

THIRD AMENDED LIMITED PARTNERSHIP AGREEMENT

THIS LIMITED PARTNERSHIP AGREEMENT is entered into as of and effective January 1, 1969, and as previously amended on the 22nd day of December, 1973, on the 17th day of December, 1979, and as further amended on this 19th day of June, 1980, between ROBERT V. De SHAZO (residing at Lewis and Clark Drive, Rural Route No. 2, Boise, Idaho), hereinafter sometimes referred to as "the General Partner", and RICHARD E. HORNER (residing at 905 11th Street Northeast, Waseca, Minnesota), hereinafter sometimes referred to as "the Limited Partner".

The purpose of this amendment to the original Limited Partnership Agreement is to extend the term thereof by amending Paragraph 3 of the Limited Partnership Agreement, as well as Paragraph 3 of the Amended limited Partnership Agreement to read as follows:

"3. Term.

Unless terminated at an earlier date as hereinafter provided, this Agreement shall, in any event, terminate January 1, 1981, and the partnership shall be thereupon dissolved, the partnership debts paid and the partnership assets distributed in accordance with Paragraph 12 hereof."

The remaining provisions of the Limited Partnership Agreement, and amendments thereto, a copy of which is attached hereto, and each page of which is marked Exhibit "A" shall continue in full force and effect, and it is incorporated by reference hereto as though fully set out herein.

This amendment is made pursuant to Paragraph 13. of that Limited Partnership Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Amended Limited Partnership Agreement effective as of the day and year first written above.



State of Minnesota
County of Waseca

Robert V. DeShazo
Robert V. DeShazo, General Partner

Richard E. Horner
Richard E. Horner, Limited Partner

On this 19th day of June, 1980, before me personally appeared Richard E. Horner, to me known and known to me to be the individual described in and who executed the foregoing agreement and acknowledged that he executed the same for the purposes, considerations, and uses therein set forth as his free and voluntary act and deed. In witness whereof, I have hereunto set my hand and affixed my official seal, the day and year first above written.

[Signature]
Notary Public, residing at Waseca, MN.
My Commission expires July 5, 1986.

shall be thereupon dissolved, the partnership debts paid and the partnership assets distributed in accordance with Paragraph 12 hereof."

The remaining provisions of the Limited Partnership Agreement, and amendments thereto, a copy of which is attached hereto, and each page of which is marked Exhibit "A" shall continue in full force and effect, and it is incorporated by reference hereto as though fully set out herein.

This amendment is made pursuant to Paragraph 13, of that Limited Partnership Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Amended Limited Partnership Agreement effective as of the day and year first written above.



State of Minnesota
County of Waseca

On this 19th day of June, 1980, before me personally appeared Richard E. Horner, to me known and known to me to be the individual described in and who executed the foregoing agreement and acknowledged that he executed the same for the purposes, considerations, and uses therein set forth as his free and voluntary act and deed. In witness whereof, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Robert V. DeShazo
Robert V. DeShazo, General Partner

Richard E. Horner
Richard E. Horner, Limited Partner

Joseph E. Thompson
Notary Public, residing at Waseca, MN.
My Commission expires July 5, 1986.

STATE OF MINNESOTA COUNTY OF WASECA

I and for record of my record to

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AMENDED LIMITED PARTNERSHIP AGREEMENT
Inst. No. 709748

THIS LIMITED PARTNERSHIP AGREEMENT is entered into as of and effective January 1, 1969, and as amended on this 22nd day of December, 1978, between ROBERT V. De SHAZO (residing at Lewis and Clark Drive, Rural Route No. 2, Boise, Idaho), hereinafter sometimes referred to as "the General Partner", and RICHARD E. HORNER (residing at 905 11th Street Northeast, Waseca, Minnesota), hereinafter sometimes referred to as "the Limited Partner".

422 587

The purpose of this amendment to the original Limited Partnership Agreement is to extend the term thereof by amending Paragraph 3 of the original Limited Partnership Agreement to read as follows:

"3. Term.

Unless terminated at an earlier date as hereinafter provided, this Agreement shall, in any event, terminate January 1, 1980, and the partnership shall be thereupon dissolved, the partnership debts paid and the partnership assets distributed in accordance with Paragraph 12 hereof."

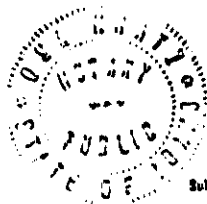
The remaining provisions of the Limited Partnership Agreement, a copy of which is attached hereto, and each page of which is marked Exhibit "A" shall continue in full force and effect, and it is incorporated by reference hereto as though fully set out herein.

This amendment is made pursuant to Paragraph 13, of that Limited Partnership Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Amended Limited Partnership Agreement effective as of the day and year first written above.

Robert V. De Shazo
Robert V. De Shazo, General Partner

Richard E. Horner
Richard E. Horner, Limited Partner



Subscribed and sworn to before me this 23 day of Dec, 1978

Don J. Kratz
DONALD J. KRATZ, Notary Public
My commission expires August 25, 1979

CONSENT AND AGREEMENT

The undersigned, wives of the General Partner and Limited Partner, respectively, hereby consent to the execution of the foregoing AMENDED LIMITED PARTNERSHIP AGREEMENT and agree that they need not be consulted in the future regarding any amendments or supplement to this Agreement.

422 589



Elizabeth De Shazo
Elizabeth De Shazo

Margaret Horner
Margaret Horner

Subscribed and sworn to before me this 28 day of Dec. 1978

Oak L. Banta
Oak L. Banta, Notary Public
My commission expires August 25, 1980

STATE OF IDAHO, COUNTY OF ADAMS
Filed for record at the request of Robert De Shazo
5:15 Min. past 1 o'clock P. M. this 28 day of Dec. 1978

CLARENCE A. PLANTING, Recorder
By Ray D. Young Deputy
209

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January 29, 1969

First Security Bank of Idaho, N. A.
P. O. Box 7069
Boise, Idaho 83707

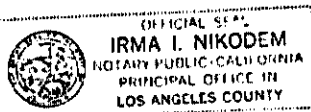
Gentlemen:

In consideration of a line of credit granted by the First Security Bank of Idaho, N. A., to Robert V. De Shazo and Associates, a limited partnership, and in compliance with the Limited Partnership Agreement dated January 1, 1969, Paragraph 10, Page 5 of said agreement and said partnership, I hereby give my consent for the General Partner, Robert V. De Shazo, to hypothecate, assign, pledge or deposit as security for a loan from said bank all or any part of the assets of the partnership as security for a partnership obligation at said bank.

(Signed)

Richard E. Horner
Richard E. Horner
2226 Stradella Road
Los Angeles, California

Subscribed and sworn to before me this 1st day of February, 1969.



Irma I. Nikodem
Notary Public in and for
Los Angeles County
State of California

My commission expires _____

IRMA I. NIKODEM
My Commission Expires Sept. 28, 1969

Ada County, Idaho, ss.

Request of

First Security Bank

Time 10:20 A.M.

Date

APR 8 1969

CLARENCE A. PLANTING

Clarence A. Planting

Deputy

60 PM 7069

Boise Idaho

83707

Appendix to Limited Partnership Agreement dated January 1, 1969, filed of record in Ada County, State of Idaho, as Instrument No. 709748 on February 14, 1969.

Richard L. Horner, Limited Partner

Subscribed and sworn to before me this 27 day of Dec. 1922

U. S. DEPARTMENT OF AGRICULTURE, April 25, 1937

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LIMITED PARTNERSHIP AGREEMENT

THIS LIMITED PARTNERSHIP AGREEMENT is entered into as of and effective January 1, 1969, between ROBERT V. De SHAZO (residing at Lewis and Clark Drive, R. R. No. 2, Boise, Idaho), hereinafter sometimes referred to as "the General Partner", and RICHARD E. HORNER (residing at 2226 Stradella Road, Los Angeles, California), hereinafter sometimes referred to as "the Limited Partner".

W I T N E S S E T H

1. Name.

The name of this partnership shall be "ROBERT V. De SHAZO and Associates". Upon execution of this agreement, the partners shall sign, and cause to be filed and published, all notices and other documents necessary to place the partnership in good standing in the State of Idaho.

2. Principal place of business.

The principal place of business of the partnership shall be Lewis and Clark Drive, R. R. No. 2, Boise, Idaho, or such other place or places as the General Partner shall hereafter determine.

3. Term.

Unless terminated at an earlier date as hereinafter provided, this Agreement shall, in any event, terminate ten years from the date of execution of this agreement, and the

partnership shall be thereupon dissolved, the partnership debts paid and the partnership assets distributed in accordance with Paragraph 12 hereof.

4. Character of business.

The business of this partnership shall be farming and ranching on certain lands which they have acquired or may in the future acquire in Ada County, or elsewhere, in the State of Idaho.

5. Capital contributions.

A capital account for each partner shall be maintained on the books of the partnership. Such capital account shall reflect the partner's contributions to the capital of the partnership, and, in addition, shall appropriately reflect all withdrawals and the partner's share of the partnership's profits and losses as hereinafter provided.

The partners' initial contributions are as follows:

<u>Horner's Contributions:</u>	<u>Value</u>
1/2 480A Ada County, Idaho	
NE1/4S27, SE1/4S27, NW1/4S35 T1NR1E	\$ 38,400.00
Cattle	10,000.00
 <u>De Shazo's Contributions:</u>	
1/2 480A Ada County, Idaho	
NE1/4S27, SE1/4S27, NW1/4S35 T1NR1E	\$ 38,400.00
Equipment worth \$35,378.92, listed below:	
Ford Tractor	4,200.00
Case Baler	1,950.00

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Ford Scraper	\$ 299.00
Case Combine	2,500.00
Windrower Int.	2,975.00
2 Grain Bins	1,150.00
Ford Pickup	309.00
Chev. 2T Truck	1,545.00
Housetrailer	2,400.00
Housetrailer	2,300.00
Housetrailer	600.00
Pump Diesel	1,112.00
Welder	309.00
Land Leveler	556.20
Main lines	4,608.27
Irrigation System	8,230.45
Ditcher corrigator	335.00

To be contributed by Horner in January, 1969:

Equipment worth \$20,082.90, listed below:

AC Tractor #9237	\$ 6,200.00
AC Chisel Plow	541.00
AC Disc Harrow	1,759.00
7680' 3" irrigation laterals	
3 x 40 with midrisers & fixtures	4,881.95
2 AC cornplanters	240.00
4 AC cornplanters - used	240.00
3 bar cultivator set up	370.95
AC 4 bottom plow	1,500.00
Front end loader	850.00
TD 18 Tractor & Carry All	3,500.00

All capital contributions shall be reflected in the partners'

respective capital accounts as and when made.

6. Profits and losses.

The fiscal year of the partnership shall be the year commencing 1 January and ending 31 December. The net profit or loss of the partnership for each fiscal year shall be determined as soon as possible after the close of each year in conformity with generally accepted accounting principles. Except as otherwise specifically provided herein below, the profits and losses of the partnership shall be divided between the partners and credited or debited, as the case may be, to their capital accounts in the following proportions: Robert V. De Shazo, as General Partner, 50%; and, Richard E. Horner, as Limited Partner, 50%.

7. Distributions and withdrawals.

The net profits of the partnership shall be distributed currently to the partners in the same manner and order as profits are allocated to the partners as described in Paragraph 6 above, except to the extent that it is necessary in the judgment of the General Partner to retain such profits for the business needs of the partnership.

8. Interest on capital and salaries.

No interest shall be paid by the partnership on either partner's capital account. No salary or other compensation or fee shall be paid by the partnership to either partner or any employee of either partner; provided however, that persons in the employ of the General Partner may be employed by the partnership to perform work in connection with the partnership ranching and farming operations and be

reasonably compensated therefor.

9. Liability for partnership losses.

Richard E. Horner, as Limited Partner, shall not be bound by or become liable for the obligations of the partnership. Robert V. De Shazo, as General Partner, shall be liable and responsible for all losses which may be sustained by the partnership beyond the capital contributions of the partners.

10. Powers and duties of General Partner.

The General Partner shall have the exclusive control over the business of the partnership, including the power to sign all contracts and to direct and manage all business operations. The General Partner, however, may not, without written consent of the Limited Partner, sell all or a substantial part of the assets of the partnership, cause the partnership to engage in any business not usual and incidental to the business for which the partnership is formed, or hypothecate all or a substantial part of the assets of the partnership as security for a partnership obligation.

The General Partner will do all things necessary for the conduct of the farming and ranching operations carried on by the partnership. Included within the functions and duties of the General Partner, the specific functions listed being illustrative and not to the exclusion of functions and duties implied by the foregoing sentence, are the following:

- (a) The General Partner shall furnish a bud-

get from time to time, setting forth by general classifications the amount of the proposed expenditures to be made by the partnership, accompanied by a statement within 60 days prior to the time capital contributions are required, or capital contributions necessary to meet expenses of the partnership. Provided, however, that capital contributions (other than of the initial contribution as provided in Paragraph 5 above) of the Limited Partner shall not exceed \$1,000.00 in any calendar year.

(b) The General Partner shall maintain complete and accurate records of all interest in partnership property held and transferred by the partnership, together with statements, bills and other material showing the expenditures of the partnership. The General Partner shall maintain adequate records and accounts with respect to all operations and shall furnish the Limited Partner with quarterly statements of financial position and of profit and loss, prepared in accordance with generally accepted accounting principles, and such other reports of the progress of operations as may be requested by the Limited Partner, together with all necessary tax reporting information.

(c) The General Partner shall keep proper and usual books of account and records pertaining to the partnership's business, showing all of its assets and liabilities, receipts and disbursements, profits and gains and expenses and losses, partners' capital contributions and distributions, and all transactions entered into by the

partnership. The books of account and records and all files of the partnership shall be maintained in accordance with generally accepted accounting principles and kept at its principal office, and both partners and their representatives shall at all reasonable times during business hours have free access thereto for the purpose of inspecting or copying the same.

11. Rights of Limited Partner.

The Limited Partner shall have the right to terminate the partnership at any time. Except as provided in Paragraph 12, at least 60 days' prior written notice of the intention to terminate shall be given by the Limited Partner before termination. No part of the capital contribution of either partner, General or Limited, shall be withdrawn upon termination unless all liabilities of the partnership have been paid.

Subject to the provisions of this Paragraph 11, the interest of the Limited Partner shall be assignable, and the assignee shall become a substitute Limited Partner. Prior to any assignment, the Limited Partner shall first offer his interest in writing to the General Partner at a price and on terms as favorable as the best offer received from persons other than the General Partner. The Limited Partner shall certify the genuineness of such offer. The General Partner shall have 60 days within which to accept such offer. If, at the end of such 60 day period, the General Partner has not elected to purchase such interest, it may be assigned to such other person whose offer has been submitted. Not-

withstanding the above, no assignment under this paragraph shall be effective until such time as the substitute Limited Partner has expressly in writing confirmed his acceptance of all obligations of this Agreement, as amended.

12. Dissolution and distribution upon dissolution.

In the event of the occurrence with respect to either partner (herein "defaulting partner") of any one or more of the following events (herein "events of default"), namely:

(a) Upon any default of the defaulting partner in the payment of any indebtedness or the performance of any obligation under this Limited Partnership Agreement, and the failure of such defaulting partner to cure such default within 20 days after receipt of written notice from the other partner; or,

(b) If a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the defaulting partner a bankrupt or insolvent, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or,

(c) If the defaulting partner shall institute proceedings to be adjudged a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against him, or shall make an assignment for the benefit of creditors, or shall admit in writing his inability

to pay his debts generally as they become due; or,

(d) If the whole or any part of the partnership interest of the defaulting partner shall be subject to a levy or attachment, and such levy or attachment shall not have been discharged within 45 days thereafter;

then upon the occurrence of any such event or default, there shall immediately arise in the other partner, without prejudice to any other right, remedy or relief that he may have, the right to dissolve the partnership.

In the event of termination of the partnership and dissolution, the properties and assets shall first be used to pay all partnership debts and indebtedness and obligations secured by liens on the property, both real and personal.

Upon payment of all partnership debts, an amount shall be distributed to each partner equivalent to the balance in each partner's capital account. The balance of partnership assets shall be distributed to each of the partners in the proportion for sharing of profits and losses as set out in Paragraph 6 hereinabove.

The General Partner may, at his option, sell the partnership property and distribute the proceeds in accordance with the above; or, the General Partner may, at his exclusive option, distribute in kind the partnership property and property dedicated to partnership use.

13. Amendment.

The General and Limited Partner may, by mutual agreement, amend and supplement this Agreement from time to time upon compliance with all the requirements in the jurisdictions in which the partnership is operating and doing business at that time.

14. Banking.

All funds of the partnership shall be deposited in the name of the partnership in such bank account or accounts as the General Partner shall determine. Withdrawals therefrom shall be made upon checks signed by the General Partner.

15. Notice.

All notices under this Agreement shall be in writing and shall be effective either upon personal delivery or by mailing by registered mail, return receipt requested, addressed to, respectively:

Robert V. De Shazo
Lewis and Clark Drive
R.R. No. 2
Boise, Idaho

Richard E. Horner
2226 Stradella Road
Los Angeles, California

No notices sent by registered mail shall be deemed received until 48 hours after deposit in the mails of the United States and issuance of a registry receipt.

16. Retirement, death or insanity of a Partner.

(a) The retirement, death or insanity of the General Partner shall dissolve the partnership. The estate of the deceased General Partner shall be liable for all his liabilities as a General Partner.

(b) Upon the death of the Limited Partner his executor or administrator shall have all the rights of a Limited Partner for the purposes of settling his estate, and shall, also, have the powers the deceased Limited Partner had to constitute an assignee a substituted Limited Partner, as provided in Paragraph 11. The estate of the deceased Limited Partner shall be liable for all his liabilities as a Limited Partner.

17. Tax reporting.

The partners hereby recognize that Sub-Chapter K of the Internal Revenue Code of 1954 is to be applied for purposes of U. S. Federal Income Taxation to income of the Limited Partner. The General Partner is authorized and directed to file necessary U. S. Partnership Returns under Sub-Chapter K and is authorized and directed to file any necessary Idaho Partnership Returns.

The accounting period for the partnership for the purpose of reporting United States and Idaho income taxes shall be the same as the fiscal year of the partnership set forth in Paragraph 6 of this Agreement.

18. Law governing Agreement.

To the extent not inconsistent with specific pro-

visions of this partnership Agreement, this partnership shall be governed by Title 53, Chapter 2, of the Idaho Code.

IN WITNESS WHEREOF, the parties hereto have signed this partnership Agreement effective as of the day and year first written above.

Robert V. De Shazo
Robert V. De Shazo, General Partner

Richard E. Horner
Richard E. Horner, Limited Partner


STATE OF IDAHO }
County of Ada } ss.

On this 5th day of February, 1969, before me a Notary Public, personally appeared Robert V. DeShazo known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Dorothy J. Smith
Notary Public residing at

1925 Laurel, Boise, Idaho

 <p>OFFICIAL SEAL IRMA I. NIKODEM NOTARY PUBLIC - CALIFORNIA PRINCIPAL OFFICE IN LOS ANGELES COUNTY</p>	STATE OF CALIFORNIA, County of <u>Los Angeles</u> } ss.
	ON <u>February 12</u> , 19 <u>69</u> , before me, the undersigned a Notary Public in and for the State of California with principal office in the County of <u>Los Angeles</u> , personally appeared
	Richard E. Horner
	known to me to be the person whose name is _____ subscribed to the within instrument, and acknowledged to me that he executed the same. WITNESS my hand and official seal.
SIGNATURE OF NOTARY: <u>Irma I. Nikodem</u>	
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA IRMA I. NIKODEM My Commission Expires Sept. 28, 1969	
NOTARY'S NAME AND COMMISSION EXPIRATION DATE PRINTED	

42 1885

CONSENT AND AGREEMENT

The undersigned, wives of the General Partner and Limited Partner, respectively, hereby consent to the execution of the foregoing LIMITED PARTNERSHIP AGREEMENT and agree that they need not be consulted in the future regarding any amendments or supplements to this Agreement.

Elizabeth L. DeShazo
Elizabeth De Shazo

Margaret Horner
Margaret Horner

STATE OF IDAHO }
County of Ada } ss.

On this 5th day of February, 1969, before me a Notary Public, personally appeared Elizabeth L. DeShazo known to me to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Barbara J. Smith
Notary Public residing at

1921 Taylor Drive, Idaho

My commission expires:

10-3-70

STATE OF IDAHO, COUNTY OF ADA, ss.

Filed for record at the request of Robert V. DeShazo

30 Min. past 4 o'clock P. M. this 14 day of Feb 1969

CLARENCE A. PLANTING, Recorder

By Bess Warner Deputy

Rte 2

13.

Lewis Chase Thune

Boise 85702

On this 5th day of February, 1969, before me a Notary Public, personally appeared Elizabeth L. DeShazo known to me to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Barbara J. Smith
Notary Public residing at

1921 Tanager Drive, Idaho

My commission expires:

10-3-70

STATE OF IDAHO, COUNTY OF ADA, ss.

Filed for record at the request of Boeert v. DeShazo

3 Mln. past ~ o'clock P. M. this 14 day of FEB 1969

CLARENCE A. PLANTING, Recorder

By Bess Warner Deputy

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13.

Lewis Charles Thune

Boise 85702

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STATE OF CALIFORNIA, County of Los Angeles } ss.

ON February 12, 1969, before me, the undersigned a Notary Public in and for the State of California with principal office in the County of Los Angeles, personally appeared

Margaret Horner

known to me to be the person whose name is
subscribed to the within Instrument, and acknowledged to me that she
executed the same. WITNESS my hand and official seal.



OFFICIAL SEAL
IRMA I. NIKODEM
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

SIGNATURE OF NOTARY

NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

IRMA I. NIKODEM

NOTARY'S NAME AND COMMISSION
EXPIRATION DATE PRINTED

My Commission Expires Sept. 28, 1969