complete.

DATED AND EXECUTED this 26th day of February, 1981.

GENERAL PARTNER:

 Michael J. Welwood
 as an individual

<u>ADDRESS:</u>	<u>PERCENTAGE OF GENERAL PARTNERSHIP INTERESTS HELD:</u>
11318 S.W. Military Rd. Portland, Oregon 97219	100% divided as agreed

EXHIBIT "A"
JUNIPER-PINE ROCK OREG. LTD.

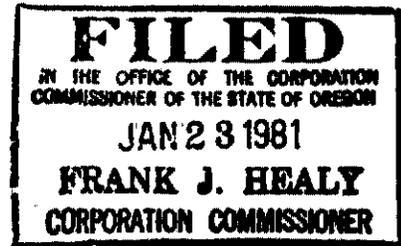
<u>LIMITED PARTNER/ ADDRESS:</u>	<u>CAPITAL CONTRIBUTED:</u>	<u>NUMBER OF UNITS PURCHASED:</u>
ARRAF Company Mr. Robert L. Farra 2651 S.W. Vista Avenue Portland, OR 97201	\$ 32,625	1/2
Mr. Verne E. Adams 940 S.W. Upper Devon Lane Lake Oswego, Oregon 97034	\$ 65,250	1
George K. Austin Joan D. Austin P.O. Box 209 Newberg, Oregon 97132 (Mr./Mrs.)	\$ 65,250	1
Mr. Robert L. Baratta 2300 S.E. Beta Milwaukie, OR 97222	\$ 65,250	1
David L. Brinker Monica J. Burke 20312 S.W. 70th Street Tualatin, OR 97062 (Mr. Brinker/Ms. Burke)	\$ 32,625	1/2
Mr. William E. Coit 0424 S.W. Iowa Portland, OR 97201	\$ 65,250	1
Mr. John Robert Foster 3925 N.E. 35th Avenue Portland, Oregon 97212	\$ 65,250	1
J. L. Heinz Eleanor F. Heinz 6785 S.W. Canyon Drive Portland, OR 97225 (Mr./Mrs.)	\$ 65,250	1
David E. Howard, Sr. 13201 N. Lombard Street Portland, OR 97203	\$ 65,250	1
Lester M. John 2753 N.W. Monte Vista Terrace Portland, OR 97210	\$ 65,250	1

EXHIBIT "A"
JUNIPER-PINE ROCK OREG. LTD.

<u>LIMITED PARTNER/ ADDRESS:</u>	<u>CAPITAL CONTRIBUTED:</u>	<u>NUMBER OF UNITS PURCHASED:</u>
Leo-Neil Investors Mr. Neil E. Hokkanen, Jr. 945 N.W. Torreyview Lane Portland, OR 97229	\$ 65,250	1
Northwest JPR Investors Mr. David S. Larimer 909 N. Tomahawk Island Dr. Portland, OR 97217	\$ 65,250	1
Mr. Loren E. Parks P.O. Box 88 Beaverton, Oregon 97005	\$326,250	5
RACC Investors Mr. Carl Cadonau, Jr. 6420 S.W. Canby Portland, OR 97221	\$ 65,250	1
R & D Investment Co. Mr. Robert W. Thomas 743 N.W. Harmon Blvd. Bend, OR 97701	\$ 65,250	1
Mrs. Andree' Stevens 4536 S.W. Fairview Blvd. Portland, OR 97221	\$ 65,250	1
Mr. William Swindells, Jr. 3800 First National Bank Tower Portland, Oregon 97201	\$ 65,250	1

FILE NO. LP-2599

CERTIFICATE OF
SECOND AMENDED AND RESTATED
ARTICLES OF LIMITED PARTNERSHIP
OF
JUNIPER - PINE ROCK OREG. LTD.



GENERAL PARTNER: MICHAEL J. WELWOOD, an individual
11318 S.W. Military Road, Portland, Oregon 97219;

MAKES THIS LIMITED PARTNERSHIP AGREEMENT WITH THE

LIMITED PARTNERS: Those individuals executing this Agreement as Limited Partners (hereinafter called individually a "Limited Partner" and collectively the "Limited Partners").

AGREEMENTS

In consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Date: The following dates, percentages, names and references are hereby incorporated in this Agreement whenever referred to and as necessary to provide a fair meaning for any promise or covenant:

- 1.1 Partnership Name: JUNIPER - PINE ROCK OREG. LTD.
- 1.2 Project Addresses:
 - Juniper Court - 1803 South Juniper Street, Nampa, Idaho
 - Pine Rock Place - 1001 West 4th Avenue, Kennewick, Washington
- 1.3 Number of Apartment Units:
 - Juniper Court - 96
 - Pine Rock Place - 156
- 1.4 Non-Recourse Contract of Sale in the amount of \$4,505,000 (the "Loan")
Recourse Mortgage Liability of the Limited Partners: None
- 1.5 General Partner's Total Cash Capital Contributions: \$ 14,645
Limited Partners' Total Cash Capital Contributions: \$1,305,000

Summary of General and Limited Partners' Interests:

1.5.1	<u>Gen. Ptnr. %:</u>	<u>Ltd. Ptnrs. %:</u>
Net Operating Profits and Losses:	2%	98%
Net Cash Distributions From Operations:	2%	98%

- Residue from Capital Transactions until each Partner has recovered his Total Cash Contribution as stated in Section 1.5 less previously distributed cash in the aggregate: 1% 99%
- And any Residue remaining shall be distributed: 35% 65%
- 1.5.2 After effect has been given to the distribution of cash on dissolution, all taxable gain on sale shall be allocated ratably to all Partners as necessary to raise their debit capital accounts to zero. The remaining taxable gain shall be distributed: 35% 65%
- 1.5.3 Net Cash Distributions from Operations if realized during any year, but not paid to either the Limited or General Partners, shall be cumulative, noncompounded, and be paid first from funds available for that purpose, prior to any payment of capital contributions on dissolution, but following payment of all debts of the Partnership. Whenever paid, it shall be paid to the Partners in the ratio stated in 1.5.1, (see Section 9.1).
- 1.6 Number of Units of Participating Interest: 20
Cash Contribution Per Unit: \$65,250, minimum purchase is 1 Unit
Percentage of Interest in the Limited Partnership Interests per Unit: 5.00%
- 1.7 Compensation to the General Partner. The General Partner shall be paid:
- 1.7.1 An Acquisition Fee of \$11,746 payable in 1981;
- 1.7.2 An Investor Services Fee of \$4,195 payable in 1981;
- 1.7.3 A Partnership Management Fee of \$75,258 payable as follows: \$5,039 in 1981, \$19,150 in 1982, \$17,326 in 1983, \$15,504 in 1984, \$11,855 in 1985, and \$6,384 in 1986;
- 1.7.4 A Coordination Fee of \$27,424 payable as follows: \$6,307 in 1981, \$5,759 in 1982, \$5,211 in 1983, \$4,662 in 1984, \$3,565 in 1985, and \$1,920 in 1986;
- 1.7.5 A Financial Planning Fee of \$16,477 payable as follows: \$3,786 in 1981, \$3,462 in 1982, \$3,132 in 1983, \$2,801 in 1984, \$2,143 in 1985, and \$1,153 in 1986.
- 1.7.6 Such compensation shall be due and payable to the General Partner as set forth above, save except if the General Partner shall be found by a court of competent jurisdiction to be guilty of fraud or malfeasance.
- 1.7.7 In the event that the Partnership shall fail to pay the General Partner his compensation when due, except in the case of fraud and/or malfeasance, all such compensation shall become due and payable immediately as liquidated damages hereunder.

2. **Formation:** The parties hereto have hereby formed a Limited Partnership pursuant to the Uniform Limited Partnership Act of Oregon, named as stated in Section 1.1 above (hereinafter called "Partnership").

3. **Registered and Principal Office and Agent for Service of Process:** The address of the initial registered office of the Limited Partnership, and its principal place of business shall be 161 High Street S.E., P.O. Box 230, Salem, Oregon 97308, (503) 364-5500, except as the General Partner shall otherwise designate. The name of the initial registered agent at such address is Michael J. Welwood. The General Partner designates said initial registered agent, as well as any successor registered agent, as their personal registered agent and attorney upon whom any process, notice or demand which arises out of the conduct of the Partnership affairs and which is required or permitted by law to be served upon a General Partner, may be served.

4. **Purpose:** The purposes and powers of the Partnership shall be as follows:

4.1 To acquire, own, operate, and manage the Projects known as Juniper Court Apartments, located in Nampa, Idaho and Pine Rock Place, located in Kennewick, Washington.

4.2 To mortgage, sell, transfer, and exchange, or otherwise convey and encumber the Project to further the business of the Partnership.

4.3 To enter into, perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the acquisition of the Project.

4.4 To execute a Contract in order to obtain the loan stated in Section 1.4 (the "Loan") and such other documents required to obtain such Loan.

4.5 To rent the Project from time to time, in accordance with applicable Federal, State, and local regulations, collecting the income therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds, except as provided herein to the General Partner and Limited Partners.

5. **Term:** The Partnership shall commence no later than the date the Articles of Limited Partnership are filed with the Oregon Commissioner and shall continue for twenty (20) years unless earlier dissolved by any one of the events set out in Section 15. The death of a Limited Partner shall not dissolve the Partnership nor terminate the Partnership business.

6. **Capital Contributions:** The following capital contributions shall be made:

6.1 The General Partner shall make a capital contribution as stated in Section 1.5 to the Partnership and shall provide services as stated herein for agreed fees and salary.

6.2 The persons who execute this Agreement as Limited Partners shall contribute to the capital of the Partnership an aggregate cash amount as stated in Section 1.5 for the number of Units of Limited Partnership Interests as stated in Section 1.6, each Unit representing the Limited Partners' interest in the net operating profits, losses and net cash distributions of the Partnership, as defined in Section 9, and on dissolution of the Partnership Property as defined in Section 15, subject to taxable allocations as defined in Section 17. Each Limited Partner shall pay any unpaid portion of the subscription price when due, with or without notice of its due date from the Partnership.

6.3 These Units of Limited Partnership interests and the rights represented thereby are hereafter called "Units". The percentage of interest in the Limited Partnership Interests in the Partnership, as herein defined, of each Limited Partner shall be the percentage of the Units owned by such Limited Partner as compared to the total outstanding Units, such percentage being as stated in Section 1.6. The Limited Partners shall make their cash contributions to the Partnership as stated in their individually executed Subscription and Counterpart Agreements. Fractional Units may be sold by the General Partner and may be owned as such by Limited Partners.

6.4 The Partnership shall be responsible for providing equity requirements and working capital as required, but not the General Partner, although they will exercise their best efforts to provide any shortage not funded by capital subscriptions. The Limited Partners shall have no liability to provide funds in addition to their original subscription to acquire or otherwise operate the Project, except to the extent they have assumed contract of sale liability pursuant to Section 1.4 in the event of default under the contract.

In the event a Limited Partner pays a part (less than all) of his capital contribution with his application, the balance thereof shall be paid under the terms of a promissory note, which the General Partner is authorized to accept, providing for deferred payment of principal and interest and/or the deferred payment of any pro rata shares of any obligation previously incurred. The obligation of the Limited Partner shall not exceed his agreement to contribute and the sole personal liability of each Limited Partner arising out of or in any manner related to the Partnership shall be limited to the fulfillment of his installment obligation, if any, or the payment of his full capital contribution, and none of the Limited Partners will have any further liability to contribute money or otherwise to or in respect of the liabilities or obligations of the Partnership except that additional liability assumed in Section 1.4. Upon the payment by a Limited Partner to the Partnership of his proportionate share of the total capital contribution, the Limited Partner shall have no further liability or responsibility in any event whatsoever.

In the event that a Limited Partner fails to pay the principal and accrued interest due and payable on the due dates of the installment payments for such Promissory Note, such failure shall be deemed a default on his entire Promissory Note. In such event, the General Partner will make a bona fide effort to find a buyer for that portion of the defaulting Limited Partner's limited partnership interest as will allow the defaulting Limited Partner to retain an interest in the date of default, less any cash distributions received by him from the Partnership in connection therewith. This shall, however, in no way obligate the General Partner to effect such a sale, but only to make a good faith effort to do so. In no event, however, shall the defaulting Limited Partner be relieved from his obligations on the unpaid Promissory Note itself.

7. Compensation for Services: the following compensation shall be payable for services rendered to the Partnership and shall be paid only from those funds contributed to the Partnership by the Limited Partners, and will not be paid from contract proceeds or operating income, except fees earned for services performed as stated in Section 7. Any sum payable to the General Partner as set forth in Section 1.7 to 1.7.5 or to Rockwood Development Corporation for its Investment Advisory Fee (as long as Rockwood is not in default under the contract of sale for the Properties) shall be an obligation of the Partnership and in the event of sale of all or substantially all of the Partnership's assets shall be payable prior to the date it would otherwise be payable as liquidated damages, from sale proceeds prior to any distribution to the Limited Partners,

- 7.1 The General Partner shall receive an Acquisition Fee as described in Section 1.7.1 for locating, negotiating, and acquiring the Partnership's Property.
- 7.2 The General Partner shall also receive an Investor Services Fee for reviewing and passing on the subscriptions of prospective investors to determine qualified Limited Partners.
- 7.3 The General Partner shall also receive a Partnership Management Fee as described in Section 1.7.3 for various management services, including, but not limited to, ultimate responsibility for selection, direction, and supervision of all subordinate management entities or individuals.
- 7.4 The General Partner shall also receive a Coordination Fee as described in Section 1.7.4 for services performed in acting as a medium of communication between Juniper Court and Pine Rock Place and, further, providing a liaison Partnership and its Limited Partners.
- 7.5 The General Partner shall also receive a Financial Planning Fee for continuing analysis and assistance with respect to financial planning and marketing matters, particularly the Partnership's need for refinancing or sale of its Property within a seven year period.

- 7.6 In the event the Partnership retains third parties to perform a portion or all of the services set forth below, the Partnership will be solely responsible for any fees charged by such persons. Property Management services will include, but not be limited to: (i) review of the maintenance, repair, remodeling, and refurbishing of the Partnership Property, (ii) review of rental schedules and recommendations with respect to changes thereto, (iii) preparation and review of rental surveys, (iv) preparation and review of historical and projected performance and variation analysis, (v) preparation and review of leases, management agreements, and maintenance agreements, and (vi) review of replacement reserves and working capital and recommendations with respect to changes thereto.
- 7.7 If the General Partner provides services for the Partnership as provided in Section 11, such Partner may receive allowable fees or income for such services. Such fees, however, shall be commensurate with those provided by outside third parties for similar services.
- 7.8 Should the General Partner be expelled from the Partnership, such Partner shall be entitled to interest on any loans made subject to the provisions of this Partnership Agreement.
- 7.9 Should the General Partner be expelled from the Partnership according to provisions of Section 11.9 of this Partnership Agreement, or should the Property Management Agreement be terminated if Rockwood Development Corporation is the Managing Agent, any portion of the Advisory Fee, Property Management Fee, General Partner Fees, or any other fee or commission payable according to the provisions of this Paragraph 7 which is then accrued and due, but not yet paid, shall be paid by the Partnership to the General Partner or Agent in cash within 30 days of the date of expulsion as stated in the written notice of expulsion.
8. Partnership Expenses:
- 8.1 Reimbursement (other than for organization and offering expenses or initial fees) to the General Partner shall not be made, except for reimbursement of the actual cost to the General Partner or Rockwood Development Corporation of goods and materials used for or by the Partnership or for services otherwise provided for herein.
9. Profits, Losses and Distribution of Available Cash from Operations:
- 9.1 Net Operating Profits and Losses and Net Cash Distributions from Operations after payment of all fees and expenses shall be distributed to the Limited Partners (pro-rata in relationship to the number of Units held by each) and the General Partner (divided as agreed) for the term of the Partnership as stated in Section 5. "Net Operating Profits and Losses" are defined as those reported by the Partnership's accountant on the

Partnership's annual Partnership income tax information return pursuant to generally accepted accounting principles. "Net Cash Distributions from Operations" is the net operating profit or loss sum stated above plus non-cash charges (depreciation and amortization) less cash requirements paid or set aside to pay the Mortgage payable, reserves and other liabilities pursuant to generally accepted accounting principles. Net Cash Distributions from Operations available for distributions, if earned but not paid, shall be cumulative.

9.2 The Net Operating Profits and Losses and Net Cash Distributions from Operations apportioned to the Limited Partners shall be reapportioned among them, pro-rata, in relationship to the number of Units owned by each as compared to the total Units outstanding even though the percentage of interest per Unit, as stated in 1.6, is exceeded.

9.3 From time to time, but at least annually, the General Partner shall distribute the available Net Cash Distributions from Operations to the General and Limited Partners entitled thereto, part or all of which may be a return on the Partners' initial investment. The General Partner may withhold cash distributions which would otherwise be made to the Partners in order to maintain the working capital at a minimum of \$22,000.

9.4 No Partner shall receive any interest on his contribution to the capital of the Partnership, nor have any priority of any kind over any other Limited Partner.

10. Advances from General Partner: The General Partner may make advances or loans to the Partnership to pay its operating costs, for which the General Partner shall receive a promissory note or notes, repayable from the first funds available from operating revenue, said notes to bear interest at a rate 1% per annum more than that payable by the General Partner to his lending bank and such notes shall be repayable prior to the payment of Cash Distributions to the Partners.

11. Powers, Duties and Responsibilities of the General Partner:

11.1 The General Partner shall have exclusive authority to manage the operations and affairs of the Partnership and to make all decisions regarding the business of the Partnership. Pursuant to the foregoing, it is understood and agreed that the General Partner shall have all of the rights and powers of a general partner as provided in the Oregon Uniform Limited Partnership Act and as otherwise provided by law, and any action taken by the General Partner shall constitute the act of and serve to bind the Partnership.

11.2 The General Partner is hereby granted the right, power and authority to do on behalf of the Partnership all things which, in his sole judgment, are necessary, proper or desirable to carry out his duties and responsibilities, including but not limited to the right, power and authority; to compromise,

submit to arbitration, sue or defend all claims in favor of or against the Partnership; to make and revoke any election permitted the Partnership by any taxing authority; to incur all reasonable expenditures; to employ and dismiss from employment any and all employees agents, independent contractors, real estate managers, brokers, attorneys and accountants; to let or lease all or any portion of any property for any purpose and without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of the termination of the Partnership and whether or not the portion so leased is to be occupied by the lessee or, in turn, subleased in whole or in part to others; to create, by grant or otherwise, easements and servitudes; do all acts they deem necessary or appropriate for the protection and preservation of the Partnership's assets; carrying at the expense of the Partnership such as insurance coverage for public liability and all other insurance necessary or appropriate to the business of the Partnership in such amounts and in types as they shall determine from time to time; to borrow money and as security therefor to mortgage all or any part of any property; to construct, alter, improve, repair, raze, replace or rebuild any property; to obtain replacements of any mortgage or mortgages related in any way to the property owned by the Partnership, and to prepay in whole or in part, refinance, recast, modify, consolidate or extend any mortgages affecting any such property; to do any and all of the foregoing at such price, rental or amount, for cash, securities or other property and upon such terms as the General Partner deem proper (provided, however, that in connection with the borrowing of money recourse for the repayment of which is limited solely to Partnership property, no lender shall be granted or acquire, at any time as a result of making such a loan, any direct or indirect interest in the profits, capital or property of the Partnership other than as a secured creditor); to place record title to any property in its name or in the name of a nominee or a trustee for the purpose of mortgage financing or any other convenience or benefit of the Partnership; and to execute, acknowledge and deliver any and all instruments to effectuate any and all of the foregoing. In the event the Partnership utilizes any all-inclusive note, said note shall provide that the Partnership shall receive credit on its obligation under said note for payments made by the Partnership directly on the underlying encumbrance and that a bank, escrow company or other paying agent shall collect payments (other than amounts not to be applied to the underlying encumbrance) on the all-inclusive note and make disbursements therefrom to the holder of the underlying encumbrance prior to making any disbursement to the holder of the all-inclusive note or in the alternative all payments on the all-inclusive note and underlying notes shall be made directly by the Partnership.

11.3

The General Partner shall have the right, power and authority to lease, sell, exchange, refinance or grant an option for the sale of all or any portion of the real and personal property of the Partnership, at such rental,

price or amount, for cash, securities or other property and upon such other terms as the General Partner in his sole discretion deem proper; provided, that the sale or other disposition of any of the Partnership's assets (except for the sale or other disposition of the final property remaining as a result of sales of properties in the ordinary course of business) shall require the approval of Limited Partners holding a majority of the then outstanding interests. Unless approved by Limited Partners holding a majority interest, no affiliate of the General Partner shall receive any commission on the sale of any property by the Partnership if and to the extent that the proceeds of sale are reinvested pursuant to this Section 11.3.

- 11.4 The General Partner shall devote such time to the Partnership business as, in his sole discretion, it shall deem to be necessary to manage and supervise the Partnership business and affairs in an efficient manner; but nothing in this Agreement shall preclude the employment, at the expense of the Partnership, of any agent or third party to manage or provide other services in respect of the Partnership property subject to the control of the General Partner.
- 11.5 The General Partner shall not be required to manage the Partnership as his sole and exclusive functions and he may have other business interests and may engage in other activities in addition to those relating to the Partnership, including the rendering of advice or services of any kind to other investors and the making or management of other investments. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper. The General Partner shall not be obligated to present any particular investment opportunity to the Partnership even if such opportunity is of a character which, if presented to the Partnership could be taken by the Partnership and each of them shall have the right to take it for its own account (individually or as a trustee) or to recommend to others any such particular investment opportunity.
- 11.6 No Limited Partner may participate in the management of the Partnership business, except as provided by ORS 69.280.
- 11.7 Neither the General Partner nor any Affiliate shall have the authority to:
- 11.7.1 Enter into contracts with the Partnership which would bind the Partnership after the expulsion, adjudication of bankruptcy or insolvency, dissolution or other cessation to exist of the General Partner, or to continue the business with Partnership assets after the occurrence of such event;

- 11.7.2 Sell substantially all of the assets of the Partnership in a single sale, or in multiple sales in the same 12-month period, except in the orderly liquidation and winding up of the business of the Partnership upon its termination and dissolution;
- 11.7.3 Alter the primary purpose of the Partnership as set forth in Section 4, "Purpose", of the Partnership Agreement;
- 11.7.4 Receive from the Partnership a rebate or give-up or participate in any reciprocal business arrangement which would enable it or an Affiliate to do so;
- 11.7.5 Make long-term secured loans to the Partnership and on short-term unsecured loans made to the Partnership, receive interest on other financing charges or fees in excess of those amounts which would be charged by third party financing institutions on comparable loans for the same purpose in the same geographic area, except to the extent permitted by Section 10.
- 11.7.6 Do any act in contravention of these Articles of Limited Partnership or which would make it impossible to carry on the ordinary business of the Partnership;
- 11.7.7 Possess any Partnership Property or assign the rights of the Partnership in specific Partnership Property for other than a Partnership purpose;
- 11.7.8 Admit a person as a General Partner except with the consent of the Limited Partners as provided for in this Partnership Agreement;
- 11.7.9 Receive any insurance brokerage fee or write any insurance policy covering the General Partner or any of the Partnership Properties;
- 11.7.10 Employ, or permit to employ, the funds or assets of the Partnership in any manner except for the exclusive benefit of the Partnership;
- 11.7.11 Comingle the Partnership funds with those of any other person or entity;
- 11.7.12 Receive any commission or fee for the placement of mortgage loans or trust deed loans on the Partnership Property or otherwise act as a finance broker on behalf of the Partnership;
- 11.8 Within 90 days after the Limited Partners have voted to remove a General Partner, the General Partner shall have prepared, at Partnership expense, a financial statement (balance sheet, statement of income or loss, Partners' equity, and changes in financial position) prepared in accordance with generally accepted accounting principles and accompanied by a report thereon containing an opinion of an independent certified public accounting firm and shall cause such statement to be mailed to the Limited Partners as soon as possible after receipt thereof.

11.9 The General Partner may be removed at the written request of Limited Partners holding a majority in interest of the outstanding Units; however, such removal shall not affect any of the General Partner's ownership rights in Net Cash Distributions from Operations and Residual Interests from Capital Transactions as stated in Section 1.5. A successor General Partner may be chosen by the Limited Partners and must be approved by the Limited Partners holding all of the outstanding Units, providing the successor General Partner purchases all the interests in Net Cash Distributions from Operations and Residuals from Capital Transactions of the removed General Partner for a price agreed between such Partners, payable upon eventual termination and dissolution of the Partnership, said obligation being a prior charge on the residual interests in this Partnership of the successor General Partner. If the parties cannot agree on a price, they shall submit the issue of the price to be paid to binding arbitration pursuant to the rules of the American Arbitration Association and costs thereof shall be paid as the arbitrators determine.

11.10 The Limited Partners hereby agree that the General Partner may act individually with full authority and power to act for the Partnership.

12. Indemnification: The Partnership shall indemnify and save harmless the General Partner from personal loss or damage incurred by him by reason of any act performed in good faith for and on behalf of the Partnership and intended to be in furtherance of the interests of the Partnership. The General Partner will not be indemnified for any acts arising out of his negligence not in good faith, gross negligence or willful misconduct.

13. Liability of Partners: A Limited Partner shall be personally liable for any mortgage or debt secured thereby as set out in Section 1.4 but not for any other debts of the Partnership except to the extent of the amount originally contributed by him to the capital of the Partnership. The General Partner shall be personally liable for all debts of the Partnership.

14. Fiscal Control:

14.1 The fiscal and accounting period of the Partnership shall be the calendar year and at all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and true books of account in which shall be entered fully and accurately each transaction of the Partnership. The General Partner shall retain an accounting firm to perform the annual audit for the Partnership. Such accounting costs shall be an expense of the Partnership. A change in the Partnership accounting firm may be made by the General Partner. The Partnership books shall be kept on a accrual basis for tax purposes, however, interim quarterly statements may be rendered on a cash basis in connection with Partnership management reports.

- 14.2 All of such books of account shall at all times be maintained at the principal office of the Partnership. Such books shall be open to inspection by any of the Partners or their accredited representatives at any reasonable time during normal business hours.
- 14.3 The General Partner agrees to deliver to the Limited Partners annual audited financial statements and "information returns" on or before March 15 of each year, showing the profit or loss of the Partnership and the distribution or allocation thereof to each Partner for the preceding calendar year, which accounting shall be made on a quarterly basis. Likewise, unaudited financial statements shall be provided each partner within 45 days of the end of each quarter, except the year-end quarter. All such audited statements shall be prepared by the Partnership's selected accountant and the preparation of all statements, audited and unaudited, shall be an expense of the Partnership.
- 14.4 All elections under the Internal Revenue Code with respect to the reporting of allowable depreciation on the Federal Income Tax Returns of the Partnership may be made and determined by the General Partner.
- 14.5 A separate capital account shall be maintained for each Partner.
- 14.6 Funds shall be retained in the Partnership in such amounts as the General Partner deems reasonably necessary to provide for the foreseeable expenses of the Partnership and to prevent impairment of the Partnership capital.
- 14.7 All funds of the Partnership shall be deposited in the Partnership name in a depository bank selected by the General Partner. Withdrawals shall be made by check, draft, or other appropriate instrument signed by the General Partner or by such other persons as he may designate.
15. Dissolution of Partnership: The Partnership shall be dissolved only upon the occurrence of one or more of the following events:
- 15.1 The sale of all or substantially all of the Partnership assets;
- 15.2 Upon the bankruptcy, death or incapacity of the General Partner, provided however, that in any of such events, the Limited Partners holding a majority of the outstanding Units may elect to continue the business of the Partnership. In such event, the Partnership shall not be dissolved and the Limited Partners may designate a new General Partner who must be approved by the Limited Partners holding all of the outstanding Units. In the event the General Partner is removed for any reason or because of his bankruptcy, death or incapacity, the Limited Partners holding all of the outstanding Units may elect to continue the business of the Partnership, providing the new General Partner is approved by a vote of all the Limited Partners, and further providing the new General Partner purchases all the vested interests of the prior General Partner, his heirs or assigns, in the Net Cash Distributions from Operations and Residue from Capital Transactions in this manner and as stated in Section 11.9;

- 15.3 Upon the decision of the General Partner, with the consent of the Limited Partners holding a majority of the outstanding Units, to dissolve the Partnership;
- 15.4 Upon destruction of all or substantially all of the Partnership property;
- 15.5 Upon unanimous consent of all of the Limited Partners to dissolve the Partnership, which consent shall be executed in writing;
- 15.6 Upon expiration of the period of the Partnership.

16. Distributions Upon Dissolution, Termination, Refinancing or Other "One-Time" Gains:

- 16.1 Upon any dissolution of the Partnership, the General Partner shall proceed to the orderly liquidation and termination of the Partnership. The proceeds of such liquidation, including interest or contract or sale, shall be applied and distributed in the following order or priority, subject to O.R.S. Section 69.430:
 - 16.1.1 In the event of dissolution only, to the payment of debts and liabilities of the Partnership (not including the contributions of Limited Partners and any loans or advances that may have been made by the General Partner to the Partnership but including all promissory notes, if any, issued by the Partnership) and expenses of liquidation. Additional payments may include but not be limited to the purchase of land underlying a Partnership investment if built on leased land, the purchase or financing of any improvements or expansions of any Partnership investments, or real estate commissions paid to any real estate broker or salesman not affiliated in any way with the General Partner.
 - 16.1.2 To the setting up of any reserves which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligation of the Partnership.
 - 16.1.3 To the payment of the outstanding balance on notes payable to Partners, if any, the Limited Partner's notes, if any, to be first paid.
 - 16.1.4 To the payment of any "Net Cash Distributions from Operations" of the Partnership not heretofore paid the Partners and accumulated for subsequent payment as required by Section 1.5 and 9.
 - 16.1.5 To the payment of the Partners' capital contributions in the ratio 1% to the General Partner and 99% to the Limited Partners, except as reduced by any prior distributions made pursuant to Sections 9.3, 16.2, or partial distributions from sale proceeds derived from the sale of less than all of the Partnership's assets.

16.1.6 The "residue" then remaining shall be apportioned in the ratio stated in Section 1.5.1, Residue from Capital Transactions, to the General Partner and to the Limited Partners (pro-rata in relationship to the number of Units held by each).

16.2 The same order of distribution shall apply to the proceeds received by the Partnership from any net excess insurance proceeds and any net proceeds of mortgage refinancing, partial condemnation, sales of easements, rights-of-way, or similar interest in the property of the Partnership, and sales of parts of the Partnership property or interest therein and other similar items which, in accordance with generally accepted accounting principles, are attributable to capital to the extent available for distribution.

16.3 A reasonable time shall be allowed for the orderly liquidation of assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to minimize the normal losses attendant upon a liquidation.

16.4 The General Partner shall not be personally liable for the return of the capital contributions or advances of the Limited Partners or any portion thereof. Any such return shall be made solely from the Partnership assets.

17. Tax Treatment of Certain Gains: Although net proceeds to the Partnership upon the sale or other disposition of property of the Partnership shall be distributed as provided in Section 16 hereof, any taxable gain realized by the Partnership from such sale or distribution (not only gain subject to taxation as ordinary income pursuant to Sections 1245 and 1250 of the Internal Revenue Code, providing for depreciation recapture, but also any other taxable gain) shall be allocated to the Limited Partners and the General Partner in the ratio stated in Section 1.5.2, (even though the cash proceeds are allocated differently as provided in Section 16).

18. Transfer of Partnership Interests:

18.1 The General Partner or affiliates shall not assign, mortgage or sell their interest in the Partnership, or enter into any agreement as the result of which any person shall become interested with them in the Partnership, without the prior written approval of the Limited Partners holding a majority of the outstanding Units. This provision shall not prohibit the General Partner from assigning up to 5/35ths of their 35% interest in Residue from Capital Transactions to outside third parties in connection with borrowings of the Partnership nor from assigning up to 17.5/35ths of the Residue, 10% of the General Partner's interest in Net Operating Profits and Losses, and 10% of his interest in the Net Cash Available for Distribution from Operations to Rockwood Development Corporation in connection with the purchase of the property, loan guaranties, and services rendered.

18.2

Upon the death of the General Partner, the interest of the deceased General Partner in the Partnership shall pass as part of his estate as his will or as the law shall provide, but without power to vote in matters concerning the Partnership. The successor or successors to that Partnership interest, by reason of such death, shall have all the rights of the decedent in the profits, losses, cash distributions, notes, capital and residue of the Partnership possessed by the decedent, subject to the provisions of Section 15.2 hereof. Upon the death of a Limited Partner, his lawful successor in interest may become a Limited Partner, subject to all of the terms and conditions of this Agreement, providing consent of the General Partner is first obtained, as herein provided.

The death of any Limited Partner shall not have the effect of terminating or dissolving this Partnership. Upon the death of a Limited Partner, his or her estate, devisee and/or heirs shall succeed to his interests and shall be bound by the terms and provisions of this Agreement; however, in the event that the interests of the deceased do not pass to a single trust or pass to more than one heir or devisee, or, upon termination of any such trust, are distributed to more than one beneficiaries (the "Distributees") shall, within ninety (90) days after distribution by the Estate of the deceased Limited Partner or by the trustee under any trust established by the deceased Limited Partner, execute and deliver to the General Partner a written instrument (including a power of attorney) appointing one person, firm or corporation as and to be the agent of and for said Distributees. Such agent shall be responsible for collecting, receiving and making all payments and contributions required hereunder, shall vote all interests of the Distributees, and shall perform all other obligations of such Distributees performable by reason of or arising from their interests shall be deemed to have been validly made to such Distributees by paying the same to such duly designated agent. In the event that said Distributees for any reason fail to designate such agent in writing in the manner and within the time prescribed and continue to cure such default after ten (10) days written notice from the General Partner to correct the same, the General Partner shall have the right at his election, to withhold all sums that are payable with respect to the interests of the Distributees until such time as the Partnership is dissolved or such default is cured. So long as such default exists with respect to any interests, such interests may not be voted on any matter on which the vote or consent of Limited Partners or holders of interests is required or permitted herein. Whenever interests may not be voted on a transaction, the percentage required herein for approval of such percentage only of those Limited Partners permitted to vote. Upon the death of a Limited Partner's spouse having a community property interest in the interests of the Limited Partner, the foregoing provisions of this Section 18.2, shall apply to all of the deceased spouse's community property interests in the surviving spouse's interests in the Partnership which do not pass to the surviving spouse by will or through operation of law, and such provisions shall be applied to such interests as though the Limited Partner had owned such interests and had died on the date of his spouse's death, leaving such interests to the actual recipients thereof.

18.3 Although a Limited Partner may assign his rights to Profits, Losses, and Net Cash Distributions, an assignee cannot become a Limited Partner without the consent of a General Partner, the granting or denial of which is in the absolute discretion of the General Partner. The General Partner shall not give his consent to any such transfer unless and until they have received an opinion of counsel satisfactory to the General Partner that the proposed transfer will not terminate the Partnership for Federal income tax purposes nor cause a loss of any exemption from registration under the Securities and Exchange Act. A \$100 transfer fee in addition to actual costs incurred by the General Partner in connection with such a transfer shall be charged to the Limited Partners transferring his interests.

18.4 In the event that a transferee of a Partnership interest becomes a Limited Partner, the items of gross income, deduction and credit pertaining to the transferred interest for the fiscal year of the transfer shall, unless otherwise agreed by the transferor and transferee, be allocated between the transferor and transferee on a pro-rata quarterly basis.

18.5 Upon the transfer of an interest in the Partnership, the Partnership may elect, pursuant to Section 734 of the Internal Revenue Code of 1954, as amended, to adjust the basis of the Partnership property as allowed by Section 734(b) and 743(b) of said Code. The election shall be filed with the Partnership's Income Tax Return for the first taxable year in which the election applies.

18.6 Notwithstanding anything set forth above in this Section 18, no sale or exchange of all or a part of an interest in this Partnership shall occur if it would cause the termination of the Partnership for Federal income tax purposes, unless all the Partners agree in writing to such sale or exchange.

19. Admission of Additional Limited Partners: The General Partner may not admit to the Partnership additional Limited Partners contributing more capital than contemplated by this Agreement without the consent of Limited Partners holding a majority of the outstanding Units.

20. Representations and Warranties by Limited Partners: Each Limited Partner hereby represents and warrants to the Partnership and the General Partner as follows:

20.1 He is purchasing his Limited Partnership Interest for his personal investment purposes only and not with a view toward distribution or sale of all or a portion of such Interest.

20.2 He will not sell or offer for sale his Interest in the Partnership without complying with the provisions of this Agreement pertaining to transferability. He is aware that this Agreement imposes substantial restrictions on the transferability of his Interest in the Partnership and recognizes that there is no ready public market for such Interest and that it may not be possible to readily liquidate his investment in the Partnership.

- 20.3 He is financially capable of and intends to retain ownership of his Units during the entire term of the Partnership or for as long as he is physically capable of so doing.
- 20.4 Although it is expected that he will presently qualify for certain tax benefits offered by the Internal Revenue Code now in effect, as amended by the Tax Reform Act of 1969, because of the principal asset and business of the Partnership, he recognizes that there is no guarantee that the Internal Revenue Code or the regulations promulgated thereunder will not be amended in such a manner as to wholly or partially deprive him of any tax benefit he might presently receive under the law now in effect.
- 20.5 He has made a careful investigation of the materials (particularly the Memorandum and these Articles) submitted to him by the General Partner and has relied on his own investigation thereof and not on any oral representations of the General Partner, or anyone acting on their behalf, in making his decision to invest. He has not been denied any information with respect to the Partnership or the Project which he believed to be material to his decision to invest.
- 20.6 **Securities Law Compliance.** The Limited Partners hereby acknowledge that the offering of Limited Partnership Units will not be registered under the Securities Act of 1933 and is being made in reliance upon the availability of an exemption from that Act. The exemption claimed is the "private offering" exemption pursuant to Section 4(2) of the Securities Act of 1933 and rule 146 promulgated thereunder.

Each Limited Partner therefore represents and warrants that he has read and understands the "Investor Suitability Standards" section of the Private Placement Memorandum of JUNIPER - PINE ROCK OREG. LTD. as well as each of the subscription documents found in Appendixes "L" through "P". Each Limited Partner also represents and warrants the following:

- a. That he can bear a total loss of his investment in the Partnership, as well as the adverse tax consequences of recapture of tax deductions,
- b. That he anticipates that in 1981 through 1986 at least some of his income will be subject to Federal income tax at the rate of fifty percent (50%) (46% for corporations) and that he has a net worth of at least \$100,000, exclusive of insurance, residence, automobile and furnishings or he has a net worth of at least \$250,000 exclusive of insurance, home, personal automobile and furnishings,
- c. That he and his offerree representative (if any) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the investment in the Partnership,
- d. That his participation in programs that offer tax incentives is reasonable in relation to his income and net worth,

- e. That he is acquiring the Partnership interest for long-term investment and not with a view toward resale, fractionalization, division or distribution thereof;
- f. That he has received and read a copy of the Private Placement Memorandum, has relied solely and completely on the Memorandum in making his decision to purchase Limited Partnership Units in the Partnership and has not relied on any representations not contained in making his investment decision; and

The General Partner may reject the application of any prospective investor who fails to comply with any of the provisions of this Article.

21. Amendments:

21.1 Amendments to this Agreement may be proposed by the General Partner or by Limited Partners holding 10% of the outstanding Units. Following such proposal, the General Partner shall submit to the Limited Partners a verbatim statement of any such proposed amendment and an opinion of counsel as to the legality of such proposed amendment. The General Partner shall include in any such submission their recommendation as to the proposed amendment. Each such submission shall bear a notice to the effect that the proposed amendment shall become effective upon the receipt of the affirmative vote of Limited Partners holding a majority of the outstanding Units. The General Partner shall seek the written vote of the Limited Partners on the proposed amendment by return mail following the submission or shall call a meeting to discuss the proposed amendment. If a meeting is called, the date and place shall be set by the General Partner and the sole business shall be the consideration of the proposed amendment. Such amendment shall be adopted or rejected at the meeting by the same affirmative vote required above.

Limited Partners may vote in person or by proxy at any such meeting. Notwithstanding the above, no amendment shall:

- (1) Modify the liability of either the General Partner or the Limited Partners;
- (2) Terminate the Partnership except as provided in this Agreement.

21.2 Notwithstanding the above, the General Partner may amend this Agreement to add or delete qualified Limited Partners by exercising their Power of Attorney for each Limited Partner as granted in Section 22.

22. Power of Attorney:

22.1 Each Limited Partner, by becoming a Limited Partner, constitutes and appoints the General Partner the true and lawful attorneys of, and in the name, place and stead of said Limited Partner, to execute, sign, acknowledge, file, swear to, verify, deliver, record and publish:

- 22.1.1 The original Articles of Limited Partnership and all amendments thereto required by law, and any other regulatory agency with lawful jurisdiction, or this Agreement;
- 22.1.2 All instruments which effect a change, modification or amendment of this Agreement by adding or substituting Limited Partners or fully or partially dissolving or continuing the Partnership itself.
- 22.2 To represent each and every Limited Partner before any office of the Internal Revenue Service with respect to any Internal Revenue tax matter that in any way relates to this Partnership or any interest therein. Such General Partner shall have authority to receive confidential information and full power on behalf of each and every Limited Partner to execute agreements extending the statutory period for assessment or collection of taxes and to delegate authority or to substitute another representative.
- 22.3 The power hereby conferred shall continue from the date of the subscription of the Limited Partner until said Limited Partner shall cease to be a Limited Partner, or notifies the General Partner in writing that this power of attorney is revoked. If revoked, the Limited Partners shall sign legally required amended articles immediately upon presentment by the General Partner.
- 22.4 The Certificate of Limited Partnership and all amendments thereto;
- 22.5 Any other instrument which may be required to be filed by the Partnership under the laws of any state or any governmental agency or which the General Partner deem it advisable to file; and
- 22.6 Any documents which may be required to effect the continuation of the Partnership, the admission or substitution of a Limited Partner, or the dissolution and termination of the Partnership, provided such continuation, admission, substitution or dissolution and termination are in accordance with the terms of the Articles.
- 22.7 The foregoing grant of authority:
- a. Is a Special Power of Attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of the undersigned;
 - b. May be exercised by the General Partner for each Limited Partner by the signature of the General Partner or by listing all of the Limited Partners executing any instrument with the signature of the General Partner as attorney-in-fact for all of them; and
 - c. Shall survive the delivery of an assignment by a Limited Partner of the whole or any portion of his interest.

This Special Power of Attorney does not supersede any part of the Articles, nor is it to be used to deprive the undersigned Limited Partner of any of his rights. It is intended only to provide a simplified system for execution of documents.

23. Miscellaneous:

- 23.1** This Agreement shall be binding upon and inure to the benefit of all of the parties and their estates, heirs, legatees, successors and assigns.
- 23.2** All notices provided for in this Agreement shall be directed to the parties at the addresses herein set forth and to the Partnership at its principal office by certified mail, or to such other address as shall be notified to the Partnership in writing.
- 23.3** Any dispute under or concerning this Agreement shall, at the option of any disputant, be submitted to arbitration in accordance with the rules of the American Arbitration Association. In any such dispute, whether or not submitted to arbitration or a court of proper jurisdiction, the prevailing party shall recover from the other party his reasonable attorney's fees and related expenses as approved by the arbitrator or court.
- 23.4** This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Oregon.
- 23.5** This Agreement may be executed in several counterparts and all so executed, shall constitute one agreement binding on all the parties, whether or not all the parties are signatory to the same counterpart.
- 23.6** The headings of the sections of the Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement.
- 23.7** In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement or of such provisions under different circumstances.
- 23.8** Each of the parties shall execute, acknowledge and deliver instruments necessary to carry out the purposes of this Agreement, and to sign any amendment to the Articles of Limited Partnership whenever the signing of such certificate or amendment is requested of them by the General Partner, and they agree to do such other acts as may be required to comply with the law for the valid formation and existence of a limited partnership. Upon the failure or refusal of any Partner to so sign or do such other act, the General Partner shall be deemed the duly constituted agent of the Partner failing or refusing to sign or act, to sign such amendment or to do such other act or his behalf, and the acts of such agent shall be deemed ratified, approved, and confirmed by the Partner for whom he is acting.

- 23.9 This Agreement represents the entire Agreement by and between the parties hereto and no other agreements or understandings, written or oral, exist to modify any provision contained herein.
- 23.10 The Partners agree that the Partnership properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights that he may have to maintain any action for partition of any of the Partnership property.
- 23.11 In the event a Limited Partner is a trust (with or without disclosed beneficiaries), partnership, limited partnership, joint venture, corporation or any entity other than a natural person, the Partnership and the General Partner shall (i) not be required to determine the authority of the person signing this Agreement or any amendment hereto, to make any commitment or undertaking on behalf of such entity, not to determine any fact or circumstance bearing upon the existence of this authority; (ii) not be required to see to the application or distribution of revenues or proceeds paid or credited to the person signing the Agreement or any amendment hereto on behalf of such entity; (iii) be entitled to rely upon the authority of the person signing this Agreement or any amendment hereto with respect to the voting of the interests of such entity and with respect to the giving of consent on behalf of such entity in connection with any matter for which consent is permissible or required hereunder; and (iv) be entitled to rely upon the authority of any general partner, joint venturer, co- or successor trustee, or president, vice president or other authorized officer (as the case may be) of any such entity the same as though such person were the person originally executing this Agreement or any amendment hereto on behalf of such entity.
- 23.12 No person dealing with the General Partner shall be required to determine his authority to make any commitment or undertaking on behalf of the Partnership, nor to determine any fact or circumstance bearing upon the existence of his authority. In addition, no purchaser of any asset owned by the Partnership shall be required to determine the sole and exclusive authority of the General Partner to sign and deliver on behalf of the Partnership any such instrument of transfer, or to see the application or distribution of revenues or proceeds paid or credited in connection therewith, unless such purchasers shall have received written notice from the Partnership affecting the same.

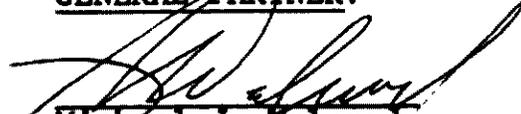
DATED AND EXECUTED: 1/22/81

We, the undersigned, declare under the penalties of perjury that we have examined this Certificate of Articles of Limited Partnership and to the best of our knowledge and belief, it is true, correct and complete.

GENERAL PARTNER:

PERCENTAGE OF
GENERAL PARTNERSHIP
INTERESTS HELD

ADDRESS:


Michael J. Welwood,
as an individual

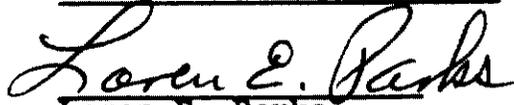
11318 S.W. Military Rd.
Portland, Oregon 97219

100% divided
as agreed

SPECIAL LIMITED PARTNER:

NO. OF UNITS HELD/
PERCENTAGE OF LIMITED
PARTNERSHIP INTERESTS

ADDRESS:


Loren E. Parks

637 S.W. 130th
Beaverton, Oregon 97005

100%

EXHIBIT "A"

Legal Description

Juniper - Pine Rock Oreg. Ltd.

Juniper Court

Lot 10 in Block 3 of YORGASON FIRST SUBDIVISION, CANYON COUNTY, IDAHO, according to the Plat of said Subdivision filed November 4, 1969 in Book 8 of Plats at page 38, in the office of the County Recorder, Canyon County, Idaho.

Pine Rock Place

That portion of the Southwest quarter of Section 1, Township 8 North, Range 29 East, W.M., described as follows: Beginning at the Northwest corner of said subdivision; thence S. 00 degrees 23' 00" West along the West line thereof a distance of 696.82 feet; thence South 88 degrees 45' 00" East a distance of 1270.23 feet; thence North 00 degrees 23' 00" East a distance of 216.47 feet to the True Point of Beginning; thence South 88 degrees 45' 00" East a distance of 230.00 feet; thence North 00 degrees 23' 00" East a distance of 473.04 feet to a point on the South right-of-way line of West 4th Avenue; thence North 89 degrees 37' 00" West along said South right-of-way line a distance of 538.56 feet; thence South 00 degrees 04' 21" West a distance of 239.91 feet; thence South 01 degrees 15' 00" West a distance of 135.00 feet; thence South 88 degrees 45' 00" East a distance of 308.88 feet to the True Point of Beginning.

Except the East 54.00 feet thereof deeded to the City of Kennewick for street purposes.

FILED
IN THE OFFICE OF THE CORPORATION
COMMISSIONER OF THE STATE OF OREGON
DEC 3 - 1980
FRANK J. HEALY
CORPORATION COMMISSIONER

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CERTIFICATE OF
Amended and Restated
ARTICLES OF LIMITED PARTNERSHIP

OF

JUNIPER - PINE ROCK OREG. LTD.

GENERAL PARTNER: MICHAEL J. WELWOOD, an individual
11318 S.W. Military Road, Portland, Oregon 97219;

MAKES THIS LIMITED PARTNERSHIP AGREEMENT WITH THE

LIMITED PARTNERS: Those individuals executing this Agreement as Limited Partners (hereinafter called individually a "Limited Partner" and collectively the "Limited Partners").

AGREEMENTS

In consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. **Data:** The following dates, percentages, names and references are hereby incorporated in this Agreement whenever referred to and as necessary to provide a fair meaning for any promise or covenant:

1.1 Partnership Name: JUNIPER - PINE ROCK OREG. LTD.

1.2 Project Addresses:
Juniper Court - 1803 South Juniper Street, Nampa, Idaho
Pine Rock Place - 1001 South 4th Avenue, Kennewick, Washington

1.3 Number of Apartment Units: Juniper Court - 96
Pine Rock Place - 156

1.4 Non-Recourse Contract of Sale in the amount of \$4,505,000 (the "Loan")

Recourse Mortgage Liability of the Limited Partners: None

1.5 General Partner's Total Cash Capital Contributions: \$ 15,000
Limited Partners' Total Cash Capital Contributions: \$1,380,387

Summary of General and Limited Partners' Interests:

1.5.1	<u>Gen. Ptnr. %:</u>	<u>Ltd. Ptnrs. %:</u>
Net Operating Profits and Losses:	1%	99%
Net Cash Distributions From Operations:	5%	95%

Residue from Capital Transactions until each Partner has recovered his Total Cash Contribution as stated in Section 1.5 less previously distributed cash in the aggregate: 10 990

And any Residue remaining shall be distributed: 350 650

1.5.2 After effect has been given to the distribution of cash on dissolution, all taxable gain on sale shall be allocated ratably to all Partners as necessary to raise their debit capital accounts to zero. The remaining taxable gain shall be distributed: 350 650

1.5.3 Net Cash Distributions from Operations if realized during any year, but not paid to either the Limited or General Partners, shall be cumulative, noncompounded, and be paid first from funds available for that purpose, prior to any payment of capital contributions on dissolution, but following payment of all debts of the Partnership. Whenever paid, it shall be paid to the Partners in the ratio stated in 1.5.1, (see Section 9.1).

1.6 Number of Units of Participating Interest: 12
Cash Contribution Per Unit: \$115,032.25, minimum purchase is 1 Unit
Percentage of Interest in the Limited Partnership Interests per Unit: 8.33%

1.7 Compensation to the General Partner or Rockwood Development Corporation. The General Partner or Rockwood Development Corporation shall be paid:

1.7.1 A General Partner's salary of \$138,002 payable as follows: \$34,501 in 1981, \$31,740 in 1982, \$26,220 in 1983, \$22,080 in 1984, \$16,560 in 1985, and \$6,901 in 1986;

1.7.2 An Advisory Fee in the amount of \$92,002 payable as follows: \$23,001 in 1981, \$21,160 in 1982, \$17,480 in 1983, \$14,720 in 1984, \$11,040 in 1985, and \$4,601 in 1986;

1.7.3 A Property Management Fee of 6% of the Gross Income of the Project as provided by a voluntary contract between Rockwood Development Corporation and the Partnership (subject to the limitations of Section 7.6). The General Partner believes this percentage is commensurate with similar services provided for similar properties located in the Nampa area;

1.7.4 An Annual Partnership Accounting Fee of 1% of the Gross Income of the Project.

2. Formation: The parties hereto do hereby form a Limited Partnership pursuant to the Uniform Limited Partnership Act of Oregon, named as stated in Section 1.1 above (hereinafter called "Partnership").

3. Registered and Principal Office and Agent for Service of Process: The address of the initial registered office of the Limited Partnership, and its principal place of business shall be 161 High Street S.E., P.O. Box 230, Salem, Oregon 97308, (503) 364-5500, except as the General Partner shall otherwise designate. The name of the initial registered agent at such address is Mark E. Miller. The General Partner designates said initial registered agent, as well as any successor registered agent, as his personal registered agent and attorney upon whom any process, notice or demand which arises out of the conduct of the Partnership affairs and which is required or permitted by law to be served upon a General Partner, may be served.

4. Purpose: The purposes and powers of the Partnership shall be as follows:

- 4.1 To acquire, own, operate, and manage the Project known as Sequoia Apartments, Springfield, Oregon.
- 4.2 To mortgage, sell, transfer, and exchange, or otherwise convey and encumber the Project to further the business of the Partnership.
- 4.3 To enter into, perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the acquisition of the Project.
- 4.4 To execute a Contract in order to obtain the loan stated in Section 1.4 (the "Loan") and such other documents required to obtain such Loan.
- 4.5 To rent the Project from time to time, in accordance with applicable Federal, State, and local regulations, collecting the income therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds, except as provided herein to the General Partner and Limited Partners.

5. Term: The Partnership shall commence no later than the date the Articles of Limited Partnership are filed with the Oregon Commissioner and shall continue for twenty (20) years unless earlier dissolved by any one of the events set out in Section 15. The death of a Limited Partner shall not dissolve the Partnership nor terminate the Partnership business.

6. Capital Contributions: The following capital contributions shall be made:

- 6.1 The General Partner shall make a capital contribution as stated in Section 1.5 to the Partnership and shall provide services as stated herein for agreed fees and salary.
- 6.2 The persons who execute this Agreement as Limited Partners shall contribute to the capital of the Partnership an aggregate cash amount as stated in Section 1.5 for the number of Units of Limited Partnership Interests as stated in Section 1.6, each Unit representing the Limited Partners' interest in the net operating profits, losses and net cash distributions of the Partnership, as defined in Section 9, and on dissolution of the Partnership

Property as defined in Section 15, subject to taxable allocations as defined in Section 17. Each Limited Partner shall pay any unpaid portion of the subscription price when due, with or without notice of its due date from the Partnership.

6.3 These Units of Limited Partnership interests and the rights represented thereby are hereafter called "Units". The percentage of interest in the Limited Partnership Interests in the Partnership, as herein defined, of each Limited Partner shall be the percentage of the Units owned by such Limited Partner as compared to the total outstanding Units, such percentage being as stated in Section 1.6. The Limited Partners shall make their cash contributions to the Partnership as stated in their individually executed Subscription and Counterpart Agreements. Fractional Units may be sold by the General Partner and may be owned as such by Limited Partners.

6.4 The Partnership shall be responsible for providing equity requirements and working capital as required, but not the General Partner, although he will exercise his best effort to provide any shortage not funded by capital subscriptions. The Limited Partners shall have no liability to provide funds in addition to their original subscription to acquire or otherwise operate the Project, except to the extent they have assumed contract of sale liability pursuant to Section 1.4 in the event of default under the contract.

In the event a Limited Partner pays a part (less than all) of his capital contribution with his application, the balance thereof shall be paid under the terms of a promissory note, which the General Partner is authorized to accept, providing for deferred payment of principal and interest and/or the deferred payment of any pro rata shares of any obligation previously incurred. The obligation of the Limited Partner shall not exceed his agreement to contribute and the sole personal liability of each Limited Partner arising out of or in any manner related to the Partnership shall be limited to the fulfillment of his installment obligation, if any, or the payment of his full capital contribution, and none of the Limited Partners will have any further liability to contribute money or otherwise to or in respect of the liabilities or obligations of the Partnership except that additional liability assumed in Section 1.4. Upon the payment by a Limited Partner to the Partnership of his proportionate share of the total capital contribution, the Limited Partner shall have no further liability or responsibility in any event whatsoever.

If a Limited Partner shall fail to pay any installment within the period stated in the call therefor, the General Partner will make a bona fide effort to find a buyer for such portion of the defaulting Limited Partner's interest such as will allow the defaulting Limited Partner to retain an interest in the Partnership equal to 80% of the cash amount paid to the date of default, less any cash distributions he has received from the Partnership to such date. This shall in no way obligate the General Partner to effect such a sale, but only to make a good

faith effort to do so. In this connection, the General Partner shall be allowed to make sales to other Limited Partners, or to the General Partner, or to any third party. If such a sale cannot be accomplished within thirty (30) days from the date of default, the General Partner shall have no further obligation in this regard, and the defaulting Limited Partner shall retain an interest in the Partnership equal to 80% of the cash amount paid to the date of default less any distributions made as of such date in connection therewith. In no event shall the Limited Partner be relieved from obligation of the unpaid note or notes.

7. Compensation for Services: the following compensation shall be payable for services rendered to the Partnership and shall be paid only from those funds contributed to the Partnership by the Limited Partners, and will not be paid from contract proceeds or operating income, except fees earned for services performed as stated in Section 7.1, 7.2 and 7.3. Any sum payable to the General Partner as set forth in Section 1.7 to 1.7.4 shall be an obligation of the Partnership and in the event of sale of any of the Partnership's assets shall be payable prior to the date it would otherwise be payable, from sale proceeds prior to any distribution to the Limited Partners.

7.1 An affiliate of the General Partner shall receive an Advisory Fee for locating, negotiating, and acquiring the property as stated in 1.7.2. Such fee is not payable for Partnership organizational costs.

7.2 The General Partner shall also receive a salary for services rendered. Such fee shall be paid as described in Section 1.7.1. Rockwood Development Corporation, an affiliate of one of the General Partners, shall be paid a Property Management Fee for the Project in the amount stated in Section 1.7.3. Such fee shall be paid annually.

7.3 In the event the Partnership retains third parties to perform a portion or all of the services set forth below, the Partnership will be solely responsible for any fees charged by such persons. Property Management services will include, but not be limited to: (i) review of the maintenance, repair, remodeling, and refurbishing of the Partnership Property, (ii) review of rental schedules and recommendations with respect to changes thereto, (iii) preparation and review of rental surveys, (iv) preparation and review of historical and projected performance and variation analysis, (v) preparation and review of leases, management agreements, and maintenance agreements, and (vi) review of replacement reserves and working capital and recommendations with respect to changes thereto.

7.4 If the General Partner provides services for the Partnership as provided in Section 11, such Partners may receive allowable fees or income for such services. Such fees, however, shall be commensurate with those provided by outside third parties for similar services.

7.5 Should a General Partner be expelled from the Partnership, such Partner shall be entitled to interest on any loans made subject to the provisions of this Partnership Agreement.

7.6 Should a General Partner be expelled from the Partnership according to provisions of Section 11.9 of this Partnership Agreement, or should the Property Management Agreement be terminated if the General Partner or affiliates is the Managing Agent, any portion of the Advisory Fee, Property Management Fee, General Partner Salary, or any other fee or commission payable according to the provisions of this Paragraph 7 which is then accrued and due, but not yet paid, shall be paid by the Partnership to the General Partner or Agent in cash within 30 days of the date of expulsion as stated in the written notice of expulsion.

8. Partnership Expenses:

8.1 Reimbursement (other than for organization and offering expenses or initial fees) to the General Partner or his Affiliates shall not be made, except for reimbursement of the actual cost to the General Partner or his Affiliates of goods and materials used for or by the Partnership or for services otherwise provided for herein.

9. Profits, Losses and Distribution of Available Cash from Operations:

9.1 Net Operating Profits and Losses and Net Cash Distributions from Operations after payment of all fees and expenses shall be distributed to the Limited Partners (pro-rata in relationship to the number of Units held by each) and the General Partner (divided as he agrees) for the term of the Partnership as stated in Section 5. "Net Operating Profits and Losses" are defined as those reported by the Partnership's accountant on the Partnership's annual Partnership income tax information return pursuant to generally accepted accounting principles. "Net Cash Distributions from Operations" is the net operating profit or loss sum stated above plus non-cash charges (depreciation and amortization) less cash requirements paid or set aside to pay the Mortgage payable, reserves and other liabilities pursuant to generally accepted accounting principles. Net Cash Distributions from Operations available for distributions, if earned but not paid, shall be cumulative.

9.2 The Net Operating Profits and Losses and Net Cash Distributions from Operations apportioned to the Limited Partners shall be reapportioned among them, pro-rata, in relationship to the number of Units owned by each as compared to the total Units outstanding even though the percentage of interest per Unit, as stated in 1.6, is exceeded.

9.3 From time to time, but at least annually, the General Partner shall distribute the available Net Cash Distributions from Operations to the General and Limited Partners entitled thereto, part or all of which may be a return on the Partners' initial investment. The General Partner may withhold cash distributions which would otherwise be made to the Partnership in order to maintain the working capital at a minimum of \$15,212.

9.4 No Partner shall receive any interest on his contribution to the capital of the Partnership, nor have any priority of any kind over any other Limited Partner.

10. Advances from General Partner: The General Partner may make advances or loans to the Partnership to pay its operating costs, for which the General Partner shall receive a promissory note or notes, repayable from the first funds available from operating revenue, said notes to bear interest at a rate 1% per annum more than that payable by the General Partner to his lending bank and such notes shall be repayable prior to the payment of Cash Distributions to the Partners.

11. Powers, Duties and Responsibilities of the General Partner:

11.1 The General Partner shall have exclusive authority to manage the operations and affairs of the Partnership and to make all decisions regarding the business of the Partnership. Pursuant to the foregoing, it is understood and agreed that the General Partner shall have all of the rights and powers of a general partner as provided in the Oregon Uniform Limited Partnership Act and as otherwise provided by law, and any action taken by the General Partner shall constitute the act of and serve to bind the Partnership.

11.2 The General Partner is hereby granted the right, power and authority to do on behalf of the Partnership all things which, in their sole judgment, are necessary, proper or desirable to carry out their duties and responsibilities, including but not limited to the right, power and authority; to compromise, submit to arbitration, sue or defend all claims in favor of or against the Partnership; to make and revoke any election permitted the Partnership by any taxing authority; to incur all reasonable expenditures; to employ and dismiss from employment any and all employees agents, independent contractors, real estate managers, brokers, attorneys and accountants; to let or lease all or any portion of any property for any purpose and without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of the termination of the Partnership and whether or not the portion so leased is to be occupied by the lessee or, in turn, subleased in whole or in part to others; to create, by grant or otherwise, easements and servitudes; do all acts they deem necessary or appropriate for the protection and preservation of the Partnership's assets; carrying at the expense of the Partnership such as insurance coverage for public liability and all other insurance necessary or appropriate to the business of the Partnership in such amounts and in types as they shall determine from time to time; to borrow money and as security therefor to mortgage all or any part of any property; to construct, alter, improve, repair, raze, replace or rebuild any property; to obtain replacements of any mortgage or mortgages related in any way to the property owned by the Partnership, and to prepay in whole or in part, refinance, recast, modify, consolidate or extend any mortgages affecting any such property; to do any and all of the foregoing at such price, rental or amount, for cash, securities or other property and upon

such terms as the General Partner deems proper (provided, however, that in connection with the borrowing of money recourse for the repayment of which is limited solely to Partnership property, no lender shall be granted or acquire, at any time as a result of making such a loan, any direct or indirect interest in the profits, capital or property of the Partnership other than as a secured creditor); to place record title to any property in its name or in the name of a nominee or a trustee for the purpose of mortgage financing or any other convenience or benefit of the Partnership; and to execute, acknowledge and deliver any and all instruments to effectuate any and all of the foregoing. In the event the Partnership utilizes any all-inclusive note, said note shall provide that the Partnership shall receive credit on its obligation under said note for payments made by the Partnership directly on the underlying encumbrance and that a bank, escrow company or other paying agent shall collect payments (other than amounts not to be applied to the underlying encumbrance) on the all-inclusive note and make disbursements therefrom to the holder of the underlying encumbrance prior to making any disbursement to the holder of the all-inclusive note or in the alternative all payments on the all-inclusive note and underlying notes shall be made directly by the Partnership.

- 11.3 The General Partner shall have the right, power and authority to lease, sell, exchange, refinance or grant an option for the sale of all or any portion of the real and personal property of the Partnership, at such rental, price or amount, for cash, securities or other property and upon such other terms as the General Partner in his sole discretion deem proper; provided, that the sale or other disposition of any of the Partnership's assets (except for the sale or other disposition of the final property remaining as a result of sales of properties in the ordinary course of business) shall require the approval of Limited Partners holding a majority of the then outstanding interests. Unless approved by Limited Partners holding a majority interest, no Affiliate of the General Partner shall receive any commission on the sale of any property by the Partnership if and to the extent that the proceeds of sale are reinvested pursuant to this Section 11.3.
- 11.4 The General Partner shall devote such time to the Partnership business as, in his sole discretion, he shall deem to be necessary to manage and supervise the Partnership business and affairs in an efficient manner; but nothing in this Agreement shall preclude the employment, at the expense of the Partnership, of any agent or third party to manage or provide other services in respect of the Partnership property subject to the control of the General Partner.
- 11.5 The General Partner shall not be required to manage the Partnership as his sole and exclusive functions and he may have other business interests and may engage in other activities in addition to those relating to the Partnership, including the rendering of advice or services of any kind to other investors and the making or management of other investments. Neither the Partnership nor any Partner shall have any right by virtue of

this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper. The General Partner shall not be obligated to present any particular investment opportunity to the Partnership even if such opportunity is of a character which, if presented to the Partnership could be taken by the Partnership and each of them shall have the right to take it for its own account (individually or as a trustee) or to recommend to others any such particular investment opportunity.

- 11.6 No Limited Partner may participate in the management of the Partnership business, except as provided by ORS 69.280.
- 11.7 Neither the General Partner nor any Affiliate shall have the authority to:
 - 11.7.1 Enter into contracts with the Partnership which would bind the Partnership after the expulsion, adjudication of bankruptcy or insolvency, dissolution or other cessation to exist of the General Partner, or to continue the business with Partnership assets after the occurrence of such event;
 - 11.7.2 Sell substantially all of the assets of the Partnership in a single sale, or in multiple sales in the same 12-month period, except in the orderly liquidation and winding up of the business of the Partnership upon its termination and dissolution;
 - 11.7.3 Alter the primary purpose of the Partnership as set forth in Section 4, "Purpose", of the Partnership Agreement;
 - 11.7.4 Receive from the Partnership a rebate or give-up or participate in any reciprocal business arrangement which would enable it or an Affiliate to do so;
 - 11.7.5 Make long-term secured loans to the Partnership and on short-term unsecured loans made to the Partnership, receive interest on other financing charges or fees in excess of those amounts which would be charged by third party financing institutions on comparable loans for the same purpose in the same geographic area, except to the extent permitted by Section 10.
 - 11.7.6 Do any act in contravention of these Articles of Limited Partnership or which would make it impossible to carry on the ordinary business of the Partnership;
 - 11.7.7 Possess any Partnership Property or assign the rights of the Partnership in specific Partnership Property for other than a Partnership purpose;
 - 11.7.8 Admit a person as a General Partner except with the consent of the Limited Partners as provided for in this Partnership Agreement;

- 11.7.9 Receive any insurance brokerage fee or write any insurance policy covering the General Partner or any of the Partnership Properties;
- 11.7.10 Employ, or permit to employ, the funds or assets of the Partnership in any manner except for the exclusive benefit of the Partnership;
- 11.7.11 Comingle the Partnership funds with those of any other person or entity;
- 11.7.12 Receive any commission or fee for the placement of mortgage loans or trust deed loans on the Partnership Property or otherwise act as a finance broker on behalf of the Partnership;
- 11.8 Within 90 days after the Limited Partners have voted to remove a General Partner, the General Partner shall have prepared, at Partnership expense, a financial statement (balance sheet, statement of income or loss, Partners' equity, and changes in financial position) prepared in accordance with generally accepted accounting principles and accompanied by a report thereon containing an opinion of an independent certified public accounting firm and shall cause such statement to be mailed to the Limited Partners as soon as possible after receipt thereof.
- 11.9 The General Partner may be removed at the written request of Limited Partners holding a majority in interest of the outstanding Units; however, such removal shall not affect any of the General Partner's ownership rights in Net Cash Distributions from Operations and Residual Interests from Capital Transactions as stated in Section 1.5. A successor General Partner may be chosen by the Limited Partners and must be approved by the Limited Partners holding all of the outstanding Units, providing the successor General Partner purchases all the interests in Net Cash Distributions from Operations and Residuals from Capital Transactions of the removed General Partner for a price agreed between such Partners, payable upon eventual termination and dissolution of the Partnership, said obligation being a prior charge on the residual interests in this Partnership of the successor General Partner. If the parties cannot agree on a price, they shall submit the issue of the price to be paid to binding arbitration pursuant to the rules of the American Arbitration Association and costs thereof shall be paid as the arbitrators determine.
- 11.10 The General Partner hereby agree that any General Partner may act individually with full authority and power to act for the General Partner.

12. Indemnification: The Partnership shall indemnify and save harmless the General Partner from personal loss or damage incurred by them by reason of any act performed in good faith for and on behalf of the Partnership and intended to be in furtherance of the interests of the Partnership. The General Partner will not be indemnified for any acts arising out of their negligence not in good faith, gross negligence or willful misconduct.

13. Liability of Partners: A Limited Partner shall be personally liable for any mortgage or debt secured thereby as set out in Section 1.4 but not for any other debts of the Partnership except to the extent of the amount originally contributed by him to the capital of the Partnership. The General Partner shall be personally liable for all debts of the Partnership.

14. Fiscal Control:

14.1 The fiscal and accounting period of the Partnership shall be the calendar year and at all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and true books of account in which shall be entered fully and accurately each transaction of the Partnership. The General Partner shall retain an accounting firm to perform the annual audit for the Partnership. Such accounting costs shall be an expense of the Partnership. A change in the Partnership accounting firm may be made by the General Partner. The Partnership books shall be kept on a cash basis.

14.2 All of such books of account shall at all times be maintained at the principal office of the Partnership. Such books shall be open to inspection by any of the Partners or their accredited representatives at any reasonable time during normal business hours.

14.3 The General Partner agrees to deliver to the Limited Partners annual audited financial statements and "information returns" on or before March 15 of each year, showing the profit or loss of the Partnership and the distribution or allocation thereof to each Partner for the preceding calendar year, which accounting shall be made on a quarterly basis. Likewise, unaudited financial statements shall be provided each partner within 45 days of the end of each quarter, except the year-end quarter. All such audited statements shall be prepared by the Partnership's selected accountant and the preparation of all statements, audited and unaudited, shall be an expense of the Partnership.

14.4 All elections under the Internal Revenue Code with respect to the reporting of allowable depreciation on the Federal Income Tax Returns of the Partnership may be made and determined by the General Partner.

14.5 A separate capital account shall be maintained for each Partner.

14.6 Funds shall be retained in the Partnership in such amounts as the General Partner deems reasonably necessary to provide for the foreseeable expenses of the Partnership and to prevent impairment of the Partnership capital.

14.7 All funds of the Partnership shall be deposited in the Partnership name in a depository bank selected by the General Partner. Withdrawals shall be made by check, draft, or other appropriate instrument signed by the General Partner or by such other persons as they may designate.

15. Dissolution of Partnership: The Partnership shall be dissolved only upon the occurrence of one or more of the following events:

- 15.1 The sale of all or substantially all of the Partnership assets;
- 15.2 Upon the bankruptcy, death or incapacity of any General Partner, provided however, that in any of such events, the surviving General Partner or the Limited Partners holding a majority of the outstanding Units may elect to continue the business of the Partnership. In such event, the Partnership shall not be dissolved and the surviving General Partner may designate a new General Partner who must be approved by the Limited Partners holding all of the outstanding Units. In the event all General Partner is removed for any reason or because of their bankruptcy, death or incapacity, the Limited Partners holding all of the outstanding Units may elect to continue the business of the Partnership, providing the new General Partner is approved by a vote of all the Limited Partners, and further providing the new General Partner purchases all the vested interests of the prior General Partner, his heirs or assigns, in the Net Cash Distributions from Operations and Residue from Capital Transactions in this manner and as stated in Section 11.9;
- 15.3 Upon the decision of the General Partner, with the consent of the Limited Partners holding a majority of the outstanding Units, to dissolve the Partnership;
- 15.4 Upon destruction of all or substantially all of the Partnership property;
- 15.5 Upon unanimous consent of all of the Limited Partners to dissolve the Partnership, which consent shall be executed in writing;
- 15.6 Upon expiration of the period of the Partnership.

16. Distributions Upon Dissolution, Termination, Refinancing or Other "One-Time" Gains:

- 16.1 Upon any dissolution of the Partnership, the General Partner shall proceed to the orderly liquidation and termination of the Partnership. The proceeds of such liquidation, including interest or contract or sale, shall be applied and distributed in the following order or priority, subject to O.R.S. Section 69.430:
 - 16.1.1 In the event of dissolution only, to the payment of debts and liabilities of the Partnership (not including the contributions of Limited Partners and any loans or advances that may have been made by the General Partner to the Partnership but including all promissory notes, if any, issued by the Partnership) and expenses of liquidation. Additional payments may include but not be limited to the purchase of land underlying a Partnership investment if built on leased land, the purchase or financing of any improvements or expansions of any Partnership investments, or real estate commissions paid to any real estate broker or salesman not affiliated in any way with the General Partner.

- 16.1.2 To the setting up of any reserves which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligation of the Partnership.
- 16.1.3 To the payment of the outstanding balance on notes payable to Partners, if any, the Limited Partner's notes, if any, to be first paid.
- 16.1.4 To the payment of any "Net Cash Distributions from Operations" of the Partnership not heretofore paid the Partners and accumulated for subsequent payment as required by Section 1.5 and 9.
- 16.1.5 To the payment of the Partners' capital contributions in the ratio 1% to the General Partner and 99% to the Limited Partners, except as reduced by any prior distributions made pursuant to Sections 9.3, 16.2, or partial distributions from sale proceeds derived from the sale of less than all of the Partnership's assets.
- 16.1.6 The "residue" then remaining shall be apportioned in the ratio stated in Section 1.5.1, Residue from Capital Transactions, to the General Partner (divided as he agrees) and to the Limited Partners (pro-rata in relationship to the number of Units held by each).
- 16.2 The same order of distribution shall apply to the proceeds received by the Partnership from any net excess insurance proceeds and any net proceeds of mortgage refinancing, partial condemnation, sales of easements, rights-of-way, or similar interest in the property of the Partnership, and sales of parts of the Partnership property or interest therein and other similar items which, in accordance with generally accepted accounting principles, are attributable to capital to the extent available for distribution.
- 16.3 A reasonable time shall be allowed for the orderly liquidation of assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to minimize the normal losses attendant upon a liquidation.
- 16.4 The General Partner shall not be personally liable for the return of the capital contributions or advances of the Limited Partners or any portion thereof. Any such return shall be made solely from the Partnership assets.

17. Tax Treatment of Certain Gains: Although net proceeds to the Partnership upon the sale or other disposition of property of the Partnership shall be distributed as provided in Section 16 hereof, any taxable gain realized by the Partnership from such sale or distribution (not only gain subject to taxation as ordinary income pursuant to Sections 1245 and 1250 of the Internal Revenue Code, providing for depreciation recapture, but also any other taxable gain) shall be allocated to the Limited Partners and the General Partner in the ratio stated in Section 1.5.2, (even though the cash proceeds are allocated differently as provided in Section 16).

18. Transfer of Partnership Interests:

18.1 The General Partner or affiliates shall not assign, mortgage or sell their interest in the Partnership, or enter into any agreement as the result of which any person shall become interested with them in the Partnership, without the prior written approval of the Limited Partners holding a majority of the outstanding Units. This provision shall not prohibit the General Partner from allocating its Partnership benefits among themselves or affiliates, nor from assisting up to 5/35ths of their 35% interest in Residue from Capital Transactions to outside third parties in connection with borrowings of the Partnership.

18.2 Upon the death of a General Partner, the interest of the deceased General Partner in the Partnership shall pass as part of his estate as his will or as the law shall provide, but without power to vote in matters concerning the Partnership. The successor or successors to that Partnership interest, by reason of such death, shall have all the rights of the decedent in the profits, losses, cash distributions, notes, capital and residue of the Partnership possessed by the decedent, subject to the provisions of Section 15.2 hereof. Upon the death of a Limited Partner, his lawful successor in interest may become a Limited Partner, subject to all of the terms and conditions of this Agreement, providing consent of the General Partner is first obtained, as herein provided.

The death of any Limited Partner shall not have the effect of terminating or dissolving this Partnership. Upon the death of a Limited Partner, his or her estate, devisee and/or heirs shall succeed to his interests and shall be bound by the terms and provisions of this Agreement; however, in the event that the interests of the deceased do not pass to a single trust or pass to more than one heir or devisee, or, upon termination of any such trust, are distributed to more than one beneficiaries (the "Distributees") shall, within ninety (90) days after distribution by the Estate of the deceased Limited Partner or by the trustee under any trust established by the deceased Limited Partner, execute and deliver to the General Partner a written instrument (including a power of attorney) appointing one person, firm or corporation as and to be the agent of and for said Distributees. Such agent shall be responsible for collecting, receiving and making all payments and contributions required hereunder, shall vote all interests of the Distributees, and shall perform all other obligations of such Distributees performable by reason of or arising from their interests shall be deemed to have been validly made to such Distributees by paying the same to such duly designated agent. In the event that said Distributees for any reason fail to designate such agent in writing in the manner and within the time prescribed and continue to cure such default after ten (10) days written notice from the General to correct the same, the General Partner shall have the right at their election, to withhold all sums that are payable with respect to the interests of the Distributees until such time as the

Partnership is dissolved or such default is cured. So long as such default exists with respect to any interests, such interests may not be voted on any matter on which the vote or consent of Limited Partners or holders of interests is required or permitted herein. Whenever interests may not be voted on a transaction, the percentage required herein for approval of such percentage only of those Limited Partners permitted to vote. Upon the death of a Limited Partner's spouse having a community property interest in the interests of the Limited Partner, the foregoing provisions of this Section 18.2, shall apply to all of the deceased spouse's community property interests in the surviving spouse's interests in the Partnership which do not pass to the surviving spouse by will or through operation of law, and such provisions shall be applied to such interests as though the Limited Partner had owned such interests and had died on the date of his spouse's death, leaving such interests to the actual recipients thereof.

- 18.3 Although a Limited Partner may assign his rights to Profits, Losses, and Net Cash Distributions, an assignee cannot become a Limited Partner without the consent of a General Partner, the granting or denial of which is in the absolute discretion of the General Partner. The General Partner shall not give their consent to any such transfer unless and until they have received an opinion of counsel satisfactory to the General Partner that the proposed transfer will not terminate the Partnership for Federal income tax purposes nor cause a loss of any exemption from registration under the Securities and Exchange Act. A \$100 transfer fee in addition to actual costs incurred by the General Partner in connection with such a transfer shall be charged to the Limited Partners transferring his interests.
- 18.4 In the event that a transferee of a Partnership interest becomes a Limited Partner, the items of gross income, deduction and credit pertaining to the transferred interest for the fiscal year of the transfer shall, unless otherwise agreed by the transferor and transferee, be allocated between the transferor and transferee on a pro-rata quarterly basis.
- 18.5 Upon the transfer of an interest in the Partnership, the Partnership may elect, pursuant to Section 734 of the Internal Revenue Code of 1954, as amended, to adjust the basis of the Partnership property as allowed by Section 734(b) and 743(b) of said Code. The election shall be filed with the Partnership's Income Tax Return for the first taxable year in which the election applies.
- 18.6 Notwithstanding anything set forth above in this Section 18, no sale or exchange of all or a part of an interest in this Partnership shall occur if it would cause the termination of the Partnership for Federal income tax purposes, unless all the Partners agree in writing to such sale or exchange.

19. Admission of Additional Limited Partners: The General Partner may not admit to the Partnership additional Limited Partners contributing more capital than contemplated by this Agreement without the consent of Limited Partners holding a majority of the outstanding Units.

20. Representations and Warranties by Limited Partners: Each Limited Partner hereby represents and warrants to the Partnership and the General Partner as follows:

- 20.1 He is purchasing his Limited Partnership Interest for his personal investment purposes only and not with a view toward distribution or sale of all or a portion of such Interest.
- 20.2 He will not sell or offer for sale his Interest in the Partnership without complying with the provisions of this Agreement pertaining to transferability. He is aware that this Agreement imposes substantial restrictions on the transferability of his Interest in the Partnership and recognizes that there is no ready public market for such Interest and that it may not be possible to readily liquidate his investment in the Partnership.
- 20.3 He is financially capable of and intends to retain ownership of his Units during the entire term of the Partnership or for as long as he is physically capable of so doing.
- 20.4 Although it is expected that he will presently qualify for certain tax benefits offered by the Internal Revenue Code now in effect, as amended by the Tax Reform Act of 1969, because of the principal asset and business of the Partnership, he recognizes that there is no guarantee that the Internal Revenue Code or the regulations promulgated thereunder will not be amended in such a manner as to wholly or partially deprive him of any tax benefit he might presently receive under the law now in effect.
- 20.5 He has made a careful investigation of the materials (particularly the Memorandum and these Articles) submitted to him by the General Partner and has relied on his own investigation thereof and not on any oral representations of the General Partner, or anyone acting on their behalf, in making his decision to invest. He has not been denied any information with respect to the Partnership or the Project which he believed to be material to his decision to invest.
- 20.6 Securities Law Compliance. The Limited Partners hereby acknowledge that the offering of Limited Partnership Units will not be registered under the Securities Act of 1933 and is being made in reliance upon the availability of an exemption from that Act. The exemption claimed is the "private offering" exemption pursuant to Section 4(2) of the Securities Act of 1933 and rule 146 promulgated thereunder.

Each Limited Partner therefore represents and warrants that he has read and understands the "Investor Suitability Standards" and "Investor Representations and Restrictions" sections of the Private Placement Memorandum of JUNIPER - PINE ROCK OREG. LTD. Each Limited Partner also represents and warrants the following:

- a. That he can bear a total loss of his investment in the Partnership, as well as the adverse tax consequences of recapture of tax deductions,
- b. That he anticipates that in 1980 through 1985 at least some of his income will be subject to Federal income tax at the rate of fifty percent (50%) (46% for corporations) and that he has a net worth of at least \$100,000, exclusive of insurance, residence, automobile and furnishings or he has a net worth of at least \$250,000 exclusive of insurance, home, personal automobile and furnishings,
- c. That he and his offerree representative (if any) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the investment in the Partnership,
- d. That his participation in programs that offer tax incentives is reasonable in relation to his income and net worth,
- e. That he is acquiring the Partnership interest for long-term investment and not with a view toward resale, fractionalization, division or distribution thereof;
- f. That he has received and read a copy of the Private Placement Memorandum, has relied solely and completely on the Memorandum in making his decision to purchase Limited Partnership Units in the Partnership and has not relied on any representations not contained in making his investment decision; and
- g. That he has read, understands, completed and executed the Partnership Subscription Agreement and the Partnership Offerree Representative's Questionnaire (if applicable).

The General Partner may reject the application of any prospective investor who fails to comply with any of the provisions of this Article.

21. Amendments:

- 21.1 Amendments to this Agreement may be proposed by the General Partner or by Limited Partners holding 10% of the outstanding Units. Following such proposal, the General Partner shall submit to the Limited Partners a verbatim statement of any such proposed amendment and an opinion of counsel as to the legality of such proposed amendment. The General Partner shall include in any such submission their recommendation as to the proposed amendment. Each such submission shall bear a notice to the effect that the proposed amendment shall become effective upon the receipt of the affirmative vote of Limited Partners holding a majority of the outstanding Units. The General Partner shall seek the written vote of the Limited Partners on the proposed amendment by return mail following the submission or shall call a meeting to discuss the proposed amendment. If a meeting is called, the date and place shall be set by the General Partner and the sole business shall be the consideration of the proposed amendment. Such amendment shall be adopted or rejected at the meeting by the same affirmative vote required above.

Limited Partners may vote in person or by proxy at any such meeting. Notwithstanding the above, no amendment shall:

- (1) Modify the liability of either the General Partner or the Limited Partners;
- (2) Terminate the Partnership except as provided in this Agreement.

21.2 Notwithstanding the above, the General Partner may amend this Agreement to add or delete qualified Limited Partners by exercising their Power of Attorney for each Limited Partner as granted in Section 22.

22. Power of Attorney:

22.1 Each Limited Partner, by becoming a Limited Partner, constitutes and appoints the General Partner the true and lawful attorney of, and in the name, place and stead of said Limited Partner, to execute, sign, acknowledge, file, swear to, verify, deliver, record and publish:

22.1.1 The original Articles of Limited Partnership and all amendments thereto required by law, and any other regulatory agency with lawful jurisdiction, or this Agreement;

22.1.2 All instruments which effect a change, modification or amendment of this Agreement by adding or substituting Limited Partners or fully or partially dissolving or continuing the Partnership itself.

22.2 To represent each and every Limited Partner before any office of the Internal Revenue Service with respect to any Internal Revenue tax matter that in any way relates to this Partnership or any interest therein. Such General Partner shall have authority to receive confidential information and full power on behalf of each and every Limited Partner to execute agreements extending the statutory period for assessment or collection of taxes and to delegate authority or to substitute another representative.

22.3 The power hereby conferred shall continue from the date of the subscription of the Limited Partner until said Limited Partner shall cease to be a Limited Partner, or notifies the General Partner in writing that this power of attorney is revoked. If revoked, the Limited Partners shall sign legally required amended articles immediately upon presentment by the General Partner.

22.4 The Certificate of Limited Partnership and all amendments thereto;

22.5 Any other instrument which may be required to be filed by the Partnership under the laws of any state or any governmental agency or which the General Partner deems it advisable to file; and

22.6 Any documents which may be required to effect the continuation of the Partnership, the admission or substitution of a Limited Partner, or the dissolution and termination of the Partnership, provided such continuation, admission, substitution or dissolution and termination are in accordance with the terms of the Articles.

22.7 The foregoing grant of authority:

- a. Is a Special Power of Attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of the undersigned;
- b. May be exercised by the General Partner for each Limited Partner by the single signature of an officer of the Corporate General Partner or by listing all of the Limited Partners executing any instrument with the single signature of an authorized officer of the Corporate General Partner as attorney-in-fact for all of them; and
- c. Shall survive the delivery of an assignment by a Limited Partner of the whole or any portion of his interest.

This Special Power of Attorney does not supersede any part of the Articles, nor is it to be used to deprive the undersigned Limited Partner of any of his rights. It is intended only to provide a simplified system for execution of documents.

23. Miscellaneous:

- 23.1 This Agreement shall be binding upon and inure to the benefit of all of the parties and their estates, heirs, legatees, successors and assigns.
- 23.2 All notices provided for in this Agreement shall be directed to the parties at the addresses herein set forth and to the Partnership at its principal office by certified mail, or to such other address as shall be notified to the Partnership in writing.
- 23.3 Any dispute under or concerning this Agreement shall, at the option of any disputant, be submitted to arbitration in accordance with the rules of the American Arbitration Association. In any such dispute, whether or not submitted to arbitration or a court of proper jurisdiction, the prevailing party shall recover from the other party his reasonable attorney's fees and related expenses as approved by the arbitrator or court.
- 23.4 This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Oregon.
- 23.5 This Agreement may be executed in several counterparts and all so executed, shall constitute one agreement binding on all the parties, whether or not all the parties are signatory to the same counterpart.

- 23.6 The headings of the sections of the Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement.
- 23.7 In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement or of such provisions under different circumstances.
- 23.8 Each of the parties shall execute, acknowledge and deliver instruments necessary to carry out the purposes of this Agreement, and to sign any amendment to the Articles of Limited Partnership whenever the signing of such certificate or amendment is requested of them by a General Partner, and they agree to do such other acts as may be required to comply with the law for the valid formation and existence of a limited partnership. Upon the failure or refusal of any Partner to so sign or do such other act, the General Partner shall be deemed the duly constituted agent of the Partner failing or refusing to sign or act, to sign such amendment or to do such other act or his behalf, and the acts of such agent shall be deemed ratified, approved, and confirmed by the Partner for whom he is acting.
- 23.9 This Agreement represents the entire Agreement by and between the parties hereto and no other agreements or understandings, written or oral, exist to modify any provision contained herein.
- 23.10 The Partners agree that the Partnership properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights that he may have to maintain any action for partition of any of the Partnership property.
- 23.11 In the event a Limited Partner is a trust (with or without disclosed beneficiaries), partnership, limited partnership, joint venture, corporation or any entity other than a natural person, the Partnership and the General Partner shall (i) not be required to determine the authority of the person signing this Agreement or any amendment hereto, to make any commitment or undertaking on behalf of such entity, not to determine any fact or circumstance bearing upon the existence of this authority; (ii) not be required to see to the application or distribution of revenues or proceeds paid or credited to the person signing the Agreement or any amendment hereto on behalf of such entity; (iii) be entitled to rely upon the authority of the person signing this Agreement or any amendment hereto with respect to the voting of the interests of such entity and with respect to the giving of consent on behalf of such entity in connection with any matter for which consent is permissible or required hereunder; and (iv) be entitled to rely upon the authority of any general partner, joint venturer, co- or successor trustee, or president, vice president or other authorized officer (as the case may be) of any such entity the same as though such person were the person originally executing this Agreement or any amendment hereto on behalf of such entity.

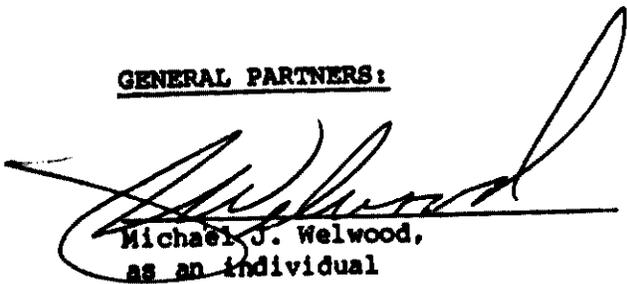
23.12

No person dealing with the General Partner shall be required to determine his authority to make any commitment or undertaking on behalf of the Partnership, nor to determine any fact or circumstance bearing upon the existence of his authority. In addition, no purchaser of any asset owned by the Partnership shall be required to determine the sole and exclusive authority of the General Partner to sign and deliver on behalf of the Partnership any such instrument of transfer, or to see the application or distribution of revenues or proceeds paid or credited in connection therewith, unless such purchasers shall have received written notice from the Partnership affecting the same.

DATED AND EXECUTED: October 2, 1980

We, the undersigned, declare under the penalties of perjury that we have examined this Certificate of Articles of Limited Partnership and to the best of our knowledge and belief, it is true, correct and complete.

GENERAL PARTNERS:


Michael J. Welwood,
as an individual

ADDRESS:

11318 S.W. Military Rd.
Portland, Oregon 97219

PERCENTAGE OF
GENERAL PARTNERSHIP
INTERESTS HELD

100%, divided
as agreed

LIMITED PARTNERS:


Loren E. Parks

ADDRESS:

6370 S.W. 130th
Beaverton, Oregon 97005

NO. OF UNITS HELD/
PERCENTAGE OF LIMITED
PARTNERSHIP INTERESTS

100%

EXHIBIT "A"

Legal Description

Juniper - Pine Rock Oreg. Ltd.

Juniper Court

Lot 10 in Block 3 of YORGASON FIRST SUBDIVISION, CANYON COUNTY, IDAHO, according to the Plat of said Subdivision filed November 4, 1969 in Book 8 of Plats at page 38, in the office of the County Recorder, Canyon County, Idaho.

Pine Rock Place

That portion of the Southwest quarter of Section 1, Township 8 North, Range 29 East, W.M., described as follows: Beginning at the Northwest corner of said subdivision; thence South 00 degrees 23' 00" West along the West line thereof a distance of 696.82 feet; thence South 88 degrees 45' 00" East a distance of 1270.23 feet; thence North 00 degrees 23' 00" East a distance of 216.47 feet to the True Point of beginning; thence South 88 degrees 45' 00" East a distance of 230.00 feet; thence North 00 degrees 23' 00" East a distance of 473.04 feet to a point on the South right-of-way line of West 4th Avenue, thence North 89 degrees 37' 00" West along said South right-of-way line a distance of 538.56 feet; thence South 00 degrees 04' 21" West a distance of 239.91 feet thence South 01 degrees 15' 00" West a distance of 135.00 feet; thence South 88 degrees 45' 00" East a distance 308.88 feet to the True Point of Beginning.

EXCEPT the East 54.00 feet thereof deeded to the City of Kennewick for street purposes.

FILE NO.

4 2599

FILED
IN THE OFFICE OF THE CORPORATION
COMMISSIONER OF THE STATE OF OREGON
OCT 10 1980
FRANK J. HEALY
CORPORATION COMMISSIONER

JUNIPER - PINE ROCK OREG. LTD.

ARTICLES OF LIMITED PARTNERSHIP

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JUNIPER - PINE ROCK OREG. LTD.

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CERTIFICATE OF
ARTICLES OF LIMITED PARTNERSHIP
OF
JUNIPER - PINE ROCK OREG. LTD.

GENERAL PARTNER: J. M. MILLER, an individual
161 High Street S.E., Salem, Oregon 97301

MAKES THIS LIMITED PARTNERSHIP AGREEMENT WITH THE

LIMITED PARTNERS: Those individuals executing this Agreement as Limited Partners (hereinafter called individually a "Limited Partner" and collectively the "Limited Partners").

AGREEMENTS

In consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Data: The following dates, percentages, names and references are hereby incorporated in this Agreement whenever referred to and as necessary to provide a fair meaning for any promise or covenant:

- 1.1 Partnership Name: JUNIPER - PINE ROCK OREG. LTD.
- 1.2 Project Addresses:
 - Juniper Court - 1803 South Juniper Street, Nampa, Idaho
 - Pine Rock Place - 1001 South 4th Avenue, Kennewick, Washington
- 1.3 Number of Apartment Units: Juniper Court - 96
Pine Rock Place - 156
- 1.4 Non-Recourse Contract of Sale in the amount of \$4,505,000 (the "Loan")

Recourse Mortgage Liability of the Limited Partners: None

- 1.5 General Partner's Total Cash Capital Contributions: \$ 15,000
Limited Partners' Total Cash Capital Contributions: \$1,380,387

Summary of General and Limited Partners' Interests:

1.5.1		<u>Gen. Ptnrs. %:</u>	<u>Ltd. Ptnrs. %:</u>
	Net Operating Profits and Losses:	1%	99%
	Net Cash Distributions From Operations:	5%	95%

Residue from Capital Transactions until each Partner has recovered his Total Cash Contribution as stated in Section 1.5 less previously distributed cash in the aggregate: 1% 99%

And any Residue remaining shall be distributed: 35% 65%

1.5.2 After effect has been given to the distribution of cash on dissolution, all taxable gain on sale shall be allocated ratably to all Partners as necessary to raise their debit capital accounts to zero. The remaining taxable gain shall be distributed: 35% 65%

1.5.3 Net Cash Distributions from Operations if realized during any year, but not paid to either the Limited or General Partners, shall be cumulative, noncompounded, and be paid first from funds available for that purpose, prior to any payment of capital contributions on dissolution, but following payment of all debts of the Partnership. Whenever paid, it shall be paid to the Partners in the ratio stated in 1.5.1, (see Section 9.1).

1.6 Number of Units of Participating Interest: 12
Cash Contribution Per Unit: \$115,032.25, minimum purchase is 1 Unit
Percentage of Interest in the Limited Partnership Interests per Unit: 8.33%

1.7 Compensation to General Partner or affiliates. The General Partner or affiliates shall be paid:

1.7.1 A General Partner's salary of \$115,002 payable as follows: \$28,751 in 1981, \$26,450 in 1982, \$21,850 in 1983, \$18,400 in 1984, \$13,800 in 1985, and \$5,751 in 1986;

1.7.2 An Advisory Fee in the amount of \$115,002 payable as follows: \$28,751 in 1981, \$26,450 in 1982, \$21,850 in 1983, \$18,400 in 1984, \$13,800 in 1985, and \$5,751 in 1986;

1.7.3 A Property Management Fee of 6% of the Gross Income of the Project as provided by a voluntary contract between Rockwood Development Corporation and the Partnership (subject to the limitations of Section 7.6). The General Partner believes this percentage is commensurate with similar services provided for similar properties located in the Nampa area;

1.7.4 An Annual Partnership Accounting Fee of 1% of the Gross Income of the Project.

2. Formation: The parties hereto do hereby form a Limited Partnership pursuant to the Uniform Limited Partnership Act of Oregon, named as stated in Section 1.1 above (hereinafter called "Partnership").

3. Registered and Principal Office and Agent for Service of Process: The address of the initial registered office of the Limited Partnership, and its principal place of business shall be 161 High Street S.E., P.O. Box 230, Salem, Oregon 97308, (503) 364-5500, except as the General Partner shall otherwise designate. The name of the initial registered agent at such address is Mark E. Miller. The General Partner designates said initial registered agent, as well as any successor registered agent, as his personal registered agent and attorney upon whom any process, notice or demand which arises out of the conduct of the Partnership affairs and which is required or permitted by law to be served upon a General Partner, may be served.

4. Purpose: The purposes and powers of the Partnership shall be as follows:

- 4.1 To acquire, own, operate, and manage the Projects known as Juniper Court Apartments, located in Nampa, Idaho and Pine Rock Place, located in Kennewick, Washington.
- 4.2 To mortgage, sell, transfer, and exchange, or otherwise convey and encumber the Project to further the business of the Partnership.
- 4.3 To enter into, perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the acquisition of the Project.
- 4.4 To execute a Contract in order to obtain the loan stated in Section 1.4 (the "Loan") and such other documents required to obtain such Loan.
- 4.5 To rent the Project from time to time, in accordance with applicable Federal, State, and local regulations, collecting the income therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds, except as provided herein to the General Partner and Limited Partners.

5. Term: The Partnership shall commence no later than the date the Articles of Limited Partnership are filed with the Oregon Commissioner and shall continue for twenty (20) years unless earlier dissolved by any one of the events set out in Section 15. The death of a Limited Partner shall not dissolve the Partnership nor terminate the Partnership business.

6. Capital Contributions: The following capital contributions shall be made:

- 6.1 The General Partner shall make a capital contribution as stated in Section 1.5 to the Partnership and shall provide services as stated herein for agreed fees and salary.
- 6.2 The persons who execute this Agreement as Limited Partners shall contribute to the capital of the Partnership an aggregate cash amount as stated in Section 1.5 for the number of Units of Limited Partnership Interests as stated in Section 1.6, each Unit representing the Limited Partners' interest in the net operating profits, losses and net cash distributions of the Partnership, as defined in Section 9, and on dissolution of the Partnership

Property as defined in Section 15, subject to taxable allocations as defined in Section 17. Each Limited Partner shall pay any unpaid portion of the subscription price when due, with or without notice of its due date from the Partnership.

6.3 These Units of Limited Partnership interests and the rights represented thereby are hereafter called "Units". The percentage of interest in the Limited Partnership Interests in the Partnership, as herein defined, of each Limited Partner shall be the percentage of the Units owned by such Limited Partner as compared to the total outstanding Units, such percentage being as stated in Section 1.6. The Limited Partners shall make their cash contributions to the Partnership as stated in their individually executed Subscription and Counterpart Agreements. Fractional Units may be sold by the General Partner and may be owned as such by Limited Partners.

6.4 The Partnership shall be responsible for providing equity requirements and working capital as required, but not the General Partner, although he will exercise his best effort to provide any shortage not funded by capital subscriptions. The Limited Partners shall have no liability to provide funds in addition to their original subscription to acquire or otherwise operate the Project, except to the extent they have assumed contract of sale liability pursuant to Section 1.4 in the event of default under the contract.

In the event a Limited Partner pays a part (less than all) of his capital contribution with his application, the balance thereof shall be paid under the terms of a promissory note, which the General Partner is authorized to accept, providing for deferred payment of principal and interest and/or the deferred payment of any pro rata shares of any obligation previously incurred. The obligation of the Limited Partner shall not exceed his agreement to contribute and the sole personal liability of each Limited Partner arising out of or in any manner related to the Partnership shall be limited to the fulfillment of his installment obligation, if any, or the payment of his full capital contribution, and none of the Limited Partners will have any further liability to contribute money or otherwise to or in respect of the liabilities or obligations of the Partnership except that additional liability assumed in Section 1.4. Upon the payment by a Limited Partner to the Partnership of his proportionate share of the total capital contribution, the Limited Partner shall have no further liability or responsibility in any event whatsoever.

If a Limited Partner shall fail to pay any installment within the period stated in the call therefor, the General Partner will make a bona fide effort to find a buyer for such portion of the defaulting Limited Partner's interest such as will allow the defaulting Limited Partner to retain an interest in the Partnership equal to 80% of the cash amount paid to the date of default, less any cash distributions he has received from the Partnership to such date. This shall in no way obligate the General Partner to effect such a sale, but only to make a good

faith effort to do so. In this connection, the General Partner shall be allowed to make sales to other Limited Partners, or to the General Partner, or to any third party. If such a sale cannot be accomplished within thirty (30) days from the date of default, the General Partner shall have no further obligation in this regard, and the defaulting Limited Partner shall retain an interest in the Partnership equal to 80% of the cash amount paid to the date of default less any distributions made as of such date in connection therewith. In no event shall the Limited Partner be relieved from obligation of the unpaid note or notes.

7. Compensation for Services: the following compensation shall be payable for services rendered to the Partnership and shall be paid only from those funds contributed to the Partnership by the Limited Partners, and will not be paid from contract proceeds or operating income, except fees earned for services performed as stated in Section 7.1, 7.2 and 7.3. Any sum payable to the General Partner as set forth in Section 1.7 to 1.7.4 shall be an obligation of the Partnership and in the event of sale of any of the Partnership's assets shall be payable prior to the date it would otherwise be payable, from sale proceeds prior to any distribution to the Limited Partners.

7.1 An affiliate of the General Partner shall receive an Advisory Fee for locating, negotiating, and acquiring the property as stated in 1.7.2. Such fee is not payable for Partnership organizational costs.

7.2 The General Partner shall also receive a salary for services rendered. Such fee shall be paid as described in Section 1.7.1. Rockwood Development Corporation, an affiliate of one of the General Partners, shall be paid a Property Management Fee for the Project in the amount stated in Section 1.7.3. Such fee shall be paid annually.

7.3 In the event the Partnership retains third parties to perform a portion or all of the services set forth below, the Partnership will be solely responsible for any fees charged by such persons. Property Management services will include, but not be limited to: (i) review of the maintenance, repair, remodeling, and refurbishing of the Partnership Property, (ii) review of rental schedules and recommendations with respect to changes thereto, (iii) preparation and review of rental surveys, (iv) preparation and review of historical and projected performance and variation analysis, (v) preparation and review of leases, management agreements, and maintenance agreements, and (vi) review of replacement reserves and working capital and recommendations with respect to changes thereto.

7.4 If the General Partner provides services for the Partnership as provided in Section 11, such Partners may receive allowable fees or income for such services. Such fees, however, shall be commensurate with those provided by outside third parties for similar services.

7.5 Should a General Partner be expelled from the Partnership, such Partner shall be entitled to interest on any loans made subject to the provisions of this Partnership Agreement.

7.6 Should a General Partner be expelled from the Partnership according to provisions of Section 11.9 of this Partnership Agreement, or should the Property Management Agreement be terminated if the General Partner or affiliates is the Managing Agent, any portion of the Advisory Fee, Property Management Fee, General Partner Salary, or any other fee or commission payable according to the provisions of this Paragraph 7 which is then accrued and due, but not yet paid, shall be paid by the Partnership to the General Partner or Agent in cash within 30 days of the date of expulsion as stated in the written notice of expulsion.

8. Partnership Expenses:

8.1 Reimbursement (other than for organization and offering expenses or initial fees) to the General Partner or his Affiliates shall not be made, except for reimbursement of the actual cost to the General Partner or his Affiliates of goods and materials used for or by the Partnership or for services otherwise provided for herein.

9. Profits, Losses and Distribution of Available Cash from Operations:

9.1 Net Operating Profits and Losses and Net Cash Distributions from Operations after payment of all fees and expenses shall be distributed to the Limited Partners (pro-rata in relationship to the number of Units held by each) and the General Partner (divided as he agrees) for the term of the Partnership as stated in Section 5. "Net Operating Profits and Losses" are defined as those reported by the Partnership's accountant on the Partnership's annual Partnership income tax information return pursuant to generally accepted accounting principles. "Net Cash Distributions from Operations" is the net operating profit or loss sum stated above plus non-cash charges (depreciation and amortization) less cash requirements paid or set aside to pay the Mortgage payable, reserves and other liabilities pursuant to generally accepted accounting principles. Net Cash Distributions from Operations available for distributions, if earned but not paid, shall be cumulative.

9.2 The Net Operating Profits and Losses and Net Cash Distributions from Operations apportioned to the Limited Partners shall be reapportioned among them, pro-rata, in relationship to the number of Units owned by each as compared to the total Units outstanding even though the percentage of interest per Unit, as stated in 1.6, is exceeded.

9.3 From time to time, but at least annually, the General Partner shall distribute the available Net Cash Distributions from Operations to the General and Limited Partners entitled thereto, part or all of which may be a return on the Partners' initial investment. The General Partner may withhold cash distributions which would otherwise be made to the Partnership in order to maintain the working capital at a minimum of \$15,212.

9.4 No Partner shall receive any interest on his contribution to the capital of the Partnership, nor have any priority of any kind over any other Limited Partner.

10. Advances from General Partner: The General Partner may make advances or loans to the Partnership to pay its operating costs, for which the General Partner shall receive a promissory note or notes, repayable from the first funds available from operating revenue, said notes to bear interest at a rate 1% per annum more than that payable by the General Partner to his lending bank and such notes shall be repayable prior to the payment of Cash Distributions to the Partners.

11. Powers, Duties and Responsibilities of the General Partner:

11.1 The General Partner shall have exclusive authority to manage the operations and affairs of the Partnership and to make all decisions regarding the business of the Partnership. Pursuant to the foregoing, it is understood and agreed that the General Partner shall have all of the rights and powers of a general partner as provided in the Oregon Uniform Limited Partnership Act and as otherwise provided by law, and any action taken by the General Partner shall constitute the act of and serve to bind the Partnership.

11.2 The General Partner is hereby granted the right, power and authority to do on behalf of the Partnership all things which, in their sole judgment, are necessary, proper or desirable to carry out their duties and responsibilities, including but not limited to the right, power and authority; to compromise, submit to arbitration, sue or defend all claims in favor of or against the Partnership; to make and revoke any election permitted the Partnership by any taxing authority; to incur all reasonable expenditures; to employ and dismiss from employment any and all employees agents, independent contractors, real estate managers, brokers, attorneys and accountants; to let or lease all or any portion of any property for any purpose and without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of the termination of the Partnership and whether or not the portion so leased is to be occupied by the lessee or, in turn, subleased in whole or in part to others; to create, by grant or otherwise, easements and servitudes; do all acts they deem necessary or appropriate for the protection and preservation of the Partnership's assets; carrying at the expense of the Partnership such as insurance coverage for public liability and all other insurance necessary or appropriate to the business of the Partnership in such amounts and in types as they shall determine from time to time; to borrow money and as security therefor to mortgage all or any part of any property; to construct, alter, improve, repair, raze, replace or rebuild any property; to obtain replacements of any mortgage or mortgages related in any way to the property owned by the Partnership, and to prepay in whole or in part, refinance, recast, modify, consolidate or extend any mortgages affecting any such property; to do any and all of the foregoing at such price, rental or amount, for cash, securities or other property and upon

such terms as the General Partner deems proper (provided, however, that in connection with the borrowing of money recourse for the repayment of which is limited solely to Partnership property, no lender shall be granted or acquire, at any time as a result of making such a loan, any direct or indirect interest in the profits, capital or property of the Partnership other than as a secured creditor); to place record title to any property in its name or in the name of a nominee or a trustee for the purpose of mortgage financing or any other convenience or benefit of the Partnership; and to execute, acknowledge and deliver any and all instruments to effectuate any and all of the foregoing. In the event the Partnership utilizes any all-inclusive note, said note shall provide that the Partnership shall receive credit on its obligation under said note for payments made by the Partnership directly on the underlying encumbrance and that a bank, escrow company or other paying agent shall collect payments (other than amounts not to be applied to the underlying encumbrance) on the all-inclusive note and make disbursements therefrom to the holder of the underlying encumbrance prior to making any disbursement to the holder of the all-inclusive note or in the alternative, all payments on the all-inclusive note and underlying notes shall be made directly by the Partnership.

- 11.3 The General Partner shall have the right, power and authority to lease, sell, exchange, refinance or grant an option for the sale of all or any portion of the real and personal property of the Partnership, at such rental, price or amount, for cash, securities or other property and upon such other terms as the General Partner in his sole discretion deem proper; provided, that the sale or other disposition of any of the Partnership's assets (except for the sale or other disposition of the final property remaining as a result of sales of properties in the ordinary course of business) shall require the approval of Limited Partners holding a majority of the then outstanding Interests. Unless approved by Limited Partners holding a majority interest, no Affiliate of the General Partner shall receive any commission on the sale of any property by the Partnership if and to the extent that the proceeds of sale are reinvested pursuant to this Section 11.3.
- 11.4 The General Partner shall devote such time to the Partnership business as, in his sole discretion, he shall deem to be necessary to manage and supervise the Partnership business and affairs in an efficient manner; but nothing in this Agreement shall preclude the employment, at the expense of the Partnership, of any agent or third party to manage or provide other services in respect of the Partnership property subject to the control of the General Partner.
- 11.5 The General Partner shall not be required to manage the Partnership as his sole and exclusive functions and he may have other business interests and may engage in other activities in addition to those relating to the Partnership, including the rendering of advice or services of any kind to other investors and the making or management of other investments. Neither the Partnership nor any Partner shall have any right by virtue of

this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper. The General Partner shall not be obligated to present any particular investment opportunity to the Partnership even if such opportunity is of a character which, if presented to the Partnership could be taken by the Partnership and each of them shall have the right to take it for its own account (individually or as a trustee) or to recommend to others any such particular investment opportunity.

- 11.6 No Limited Partner may participate in the management of the Partnership business, except as provided by ORS 69.280.
- 11.7 Neither the General Partner nor any Affiliate shall have the authority to:
 - 11.7.1 Enter into contracts with the Partnership which would bind the Partnership after the expulsion, adjudication of bankruptcy or insolvency, dissolution or other cessation to exist of the General Partner, or to continue the business with Partnership assets after the occurrence of such event;
 - 11.7.2 Sell substantially all of the assets of the Partnership in a single sale, or in multiple sales in the same 12-month period, except in the orderly liquidation and winding up of the business of the Partnership upon its termination and dissolution;
 - 11.7.3 Alter the primary purpose of the Partnership as set forth in Section 4, "Purpose", of the Partnership Agreement;
 - 11.7.4 Receive from the Partnership a rebate or give-up or participate in any reciprocal business arrangement which would enable it or an Affiliate to do so;
 - 11.7.5 Make long-term secured loans to the Partnership and on short-term unsecured loans made to the Partnership, receive interest on other financing charges or fees in excess of those amounts which would be charged by third party financing institutions on comparable loans for the same purpose in the same geographic area, except to the extent permitted by Section 10.
 - 11.7.6 Do any act in contravention of these Articles of Limited Partnership or which would make it impossible to carry on the ordinary business of the Partnership;
 - 11.7.7 Possess any Partnership Property or assign the rights of the Partnership in specific Partnership Property for other than a Partnership purpose;
 - 11.7.8 Admit a person as a General Partner except with the consent of the Limited Partners as provided for in this Partnership Agreement;

- 11.7.9 Receive any insurance brokerage fee or write any insurance policy covering the General Partner or any of the Partnership Properties;
- 11.7.10 Employ, or permit to employ, the funds or assets of the Partnership in any manner except for the exclusive benefit of the Partnership;
- 11.7.11 Comingle the Partnership funds with those of any other person or entity;
- 11.7.12 Receive any commission or fee for the placement of mortgage loans or trust deed loans on the Partnership Property or otherwise act as a finance broker on behalf of the Partnership;

11.8 Within 90 days after the Limited Partners have voted to remove a General Partner, the General Partner shall have prepared, at Partnership expense, a financial statement (balance sheet, statement of income or loss, Partners' equity, and changes in financial position) prepared in accordance with generally accepted accounting principles and accompanied by a report thereon containing an opinion of an independent certified public accounting firm and shall cause such statement to be mailed to the Limited Partners as soon as possible after receipt thereof.

11.9 The General Partner may be removed at the written request of Limited Partners holding a majority in interest of the outstanding Units; however, such removal shall not affect any of the General Partner's ownership rights in Net Cash Distributions from Operations and Residual Interests from Capital Transactions as stated in Section 1.5. A successor General Partner may be chosen by the Limited Partners and must be approved by the Limited Partners holding all of the outstanding Units, providing the successor General Partner purchases all the interests in Net Cash Distributions from Operations and Residuals from Capital Transactions of the removed General Partner for a price agreed between such Partners, payable upon eventual termination and dissolution of the Partnership, said obligation being a prior charge on the residual interests in this Partnership of the successor General Partner. If the parties cannot agree on a price, they shall submit the issue of the price to be paid to binding arbitration pursuant to the rules of the American Arbitration Association and costs thereof shall be paid as the arbitrators determine.

11.10 The General Partner hereby agree that any General Partner may act individually with full authority and power to act for the General Partner.

12. Indemnification: The Partnership shall indemnify and save harmless the General Partner from personal loss or damage incurred by them by reason of any act performed in good faith for and on behalf of the Partnership and intended to be in furtherance of the interests of the Partnership. The General Partner will not be indemnified for any acts arising out of their negligence not in good faith, gross negligence or willful misconduct.

13. Liability of Partners: A Limited Partner shall be personally liable for any mortgage or debt secured thereby as set out in Section 1.4 but not for any other debts of the Partnership except to the extent of the amount originally contributed by him to the capital of the Partnership. The General Partner shall be personally liable for all debts of the Partnership.

14. Fiscal Control:

14.1 The fiscal and accounting period of the Partnership shall be the calendar year and at all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and true books of account in which shall be entered fully and accurately each transaction of the Partnership. The General Partner shall retain an accounting firm to perform the annual audit for the Partnership. Such accounting costs shall be an expense of the Partnership. A change in the Partnership accounting firm may be made by the General Partner. The Partnership books shall be kept on a cash basis.

14.2 All of such books of account shall at all times be maintained at the principal office of the Partnership. Such books shall be open to inspection by any of the Partners or their accredited representatives at any reasonable time during normal business hours.

14.3 The General Partner agrees to deliver to the Limited Partners annual audited financial statements and "information returns" on or before March 15 of each year, showing the profit or loss of the Partnership and the distribution or allocation thereof to each Partner for the preceding calendar year, which accounting shall be made on a quarterly basis. Likewise, unaudited financial statements shall be provided each partner within 45 days of the end of each quarter, except the year-end quarter. All such audited statements shall be prepared by the Partnership's selected accountant and the preparation of all statements, audited and unaudited, shall be an expense of the Partnership.

14.4 All elections under the Internal Revenue Code with respect to the reporting of allowable depreciation on the Federal Income Tax Returns of the Partnership may be made and determined by the General Partner.

14.5 A separate capital account shall be maintained for each Partner.

14.6 Funds shall be retained in the Partnership in such amounts as the General Partner deems reasonably necessary to provide for the foreseeable expenses of the Partnership and to prevent impairment of the Partnership capital.

14.7 All funds of the Partnership shall be deposited in the Partnership name in a depository bank selected by the General Partner. Withdrawals shall be made by check, draft, or other appropriate instrument signed by the General Partner or by such other persons as they may designate.

15. Dissolution of Partnership: The Partnership shall be dissolved only upon the occurrence of one or more of the following events:

- 15.1 The sale of all or substantially all of the Partnership assets;
- 15.2 Upon the bankruptcy, death or incapacity of any General Partner, provided however, that in any of such events, the surviving General Partner or the Limited Partners holding a majority of the outstanding Units may elect to continue the business of the Partnership. In such event, the Partnership shall not be dissolved and the surviving General Partner may designate a new General Partner who must be approved by the Limited Partners holding all of the outstanding Units. In the event all General Partner is removed for any reason or because of their bankruptcy, death or incapacity, the Limited Partners holding all of the outstanding Units may elect to continue the business of the Partnership, providing the new General Partner is approved by a vote of all the Limited Partners, and further providing the new General Partner purchases all the vested interests of the prior General Partner, his heirs or assigns, in the Net Cash Distributions from Operations and Residue from Capital Transactions in this manner and as stated in Section 11.9;
- 15.3 Upon the decision of the General Partner, with the consent of the Limited Partners holding a majority of the outstanding Units, to dissolve the Partnership;
- 15.4 Upon destruction of all or substantially all of the Partnership property;
- 15.5 Upon unanimous consent of all of the Limited Partners to dissolve the Partnership, which consent shall be executed in writing;
- 15.6 Upon expiration of the period of the Partnership.

16. Distributions Upon Dissolution, Termination, Refinancing or Other "One-Time" Gains:

- 16.1 Upon any dissolution of the Partnership, the General Partner shall proceed to the orderly liquidation and termination of the Partnership. The proceeds of such liquidation, including interest or contract or sale, shall be applied and distributed in the following order or priority, subject to O.R.S. Section 69.430:
 - 16.1.1 In the event of dissolution only, to the payment of debts and liabilities of the Partnership (not including the contributions of Limited Partners and any loans or advances that may have been made by the General Partner to the Partnership but including all promissory notes, if any, issued by the Partnership) and expenses of liquidation. Additional payments may include but not be limited to the purchase of land underlying a Partnership investment if built on leased land, the purchase or financing of any improvements or expansions of any Partnership investments, or real estate commissions paid to any real estate broker or salesman not affiliated in any way with the General Partner.

- 16.1.2 To the setting up of any reserves which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligation of the Partnership.
- 16.1.3 To the payment of the outstanding balance on notes payable to Partners, if any, the Limited Partner's notes, if any, to be first paid.
- 16.1.4 To the payment of any "Net Cash Distributions from Operations" of the Partnership not heretofore paid the Partners and accumulated for subsequent payment as required by Section 1.5 and 9.
- 16.1.5 To the payment of the Partners' capital contributions in the ratio 1% to the General Partner and 99% to the Limited Partners, except as reduced by any prior distributions made pursuant to Sections 9.3, 16.2, or partial distributions from sale proceeds derived from the sale of less than all of the Partnership's assets.
- 16.1.6 The "residue" then remaining shall be apportioned in the ratio stated in Section 1.5.1, Residue from Capital Transactions, to the General Partner (divided as he agrees) and to the Limited Partners (pro-rata in relationship to the number of Units held by each).
- 16.2 The same order of distribution shall apply to the proceeds received by the Partnership from any net excess insurance proceeds and any net proceeds of mortgage refinancing, partial condemnation, sales of easements, rights-of-way, or similar interest in the property of the Partnership, and sales of parts of the Partnership property or interest therein and other similar items which, in accordance with generally accepted accounting principles, are attributable to capital to the extent available for distribution.
- 16.3 A reasonable time shall be allowed for the orderly liquidation of assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to minimize the normal losses attendant upon a liquidation.
- 16.4 The General Partner shall not be personally liable for the return of the capital contributions or advances of the Limited Partners or any portion thereof. Any such return shall be made solely from the Partnership assets.

17. Tax Treatment of Certain Gains: Although net proceeds to the Partnership upon the sale or other disposition of property of the Partnership shall be distributed as provided in Section 16 hereof, any taxable gain realized by the Partnership from such sale or distribution (not only gain subject to taxation as ordinary income pursuant to Sections 1245 and 1250 of the Internal Revenue Code, providing for depreciation recapture, but also any other taxable gain) shall be allocated to the Limited Partners and the General Partner in the ratio stated in Section 1.5.2, (even though the cash proceeds are allocated differently as provided in Section 16).

18. Transfer of Partnership Interests:

18.1 The General Partner or affiliates shall not assign, mortgage or sell their interest in the Partnership, or enter into any agreement as the result of which any person shall become interested with them in the Partnership, without the prior written approval of the Limited Partners holding a majority of the outstanding Units. This provision shall not prohibit the General Partner from allocating its Partnership benefits among themselves or affiliates, nor from assisting up to 5/35ths of their 35% interest in Residue from Capital Transactions to outside third parties in connection with borrowings of the Partnership.

18.2 Upon the death of a General Partner, the interest of the deceased General Partner in the Partnership shall pass as part of his estate as his will or as the law shall provide, but without power to vote in matters concerning the Partnership. The successor or successors to that Partnership interest, by reason of such death, shall have all the rights of the decedent in the profits, losses, cash distributions, notes, capital and residue of the Partnership possessed by the decedent, subject to the provisions of Section 15.2 hereof. Upon the death of a Limited Partner, his lawful successor in interest may become a Limited Partner, subject to all of the terms and conditions of this Agreement, providing consent of the General Partner is first obtained, as herein provided.

The death of any Limited Partner shall not have the effect of terminating or dissolving this Partnership. Upon the death of a Limited Partner, his or her estate, devisee and/or heirs shall succeed to his interests and shall be bound by the terms and provisions of this Agreement; however, in the event that the interests of the deceased do not pass to a single trust or pass to more than one heir or devisee, or, upon termination of any such trust, are distributed to more than one beneficiaries (the "Distributees") shall, within ninety (90) days after distribution by the Estate of the deceased Limited Partner or by the trustee under any trust established by the deceased Limited Partner, execute and deliver to the General Partner a written instrument (including a power of attorney) appointing one person, firm or corporation as and to be the agent of and for said Distributees. Such agent shall be responsible for collecting, receiving and making all payments and contributions required hereunder, shall vote all interests of the Distributees, and shall perform all other obligations of such Distributees performable by reason of or arising from their interests shall be deemed to have been validly made to such Distributees by paying the same to such duly designated agent. In the event that said Distributees for any reason fail to designate such agent in writing in the manner and within the time prescribed and continue to cure such default after ten (10) days written notice from the General to correct the same, the General Partner shall have the right at their election, to withhold all sums that are payable with respect to the interests of the Distributees until such time as the

Partnership is dissolved or such default is cured. So long as such default exists with respect to any interests, such interests may not be voted on any matter on which the vote or consent of Limited Partners or holders of interests is required or permitted herein. Whenever interests may not be voted on a transaction, the percentage required herein for approval of such percentage only of those Limited Partners permitted to vote. Upon the death of a Limited Partner's spouse having a community property interest in the interests of the Limited Partner, the foregoing provisions of this Section 18.2, shall apply to all of the deceased spouse's community property interests in the surviving spouse's interests in the Partnership which do not pass to the surviving spouse by will or through operation of law, and such provisions shall be applied to such interests as though the Limited Partner had owned such interests and had died on the date of his spouse's death, leaving such interests to the actual recipients thereof.

- 18.3 Although a Limited Partner may assign his rights to Profits, Losses, and Net Cash Distributions, an assignee cannot become a Limited Partner without the consent of a General Partner, the granting or denial of which is in the absolute discretion of the General Partner. The General Partner shall not give their consent to any such transfer unless and until they have received an opinion of counsel satisfactory to the General Partner that the proposed transfer will not terminate the Partnership for Federal income tax purposes nor cause a loss of any exemption from registration under the Securities and Exchange Act. A \$100 transfer fee in addition to actual costs incurred by the General Partner in connection with such a transfer shall be charged to the Limited Partners transferring his interests.
- 18.4 In the event that a transferee of a Partnership interest becomes a Limited Partner, the items of gross income, deduction and credit pertaining to the transferred interest for the fiscal year of the transfer shall, unless otherwise agreed by the transferor and transferee, be allocated between the transferor and transferee on a pro-rata quarterly basis.
- 18.5 Upon the transfer of an interest in the Partnership, the Partnership may elect, pursuant to Section 734 of the Internal Revenue Code of 1954, as amended, to adjust the basis of the Partnership property as allowed by Section 734(b) and 743(b) of said Code. The election shall be filed with the Partnership's Income Tax Return for the first taxable year in which the election applies.
- 18.6 Notwithstanding anything set forth above in this Section 18, no sale or exchange of all or a part of an interest in this Partnership shall occur if it would cause the termination of the Partnership for Federal income tax purposes, unless all the Partners agree in writing to such sale or exchange.

19. Admission of Additional Limited Partners: The General Partner may not admit to the Partnership additional Limited Partners contributing more capital than contemplated by this Agreement without the consent of Limited Partners holding a majority of the outstanding Units.

20. Representations and Warranties by Limited Partners: Each Limited Partner hereby represents and warrants to the Partnership and the General Partner as follows:

- 20.1 He is purchasing his Limited Partnership Interest for his personal investment purposes only and not with a view toward distribution or sale of all or a portion of such Interest.
- 20.2 He will not sell or offer for sale his Interest in the Partnership without complying with the provisions of this Agreement pertaining to transferability. He is aware that this Agreement imposes substantial restrictions on the transferability of his Interest in the Partnership and recognizes that there is no ready public market for such Interest and that it may not be possible to readily liquidate his investment in the Partnership.
- 20.3 He is financially capable of and intends to retain ownership of his Units during the entire term of the Partnership or for as long as he is physically capable of so doing.
- 20.4 Although it is expected that he will presently qualify for certain tax benefits offered by the Internal Revenue Code now in effect, as amended by the Tax Reform Act of 1969, because of the principal asset and business of the Partnership, he recognizes that there is no guarantee that the Internal Revenue Code or the regulations promulgated thereunder will not be amended in such a manner as to wholly or partially deprive him of any tax benefit he might presently receive under the law now in effect.
- 20.5 He has made a careful investigation of the materials (particularly the Memorandum and these Articles) submitted to him by the General Partner and has relied on his own investigation thereof and not on any oral representations of the General Partner, or anyone acting on their behalf, in making his decision to invest. He has not been denied any information with respect to the Partnership or the Project which he believed to be material to his decision to invest.
- 20.6 Securities Law Compliance. The Limited Partners hereby acknowledge that the offering of Limited Partnership Units will not be registered under the Securities Act of 1933 and is being made in reliance upon the availability of an exemption from that Act. The exemption claimed is the "private offering" exemption pursuant to Section 4(2) of the Securities Act of 1933 and rule 146 promulgated thereunder.

Each Limited Partner therefore represents and warrants that he has read and understands the "Investor Suitability Standards" and "Investor Representations and Restrictions" sections of the Private Placement Memorandum of JUNIPER - PINE ROCK OREG. LTD. Each Limited Partner also represents and warrants the following:

- a. That he can bear a total loss of his investment in the Partnership, as well as the adverse tax consequences of recapture of tax deductions,
- b. That he anticipates that in 1980 through 1985 at least some of his income will be subject to Federal income tax at the rate of fifty percent (50%) (46% for corporations) and that he has a net worth of at least \$100,000, exclusive of insurance, residence, automobile and furnishings or he has a net worth of at least \$250,000 exclusive of insurance, home, personal automobile and furnishings,
- c. That he and his offerree representative (if any) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the investment in the Partnership,
- d. That his participation in programs that offer tax incentives is reasonable in relation to his income and net worth,
- e. That he is acquiring the Partnership interest for long-term investment and not with a view toward resale, fractionalization, division or distribution thereof;
- f. That he has received and read a copy of the Private Placement Memorandum, has relied solely and completely on the Memorandum in making his decision to purchase Limited Partnership Units in the Partnership and has not relied on any representations not contained in making his investment decision; and
- g. That he has read, understands, completed and executed the Partnership Subscription Agreement and the Partnership Offerree Representative's Questionnaire (if applicable).

The General Partner may reject the application of any prospective investor who fails to comply with any of the provisions of this Article.

21. Amendments:

21.1 Amendments to this Agreement may be proposed by the General Partner or by Limited Partners holding 10% of the outstanding Units. Following such proposal, the General Partner shall submit to the Limited Partners a verbatim statement of any such proposed amendment and an opinion of counsel as to the legality of such proposed amendment. The General Partner shall include in any such submission their recommendation as to the proposed amendment. Each such submission shall bear a notice to the effect that the proposed amendment shall become effective upon the receipt of the affirmative vote of Limited Partners holding a majority of the outstanding Units. The General Partner shall seek the written vote of the Limited Partners on the proposed amendment by return mail following the submission or shall call a meeting to discuss the proposed amendment. If a meeting is called, the date and place shall be set by the General Partner and the sole business shall be the consideration of the proposed amendment. Such amendment shall be adopted or rejected at the meeting by the same affirmative vote required above.

Limited Partners may vote in person or by proxy at any such meeting. Notwithstanding the above, no amendment shall:

- (1) Modify the liability of either the General Partner or the Limited Partners;
- (2) Terminate the Partnership except as provided in this Agreement.

21.2 Notwithstanding the above, the General Partner may amend this Agreement to add or delete qualified Limited Partners by exercising their Power of Attorney for each Limited Partner as granted in Section 22.

22. Power of Attorney:

22.1 Each Limited Partner, by becoming a Limited Partner, constitutes and appoints the General Partner the true and lawful attorney of, and in the name, place and stead of said Limited Partner, to execute, sign, acknowledge, file, swear to, verify, deliver, record and publish:

22.1.1 The original Articles of Limited Partnership and all amendments thereto required by law, and any other regulatory agency with lawful jurisdiction, or this Agreement;

22.1.2 All instruments which effect a change, modification or amendment of this Agreement by adding or substituting Limited Partners or fully or partially dissolving or continuing the Partnership itself.

22.2 To represent each and every Limited Partner before any office of the Internal Revenue Service with respect to any Internal Revenue tax matter that in any way relates to this Partnership or any interest therein. Such General Partner shall have authority to receive confidential information and full power on behalf of each and every Limited Partner to execute agreements extending the statutory period for assessment or collection of taxes and to delegate authority or to substitute another representative.

22.3 The power hereby conferred shall continue from the date of the subscription of the Limited Partner until said Limited Partner shall cease to be a Limited Partner, or notifies the General Partner in writing that this power of attorney is revoked. If revoked, the Limited Partners shall sign legally required amended articles immediately upon presentment by the General Partner.

22.4 The Certificate of Limited Partnership and all amendments thereto;

22.5 Any other instrument which may be required to be filed by the Partnership under the laws of any state or any governmental agency or which the General Partner deems it advisable to file; and

22.6 Any documents which may be required to effect the continuation of the Partnership, the admission or substitution of a Limited Partner, or the dissolution and termination of the Partnership, provided such continuation, admission, substitution or dissolution and termination are in accordance with the terms of the Articles.

22.7 The foregoing grant of authority:

- a. Is a Special Power of Attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of the undersigned;
- b. May be exercised by the General Partner for each Limited Partner by the single signature of an officer of the Corporate General Partner or by listing all of the Limited Partners executing any instrument with the single signature of an authorized officer of the Corporate General Partner as attorney-in-fact for all of them; and
- c. Shall survive the delivery of an assignment by a Limited Partner of the whole or any portion of his interest.

This Special Power of Attorney does not supersede any part of the Articles, nor is it to be used to deprive the undersigned Limited Partner of any of his rights. It is intended only to provide a simplified system for execution of documents.

23. Miscellaneous:

- 23.1 This Agreement shall be binding upon and inure to the benefit of all of the parties and their estates, heirs, legatees, successors and assigns.
- 23.2 All notices provided for in this Agreement shall be directed to the parties at the addresses herein set forth and to the Partnership at its principal office by certified mail, or to such other address as shall be notified to the Partnership in writing.
- 23.3 Any dispute under or concerning this Agreement shall, at the option of any disputant, be submitted to arbitration in accordance with the rules of the American Arbitration Association. In any such dispute, whether or not submitted to arbitration or a court of proper jurisdiction, the prevailing party shall recover from the other party his reasonable attorney's fees and related expenses as approved by the arbitrator or court.
- 23.4 This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Oregon.
- 23.5 This Agreement may be executed in several counterparts and all so executed, shall constitute one agreement binding on all the parties, whether or not all the parties are signatory to the same counterpart.

- 23.6 The headings of the sections of the Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement.
- 23.7 In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement or of such provisions under different circumstances.
- 23.8 Each of the parties shall execute, acknowledge and deliver instruments necessary to carry out the purposes of this Agreement, and to sign any amendment to the Articles of Limited Partnership whenever the signing of such certificate or amendment is requested of them by a General Partner, and they agree to do such other acts as may be required to comply with the law for the valid formation and existence of a limited partnership. Upon the failure or refusal of any Partner to so sign or do such other act, the General Partner shall be deemed the duly constituted agent of the Partner failing or refusing to sign or act, to sign such amendment or to do such other act or his behalf, and the acts of such agent shall be deemed ratified, approved, and confirmed by the Partner for whom he is acting.
- 23.9 This Agreement represents the entire Agreement by and between the parties hereto and no other agreements or understandings, written or oral, exist to modify any provision contained herein.
- 23.10 The Partners agree that the Partnership properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights that he may have to maintain any action for partition of any of the Partnership property.
- 23.11 In the event a Limited Partner is a trust (with or without disclosed beneficiaries), partnership, limited partnership, joint venture, corporation or any entity other than a natural person, the Partnership and the General Partner shall (i) not be required to determine the authority of the person signing this Agreement or any amendment hereto, to make any commitment or undertaking on behalf of such entity, not to determine any fact or circumstance bearing upon the existence of this authority; (ii) not be required to see to the application or distribution of revenues or proceeds paid or credited to the person signing the Agreement or any amendment hereto on behalf of such entity; (iii) be entitled to rely upon the authority of the person signing this Agreement or any amendment hereto with respect to the voting of the interests of such entity and with respect to the giving of consent on behalf of such entity in connection with any matter for which consent is permissible or required hereunder; and (iv) be entitled to rely upon the authority of any general partner, joint venturer, co- or successor trustee, or president, vice president or other authorized officer (as the case may be) of any such entity the same as though such person were the person originally executing this Agreement or any amendment hereto on behalf of such entity.

23.12 No person dealing with the General Partner shall be required to determine their authority to make any commitment or undertaking on behalf of the Partnership, nor to determine any fact or circumstance bearing upon the existence of their authority. In addition, no purchaser of any asset owned by the Partnership shall be required to determine the sole and exclusive authority of the General Partner to sign and deliver on behalf of the Partnership any such instrument of transfer, or to see the application or distribution of revenues or proceeds paid or credited in connection therewith, unless such purchasers shall have received written notice from the Partnership affecting the same.

DATED AND EXECUTED: October 1, 1980

We, the undersigned, declare under the penalties of perjury that we have examined this Certificate of Articles of Limited Partnership and to the best of our knowledge and belief, it is true, correct and complete.

GENERAL PARTNER:

ADDRESS:

PERCENTAGE OF
GENERAL PARTNERSHIP
INTERESTS HELD


J.M. Miller, as an individual

161 High Street S.E.,
P.O. Box 230
Salem, Oregon 97308

LIMITED PARTNER:

ADDRESS:

NO. OF UNITS HELD/
PERCENTAGE OF LIMITED
PARTNERSHIP INTERESTS


Ardis Whittaker

161 High Street S.E.
Salem, Oregon 97301

1/10 of 1%

EXHIBIT "A"

Legal Description

Juniper - Pine Rock Oreg. Ltd.

Juniper Court

Lot 10 in Block 3 of YORGASON FIRST SUBDIVISION, CANYON COUNTY, IDAHO, according to the Plat of said Subdivision filed November 4, 1969 in Book 8 of Plats at page 38, in the office of the County Recorder, Canyon County, Idaho.

Pine Rock Place

That portion of the Southwest quarter of Section 1, Township 8 North, Range 29 East, W.M., described as follows: Beginning at the Northwest corner of said subdivision; thence South 00 degrees 23' 00" West along the West line thereof a distance of 696.82 feet; thence South 88 degrees 45' 00" East a distance of 1270.23 feet; thence North 00 degrees 23' 00" East a distance of 216.47 feet to the True Point of beginning; thence South 88 degrees 45' 00" East a distance of 230.00 feet; thence North 00 degrees 23' 00" East a distance of 473.04 feet to a point on the South right-of-way line of West 4th Avenue, thence North 89 degrees 37' 00" West along said South right-of-way line a distance of 538.56 feet; thence South 00 degrees 04' 21" West a distance of 239.91 feet thence South 01 degrees 15' 00" West a distance of 135.00 feet; thence South 88 degrees 45' 00" East a distance 308.88 feet to the True Point of Beginning.

EXCEPT the East 54.00 feet thereof deeded to the City of Kennewick for street purposes.