

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

GREENBRIAR ASSOCIATES, LTD.,

an Idaho Limited Partnership

REC. OF STATE  
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THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP (hereinafter sometimes referred to as the "Agreement"), is executed by and between INVESTORS RESERVE, an Idaho general Partnership (hereinafter referred to as the "General Partner") and those persons whose names and addresses appear on Schedule A attached hereto (hereinafter collectively referred to as the "Limited Partners") for the purpose of forming a limited partnership pursuant to Section 53-201 et seq. of the Idaho Code.

ARTICLE I

AGREEMENT OF LIMITED PARTNERSHIP

The General Partner and the Limited Partners hereby form a limited partnership (hereinafter sometimes referred to as the "Partnership") upon the terms and conditions set forth below; INVESTORS RESERVE, shall serve as and is hereby designated as the General Partner of the Partnership.

ARTICLE II

NAME OF PARTNERSHIP

The name under which the Partnership is to be conducted is GREENBRIAR ASSOCIATES, LTD., an Idaho limited partnership. The General Partner in its sole discretion may change the name of the Partnership from time to time by amending this Agreement and recording a copy of said amendment in accordance with the laws of the State of Idaho.

ARTICLE III

NATURE OF BUSINESS

The character and general nature of the business to be conducted by the Partnership is to acquire, operate and maintain a 24 unit apartment complex and/or other real estate related investments and to engage in all rents and engaging in all activities deemed appropriate by the Partnership in holding and operating said investment, including the rental, selling, refinancing, exchanging or other disposition of the property or of properties subsequently acquired.

APPENDIX C

#### ARTICLE IV

##### PLACE OF BUSINESS AND REGISTERED AGENT

The principal place of business of the Partnership shall be 545 Shoup Avenue, Idaho Falls, Idaho 83402, or at such other place or places as the General Partner may from time to time designate, upon giving written notice of such change to the Limited Partners. The registered agent of the partnership is Joe E. Clayton whose address is 680 Gladstone, Idaho Falls, Idaho 83401.

#### ARTICLE V

##### TERM OF THE PARTNERSHIP

The term of the Partnership shall be for a period of twenty-five (25) years, commencing from the date on which this Agreement is executed by the General Partner and at least one Limited Partner, unless sooner terminated as herein provided.

#### ARTICLE VI

##### CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

A. Each Partner shall contribute to the capital of the Partnership, in cash, the sum set forth opposite his name on Schedule A attached hereto. Each Partner shall be entitled to receive from the General Partner a Limited Partner Interest Certificate evidencing the capital contribution made by such Partner to the Partnership and his interest therein. The ratio which each Partner's capital contribution bears to the aggregate capital contributions of all Partners, is herein at times referred to as his "Limited Partner Interest", and each \$5,000 incremental amount of such capital contribution (together with the share of the profits and losses of the Partnership allocable thereto) shall constitute and be referred to as a "Unit". The minimum purchase by each Partner shall be one (1) Unit. The General Partner shall have the right to purchase Limited Partnership Units upon the same terms and conditions as the Limited Partners. No Partner shall be required to make any contribution in addition to the initial capital contribution. The capital contributions of the Partners shall be as set forth in Schedule A attached hereto.

B. In the event the General Partner at any time determines that additional funds in excess of the funds

received from the sale of the 35 Units at \$5,000 per Unit are required by the Partnership, the General Partner may, in its sole discretion: (1) loan or cause a loan to be made to the Partnership at prevailing interest rates; or (2) send a notice to all holders of Units setting forth the amount of funds so required, the amount thereof per Unit, and the purpose or purposes for which such funds will be used. Such notice shall also indicate whether the General Partner intends to admit additional Limited Partners in the event all or some portion of the additional funds so required are not contributed by the existing Limited Partners, and the terms of such proposed admission. Each holder of one or more Units of Participation shall have thirty (30) days from the date of such notice to:

(1) Make his pro rata share of the additional capital contribution so required;

(2) Make his pro rata share of the additional capital contribution so required and offer to contribute more than his pro rata share; or

(3) Decline to make his pro rata share of the additional capital contributions. Any one or more holders of Units who fail to respond to such notice within thirty (30) days of the date of such notice shall be deemed to have declined to make such capital contribution. In the event that all of the additional capital deemed necessary by the General Partner is not raised through additional capital contributions of all or some of the Limited Partners (after permitting those Limited Partners desiring to make a capital contribution in excess of their pro rata share, to do so), and in the event there are fewer than thirty-five (35) Limited Partners at the time the General Partner determines that additional funds are required, the General Partner may then admit one or more additional Limited Partners (whose capital contributions may, in no event, exceed the aggregate amount of the additional capital contribution requested by the General Partner) on the terms and conditions specified in the notice. The number of Limited Partners in the Partnership with the addition of any new Limited Partners shall at no time exceed thirty-five (35) in number.

The General Partner shall not be obligated thereafter to offer to the Limited Partners the right to contribute additional capital on the same terms as those under which contributions of capital will be made by persons admitted as additional Limited Partners. The Partnership Interest of each person admitted as an additional Limited partner shall be set forth in the notice by the General Partner (which may set forth a range for such Limited Partnership Interest) and need not be equivalent to the Partnership Interest of the original Partners, nor need the

capital contributions represented by Units held by such additional Limited Partners be equivalent to the capital contribution per Unit made upon formation of the Partnership or the balance of the capital account per Unit of the original Limited Partners, at the time of such admission. The General Partner, upon admission of such additional Limited Partners, shall amend this Agreement to make all appropriate adjustments necessary to reflect the respective interests of all Limited Partners upon such admission.

C. An individual capital account shall be maintained for each Partner, to which shall be credited or debited his contributions to and withdrawals from the capital of the Partnership. An individual drawing account shall also be maintained for each Partner, to which his share of the profits and losses will be credited or debited, as appropriate. Such drawing account shall be closed to the individual capital account at the end of each year. Except as provided in Article VII hereof, no Limited Partner shall be entitled to make any withdrawals from the capital of the Partnership or from his individual drawing account.

D. Contributions to the capital of the Partnership shall not bear interest.

#### ARTICLE VII

##### ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTION TO PARTNERS

A. The terms "profits" and "losses" as used in this Agreement shall mean that amount of income or loss, respectively, determined on a cash basis in conformity with generally accepted account principles applied fairly and upon a basis consistent throughout the term of this Partnership. Profits shall be determined at the end of any one accounting period, after crediting all credits accruing to the Partnership venture and related activities and after taking into consideration all costs and expenses connected therewith. In making the foregoing computation deficits shall be carried from month to month and accumulated totals thereof applied to subsequent earnings before profits shall be considered to have accrued.

B. The Limited Partners shall receive profits and losses from operations as determined for accounting and federal income tax purposes in the proportion that each Partner's capital contribution bears to the total of all Partners' contributions. The Limited Partner shall at no time become liable for any obligations or losses of the Partnership beyond their capital contributions and the share of losses

allocated to the Limited Partners shall be charged against their respective capital accounts.

C. During the operation of the Partnership, all available cash of the partnership from operations shall be distributed among the Partners in accordance with their respective capital interests at periodic intervals as the General Partner sees fit. Available cash shall be defined as cash from the Partnership on hand at a particular time after payment of the expenses of the Partnership, taking into account the Partnership's debt and contractual obligations, less such reserves as the General Partner in its sole discretion deems reasonably necessary and adequate for the proper operation of the Partnership's business.

D. Upon termination or liquidation of the Partnership, or upon the sale, refinancing, condemnation, compensated loss or other disposition of the subject property, in whole or in part, the excess proceeds, if any, shall be allocated among the General and Limited Partners as follows: the General Partner shall be entitled to receive 25 percent of the net distribution after the Limited Partners have received (1) an amount equal to 100 percent of their original invested capital; and (2) an after tax yield of six percent interest, compounded annually on their original invested capital, less any prior distributions, calculated from the date their investment was received by the Partnership to the date of actual distribution. The six percent after tax yield will be assumes a 50 percent personal income tax bracket for each investor regardless of his or her actual tax bracket.

E. All amounts distributed to Limited Partners shall be in accordance with their respective capital interests and shall be charged to their drawing and capital accounts accordingly.

## ARTICLE VIII

### MANAGEMENT

A. The General Partner shall have the sole and exclusive management of the business and affairs of the Partnership. The General Partner shall have authority to act on behalf of the Partnership in all matters respecting the Partnership, its business and its property. Without limiting the generality of the foregoing, the General Partner shall have the authority and right:

(1) To sell Limited Partnership Units for a total consideration of One Hundred Seventy Five Thousand (\$175,000) Dollars to no more than thirty-five (35) persons.

(2) To commence operations immediately upon the subscription of all of the available Partnership Units if it determines, in its sole discretion that there are or will be sufficient funds available to finance the initial Partnership operations.

(3) Subject to the rights of the Limited Partners contained in Article IX hereof, to deal in or with any Partnership assets whether real estate or personality, including, but not by way of limitation, the right to acquire, hold, sell, exchange, or convey title, encumber and grant options respecting all or any portion of such assets, and any mortgage or leasehold interest or other realty or personality which may be acquired by the Partnership; to lease or sublease all or any portion of the assets of the Partnership without limit as to the term thereof, whether or not such term (including renewals and extensions thereof) shall extend beyond the date of termination of the Partnership; to borrow money, whether against the security of the assets of the Partnership or otherwise; to loan funds of the Partnership; to invest funds of the Partnership in checking or savings accounts or in certificates of deposit or other short term investments; and to admit new or additional partners consistent with the provisions hereof.

(4) To employ from time to time persons, firms or corporations for the operation and management of the business of the Partnership, for the rendition of management services to the Partnership, and for general and administrative services to the Partnership, including without limitation, managing agents, maintenance personnel, accountants, attorneys, securities dealers and other persons or entities on such terms and for such compensation as it shall determine, and irrespective of whether such persons, firms or corporations have any interest in the Partnership or are affiliated with the General Partner or any Limited Partner.

(5) To execute, acknowledge and deliver any and all agreements, documents or instruments necessary or appropriate to effectuate the foregoing.

(6) To possess all of the powers, rights and authority granted to the General Partner under law and to exercise such powers as an individual may have in dealing with his own affairs.

B. The General Partner shall devote such time and effort to the business and affairs of the Partnership as it deems necessary or appropriate.

C. The General Partner may hold title to any property as nominee for the Partnership and may loan funds to the Partnership at prevailing interest rates.

D. The Limited Partners shall not participate in the management of the business and affairs of the Partnership and shall have no authority to transact business on behalf of or in the name of the Partnership; nor shall they have any authority to bind or obligate the Partnership.

E. The General Partner shall not be liable to the Limited Partners or the Partnership for any act or omission performed or omitted in good faith, in pursuance of the authority granted, except that the General Partner shall be liable for its fraud or gross negligence and for its breach of this Agreement.

F. Any of the partners, General or Limited, and any of their officers, directors, employees or affiliates, if any, and any of the persons with whom the Partnership contracts, may engage in or possess an interest in other business ventures of every nature and description independently or with others, including but not limited to the ownership, financing, improvement, leasing, operation, management, syndication, brokerage and development of real property; and neither the Partnership nor the Partners (whether General or Limited) shall have any right by virtue of this Agreement in and to such other ventures or to the income and profits derived therefrom.

G. The General Partner shall not, without the prior written consent of the majority of the Limited Partners: (1) do any act in contravention of this Agreement in its present form or as amended; (2) do any act which would make it impossible to carry on the ordinary business of the Partnership; (3) confess judgment against the Partnership; or (4) possess Partnership property in its name, or assign its right in specific Partnership property, for other than a Partnership purpose.

## ARTICLE IX

### INDEMNIFICATION

A. The Partnership shall indemnify, save harmless and pay all judgments and claims against the General Partner and its officers, employees, and agents from any liability or damage incurred by reason of any act performed or omitted to be performed by it, in the good faith discharge of its duties and rights hereunder, including attorneys' fees incurred in connection with the defense of any action based on any such

act or omission, which attorneys' fees shall be paid as incurred, to the extent that the Partnership has sufficient assets to pay such fees.

In the event of any action by a Limited Partner against the General Partner, including a partnership derivative suit, the Partnership will indemnify, save harmless and pay all expenses of the General Partner, and its officers, employees and agents, if any, including attorneys' fees incurred in the defense of said action, if (1) the General Partner or its agents are successful in said action, or (2) in the opinion of the Partnership's counsel the matter has been settled by controlling precedent. If the General Partner or its agents are not successful in said action, it will be obligated to reimburse the Partnership for any attorneys' fees so advanced.

Notwithstanding the foregoing paragraph of this Agreement, neither the General Partner nor any officer, director, employee, agent, subsidiary, or assign of the General Partner or of the Partnership shall be indemnified for any loss or damage incurred by them in connection with any claim or settlement involving allegations that federal or state securities laws were violated by the General Partner or by any such other person or entity unless such indemnification is first (1) approved by a court of law which shall have been advised as to the current position of both the Securities and Exchange Commission and the Idaho Department of Financial Securities Division regarding indemnification for violations of securities laws.

## ARTICLE X

### SPECIAL RIGHTS OF LIMITED PARTNERS

Notwithstanding anything to the contrary contained in this Agreement:

A. Without first obtaining the vote or written consent of Limited Partners holding a seventy-five percent (75%) majority of the Partnership Units then entitled to vote, the General Partner shall not loan funds of the partnership to the General Partner, any Limited Partner or any person, firm or corporation affiliated with any Partner (General or Limited).

B. The Limited Partners shall have the right by vote or written consent of the Limited Partners holding seventy-five percent (75%) of the Units then entitled to vote to dissolve and terminate the Partnership and order the distribution of its assets.



C. The Limited Partners shall have the right by vote or written consent of Limited Partners holding seventy-five percent (75%) of the Units then entitled to vote to remove the General Partner and appoint a substitute general partner to take its place. In the event of such removal, the Partnership or the Limited Partners collectively shall be obligated at the option of the removed General Partner to purchase by cash the removed General Partner's Partnership Interest within sixty (60) days from the date of such removal, and to repay any and all loans made by the General Partner and to obtain an unconditional release of the General Partner from any and all properly incurred obligations of the Partnership, or alternatively to each indemnify the General Partner from such obligations of the Partnership. The value of the General Partner's Partnership Interest for such purpose shall be its fair market value on the date of removal as determined by stipulation of the parties or in the event of a disagreement relative thereto, then the fair market value of such Partnership Interest shall be determined by a qualified appraiser appointed by a court of general jurisdiction in the county and state in which the Partnership real property is located. The determination of such appraiser shall be binding and conclusive on all parties. Upon the removal of the General Partner, all fees due the General Partner from the Partnership shall be paid in cash to the General Partner within fifteen (15) days from the date of removal.

D. The Limited Partners shall have the right by written disapproval of a majority of the Partnership Units then held by Limited Partners to disapprove the proposed acquisition of the real property which has been located and selected by the General Partner, as more fully set forth in Article VI B above.

## ARTICLE XI

### COMPENSATION; EXPENSES

In addition to the compensation referred to in Article VII of this Agreement, relating to the sale, refinancing or other disposition of partnership property, the General Partner shall be further compensated as follows:

(1) The General Partner shall be reimbursed for out-of-pocket expenses and/or may pay out of Partnership proceeds obligations incurred for the benefit of the Partnership, the total of which cannot be precisely determined at this time but which is not expected to exceed \$19,750, for financial evaluation and analysis, accounting and legal services, commissions payable upon the sale of Partnership Units, title examination fees and insurance, organizational expenses and the like.

(2) The General Partner shall receive upon the organization of the Partnership a one-time only management set-up fee to cover setting up files, rent rolls, preparing new leases and community rules, mailing lists, forms for reporting, and management and administrative coordination. Such sum shall be independent of the acquisition of assets and organization of the Partnership and shall not exceed \$1,500.

(3) The General Partner or an entity approved by it will enter into a Management Agreement with the Partnership to manage the investment of the Partnership. The fee for such management services will be 5 percent of the gross rental or other recurring income derived from the Partnership operations. Reasonable expenses for the administrative costs of the Partnership, including accounting, legal and other professional fees, insurance premiums, repairs, maintenance, advertising and similar expenses, shall be paid in addition to the management fee out of Partnership income as it is received.

## ARTICLE XII

### DISSOLUTION AND TERMINATION OF PARTNERSHIP

A. The Partnership shall be dissolved upon the happening of any of the following events:

(1) Upon termination of the Partnership as provided in Article VI B above;

(2) The withdrawal, resignation, dissolution or adjudication of insolvency or bankruptcy of the General Partner, unless the Limited Partners holding a majority of the Partnership Units then entitled to vote shall, within sixty (60) days after the withdrawal, resignation, dissolution or adjudication of insolvency or bankruptcy of the General Partner, by written consent or at a meeting held at the time and place specified in the first notice sent by any Limited Partner to all other Limited Partners, elect a successor

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General Partner to serve on the same terms and conditions as are contained herein;

(3) The receipt in cash by the Partnership of the entire proceeds from the sale, refinancing or other disposition of all or substantially all of the assets and properties of the Partnership; provided that if such sale, refinancing or other disposition is made for consideration payable in whole or in part over a period of time, upon receipt of all of such payments;

(4) Sixty (60) days after the affirmative vote of Limited Partners holding seventy-five percent (75%) of the Units entitled to vote, to dissolve and wind up the affairs of the Partnership; and

(5) The expiration of the term of the Partnership.

B. In the event of dissolution by virtue of the events specified in paragraph A 2 hereof, the Limited Partners holding a majority of the Units then entitled to vote shall, within sixty (60) days, elect a trustee to wind up and terminate the affairs of the Partnership in accordance with subsection C hereof.

C. Upon dissolution or termination of the Partnership, either by voluntary agreement or for any other reason except pursuant to the terms of Article VI B above, the General Partner (or trustee) shall wind up and terminate the affairs of the Partnership as follows:

(1) First, discharge all of its liabilities or obligations to creditors other than Partners;

(2) Second, discharge all obligations and liabilities to creditors who are Limited Partners;

(3) Third, discharge all obligations or liabilities to the General Partner; and

(4) Fourth, liquidate and distribute the remaining Partnership assets in accordance with the provisions of Article VII hereof to the extent applicable and otherwise in accordance with the laws of the State of Idaho. In no event shall any Limited Partner have the right to receive property other than cash in return for his capital contribution.

## ARTICLE XIII

### DEATH OF LIMITED PARTNERS

The death, incompetency or bankruptcy of one or more Limited Partners (and, in the case of a Limited Partner other than a natural person, the dissolution of such Limited Partner) shall not dissolve or terminate the Partnership nor entitle his representatives or successor to a return of capital. The right of such Limited Partner to a share of the net profits and losses and to a return of capital shall devolve in the case of a natural person or his personal representative, in the case of joint tenants, upon the survivor, and in the case of a corporation or other entity, upon its legal successor. Upon distribution of the estate of such Limited Partner, the heirs or other distributors shall be vested with the rights of the Limited Partner to a share of the net profits and losses and to a return of capital.

## ARTICLE XIV

### BOOKS; RECORDS; REPORTS AND MEETINGS

A. At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept all necessary books and records for operation of the Partnership and its assets. The General Partner may make such elections for federal and state income tax purposes as it deems appropriate and may make such elections as to accounting methods and treatments of items in accordance with generally accepted accounting principles, on a cash basis which shall be consistently applied.

B. All of said books of account, together with an executed copy of this Agreement and of all amendments hereto, shall at all times be maintained at the principal office of the Partnership and shall be available during reasonable business hours for inspection and examination by the Limited Partners or their authorized representatives who shall have the right to make copies thereof for their personal use only and at their own expense.

C. The fiscal year of the Partnership shall be the calendar year.

D. As soon as practicable after the end of each fiscal year, the General Partner shall furnish to each Limited Partner a copy of the Partnership's balance sheet as of the end of such year and a statement of revenue and expense for the year then ended, prepared in accordance with generally accepted accounting principles on a cash basis.

E. Meetings of the Partnership may be called by the General Partner or by any one or more Limited Partners holding a majority or more of the Partnership Units then entitled to vote.

F. Any Limited Partner may request the General Partner to have a certified audit of the Partnership performed, with the expense of such audit to be borne by the Limited Partner or Partners requesting it.

## ARTICLE XV

### POWER OF ATTORNEY

A. Each Limited Partner hereby makes, constitutes and appoints the General Partner, and any successor General Partner, his true and lawful attorney-in-fact for him and in his name, place and stead and for his use and benefit, from time to time:

(1) To make all agreements amending this Agreement, as now or hereafter amended, that may be required by law or appropriate to reflect:

(a) A change in the name or location of the principal place of business of the Partnership.

(b) The disposition by any Limited Partner of his interest in any Unit or Units in the Partnership in any manner permitted by the Agreement.

(c) The admission of additional Limited Partners or substituted Limited Partners as permitted by the Agreement.

(d) A change in any provision of the Agreement or the exercise by any person of any right or rights hereunder.

(e) A reduction in, return of, or withdrawal of all or a portion of any Limited Partner's capital contribution.

(f) A clarification or resolution of any ambiguity in any of the terms and provisions hereof, provided that such amendment does not in any way materially and adversely affect the rights of any Limited Partner hereof.

(2) To make such certificates, instruments and documents as may be required or appropriate under applicable laws in connection with the use of the name of the Partnership by the Partnership.

(3) To make such certificates, instruments and documents as may be required, or as may be appropriate, to reflect:

(a) A change of name or address of any Limited Partner.

(b) Changes in or amendments of the Agreement, or pertaining to the Partnership, of any kind referred to herein.

B. Each of such agreements, certificates, instruments and documents shall be in such form as counsel for the Partnership deems appropriate. The powers hereby conferred to make agreements, certificates, instruments and documents shall be deemed to include without limitation the powers to sign, execute, acknowledge, swear to, verify, deliver, file, record or publish the same.

C. Each Limited Partner authorizes the General Partner, as attorney-in-fact, to take any further action which it shall consider necessary or advisable in connection with any of the foregoing, hereby giving such attorney-in-fact full power and authority to do and perform each and every act or thing whatsoever requisite or advisable to be done as fully as such Limited Partner could do if personally present, and hereby ratifying and confirming all such acts which the attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

D. The power of attorney granted herein:

(1) Is a special power of attorney coupled with an interest which is irrevocable and shall survive the death or incompetency of the Limited Partner granting the same.

(2) May be exercised by such attorney-in-fact by listing all of the Limited Partners executing any agreement, certificate, instrument or document with the single signature of such attorney-in-fact acting as attorney-in-fact for all of them.

(3) Shall survive the sale, assignment or disposition of any interest in the Partnership except that if the transferee of a Partnership Unit is admitted as a substituted Limited Partner, the transferor's power of attorney with respect to such Unit shall survive such admission for the sole purpose of enabling the attorney-in-fact to execute, acknowledge, file, record and publish any such agreement, certificate, instrument or document necessary to effect such substitution.

E. Any writing which amends this Agreement to reflect the addition or substitution of a Limited Partner need be signed only by the General Partner and by the person to be added as a Limited Partner, by the assigning Limited Partner or his legal representative. The General Partner acting as attorney-in-fact hereunder may sign for either or both of said persons.

## ARTICLE XVI

### SUBSTITUTIONS, ASSIGNMENTS AND ADMISSION OF ADDITIONAL PARTNERS

A. Substitution for General Partner; Sale of Assignment of Interest. The General Partner may not, without the consent in writing of the majority of Limited Partners, substitute a partner in its stead but may sell or assign all or any part of its interest in the Partnership business. Should the General Partner cease, refuse or be unable to act as such, the Limited Partners holding a majority of the Partnership Units then entitled to vote may select a successor General Partner. The successor General Partner shall not be liable for the acts or omissions of the predecessor General Partner other than to provide to the best of its ability the accounting reports and records herein specified.

B. Transferability of Limited Partnership Interests. Except as otherwise provided herein, without the prior written consent of the General Partner, no Limited Partner shall sell, assign, transfer, encumber, or otherwise dispose of his interest or any part thereof in the Partnership, nor substitute an assignee in his place and no attempted substitution shall be binding upon the Partnership or the General Partner.

C. Substitution of Assignee for Limited Partner. A Limited Partner may without first receiving written permission from the General Partner, to the extent permitted by law, assign his interest in the Partnership upon the following conditions:

(1) The assignee shall be an entity qualified to receive charitable contributions under the Internal Revenue Code, as amended, or shall bear any of the following relationships to the Limited Partner: a spouse, a descendant, a spouse of a descendant, a trust whose principal beneficiary or beneficiaries is such Limited Partner, or a person or persons so related to such Limited Partner, or the sole stockholder of a corporate Limited Partner; provided, however, no such assignment shall be to a minor or incompetent.

(3) No such assignment shall be effective unless the prospective assignee shall have furnished to the General Partner an "Investment Letter" or other proper authorization under the Securities Act of 1933, as amended, and any other applicable federal or state laws governing the transfer of such interests.

## ARTICLE XVII

### REQUIRED SIGNATURES

Each Limited Partner shall execute a Subscription Agreement and Signature Page (the "Signature Page") referencing this Agreement and by such execution, upon acceptance by the General Partner, shall become a Limited Partner in the Partnership. Similar Signature Pages shall be executed by other Limited Partners and all such Signature Pages shall be attached to the original of this Agreement. Upon the addition or substitution of one or more Limited Partners, the writing to amend this Agreement and to amend any Certificate of Limited Partnership as then recorded need be signed only by the General Partner as attorney-in-fact for all Limited Partners.

## ARTICLE XVIII

### REPRESENTATIONS OF THE LIMITED PARTNERS

All representations, warranties and agreements included in the Subscription Agreements executed by the Limited Partners and duly accepted by the General Partner are hereby incorporated by reference and made a part of this Agreement.

## ARTICLE XIX

### AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS

Except as otherwise provided herein, this Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators or other representatives, successors and assigns of the respective parties hereto. Where appropriate, any masculine or singular term used herein shall be construed to include the feminine or neuter gender or the plural, and shall include any person, individual or other legal entity.



ARTICLE XX

APPLICABLE LAW

This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Idaho.

ARTICLE XXI

AMENDMENT

This Agreement may be amended subject to the approval of the General Partner and of Limited Partners owning seventy-five percent (75%) or more of the Partnership Units allocable to the Limited Partners except with respect to the allocation of profits and losses and proceeds realized from the sale refinancing or other disposition of Partnership assets.

ARTICLE XXII

COUNTERPARTS

This Agreement and the Certificate of Limited Partnership executed in connection herewith may be executed in counterpart, each of which shall constitute an original hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year shown below.

DATED: \_\_\_\_\_

GENERAL PARTNER:

INVESTORS RESERVE

The general partner has contributed services valued at \$26,250.00.

By: \_\_\_\_\_

Managing Partner

Managing Partner

Managing Partner

SCHEDULE "A"

CAPITAL CONTRIBUTION TO PARTNERSHIP

	NAME AND ADDRESS OF LIMITED PARTNERS	CAPITAL CONTRIBUTION	NO. OF UNITS
1.	<u>Bruce J. Pfendler</u> <u>6010 SQUIRES LANE</u> <u>LIBRARY, PA. 15129</u>	<u>\$ 20,000</u>	<u>4</u>
2.	<u>Cullen J. Pfendler</u> <u>2507 Huron AVE. S.E.</u> <u>MASSILLON, OHIO 44646</u>	<u>\$ 20,000</u>	<u>4</u>
3.	<u>Phyllis J. Brown &amp; Son Inc</u> <u>PO. Box 313</u> <u>Idaho Falls, Id. 83402</u>	<u>\$ 5,000</u>	<u>1</u>
4.	<u>Veter E. Christensen</u> <u>1206 Meigs</u> <u>Idaho Falls, ID. 83401</u>	<u>\$ 5000</u>	<u>1</u>
5.	<u>Gary Harben</u> <u>7201 Buffalo Rd</u> <u>Bozelle, Idaho 83202</u>	<u>\$ 5,000</u>	<u>1</u>
6.	<u>Gene J. &amp; Lucille J. Ray Jr. Inc</u> <u>1811 Niagara</u> <u>Idaho Falls, Idaho 83401</u>	<u>\$ 5,000.00</u>	<u>1</u>
7.	<u>James W. Dwyer</u> <u>840 Redwood Dr.</u> <u>Idaho Falls, Idaho</u>	<u>\$ 5,000 -</u>	<u>1</u>
8.	<u>Rimrock, Inc. by Powell</u> <u>at Richman, Pa</u> <u>394 Westwood Dr SE Id 83402</u>	<u>\$ 5,000 -</u>	<u>1</u>
9.	<u>Joyce Terry &amp; Brent &amp; Joyce Terry</u> <u>at 754 S.</u> <u>Idaho Falls, Id. 83401</u>	<u>\$ 5,000 -</u>	<u>1</u>
10.	<u>Lewis M. Mulkey</u> <u>279 Mohawk</u> <u>Rexburg, Idaho</u>	<u>\$ 5000</u>	<u>1</u>