

FEB 24 2 41 PM '86
SECRETARY OF STATE

CERTIFICATE OF LIMITED PARTNERSHIP

for

MOHAVE COUNTY SUBDIVISION LIMITED PARTNERSHIP

We, the undersigned, desiring to form a Limited Partnership pursuant to the Idaho Limited Partnership Act, Idaho Code, do hereby agree and certify:

1. Name.

The name of the limited partnership is:

MOHAVE COUNTY SUBDIVISION LIMITED PARTNERSHIP

2. Character of Business.

The general character of the business of the partnership is: to acquire, own, operate, subdivide, develop and manage a subdivision in Mohave County, Arizona.

3. Registered Agent.

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

Albert E. Brown
Route 4
Rexburg, Idaho 83440

4. Partners' Names and Addresses.

(a) The names and business addresses of Brown Drilling, an Idaho General Partnership, who shall be the General Partners are:

Albert E. Brown

Route 4, Rexburg, Idaho
83440

Albert E. Brown Jr.

Route 4, Rexburg, Idaho
83440

David Michael Brown

Route 4, Rexburg, Idaho
83440

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

<u>NAME</u>	<u>ADDRESS</u>
Thomas C. Piper	1704 Rainier Street, Idaho Falls, ID 83402
Earl Wilcox	Route 3, Box 190, Rexburg, ID 83440

5. Initial Contributions to Capital.

The amount of cash and a description and statement of the agreed value of other property of labor or services contributed by each partner are as follows: The Limited Partners have transferred \$4,600.00 to the Limited Partnership and the General Partner has transferred all it's right, title and interest in and to certain real property located in Mohave County, Arizona , to-wit:

The Northwest Quarter of Section 11, Township 20 North, Range 14 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona.

Subject to indebtedness thereon. Said transfer is made to the Limited Partnership and all partners have received partnership units in direct proportion to their ownership of the assets so transferred.

<u>General Partner</u>	<u>Units</u>
Brown Drilling	30
<u>Limited Partners</u>	<u>Units</u>
Earl Wilcox	15
Thomas C Piper	15
Total	60

Each unit has a present value of \$153.33, and the total value of the 60 units is \$9,200.00.

6. Additional Contributions.

Each Limited Partner is further obligated to make contributions in addition to the initial Four Thousand Six Hundred and No/100 (\$4,600.00) Dollars as follows:

Each Limited Partner shall pay Three Hundred Ninety and No/100 (\$390.00) Dollars per month for twenty four (24) months, followed by additional payments of Two Hundred Eighty and No/100 (\$280.00) Dollars per month for an additional twenty eight (28) months, beginning on the first month following the acceptance of the Certificate of Limited Partnership by the Secretary of State, State of Idaho, with payments made on the same date of each month thereafter for a total of fifty-two (52) months.

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

partnership future expenses and disbursements as in the discretion of the General Partners seems appropriate.

(b) The General Partners shall receive direct compensation for its out-of-pocket expenses and credit in the partnership for its development efforts.

(c) Balances of revenues and profits, if any, after payment of:

I. Necessary expenses relating to the acquisition, financing, development and operation of the Limited Partnership, which it incurs in performing its services for the Limited Partnership.

II. Management expenses as described in 9 (b) above.

III. Maintenance of necessary reserves -- shall be distributed and allocated at periodic intervals, not less than annually, as determined by the General Partner, as follows:

(a) The cash available for distribution from the operation of the Partnership shall be distributed fifty percent (50%) to the Limited Partners and fifty percent (50%) to the General Partner. That portion distributed on a pro-rata basis in accordance with the number of units held by each Limited Partner as compared to the total number of units held by all Limited partners.

(b) The profits of the Partnership shall be allocated on a pro-rata basis in accordance with the portion of cash available for distribution

distributed to each Partner as compared to the cash available for distribution to all partners pursuant to Subparagraph 9.III (a) immediately above.

(c) The losses of the Partnership shall be allocated fifty percent (50%) to the Limited Partners and fifty percent (50%) to the General Partner. That portion of the losses allocated to the Limited Partners shall be allocated to the Limited Partnership holding units, on a pro-rata basis in accordance with the number of units held by each Limited Partner as compared to the total number of units held by all Limited Partnerships.

(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 expense 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 for the fiscal year.

(4) Balance pro-rata among all outstanding partnership units.

10. No Other Right To Distribution.

There is no other right of a partner to receive, nor of

the General Partners 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; provided, while ALBERT E. BROWN, ALBERT E. BROWN JR. and DAVID M. BROWN are general partners, such an event must occur as to all three before dissolution of the partnership results.

(b) The written agreement of all partners, general and limited, to terminate as of a stated date.

12. Continuance of Business.

(a) In the event of dissolution of the partnership by retirement of a General Partner or from dissolution required by law, then a remaining General Partner or if there be no remaining General Partner, then any one or more Limited Partnerships may elect, by notice in writing to all interested parties within sixty (60) days after 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 Partnership or Partners becoming a General Partner or Partners must pay to each Limited Partnership who requests in writing (within fifteen (15) days) withdrawal of his Partnership units, the value of the units of each Partner not continuing. If more than one Limited Partnership elects to be a new

general partner, but not together, the Limited Partnerships shall determine who shall be the new General Partner by majority vote of units; otherwise the Partners 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;

(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 each partnership unit, as to any non-continuing or withdrawing limited partner, shall be based upon book value adjusted to include fair market value of all tangible real property and personal property owned by the partnership. Partnership capital shall be allocated pro-rata to the all units. Any disputes as to value shall be arbitrated in accordance with sub-paragraph (d) hereof.

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

(c) 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.

(d) Adequate books of account shall be kept at all times under the supervision of the General Partners. The books shall be open to inspection by any limited partner, or his accredited representative, at any reasonable time.

(e) The partnership books shall contain a capital account and an income account for each partner. Profits and losses shall be credited or debited to an 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.

(f) The fiscal year of the partnership shall be the calendar year from January 1 to December 31 in the same year.

(g) The General Partners shall have equal rights in the management of the partnership business. The General Partners shall not be required to devote their entire business time to this partnership. They may have other businesses and/or 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.

(h) 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.

(i) Albert E. Brown has the power of attorney by the limited partner authorizing him to execute and file for record amendments to the Certificate of Limited Partnership.

EXECUTED THIS 13th day of February, 1986.

"GENERAL PARTNER"

BROWN DRILLING
An Idaho General Partnership

Albert E. Brown
Albert E. Brown, Partner

Albert E. Brown, Jr.
Albert E. Brown, Jr., Partner

By Albert E. Brown
Attorney-in-Fact

David M. Brown
David M. Brown

By Albert E. Brown
Attorney-in-Fact

STATE OF IDAHO,)
County of Madison) ss.

On this 13th day of February, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared ALBERT E. BROWN, known to me to be the partner in BROWN DRILLING, an Idaho General Partnership, and one of the partners who subscribed said partnership name to the foregoing instrument and acknowledged to me that such corporation 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.

Marsha L. Maharry
Notary Public for Idaho
Residing at Reynoldsburg, Idaho
My Commission Expires: 4-10-88

"LIMITED PARTNERS"

Thomas C. Piper
Thomas C. Piper

By Albert E. Brown
Attorney-in-Fact

Earl Wilcox
Earl Wilcox

By Albert E. Brown
Attorney-in-Fact

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

On this 13th day of February, 1986, before me, the undersigned a Notary Public in and for said State, personally appeared ALBERT E. BROWN, known to me to be the person whose name is subscribed to the within instrument as Attorney-in-fact for Albert E. Brown, Jr. and David M. Brown, and acknowledged to me that he subscribed the names of Albert E. Brown, Jr. and David M. Brown thereto as principals, and his own name as Attorney-in-fact.

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

Marshall E. Mahoney
Notary Public for Idaho
Residing at: Perburg, Idaho
My Commission Expires: 4-10-89

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

On this 13th day of February, 1986, before me, the undersigned a Notary Public in and for said State, personally appeared ALBERT E. BROWN, known to me to be the person whose name is subscribed to the within instrument as Attorney-in-fact for THOMAS C. PIPER and EARL WILCOX, and acknowledged to me that he subscribed the names of THOMAS C. PIPER and EARL WILCOX thereto as principals, and his own name as Attorney-in-fact.

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

Marsha L. Mahaffey
Notary Public for Idaho
Residing at: Replung, Idaho
My Commission Expires: 4-10-88