

CERTIFICATE OF LIMITED PARTNERSHIP

OF

PROPERTIES IV, A LIMITED PARTNERSHIP

MAR 20 1 16 PM '89

SECRETARY OF STATE

The undersigned, desiring to form a Limited Partnership under the Uniform Limited Partnership Act of the State of Idaho, make this Certificate for that purpose.

1. Name. The name of the Partnership shall be Properties IV, A Limited Partnership.

2. Purpose. The purpose and general character of the Partnership shall be to own and operate an apartment house located at 1005 West A, Moscow, Idaho.

3. Location. The location of the Partnership's principal place of business is #4 Kenworthy Plaza, P.O. Box 9788, Moscow, Idaho 83843.

4. Members and Designation. The names and places of residence of the General Partners are as follows:

Palouse Properties, Inc., a Washington corporation  
authorized to do business in the State of Idaho,  
#4 Kenworthy Plaza, Moscow, Idaho 83843.

The registered agent is W. Don Mackin, whose address is #4 Kenworthy Plaza, P.O. Box 9762, Moscow, Idaho 83843.

The names and places of residence of the Limited Partners are listed on Exhibit "A" attached hereto and incorporated herein by this reference.

5. Initial Contribution of General Partner. The initial contribution of the general partner was compensation of \$33,675.00 to Jack Marineau and Tom Watson for formation of limited partnership and development of subject investment property.

6. Initial Contributions of Limited Partners. The amount of cash contributed by each Limited Partner is described in Exhibit "A" attached hereto and incorporated herein by this reference.

7. Subsequent Contributions of Limited Partners. Each Limited Partner will be required to make such additional contributions to the capital of the Partnership as may from time to time be determined by the General Partner.

8. The contribution of each Limited Partner is to be returned upon dissolution and termination of the Partnership after:

8.1 Payment of debts and liabilities of the Partnership (other than any loans or advances that may have been made by any General Partner or their affiliates to the Partnership) and the expenses of liquidation;

8.2 Creation of a reserve for contingent or unforeseen liabilities or obligations of the Partnership or the General Partner arising out of or in connection with the Partnership;

8.3 Repayment of any loans or advances that may have been made by any General Partner or his affiliates to the Partnership.

9. The share of the profits which each Limited Partner shall receive by reason of his contributions is described in Exhibit "A" attached hereto and incorporated by reference herein.

10. The interests of the Limited Partners in the Limited Partnership shall be assignable in whole or in part, but only in accordance with, and subject to the provisions of the Limited Partnership Agreement, and in any event the Limited Partnership shall not be required to recognize any such assignment until such time as the instrument conveying such interest, in a form and in substance satisfactory to the General Partner, has been delivered to the General Partner.

10.1 An assignee of the interest (or any portion thereof) of any Limited Partner shall become a substituted Limited Partner if, and only if:

(a) The assignment instrument is in a form and in substance satisfactory to the General Partner;

(b) The assignor and assignee named therein executing and acknowledging such other instrument or instruments as the General Partner may deem necessary or desirable to effectuate such admission;

(c) The assignee's written acceptance and adoption of all of the terms and provisions of the Limited Partnership Agreement as the same may have been amended;

(d) Such assignee paying or obligating himself to pay all reasonable expenses connected with such admission (the amount of such expenses to be determined by the General Partner);

(e) There is delivered to the General Partner such evidence as the General Partner may require indicating that the Assignment is not in violation of applicable securities laws.

11. Additional Limited Partners may be admitted by the General Partner as provided in Section 6.1, 6.6, and 14 of the Limited Partnership Agreement.

12. No Limited Partner shall have priority over any other Limited Partner as to contributions or as to compensation by way of income.

13. Upon the death, retirement, adjudication of incompetency, bankruptcy, insolvency, or dissolution of a General Partner, the Partnership shall continue without interruption unless said event occurs with the last remaining General Partner in which event the Partnership shall be terminated and dissolved, unless the Limited Partners by an affirmative vote of more than 50% of the Limited Partners eligible to vote select another person or entity as a substitute General Partner. Upon the expulsion of the last remaining General Partner, the Partnership shall be dissolved unless, prior to the effective date of the expulsion, a successor General Partner is selected by a unanimous vote of the Limited Partners eligible to vote, which successor elects to continue the business of the Partnership.

14. No Limited Partner has any right to demand and receive property other than cash in return for his contribution.

15. The Limited Partners shall only have the right to vote upon the following matters affecting the basic structure of the Partnership:

15.1 Election, removal or substitution of a General Partner, including, but not limited to, transfer of a majority of the voting stock of a corporate General Partner; removal of a General Partner for a cause;

15.2 Termination and dissolution of the Partnership;

15.3 Amendment of the Partnership Agreement other than amendments to admit additional or substituted Limited Partners or to reduce the amount of capital contributions of unit holders;

15.4 The extension of the term of the Partnership;

15.5 Sale of all or substantially all assets of the Partnership;

15.6 The sale of additional Limited Partnership Units;

15.7 Matters upon which the Limited Partners may vote shall require an affirmative vote of a majority of the outstanding Limited Partnership units to pass and become effective, except for removal of a General Partner, which requires at least a 66% affirmative vote. An election to take assets in kind upon a dissolution requires an affirmative vote of 66.66% of all Unit Holders.

GENERAL PARTNER:  
PALOUSE PROPERTIES, INC.

By

W. Don Mackin  
President

ATTEST:

Betty Jo Neill  
Secretary

STATE OF IDAHO            )  
                              ) ss.  
County of Latah         )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared W. DON MACKIN and BETTY JO NEILL, known or identified to me to be the President and Secretary, respectively, of corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on the date last above written.

\_\_\_\_\_  
Notary Public for Idaho,  
Residing in Latah County.  
My commission expires \_\_\_\_\_

EXHIBIT A  
TO CERTIFICATE AND  
AGREEMENT OF LIMITED PARTNERSHIP

PROPERTIES IV, A LIMITED PARTNERSHIP

<u>Name of Limited Partner</u>	<u>Address</u>	<u>Number of Units</u>
<u>E. W. Tisdale</u> Edwin W. Tisdale and		
<u>Norah S. Tisdale</u> Norah S. Tisdale	915 West C Street Moscow, ID 83843	2 (\$10,000)
<u>Richard E. Tavis</u> Richard E. Tavis and		
<u>Lee Anne Tavis</u> Lee Anne Tavis, Joint Tenants With Right of Survivorship	223 North Adams Moscow, ID 83843	6 (\$30,000)
<u>William P. Marineau</u> William P. Marineau and		
<u>JoAnn Marineau</u> JoAnn Marineau	S. 5445 Quailridge Circle Spokane, WA 99223	10.5 (\$52,500)
<u>Bruce P. Budge</u> Bruce P. Budge and		
<u>Eleanor R. Budge</u> Eleanor R. Budge	2817 Queen Missoula, MT 59801	3.5 (\$17,500)
<u>Kenneth E. Riersgard</u> Kenneth E. Riersgard and		
<u>Olive C. Riersgard</u> Olive C. Riersgard	806 Nez Perce Moscow, ID 83843	2 (\$10,000)

A. E. Helbling and

E. B. Helbling

401 North Monroe  
Moscow, ID 83843

2

(\$10,000)

Edmund M. Chavez and

Joan Chavez

1416 Chinook  
Moscow, ID 83843

1

(\$5,000)

Raymond J. Barker and

K. Jeane Barker

1211 East D Street  
Moscow, ID 83843

3

(\$15,000)

Troy B. Bussey and

Jeanette Bussey

7020-125th Ave. S.E. 2  
Renton, WA 98055

(\$10,000)

98056 (712)

D & K Plumbing, Inc.

By Michael R. D...

P.O. Box 9343  
Moscow, ID 83843

1

(\$5,000)

Arthur W. Gropp and

Barbara A. Gropp

1223 East E Street  
Moscow, ID 83843

2

(\$10,000)

Donald Hittle  
Donald Hittle and

Katherine Little  
Katherine Hittle

407 N. 6th Street  
Nissa, OR 97913  
Nyssa

1

(\$5,000)

Philip A. Deutchman  
Philip A. Deutchman and

Sandra E. Deutchman  
Sandra E. Deutchman

411 S. Hayes  
Moscow, ID 83843

1

(\$5,000)

Bowman & Busch Investments

By Brian A. Busch

By Brian A. Busch

717 N.E. 82nd Ave.  
Vancouver, WA 98664

1

(\$5,000)

Darla K. Mackin  
Darla K. Mackin

315 West 15th  
Spokane, WA 99203

2

(\$10,000)