

CERTIFICATE OF LIMITED PARTNERSHIP

FOR

NORTHWOOD ASSOCIATES,  
a limited partnership

This Certificate of Limited Partnership is prepared and filed under Section 53-202 of the Idaho Code.

1. NAME. The name of the Partnership is NORTHWOOD ASSOCIATES, a limited partnership.

2. BUSINESS. The business of the Partnership shall be:

A. To acquire ownership of the undeveloped real property described in Exhibit "A" hereto (hereinafter the "Property") and hold for investment, maintain, operate, lease, improve, subdivide, exchange, sell, dispose of and otherwise deal with such property;

B. With the consent of a majority in interest of the Limited Partners, to sell, exchange or dispose of all or a portion of the Property for the purpose of acquiring such other real property as the General Partners may determine to be appropriate and to hold for investment, maintain, operate, lease, improve, subdivide, exchange, sell, dispose of and otherwise deal with such other real property;

C. With the consent of seventy-five percent (75%) in interest of the Limited Partners, to develop the Property; provided, however, that the consent of the Limited Partners shall not be required for the development or installation of off-site improvements on the Property, including, but not limited to, sewer, utilities, roads and water;

D. With the consent of a majority in interest of the Limited Partners, to enter into such partnerships and joint ventures with respect to the Property as the General Partners in their discretion, may determine to be necessary or appropriate to accomplish any of the purposes stated above; provided, however, that the consent of a majority in interest of the Limited Partners shall not be required for the Partnership to participate in any Partnership or joint venture to develop or install off-site improvements on the Property, including, but not limited to, sewer, utilities, roads and water; and

E. To do any and all things incidental or related to any of the purposes stated above.

3. PLACE OF BUSINESS. The principal place of business of the Partnership shall be at 280 River Street, Ketchum, Idaho (mailing address: P. O. Box 2180, Sun Valley, Idaho, 83353). The General Partners may change the partnership's principal place of business to any other location giving written notice of such change to the Limited Partners.

4. LIMITED PARTNERS. The name and place of residence of each member of the Partnership and the capital to be contributed by each are stated in Exhibit "B" attached hereto and incorporated herein by reference.

5. TERM. The Partnership shall commence on the date of filing of this certificate and shall continue until December 31, 1999, unless sooner terminated as provided in the limited Partnership Agreement of Northwood Associates (the "Partnership Agreement").

6. CAPITAL CONTRIBUTIONS/ASSESSMENTS. In addition to the initial capital contributions required of the Limited Partners under Section 3.3 of the Partnership Agreement, the General Partners may, by written notice to all other Limited Partners, assess each Limited Partner for additional capital contributions to be made to the Partnership, subject to the limitations of Section 3.5 of the Partnership Agreement. The General Partners shall assess all Limited Partners for an additional capital contribution to the Partnership if the General Partners determine, in their sole discretion, that such additional capital contribution is necessary (1) to plat, subdivide, condominiumize, zone, or make off-site improvements on the Property (including, but not limited to, development and installation of sewer, utilities, roads, and water), or (2) to participate in any Partnership or joint venture to develop the Property, or (3) to meet any ordinary and necessary operating expenses of the Partnership. The General Partners' share of any assessment for a contribution of additional capital shall be one percent (1%) of the total capital contribution then assessed. Each Limited Partner's share of any assessment for additional capital shall be his pro rata share of the total assessment made with respect to all Limited Partners, determined in the ratio that the Units of Interest owned by each such Limited Partner bears to the Units of Interest owned by all Limited Partners. The foregoing notwithstanding, the total assessments for additional capital made during the term of the Partnership shall not exceed Forty-Four Thousand Two Hundred Dollars (\$44,200.00) for each Unit of Interest issued by the Partnership. Other than as set forth herein there are no times at which or events on the happening of which additional contributions shall be made.

7. RETURN OF CONTRIBUTIONS. No time is agreed on when the contribution of any Limited Partner is to be returned.

8. PROFITS AND LOSSES. Each Limited Partner's share of the profits and losses of the Partnership shall be allocated, borne and distributed among the Limited Partners in the ratio that each Limited Partner's capital account bears to the total of all Limited Partners' capital accounts.

9. TRANSFER OF UNIT OF INTEREST. The right of a Limited Partner to substitute an assignee as contributor in his place, and the terms and conditions of the substitution are as follows:

A. General Limitations.

(1) No Limited Partner shall transfer less than one Unit of Interest in the Partnership.

(2) No Limited Partner shall transfer any Units of Interest in the Partnership, or any portion thereof, or have any transferee admitted as a Substitute Limited Partner, without the prior written consent of the General Partners, and compliance with all other applicable provisions of this Article.

(3) If a Limited Partner desires to sell or exchange any Units of Interest, he shall give written notice to the Partnership and to each of the Partners. The notice shall set forth the purchaser's name, the terms on which the Units are to be sold or exchanged, and the price. For thirty (30) days after the notice is given, the Partnership shall have the right to purchase the Limited Partner's Units of Interest for the price and on the terms stated in the notice. If the Partnership does not exercise the right to purchase the Units of Interest, that right shall be given to the other Partners for an additional thirty (30) day period, beginning on the day that the Partnership's right to purchase expires. Each of the other Partners shall have the right to purchase, on the same terms, a part of the Units of the offering Limited Partner in the proportion that the other Partner's capital account bears to the total capital accounts of all the Partners who wish to participate in the purchase, provided, however, that the participating Partners may not, in the aggregate, purchase less than the entire Unit of Interest of the offering Partner. If neither the Partnership nor the other Partners exercise their rights to purchase the Units of Interest, the offering partner may, within one hundred eighty (180) days from the date the notice is given and on the terms and conditions stated in the notice, sell or

exchange his Partnership interest to the purchaser named in the notice.

(4) In no event shall the General Partners consent to a Limited Partner's transfer of his Units of Interest in the Partnership, except upon such Limited Partner's furnishing proof, to the satisfaction of the General Partners, that:

(a) Such transfer of the Units of Interest will not result in the close of the Partnership's taxable year with respect to all Partners and termination of the Partnership within the meaning of the Code; and

(b) Such transfer is in conformity with, and not in violation of, any applicable provisions of the federal and state securities laws, and will not result in adverse tax consequences to the Partnership or the other Limited Partners; and

(c) Any transferee will execute a counterpart of the Partnership Agreement and such other documents or instruments as the General Partner may reasonably require to protect the interests of the Partnership and the other Limited Partners; and

(d) Any transferee meets the suitability requirements established in the Prospectus.

(5) Any Limited Partner who wishes to secure the consent of the General Partners to transfer all or part of his Units of Interest shall notify the General Partners of such intention. If consent to such transfer is not received in writing from the General Partners within thirty (30) days after a Limited Partner has given notice of his intent to transfer his Units of Interest, then such consent shall be deemed to be denied. The General Partners may require that any Limited Partner who desires to transfer all or any portion of his Units of Interest in the Partnership, provide such opinions of counsel and other information as the General Partners may request.

#### B. Substituted Limited Partners.

(1) The transfer of any Unit of Interest in the Partnership made to any person after January 1 of any fiscal year shall not be effective until the next "transfer date". Until transfer of such Units of Interest is effective, the Partnership shall not recognize such transfer and all "profits and losses", "distributable cash", "sale or refinancing proceeds", and any other Partnership allocations shall be made only to the Limited Partner shown on the records of the Partnership as the owner of such Units of

Interest. Any Limited Partner seeking to transfer such Units of Interest shall continue to be obligated under the terms and conditions of the Partnership Agreement until such transfer is effective.

(2) Any person who is the transferee of any Unit of Interest of a Limited Partner shall become a Substituted Limited Partner as of a transfer date, only if:

(a) The General Partners have consented to such person as a Substituted Limited Partner and his transferor has complied with all applicable requirements of this Article;

(b) Neither the Partnership nor the other Partners exercise the rights to purchase the Unit of Interest as provided in Section 9.1 of the Partnership Agreement.

(c) Such transferee has paid all reasonable legal fees and filing costs in connection with his substitution as a Limited Partner including, but not limited to, the cost of preparing, publishing and filing any amendments to the Partnership Agreement which may be required; and

(d) Such transferee has provided the General Partners with such opinions of legal counsel, personal guarantees, and any other documents or written assurances which the General Partners may determine to be necessary or appropriate in the circumstances to protect the Partnership and nontransferring Limited Partners.

(3) The Partnership shall not recognize for any purpose the transfer of any Unit of Interest unless there shall have been filed with the Partnership a duly-executed and acknowledged counterpart of the instrument making such transfer and such instrument evidences, to the satisfaction of the General Partners, the written adoption and acceptance by the transferee of all of the terms and provisions of the Partnership Agreement and represents that such transfer was made in accordance with all applicable laws and regulations including any investment suitability requirements.

(4) Any Limited Partner who shall transfer all of his Units of Interest shall cease to be a Limited Partner of the Partnership; provided, however, that until a Substituted Limited Partner is admitted in his stead, the Limited Partner seeking to transfer such Units of Interest shall continue to be obligated under all terms and conditions of the Partnership Agreement and shall retain the statutory rights of an assignor of a limited Partnership

interest under the Uniform Limited Partnership Law of the State of Idaho.

(5) The rights of a transferee of any Unit of Interest who does not become a Substituted Limited Partner by reason of the General Partners' nonconsent to such transfer shall be limited to receipt of his share of "distributable cash", "sale or refinancing proceeds" and Partnership "profits and losses", as determined under Article IV, and any proceeds distributed upon liquidation of the Partnership, as determined under Article X. Such transferee shall have recourse with respect to any matter arising out of such transfer only against his transferor and the Partnership need not recognize the rights of such transferee until such time as he is admitted as a Substituted Limited Partner.

(6) The Certificate of Limited Partnership shall be amended at least annually to admit Substituted Limited Partners.

#### C. Restrictions on Transferees.

Any person who is the transferee of all or any fraction of the Units of Interest of a Limited Partner, but who does not become a Substituted Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of Article VIII of the Partnership Agreement to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his Units of Interest.

10. ADDITIONAL LIMITED PARTNERS. The General Partners may, in their discretion, admit additional Limited Partners in substitution for an expelled Limited Partner only if the existing and remaining Limited Partners and the General Partners do not purchase the Units of Interest of the expelled Limited Partner.

11. PRIORITY RETURN OF CONTRIBUTIONS. No right is given any limited partner to priority over other limited partners as to return of contributions or as to compensation by way of income. Notwithstanding the foregoing, an expelled Limited Partner is not entitled to participate in or to receive any allocations of "profits of losses", "distributable cash", "sale or refinancing proceeds", or other allocations from the Partnership. Upon termination or liquidation of the Partnership, and not before that time, an expelled Limited Partner shall be entitled only to receive the amount of his actual capital contributions made to the Partnership as of the date of his expulsion without any interest.

12. WITHDRAWAL OF GENERAL PARTNER; ADDITIONAL  
GENERAL PARTNERS.

A. A General Partner shall have no right to retire or withdraw voluntarily from the Partnership or to transfer, sell or assign his interest in the Partnership except on the admission of an additional or successor General Partner as provided in the Partnership Agreement.

B. With the consent of a majority in interest of the Limited Partners, any General Partner may at any time designate one or more persons to be successor to such General Partner or to be an additional General Partner, in each case with such participation in such General Partner's interest as such General Partner and any successor or additional General Partner may agree upon, provided that the Units of Interest of the Limited Partners shall not be affected thereby. Each such designee shall become a successor General Partner or additional General Partner, as the case may be, upon satisfying the conditions of Article VIII of the Partnership Agreement.

C. Upon the bankruptcy, dissolution or death of a General Partner, or the adjudication that a General Partner is insane or incompetent, the Partnership shall be continued by the remaining General Partner or General Partners, if any. The remaining General Partner or General Partners shall immediately notify the Limited Partners of such event and make such amendments to the Partnership Agreement and execute and file such other documents or instruments as are necessary to reflect the termination of the interest of the bankrupt, deceased, insane or incompetent General Partner, such General Partner having ceased to be a General Partner.

D. Upon the bankruptcy, death, dissolution or adjudication of insanity or incompetence of a General Partner, such General Partner shall immediately cease to be a General Partner and his interest in the Partnership shall terminate; provided, however, that such termination shall not affect any rights or liabilities of such General Partner which matured prior to such event, or the value, if any, at the time of such event of the interest of the General Partner in the Partnership.

E. In the event of bankruptcy, death, dissolution, or adjudication of insanity or incompetency of the sole remaining General Partner, the Partnership shall be dissolved pursuant to Article X, of the Partnership agreement, unless a majority in interest of the Limited Partners elect to continue the business and reconstitute the Partnership with a successor General Partner. Any such successor General Partner shall purchase the interest of the

General Partner who ceased to be the General Partner in accordance with Section 8.5 of the Partnership Agreement.

13. IN KIND DISTRIBUTIONS. No right is given a Limited Partner to demand and receive property other than cash in return for his contribution.

IN WITNESS WHEREOF, the undersigned has executed and sworn to this Certificate of Limited Partnership as of the 21<sup>st</sup> day of January, 1982.

NORTHWOOD ASSOCIATES, an Idaho  
limited Partnership

By: Trail Creek Company, an  
Idaho corporation

Ronald J. Sharp  
Ronald J. Sharp,  
Its President

By: Ketchum Investment Group,  
an Idaho Partnership

James J. Doub  
James J. Doub, Partner

Subscribed and sworn to before me this 21<sup>st</sup> day of  
JANUARY, 1982.

G. H. Harrison  
Notary Public for Idaho  
Residing at Blaine, Idaho



IN WITNESS WHEREOF, the undersigned limited partners have executed this Certificate of Limited Partnership as of January 21, 1982.

KETCHUM INVESTMENT GROUP, an Idaho partnership

By Ronald J. Sharp.  
Ronald J. Sharp, President of Trail Creek Company, its attorney in fact

Ronald J. Sharp.  
Donald R. Atkinson  
By Ronald J. Sharp, President of Trail Creek Company, his attorney in fact

Ronald J. Sharp.  
Frank E. Pearson  
By Ronald J. Sharp, President of Trail Creek Company, his attorney in fact

M.M.S. INVESTMENTS, an Idaho partnership,

By Ronald J. Sharp.  
Ronald J. Sharp, President of Trail Creek Company, its attorney in fact

SHEARWATER CORPORATION  
By Ronald J. Sharp.  
Ronald J. Sharp, President of Trail Creek Company, his attorney in fact

NORTHWOOD INVESTMENT, a limited partnership

By Ronald J. Sharp.  
Ronald J. Sharp, President of Trail Creek Company, its attorney in fact

Ronald J. Sharp.  
Louis Mallane  
By Ronald J. Sharp, President of Trail Creek Company, his attorney in fact

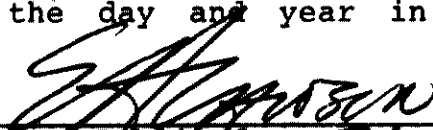
BARLOW REALTY COMPANY

By Ronald J. Sharp.  
Ronald J. Sharp, President of Trail Creek Company, its attorney in fact

STATE OF Idaho )  
COUNTY OF Blaine ) ss.

On this 21st day of January, 1982, before me, a Notary Public in and for said State, personally appeared RONALD J. SHARP known to me to be the person whose name is subscribed to the within instrument as President of Trail Creek Company, an Idaho corporation, the Attorney in Fact for KETCHUM INVESTMENT GROUP, M.M.S. INVESTMENTS, BARLOW REALTY COMPANY, NORTHWOOD INVESTMENT, DONALD R. ATKINSON, FRANK E. PEARSON, SHEARWATER CORPORATION and LOUIS MALLANE and acknowledged to me that he subscribed the name of thereto as principal, and his own name as Attorney in Fact for the said individuals.

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

  
Notary Public for Idaho  
Residing at Blaine City

**PARCEL I:**

A parcel of land in Section 13, Township 4 North, Range 17 E., B.M. Blaine County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 12: from which the East quarter corner of Section 12 bears N.  $0^{\circ}03'32''$  W., 2644.65 feet; THENCE N.  $35^{\circ}23'54''$  W., 760.72 feet to a point on the westerly boundary of State Highway 75, and the True Point of Beginning; THENCE S.  $89^{\circ}59'04''$  W., 689.76 feet; THENCE N.  $04^{\circ}58'12''$  W., 1280.48 feet; THENCE S.  $85^{\circ}01'48''$  W., 100.00 feet; THENCE S.  $04^{\circ}58'12''$  W., 797.88 feet; THENCE S.  $89^{\circ}21'49''$  W., 316.42 feet; THENCE 327.61 feet along a curve to the right with a central angle of  $43^{\circ}25'12''$  a radius of 432.31 feet, a long chord of 319.81 feet that bears S.  $27^{\circ}18'12''$  E.; THENCE S.  $05^{\circ}35'36''$  E. 111.06 feet; THENCE 39.25 feet along a curve to the left with a central angle of  $89^{\circ}57'42''$ , a radius of 25.00 feet, a long chord of 35.34 feet that bears S.  $50^{\circ}34'27''$  E.; THENCE N.  $84^{\circ}26'41''$  E., 167.52 feet; THENCE S.  $04^{\circ}58'12''$  E., 60.00 feet; THENCE S.  $84^{\circ}26'41''$  W., 81.82 feet; THENCE S.  $89^{\circ}59'04''$  W., 625.01 feet to the easterly bank of the Big Wood River; THENCE along the easterly bank of the Big Wood River by the following courses N.  $63^{\circ}34'14''$  W., 188.72 feet; THENCE N.  $5^{\circ}12'32''$  W., 352.46 feet; THENCE N.  $45^{\circ}45'13''$  E., 214.98 feet; THENCE N.  $24^{\circ}43'38''$  E., 167.34 feet; THENCE N.  $22^{\circ}15'19''$  E., 374.93 feet; THENCE N.  $2^{\circ}21'50''$  E., 121.10 feet; THENCE N.  $37^{\circ}59'26''$  W., 347.67 feet; THENCE N.  $74^{\circ}48'32''$  W., 156.47 feet; THENCE N.  $29^{\circ}30'41''$  W., 182.70 feet; THENCE N.  $52^{\circ}31'57''$  E., 172.61 feet; THENCE N.  $17^{\circ}19'16''$  E., 119.85 feet; THENCE N.  $89^{\circ}58'54''$  E., 336.79 feet, along the south boundary of Northwood Subdivision No. 1; THENCE S.  $04^{\circ}41'06''$  E., 55.18 feet; THENCE N.  $89^{\circ}58'54''$  E., 863.48 feet; THENCE 60.05 feet along a curve to the left with a central angle of  $4^{\circ}20'57''$ , a radius of 791.15 feet, a long chord of 60.04 feet that bears N.  $02^{\circ}11'35''$  W., THENCE N.  $89^{\circ}58'54''$  E., 230.07 feet to the State Highway 75 right of way; THENCE S.  $9^{\circ}53'08''$  E., along the west right of way line of Highway 75 171.85 feet; THENCE S.  $80^{\circ}08'15''$  W., 100.00 feet; THENCE S.  $09^{\circ}49'38''$  E., 99.70 feet; THENCE N.  $80^{\circ}10'14''$  E., 99.78 feet; THENCE 608.76 feet along a curve to the right with a central angle of  $6^{\circ}08'26''$ , a radius of 5680.00 feet, and a long chord of 608.64 feet that bears S.,  $06^{\circ}30'04''$  E., along State Highway 75; THENCE S.  $03^{\circ}25'51''$  E., 1033.14 feet along said highway to the True Point of Beginning.

AND EXCEPT

A parcel of land in Section 12, Township 4 North, Range 17 E., B.M., Blaine County, Idaho, more particularly described as follows:

COMMENCING at the SE corner of said Section 12;  
THENCE N.35°23'54" W., 760.72 feet;  
THENCE S.89°59'04" W., 689.76 feet;  
THENCE N 4°58'12" W., 1280.48 feet to the TRUE POINT OF BEGINNING;  
THENCE N 4°58'12" W., 103.10 feet;  
THENCE N. 85°01'48" E., 388.93 feet;  
THENCE S 4°58'12" E., 560.00 feet;  
THENCE S. 85°01'48" W., 388.93 feet;  
THENCE N 4°58'12" W., 456.90 feet to the True Point of Beginning.

PARCEL II:

A parcel of land in Section 12, Township 4 North, Range 17 E., B.M., Blaine County, Idaho, more particularly described as follows:

COMMENCING at the SE corner of said Section 12;  
THENCE n. 35°23'54" W., 760.72 feet;  
THENCE S 89°59'04" W., 689.76 feet;  
THENCE N.4°58'12" W., 1280.48 feet to the TRUE POINT OF BEGINNING;  
THENCE N. 4°58'12" W., 103.10 feet;  
THENCE N. 85°01'48" E., 388.93 feet;  
THENCE S 4°58'12" E., 560.00 feet;  
THENCE S 85°01'48" W., 388.93 feet;  
THENCE N 4°58'12" W 456.90 feet to the True Point of Beginning.

EXHIBIT "A" 17

EXHIBIT B TO  
 CERTIFICATE OF LIMITED PARTNERSHIP  
 FOR NORTHWOOD ASSOCIATES,  
 a limited partnership

| <u>GENERAL PARTNERS</u>  | <u>VALUE AND DESCRIPTION<br/>OF CAPITAL CONTRIBUTION</u>  | <u>PERCENT OF<br/>TOTAL CAPITAL</u> |
|--|---|-------------------------------------|
| Trail Creek Company<br>P. O. Box 2180<br>Sun Valley, Idaho                             | Indeterminate/Contribuiton<br>consists of services  | NONE                                |
| Ketchum Investment<br>Group<br>P. O. Box 3010<br>Ketchum, Idaho                        | Indeterminate/Contribuiton<br>consists of services  | NONE                                |
| <u>LIMITED PARTNERS:</u>   |   |                                     |
| Ketchum Investment<br>Group<br>P. O. Box 3010<br>Ketchum, Idaho                        | \$520,000 contributed in<br>form of its right, title<br>and interest to 8.5 acres<br>constituting a portion of<br>the property. | 20 percent                          |
| M.M.S. Investments<br>P. O. Box 2180<br>Sun Valley, ID.                                | \$130,000 in release of<br>claims and causes of<br>action connected with<br>pending litigation affect-<br>ing the property.     | 5 percent                           |
| Barlow Realty<br>Company<br>1121 Hennepin Avenue<br>Minneapolis, MN.                   | \$260,000, cash   | 10 percent                          |
| Northwood Investment<br>a limited Partner-<br>ship<br>P. O. Box 247<br>Sun Valley, ID. | \$260,000, cash   | 10 percent                          |
| Donald R. Atkinson<br>P. O. Box 2088<br>Ketchum, Idaho                                 | \$260,000, cash   | 10 percent                          |
| Frank E. Pearson<br>6828 Federal Blvd.<br>Lemon Grove, CA.                             | \$260,000, cash   | 10 percent                          |

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| Shearwater Corp.<br>P. O. Box 1560<br>Sun Valley, ID. | \$650,000, cash | 25 percent |
|---|-----------------|------------|

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| Louis Mallane<br>P. O. Box 368<br>Ketchum, ID. | \$260,000, cash | 10 percent |
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