

CERTIFICATE OF LIMITED PARTNERSHIP

for

HAMMOND FARMS LIMITED PARTNERSHIP

We, the undersigned, desiring to form a Limited Partnership pursuant to the Idaho Limited Partnership Act, Title 53, Chapter 2, Idaho Code, do hereby agree and certify:

1. Name.

The name of the limited partnership is:

HAMMOND FARMS LIMITED PARTNERSHIP.

2. Character of Business.

The general character of the business of the partnership is: Owning, managing, operating, and leasing for operation agricultural real estate with related personal property.

3. Registered Agent.

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

Kenneth Perkes or
Michael S. Kam
25 N. 2nd E.
Rexburg, Idaho 83440

4. Partners' Names and Addresses.

(a) The names and business addresses of the General Partner is:

<u>NAME</u>	<u>ADDRESS</u>
Stephen Hammond	Rt. #2, Box 15 St. Anthony, ID 83445

(b) The name and business address of the Limited Partner is:

<u>NAME</u>	<u>ADDRESS</u>
Regena Hammond	Rt. #2, Box 15 St. Anthony, ID 83445

5. Initial Contributions to Capital.

Each partner has contributed \$10 cash and no property or labor or services to the partnership and in consideration thereof, the partnership units have been issued and are held as follows:

<u>General Partner</u>	<u>Units</u>
Stephen Hammond	1
<u>Limited Partner</u>	<u>Units</u>
Regena Hammond	<u>1</u>
TOTAL UNITS	2

All units have a value of \$10 each at the commencement of the Limited Partnership, and the total two units represent \$20 in value, which is the amount of cash transferred to the partnership as set forth above.

6. Additional Contributions.

The General Partner and Limited Partner agree to make additional contributions to capital as follows:

(a) On January 1, 1988, they will resolve to liquidate HTH, Inc., an Idaho corporation, in which they each own one-half of the outstanding shares, under a one month liquidation pursuant to I.R.C. §333.

(b) Upon liquidation of HTH, Inc., all assets of the corporation, consisting of farming ground, farm buildings, a

farm home, and farm machinery and equipment, shall be transferred to the partnership subject to the partnership assuming all of the outstanding indebtedness of the corporation.

(c) In consideration of the transfer of assets of HTH, Inc., subject to the indebtedness of HTH, Inc., there shall be issued additional partnership units as follows:

<u>General Partner</u>	<u>New Units</u>	<u>Original Units</u>	<u>Total Units</u>
Stephen Hammond	4,999	1	5000
<u>Limited Partner</u>	<u>New Units</u>	<u>Original Units</u>	<u>Total Units</u>
Regena Hammond	<u>4,999</u>	<u>1</u>	<u>5000</u>
TOTAL UNITS	9,998	2	10,000

All units, after the contribution of additional capital, shall have a value of \$10 each and the total 10,000 units which shall be outstanding shall represent \$100,000 in value, which is equivalent to the fair market value of the cash transferred upon formation of the Limited Partnership and transfer of the real and personal property, less assumed debt, as set forth above.

7. Substitute Limited Partners.

A Limited Partner has no power to grant the right to become a Limited Partner to an assignee of any part of his partnership interest except with written approval by the General Partner.

8. Termination.

The Limited Partner, Regena Hammond, has the right and option to terminate her membership in the partnership as of December 31, 1992, by giving notice in writing to the

partnership between December 1, 1992, and December 31, 1992, of her election to do so. If she does so elect she shall receive payment for her interest as provided in clause 10 or clause 9 hereof.

9. Right to Distributions.

(a) The General Partner shall cause the Limited Partnership to maintain reserves to cover necessary debt payments and expenses. On or before July 1 of each year from cash on hand, the General Partner shall cause the partnership to pay all debts due and owing. On July 1 of each year it shall be determined whether there is any surplus, (cash on hand after payment of debts) available to distribute to partners.

(b) The General Partner shall not receive compensation for services.

(c) The balance of cash on hand, if any, on July 1 of each year shall be distributed pro-rata to holders of partnership units.

The balance, if any, of income in excess of cash distribution under Sec. 9(a), and all losses in each fiscal year, shall be allocated pro-rata to all units.

(d) In the event of liquidation of the partnership, the partnership assets shall be sold and all proceeds shall be distributed in the following order of priority:

(1) To the payment of the debts and liabilities of the partnership and the expense of liquidation. For this purpose the liquidator, in his discretion, shall set up such reserves as may seem necessary for any contingent or unforeseen liabilities of the partnership.

(2) Repayment with interest at the rate of 9 percent per annum from the date advanced until repaid, of any additional sums which General Partner or Limited Partner may advance to the Limited Partnership in cash to enable it to pay existing indebtedness of the partnership.

(3) To the partners with respect to their shares of any undrawn profits for the fiscal year.

(4) The balance, if any, shall be paid pro-rata to all outstanding partnership units

10. The Right of Limited Partner To Distribution.

The following is the only right of a partner to receive, and of the General Partner to make, distributions to a partner, by way of return of all or any part of the partner's contribution:

In the event that the Limited Partner, Regena Hammond, exercises her right and option to terminate her membership in the partnership, as provided in clause 8 hereof, then the partnership, and the General Partner, shall be jointly and severally responsible and liable to pay to the withdrawing Limited Partner, Regena Hammond, the fair value of her partnership units. Value shall be determined in accordance with the provisions of clause 12(c) and (e) hereof. In the event the General Partner elects to continue the partnership then the price shall be paid to the withdrawing Limited Partner in accordance with the provisions of clause 12(d) hereof. If the General Partner does not elect to continue the partnership, but rather to dissolve the same, then the Limited Partner shall

receive, as to her units, the right to distributions as provided in clause 9 hereof.

11. Dissolution of Partnership.

The Limited Partnership shall be dissolved and its affairs wound up upon the first of the following events to occur:

(a) Retirement, death, bankruptcy, or insanity of a General Partner.

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

(c) Upon the election of the Limited Partner, pursuant to clause 8 hereof, to terminate her membership in the partnership.

12. Continuance of Business.

(a) In the event of dissolution of the partnership, then a remaining General Partner, if there be one, or if not, any one or more Limited Partners may elect, by notice in writing to all interested parties within 30 days of dissolution, to become a substituted General Partner or Partners and to continue the business. But if a General Partner does not continue, then a Limited Partner or partners becoming a General Partner or Partners must pay to each partner who requests in writing (within 15 days) withdrawal of his partnership units, the value of the units of each partner not continuing or withdrawing. Value shall be determined and paid as provided in sub-paragraphs (c) and (d) hereof. If more than one Limited Partner elects to be a new General Partner, but not

together, then the Limited Partners shall determine who shall be the new General Partner by majority vote of units; otherwise, the partnership shall be liquidated.

(b) The new General Partner shall have the right to form a new Limited Partnership and shall have the right:

(1) To transfer and convey the assets of the dissolved Limited Partnership to the new Limited Partnership, subject to liabilities;

(2) Amend this certificate to establish the new General Partner or Partners;

(3) Perform all such other acts or cause all such things to be done as shall be necessary or advisable for the formation of the new Limited Partnership.

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

(d) The price of a partnership unit shall be payable in cash, without interest, within 60 days of the determination of the price unless the continuing partner and the retiring partner shall jointly agree to installment terms. If installment terms are agreed upon, the price shall be evidenced by a written promissory note, shall be the debt of the

partnership, and shall be secured by a mortgage on the partnership interest in real estate.

(e) In the event of any dispute as to the value of a partnership unit, upon an election for continuance of the business, then the continuing partner or partners shall appoint an appraiser, the non-continuing partner or partners (or representative thereof) shall appoint an appraiser, the two appraisers shall jointly appoint a third appraiser, and the three appraisers shall determine, in compliance with this agreement, and by majority vote, the value of the partnership units being retired, which determination shall bind all parties.

13. Additional Agreements.

The partners agree to the following additional provisions:

(a) This certificate, and the partnership agreement contained herein, may not be amended by General Partner without consent in writing of the Limited Partner.

(b) Except as otherwise expressly herein provided, the partnership may not, by a General Partner, without written consent of the Limited Partner, do any of the following:

(1) Dissolve or wind up the Limited Partnership;

(2) Sell or contract to sell the partnership real property or any part thereof.

(3) Sell, exchange, lease, mortgage, pledge, or make any other transfer of all or substantially all of the assets of the Limited Partnership other than in the ordinary course of business;

(4) Incur any indebtedness other than in the ordinary course of business; nor

(5) Change the nature of the business.

(c) The Limited Partner shall not participate in the control of the business and shall not be liable for any obligations of the Limited Partnership.

(d) Any partner, with consent of the General Partner, may loan money to the partnership, from time to time, with the amount, interest, terms and repayment of each loan to be evidenced by a written promissory note. Each such loan shall constitute a debt of the Limited Partnership.

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

(f) The partnership books shall contain a capital account and an income account for each partner. Profits and losses shall be credited or debited to an individual income account of each partner as soon as practicable after the close of each fiscal year. If there be no balance in the individual income account, net losses shall be debited to the individual capital accounts. If there be no balance in the capital account of a partner, or if the capital account shall have been depleted by the debiting of losses under this paragraph, future profits of that partner shall not be credited to his income account until the depletion shall have been made good, but shall be credited to his capital account. After such depletion

in this capital account shall have been made good his share of the profits shall thereafter be credited to his income account.

(g) The books of account shall be examined and reviewed at the close of each fiscal year by an independent public accountant designated by the General Partner, who shall make a report thereon. A copy of the report shall be furnished to each Limited Partner.

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

(i) The General Partner shall, subject to the other terms hereof, have the rights of management of the partnership business. The General Partner shall not be required to devote his entire business time to this partnership. He may have other businesses and/or employment. He agrees to devote such time and attention to this enterprise as may be necessary, in his discretion, for the successful functioning and completion of the work of the partnership.

(j) Each party hereto shall execute such other and further instruments and shall perform such additional acts as are necessary to effectuate this partnership and to carry on its business.

EXECUTED this 29 day of May, 1987.

"GENERAL PARTNER"

Stephen C. Hammond
Stephen Hammond


"LIMITED PARTNER"

Regena Hammond
Regena Hammond

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

On this 29th day of May, 1987, appeared Stephen Hammond, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

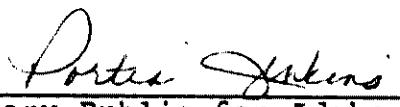


Notary Public for Idaho
Residing at: *Ashton*
My Commission Expires: 9-4-91

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

On this 29th day of May, 1987, appeared Regena Hammond, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

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



Notary Public for Idaho
Residing at: *Ashton*
My Commission Expires: 9-4-91