

RECEIVED CERTIFICATE AND AGREEMENT OF LIMITED PARTNERSHIP
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PARADISE ISLAND ASSOCIATES,
AN IDAHO LIMITED PARTNERSHIP

WE, THE UNDERSIGNED, ON THIS 1ST DAY OF JUNE, 1987, BEING DESIROUS OF FORMING A LIMITED PARTNERSHIP NAMED PARADISE ISLAND ASSOCIATES, AN IDAHO LIMITED PARTNERSHIP, DO HEREBY SWEAR AND CERTIFY AS FOLLOWS, PURSUANT TO THE IDAHO LIMITED PARTNERSHIP ACT:

I. NAME OF PARTNERSHIP

THE NAME OF THE PARTNERSHIP IS PARADISE ISLAND ASSOCIATES, AN IDAHO LIMITED PARTNERSHIP.

II. CHARACTER OF BUSINESS

THE BUSINESS OF THE PARTNERSHIP SHALL BE TO ACQUIRE REAL PROPERTY AND TO HOLD SUCH PROPERTY AND TO OPERATE, MANAGE, SELL AND LEASE AND OTHERWISE DEAL WITH AND DISPOSE OF A HOUSING PROJECT KNOWN AS A FmHA 515 HOUSING PROJECT LOCATED IN KOLOA, HAWAII FINANCED BY THE FARMERS HOME ADMINISTRATION (FmHA) OF THE UNITED STATES DEPARTMENT OF AGRICULTURE, AND TO DO ALL OTHER ACTS WHICH MAY BE NECESSARY, INCIDENTAL, OR CONVENIENT TO THE FOREGOING.

III. LOCATION OF THE PRINCIPAL PLACE OF BUSINESS

THE PRINCIPAL PLACE OF BUSINESS OF THE PARTNERSHIP SHALL BE N. 12425 GEM SHORE ROAD, HAYDEN LAKE, IDAHO 83835, OR SUCH LOCATION AS MAY BE DETERMINED BY THE GENERAL PARTNERS UPON NOTICE TO THE LIMITED PARTNERS. THE REGISTERED AGENT FOR SERVICE OF PROCESS SHALL BE MARTY D. FRANTZ AT THE PRINCIPAL PLACE OF BUSINESS.

IV. NAME AND RESIDENCE OF PARTNERS

GENERAL PARTNERS: MARTY D. FRANTZ
N. 12425 GEM SHORE ROAD
HAYDEN LAKE, IDAHO 83835

LIMITED PARTNERS: FRANTZ CONSTRUCTION CO.
N. 12425 GEM SHORE ROAD
HAYDEN LAKE, IDAHO 83835

V. PARTNERSHIP TERM

THE TERM OF THE PARTNERSHIP SHALL COMMENCE ON THE DATE OF EXECUTION OF THIS AGREEMENT AND SHALL CONTINUE FOR SIXTY (60) YEARS UNLESS SOONER TERMINATED BY ONE OF THE FOLLOWING EVENTS: (A) THE BANKRUPTCY, RESIGNATION, INSANITY, DISSOLUTION, DEATH, INCAPACITY OR REMOVAL FROM THE PARTNERSHIP OF A SOLE GENERAL PARTNER; (B) THE SALE OF THE PROJECT; (C) THE WRITTEN CONSENT OF ALL PARTNERS.

VI. INITIAL CONTRIBUTION

(A) THE GENERAL PARTNERS AND THE LIMITED PARTNER SHALL EACH CONTRIBUTE

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\$10.00 TO THE CAPITAL OF THE PARTNERSHIP.

- (B) THE LIABILITY OF THE LIMITED PARTNER SHALL BE LIMITED TO THE AMOUNT OF CAPITAL CONTRIBUTION REQUIRED TO BE MADE UNDER THE ARTICLE VI, AND THE LIMITED PARTNER SHALL NOT HAVE ANY FURTHER PERSONAL LIABILITY TO CONTRIBUTE MONEY TO, OR IN RESPECT TO THE LIABILITIES OR THE OBLIGATIONS OF, THE PARTNERSHIP, NOR SHALL THEY BE PERSONALLY LIABLE FOR ANY OBLIGATION OF THE PARTNERSHIP.

VII. ADDITIONAL CONTRIBUTION BY THE PARTNERS

THERE ARE NO CONTRIBUTIONS AGREED TO BE MADE BY THE PARTNERS OTHER THAN THAT REQUIRED BY ARTICLE VI HEREOF.

VIII. RETURN OF LIMITED PARTNER'S CONTRIBUTION

AFTER PAYMENT OF, OR PROVISIONS FOR ALL LIABILITIES OF THE PARTNERSHIP, THE CONTRIBUTION OF THE LIMITED PARTNER SHALL BE RETURNED UPON DISSOLUTION OF THE PARTNERSHIP.

IX. LIMITED PARTNER'S SHARE OF THE PARTNERSHIP PROFITS

TWO PERCENT (2X) OF THE PROFITS AND LOSSES, TWO PERCENT (2X) OF THE CASH FLOW AND TWO (2X) OF RESIDUAL INTEREST OF THE PARTNERSHIP SHALL BE ALLOCATED TO THE LIMITED PARTNERS.

- X. THE RIGHT OF THE LIMITED PARTNER TO SUBSTITUTE AN ASSIGNEE IN ITS PLACE
THE RIGHT OF A LIMITED PARTNER TO SUBSTITUTE AN ASSIGNED IN HIS PLACE AND THE TERMS AND CONDITIONS OF SUCH SUBSTITUTION, ARE AS FOLLOWS: (A) A LIMITED PARTNER MAY NOT ASSIGN HIS INTEREST IN THE PARTNERSHIP WITHOUT THE CONSENT OF THE GENERAL PARTNERS, AND AN ASSIGNEE SHALL NOT BECOME A SUBSTITUTED LIMITED PARTNER WITHOUT THE CONSENT OF THE GENERAL PARTNERS. (B) NO SALE, TRANSFER, EXCHANGE OR OTHER DISPOSITION OF AN INTEREST IN THE PARTNERSHIP MAY BE MADE EXCEPT IN COMPLIANCE WITH THE THEN APPLICABLE RULES AND REGULATIONS OF ANY APPLICABLE GOVERNMENTAL LENDER. (C) THE ADMISSION OF AN ASSIGNEE AS A SUBSTITUTED LIMITED PARTNER SHALL BE CONDITIONED UPON THE ASSIGNEE'S WRITTEN ACCEPTANCE AND ADOPTION OF THE AGREEMENT OF LIMITED PARTNERSHIP GOVERNING THE PARTNERSHIP AND HIS AGREEMENT TO BE BOUND BY THE NOTE MORTGAGE, LOAN AGREEMENT AND ANY OTHER DOCUMENTS WHICH ANY APPLICABLE GOVERNMENT LENDER MAY REQUIRE.

- XI. THE RIGHT OF THE GENERAL PARTNERS TO ADMIT ADDITIONAL LIMITED PARTNERS
THE GENERAL PARTNERS HAVE THE RIGHT TO ADMIT ADDITIONAL LIMITED PARTNERS SUBJECT TO APPLICABLE GOVERNMENT REGULATIONS AND PROVIDED THE RIGHTS OF THE EXISTING LIMITED PARTNERS ARE NOT DIMINISHED THEREBY.

XII. THE RIGHT OF ANY OF THE LIMITED PARTNERS AS TO PRIORITY OVER OTHER LIMITED PARTNERS

NO RIGHT IS GIVEN TO ANY LIMITED PARTNER TO PRIORITY OVER ANY OTHER LIMITED PARTNER AS TO CONTRIBUTIONS OR TO COMPENSATION BY WAY OF INCOME FROM THE ASSETS OR BUSINESS OF THE PARTNERSHIP.

XIII. THE RIGHT OF THE REMAINING GENERAL PARTNER OR PARTNERS TO CONTINUE THE PARTNERSHIP ON THE DEATH, RETIREMENT, BANKRUPTCY, REMOVAL, DISSOLUTION, OR INSANITY OF A GENERAL PARTNER

IN THE EVENT OF THE DEATH, DISSOLUTION, INSANITY, INCAPACITY, RESIGNATION, REMOVAL, ASSIGNMENT FOR THE BENEFIT OF CREDITORS, FILING OF A PETITION FOR THE REORGANIZATION, OR ADJUDICATION OF BANKRUPTCY, OF ANY GENERAL PARTNER, THE PARTNERSHIP SHALL BE DISSOLVED UNLESS ALL REMAINING PARTNERS AGREE IN WRITING WITHIN NINETY (90) DAYS TO CONTINUE THE PARTNERSHIP. SUCH ACTION SHALL BE SUBJECT TO ANY RULES AND

REGULATIONS OF ANY APPLICABLE GOVERNMENTAL LENDER.

IN WITNESS WHEREOF, THE AGREEMENT HAS BEEN DULY EXECUTED BY THE PARTIES ON THE DAY AND YEAR SET FORTH AT THE BEGINNING OF THIS AGREEMENT.

PARADISE ISLAND ASSOCIATES,
AN IDAHO LIMITED PARTNERSHIP

GENERAL PARTNERS:

M D Frantz
MARTY D. FRANTZ

LIMITED PARTNERS:

Frantz Construction Co.
FRANTZ CONSTRUCTION CO.

STATE OF IDAHO)
COUNTY OF KOOTENAI) SS.

ON THIS DAY PERSONALLY APPEARED BEFORE ME MARTY D. FRANTZ TO ME KNOWN TO BE THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE WITHIN AND FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT HE SIGNED THE SAME AS HIS FREE AND VOLUNTARY ACT AND DEED, FOR THE USES AND PURPOSES THEREIN MENTIONED.

GIVEN UNDER MY HAND AND OFFICIAL SEAL THIS 15 DAY OF June, 1987.

John Crow
NOTARY IN AND FOR THE STATE OF Idaho
RESIDING AT Hayden Lake
MY COMMISSION EXPIRES 3-1-'91