

CERTIFICATE OF LIMITED PARTNERSHIP
for
M & S ENTERPRISES LIMITED PARTNERSHIP

May 11 AM '83
SECRETARY OF STATE

We, the undersigned, desiring to form a limited partnership pursuant to the Idaho Limited Partnership Act, Idaho Code §53-201 through §53-267, do hereby agree and certify:

1. Name.

The name of the limited partnership is: M & S ENTERPRISES LIMITED PARTNERSHIP.

2. Character of Business.

The general character of the business of the partnership is:

To acquire on contract commercial property in the Last Chance area of Island Park, Fremont County, Idaho for rental purposes; and to operate a fly tying business.

3. Registered Agent.

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

MICHAEL J. LAWSON
P.O. Box 487
575 Targhee
St. Anthony, Idaho 83445


4. Partners' Names and Addresses.

(a) The names and business addresses of the general partners are:

MICHAEL J. LAWSON
P.O. Box 487
575 Targhee
St. Anthony, Idaho 83445

SHERALEE LAWSON
P.O. Box 487
575 Targhee
St. Anthony, Idaho 83445

(b) The names and business addresses of the limited partners are:


FRANK E. RYDALCH, Trustee
of the MICHAEL and SHERALEE LAWSON
Family Trust
1701 East 16th
Idaho Falls, Idaho 83401

For the benefit of trust beneficiaries:

Shaun Michael Lawson - born October 23, 1972
P.O. Box 487
575 Targhee
St. Anthony, Idaho 83445

Jeanette Lawson - born April 15, 1975
P.O. Box 487
575 Targhee
St. Anthony, Idaho 83445

Christopher Eldon Lawson - born Nov. 7, 1980
P.O. Box 487
575 Targhee
St. Anthony, Idaho 83445

5. Initial Contributions to Capital.

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

<u>Partner</u>	<u>Contribution</u>
MICHAEL J. LAWSON	\$1,388.20 cash
SHERALEE LAWSON	\$1,388.20 cash
FRANK E. RYDALCH, Trustee of the MICHAEL and SHERALEE LAWSON Family Trust	
SHAUN MICHAEL LAWSON	\$1,388.20 cash
JEANETTE LAWSON	\$1,388.20 cash
CHRISTOPHER ELTON LAWSON	\$1,388.20 cash

(b) The partnership intends upon its formation to immediately use the cash to make a downpayment for the purchase from FRANK E. RYDALCH on installment contract of sale of the following described real property in Fremont County, Idaho to wit:

Lots 1, 2 and 3 in Block 3, of Last Chance Ranch
Sub-division #1, Fremont County, Idaho, as per the
recorded plat thereof, being located in Sec. 17, Twp.
12 North, Rge. 43 East, Boise Meridian.

Together with commercial building and improvements.

6. Additional Contributions.

There is no agreement to make additional contributions to capital.

7. Substitute Limited Partners.

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

8. Termination.

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

9. Right to Distributions.

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

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

(c) Balances of revenues and profits, if any, after payment of necessary expenses, compensation to General Partners, and after maintenance of necessary reserves, shall be distributed at periodic intervals, not less than annually as shall be determined by the General Partners, on a per unit basis among all holders of partnership units. The General Partners may authorize such pro-rated payments, on a drawing basis, at convenience intervals, but with a full accounting and profit distribution to be made annually.

(d) In the event of liquidation of the partnership, all proceeds shall be distributed in the following order of priority: (1) To the payment of the debts and liabilities of the partnership and the expenses of liquidation. For this purpose the liquidator in his discretion, shall set up such reserves as may seem necessary for any contingent or unforeseen liabilities of the partnership. (2) Current and unpaid compensation or reimbursement of expenses, owing to the General

Partners. (3) To the partners with respect to their shares of any undrawn profits. (4) To the partners with respect to the return of their capital contribution. (5) The balance, if any, shall be distributed to the holders of partnership units on a per unit basis.

10. No Other Right to Distribution.

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

11. Dissolution of Partnership.

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

(a) Retirement, death, bankruptcy, or insanity of a General Partner shall work an immediate dissolution of the partnership.

(b) The partnership shall earlier terminate upon the agreement of all partners, general and limited.

(c) Unless sooner terminated, the partnership shall be dissolved thirty years from its commencement.

12. Continuance of Business.

(a) In the event of dissolution of the partnership then a remaining General Partner, if there be one, or if not any one or more limited partners may elect, by notice in writing to all interested parties within 30 days of dissolution, to become a substituted General Partner or Partners and to continue the business. But if a General Partner does not continue, then a limited partner or partners becoming a General Partner or Partners must pay to each limited partner who requests in writing (within 15 days) withdrawal of his partnership units, the value of the units of each partner not continuing or withdrawing. Value shall be determined and paid as provided in sub-paragraphs (c) and (d) hereof. If more than

one limited partner elects to be a new General Partner, but not together, then the limited partners shall determine who shall be the new General Partner by majority vote of units; otherwise, the partnership shall be liquidated.

(b) The new General Partner shall have the right to form a new limited partnership and shall have the right: (1) To transfer and convey the assets of the dissolved limited partnership to the new limited partnership, subject to liabilities; (2) amend this certificate to establish the new General Partner or Partners; (3) perform all such other acts or cause all such things to be done as shall be necessary or advisable for the formation of the new limited partnership.

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

(d) The price of a partnership unit shall be payable 10 percent down, the balance shall bear interest at 7 percent per annum from the date the limited partner requested withdrawal, in 10 equal annual amortized installments. The price shall be evidenced by a written promissory note, shall be a debt of the partnership, and shall be secured by a mortgage on the partnership real estate.

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

13. Additional Agreements.

The partners agree to the following additional provisions:

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

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

(1) Dissolve or wind up the limited partnership;

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

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

(4) Change the nature of the business.

(c) The limited partners shall not participate in the control of the business and shall not be liable for any obligation of the limited partnership.

(e) MICHAEL J. LAWSON shall be the acting Managing General Partner so long as he lives and is competent, able and willing to so serve. Only in the event of his death, or inability or unwillingness to serve as acting Managing General Partner, shall SHERALEE LAWSON assume the duties of acting Managing General Partner.

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

(g) Adequate books of account shall be kept at all

times under supervision of the general partners. The books shall be open to inspection by any limited partner, or his accredited representative, at any reasonable time.

(h) The partnership books shall contain a capital account and an income account for each partner. Profits and losses shall be credited or debited to the individual income account of each partner as soon as practicable after the close of each fiscal year. If there be no balance in the individual income account, net losses shall be debited to the individual capital accounts. If there be no balance in the capital account of a partner, or if the capital account shall have been depleted by the debiting of losses under this paragraph, future profits of that partner shall not be credited to his income account until the depletion shall have been made good, but shall be credited to his capital account. After such depletion in this capital account shall have been made good, his share of the profits shall thereafter be credited to his income account.

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

(j) The fiscal year of the partnership shall be from January 1 through December 31.

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

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

EXECUTED This ^{27th} ~~31st~~ day of ^{April} ~~January~~, 1983.

"GENERAL PARTNERS"

Michael J. Lawson
MICHAEL J. LAWSON

Sheralee Lawson
SHERALEE LAWSON

"LIMITED PARTNERS"

Frank E. Rydalch
FRANK E. RYDALCH
As Trustee of the MICHAEL and
SHERALEE LAWSON Family Trust
for the benefit of SHAUN
MICHAEL LAWSON, JEANETTE
LAWSON and CHRISTOPHER ELTON
LAWSON, minors.

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

On this ^{27th} ~~31st~~ day of ^{April} ~~January~~, 1983, before me, the undersigned, a Notary Public in and for said State, personally appeared MICHAEL J. LAWSON and SHERALEE LAWSON, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.


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

Nautille D. Hargreaves
Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission is for Life

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

On This ^{27th} ~~31st~~ day of ^{April} ~~January~~, in the year 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared FRANK E. RYDALCH, known to me to be the person whose name is subscribed to the within instrument as Trustee of the MICHAEL and SHERALEE LAWSON Family Trust and acknowledged to me that he executed the same as such Trustee.

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


Notary Public for Idaho
Residing at Rexburg
My Commission Expires: Life