

Lincoln County

PARTNERSHIP AGREEMENT

THIS AGREEMENT made this 7th day of December, 1987,  
by and between GEORGE C. CRAWFORD and JOHN MATHEWS, both of Pioche, County of  
Lincoln, State of Nevada.

WITNESSETH

1. NAME AND BUSINESS: The parties hereto hereby execute a document memorializing a partnership formed on December 1, 1987 under the name of FLATNOSE RANCH for the purpose of conducting a general farming business. The principal office of the business is in Pioche, P. O. Box 320, County of Lincoln, State of Nevada.

2. TERM: The partnership was created on December 1, 1987 and shall continue until terminated as herein provided.

3. PARTNERSHIP INTEREST: The partnership interest is distributed as follows:

GEORGE C. CRAWFORD	1/2
JOHN MATHEWS	1/2

A separate capital account shall be maintained for each partner. Neither partner shall withdraw any part of his capital account. If the capital account of a partner becomes impaired, his share of subsequent partnership profits shall be first credited to his capital account until that account has been restored, before such profits are credited to his income account. Upon the demand of either partner, the capital accounts of the partners shall be maintained at all times in the proportions in which the partners share in the profits and losses of the partnership.

4. PROFIT AND LOSS: The net profits of the partnership shall be divided equally between the partners and the net losses shall be borne equally by them. A separate income account shall be maintained for each partner. Partnership profits and losses shall be charged or credited to the separate income account of each partner. If a partner has no credit balance in his income account, losses shall be charged to his capital account.

5. SALARIES AND DRAWINGS: Each partner shall draw the sum of \$ \_\_\_\_\_ monthly for services rendered to the partnership.

6. INTEREST: No interest shall be paid on the initial contributions to the capital of the partnership or on any subsequent contributions of capital.

7. MANAGEMENT, DUTIES AND RESTRICTIONS: The partners shall have equal rights in the management of the partnership business, and each partner shall devote his entire time to the conduct of the business. Neither partner shall, without the consent of the other partner, endorse any note, or act as any accommodation party, or otherwise become surety for any person without the consent of the other partner, neither partner shall on behalf of the partnership borrow or lend money, or make, deliver or accept any commercial paper, or execute any mortgage, security agreement, bond or lease, or purchase or contract to purchase, or sell or contract to sell any property for or of the partnership other than the type of property bought and sold in the regular course of its business. Neither partner shall, except with the consent of the other partner, assign, mortgage, grant a security interest in, or sell his share in the partnership or in its capital assets or property, or enter into any agreement as a result of which any person shall become interested with him in the partnership, or do any act detrimental to the best interests of the partnership or which would make it impossible to carry on the ordinary business of the partnership.

8. BANKING: All funds of the partnership shall be deposited in its name in such checking account or accounts as shall be designated by the partners. All withdrawals therefrom are to be made upon checks signed by either partner.

9. BOOKS: The partnership books shall be maintained at the principal office of the partnership, and each partner shall at all times have access thereto. The books shall be kept on a calendar year basis commencing January 1 and terminating December 31, of each such fiscal year. The sum of money to be paid for the decedent partner's interest as stated in paragraph 12 shall be agreed upon and established by mutual consent of the partners and entered and recorded in the books at least one (1) time each year no later than the time of filing the Federal Income Tax Return for the partnership.

10. VOLUNTARY TERMINATION: The partnership may be dissolved at any time by agreement of the partners, in which event the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The partnership name shall be sold with the other assets of the business. The assets of the partnership business shall be used and distributed in the following order: (a) to pay or provide for the payment of all partnership liabilities and liquidating expenses and obligations; (b) to equalize the income accounts of the partners; (c) to discharge the balance of the income accounts of the partners; (d) to equalize the capital accounts of the partners; and (e) to discharge the balance of the capital accounts of the partners.

11. RETIREMENT: Either partner shall have the right to retire from the partnership at the end of the fiscal year, or earlier in the event of illness or the consent of the other party. Written notice of intention to retire shall be served upon the other partner at the office of the partnership at least three (3) months before the end of the fiscal year. The retirement of either partner shall have no effect upon the continuance of the partnership business. The remaining partner shall have the right either to purchase the retiring partner's interest in the partnership or to terminate and liquidate the partnership business. If the remaining partner elects to purchase the interest of the retiring partner, he shall serve notice in writing of such election upon the retiring partner at the office of the partnership within two (2) months after receipt of his notice of intention to retire.

(a) If the remaining partner elects to purchase the interest of the retiring partner in the partnership, the purchase price and method of payment shall be the same as stated in paragraph 12 with reference to the purchase of the decedent's interest in the partnership.

(b) If the remaining partner does not elect to purchase the interest of the retiring partner in the partnership, the partners shall proceed with reasonable promptness to liquidate the business of the partnership. The procedure as to liquidation of the business of the assets of the partnership shall be the same as stated in paragraph 10 with reference to voluntary termination.

12. DEATH: Upon the death of either partner, the surviving partner shall have the right to elect either to terminate and liquidate the partnership business, or purchase the interest of the decedent partner by paying the sum of \$50,000.00 to the estate of the decedent partner. The surviving partner shall serve notice in writing of his election to purchase or to terminate within three (3) months after the death of the decedent upon the executor or administrator of the decedent, or if at the time of such election no legal representative has been appointed, upon any one of the known legal heirs of the decedent at the last known address of such heir. The sum to be paid for the decedent partner's interest shall be reviewed and adjusted by mutual agreement of the partners annually as stated in paragraph 9.

(a) If the surviving partner elects to purchase the interest of the decedent, he shall arrange the schedule of payments to the estate of the decedent with the executor or administrator of the decedent within the payment time limits of this agreement, or if no legal representative of the decedent has been appointed within a reasonable time after the death of the decedent, the surviving partner shall have the right to establish a reasonable payment schedule within the payment time limits of this agreement, and serve notice in writing of such schedule upon any one of the known legal heirs of the decedent at the last known address of such heirs. Payment for the decedent's interest shall be made over a period of time not to exceed seven (7) years from the time of the decedent's death. The executor or administrator of the decedent shall be bound by arbitration as stated in paragraph 13 in all his dealings with the partnership if a claim or controversy should arise.

(b) If the surviving partner does not elect to purchase the interest of the decedent in the partnership, he shall proceed with reasonable promptness to liquidate the business of the partnership. The surviving partner and the estate of the deceased partner shall share equally in the profits and losses of the business during the period of liquidation, except that the decedent's estate shall not be liable for losses in excess of the decedent's interest in the partnership at the time of his death. No compensation shall be paid to the surviving partner for his services during liquidation. Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the partnership business shall be the same as stated in paragraph 10 with reference to voluntary termination.

13. **ARBITRATION:** Any controversy or claim arising out of or relating to this contract, or the breach thereof, will be settled by arbitration as follows:

Each party shall select one arbitrator who shall select a third arbitrator whereupon said arbitrators shall then render a decision or judgment concerning the controversy or claim submitted to them and said judgment or award rendered may be entered in any court and jurisdiction thereof, and shall be binding upon the parties hereto.

IN WITNESS WHEREOF the parties have signed this agreement.

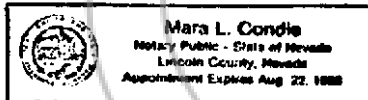
George C. Crawford  
George C. Crawford

John Mathews  
John Mathews

Subscribed and sworn to before me  
this 7th day of December, 1987.

Mara L. Condie  
Notary Public

My Commission expires 8-22-88.



No. 88127  
FILED AND RECORDED AT REQUEST OF  
John Mathews  
Dec. 7, 1987  
AT 40 MINUTES PAST 9 O'CLOCK  
A. M IN BOOK 78 OF OFFICIAL  
RECORDS, PAGE 49 LINCOLN  
COUNTY, NEVADA.

FRANK C. HULSE  
COUNTY RECORDER

By Mara Condie, Deputy