

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form. Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s)	Adjudication Claim No(s)	Split(s)	Water Right No(s)	Adjudication Claim No(s)	Split(s)
29-10931 OK					
29-10930 OK					
41-10130 OK					
41-10131 OK					
41-7080 WR-Application					

RECEIVED

2. The following **REQUIRED** information must be submitted with this form:

A. The appropriate **FILING FEE**. See instructions for fee amounts.

\$100.00

DEC 15 2009
Department of Water Resources
Eastern Region

B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.

C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).

OR

D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency or equivalent **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s)

William Joseph Meadows and
Vicki Lynn Meadows
American Falls, Idaho, 83211

4. New Owner/Claimant(s)

MATTHEWS Rockland LLC
Name Connector (Check one): ☐ and, ☐ or, ☐ and/or

New Mailing Address

510 E Main

City, State and ZIP Code

Grantsville, Utah 84029

New Telephone Number

(435) 884-10693 Email: _____

5. Date you acquired the property _____
6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (you may copy this page, if necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

7. Signature(s) of New Owner(s) or Claimant(s) _____

Alvin P. Matthews
James E. Matthews

(title if applicable)

(title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:

Received by *[Signature]*
 Receipted by *[Signature]*
 Processed by _____ AJ

Date 12-15-09
 Date 12-15-09
 Date _____

Receipt Amt. \$100.00
 Receipt No. E0355016
 WR _____ Date _____

FIRST AMERICAN TITLE

P.O. BOX 9 / 2240 EAST CENTER POCA TELLO, ID 83204
PHONE 208-232-6224 FAX 208-232-6257
TOLL FREE 866-333-9805 EMAIL pocatelloid@firstamholding.com

FAX TRANSMITTAL SHEETPAGES INCLUDING COVER SHEET 5DATE: 12/15 TIME: _____PLEASE DELIVER TO: Joni BartCOMPANY: Dept WaterFAX NUMBER: 525-7177FROM: AnitaRE: Matthews

MESSAGE:

IF YOU HAVE ANY PROBLEMS RECEIVING THIS MESSAGE OR HAVE ANY QUESTIONS REGARDING OUR TRANSMITTAL PLEASE CONTACT US AT 208-232-6224.

CONFIDENTIALITY NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL TO:
First American Title Company
2240 E. Center
Pocatello, ID 83201

Recorded Electronically	
ID	197011
County	Power
Date	10-02-09 Time 12:41
Simplifile.com 800.480.5657	

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: 299729-P (cI)

Date: September 25, 2009

For Value Received, **William J. Meadows, also known as William Joseph Meadows and Vicki Meadows, also known as Vicki Lynn Meadows and Vicki L. Meadows, husband and wife,** hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **Matthews Idaho Falls, LLC, a Utah limited liability company,** hereinafter called the Grantee, whose current address is **2781 Rocky Hollow Lane, American Falls, ID 83211,** the following described premises, situated in **Power County, Idaho,** to-wit:

PARCEL 1:

TOWNSHIP 9 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 21: SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LAND,

BEGINNING AT THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 31 E.B.M., POWER COUNTY, IDAHO; THENCE EAST 1980 FEET; THENCE SOUTH 31°52' WEST TO A POINT 165 FEET WEST OF THE SW CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 21; THENCE SOUTH 49°30' WEST TO A POINT 2310 FEET SOUTH OF THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21; THENCE NORTH 2310 FEET TO A POINT OF BEGINNING.

SECTION 22: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

SECTION 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$

PARCEL 2:

TOWNSHIP 9 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 14: NW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 15: S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 16: W $\frac{1}{2}$, SE $\frac{1}{4}$,

AND ALSO THE FOLLOWING DESCRIBED LAND;

COMMENCING AT A POINT 112 RODS SOUTH OF THE NORTH EAST CORNER OF SECTION 16, TOWNSHIP 9 SOUTH, RANGE 31 E.B.M., POWER COUNTY, IDAHO; THENCE 48 RODS SOUTH; THENCE 75 RODS WEST; THENCE IN A NORTHEASTERLY DIRECTION TO A POINT OF COMMENCING.

SECTION 17: E $\frac{1}{2}$ E $\frac{1}{2}$

SECTION 20: E $\frac{1}{4}$ NE $\frac{1}{4}$

SECTION 21: N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$

AND ALSO THE FOLLOWING DESCRIBED LAND;

BEGINNING AT THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 31 E.B.M., POWER COUNTY, IDAHO; THENCE EAST 1980 FEET; THENCE SOUTH 31°52' WEST TO A POINT 165 FEET WEST OF THE SW CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 21; THENCE SOUTH 49°30' WEST TO A POINT 2310 FEET SOUTH OF THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21; THENCE NORTH 2310 FEET TO A POINT OF BEGINNING.

SECTION 22: W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ LYING NORTH AND WEST OF THE COUNTY ROAD.

PARCEL 3:

TOWNSHIP 9 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 21: SE $\frac{1}{4}$ SW $\frac{1}{4}$

PARCEL: 4

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 14: SE $\frac{1}{4}$ SW $\frac{1}{4}$ LYING SOUTH AND WEST OF SUNBEAM ROAD.

SECTION 23: SE $\frac{1}{4}$ NE $\frac{1}{4}$ LYING SOUTH OF SUNBEAM ROAD.

PARCEL 5:

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 14: SW $\frac{1}{4}$ SW $\frac{1}{4}$ LYING SOUTH AND EAST OF THE SEELOS ROAD.

SECTION 22: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ LYING SOUTHEAST OF THE COUNTY ROAD,

SECTION 23: SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ LYING SOUTH AND EAST OF SEELOS ROAD.

SECTION 24: W $\frac{1}{2}$ SW $\frac{1}{4}$

SECTION 26: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

SECTION 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$, NW $\frac{1}{4}$ LYING SOUTHEAST OF THE COUNTY ROAD, AND S $\frac{1}{2}$ S $\frac{1}{2}$

EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND, TO-WIT: BEGINNING AT THE SE CORNER OF SAID SECTION 27, TOWNSHIP 8 SOUTH, RANGE 31 E.B.M., POWER COUNTY,

IDAHO; THENCE NORTH 78 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND NORTHWESTERLY ON AN IRREGULAR LINE AND CURVES WHICH, AFTER THE FIRST 100 FEET NORTHWESTERLY, RUNS ALONG BUT 8 FEET SOUTHERLY FROM WELL DEFINED EXISTING EDGE OF FARMED WHEAT LAND. STRAIGHT LINES TO POINTS ON THIS NEW LINE, AND ALSO SOUTHERLY AND SOUTHWESTERLY AT LEAST 8 FEET FROM EDGE AND OUTSIDE OF SAID FARMED LAND, ARE BY METES AND BOUNDS AS FOLLOWS: FROM SAID POINT OF BEGINNING THE FIRST COURSE IS NORTH 59°50' WEST 1105.0 FEET; THENCE NORTH 30°48' WEST 300.0 FEET; THENCE NORTH 71°44' WEST 157.0 FEET; THENCE SOUTH 77°40' WEST 1065.0 FEET; THENCE NORTH 81°46' WEST 552.0 FEET; THENCE SOUTH 76°04' WEST 650.0 FEET, MORE OR LESS, TO A POINT 60 FEET SOUTHWESTERLY FROM A SOUTHWESTERLY ANGLE OF EDGE OF SAID FARMED LAND; THE LAST FOUR COURSES ARE BETWEEN EDGE OF FARMED LAND AND RIMROCK AT BROW OF HILL TO SOUTH; THENCE NORTH 38°56' WEST 800.00 FEET, TO THE NORTH LINE OF SE¼ SW¼ OF SAID SECTION 27; THENCE WEST ON LATTER 1370.0 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SECTION 27; THENCE SOUTH 1320 FEET TO THE SW CORNER OF SAID SECTION; THENCE EAST 1 MILE TO SE CORNER OF SAID SECTION 27; THENCE NORTH 79.0 FEET TO THE TRUE POINT OF BEGINNING.

SECTION 28: NE¼SE¼, SE¼NE¼ LYING SOUTH AND EAST OF THE COUNTY ROAD.

SECTION 35: NE¼

PARCEL 6:

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 23: NW¼SE¼, W½NE¼ LYING SOUTH AND WEST OF THE COUNTY ROAD.

PARCEL 7:

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 23: SW¼NW¼, NW¼SW¼

SECTION 26: W½E½, N½NW¼

SECTION 27: NE¼NE¼

TOGETHER WITH ALL WATER AND WATER RIGHTS APPURTENANT TO SAID LANDS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

THOSE CERTAIN WATER RIGHTS DESCRIBED AND CONTAINED IN THE LICENSES NUMBERED 29-10931, 29-10930, 41-10130, 41-10131, AND (41-7080, APPLICATION BEING HELD PENDING WITHDRAWAL OF DROUGHT MORATORIUM,) ISSUED BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO.

ALSO INCLUDED IS THE CONSERVATION RESERVE PROGRAM CONTRACT, CONTRACT NUMBER 8845A WITH 1564.3 ACRES ENROLLED. SELLERS RESERVE THE CONSERVATION RESERVE PROGRAM CONTRACT PAYMENT FOR 2009 AND HEREBY ASSIGN ALL FUTURE GOVERNMENT SUBSIDY PAYMENTS UNDER THIS CONTRACT TO THE BUYER.

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations,

restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

William J. Meadows
William J. Meadows

Vicki Meadows
Vicki Meadows

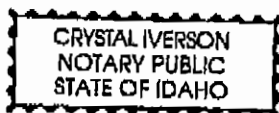
William Joseph Meadows
aka: William Joseph Meadows

Vicki Lynn Meadows
aka: Vicki Lynn Meadows

Vicki L. Meadows
aka: Vicki L. Meadows

STATE OF Idaho)
COUNTY OF Bannock)

On this 30th day of September, 2009, before me, a Notary Public in and for said State, personally appeared **William J. Meadows, also known as William Joseph Meadows and Vicki Meadows, also known as Vicki Lynn Meadows and Vicki L. Meadows**, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.



Crystal Iverson
Notary Public for the State of Idaho
Residing at: Pocatello, ID
My Commission Expires: 4/23/10

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL TO:
First American Title Company
2240 E. Center
Pocatello, ID 83201

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: **299729-P (ci)**

Date: **September 25, 2009**

For Value Received, **William J. Meadows, also known as William Joseph Meadows and Vicki Meadows, also known as Vicki Lynn Meadows and Vicki L. Meadows, husband and wife,** hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **Matthews Idaho Falls, LLC, a Utah limited liability company,** hereinafter called the Grantee, whose current address is **2781 Rocky Hollow Lane, American Falls, ID 83211,** the following described premises, situated in **Power County, Idaho,** to-wit:

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SECTION 21: SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LAND,

BEGINNING AT THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 31 E.B.M., POWER COUNTY, IDAHO; THENCE EAST 1980 FEET; THENCE SOUTH 31°52' WEST TO A POINT 165 FEET WEST OF THE SW CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 21; THENCE SOUTH 49°30' WEST TO A POINT 2310 FEET SOUTH OF THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21; THENCE NORTH 2310 FEET TO A POINT OF BEGINNING.

SECTION 22: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

SECTION 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$

PARCEL 2:

TOWNSHIP 9 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 14: NW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 15: S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 16: W $\frac{1}{2}$, SE $\frac{1}{4}$,

AND ALSO THE FOLLOWING DESCRIBED LAND;

Accepted & Approved

A.M. JBA

COMMENCING AT A POINT 112 RODS SOUTH OF THE NORTH EAST CORNER OF SECTION 16, TOWNSHIP 9 SOUTH, RANGE 31 E.B.M., POWER COUNTY, IDAHO; THENCE 48 RODS SOUTH; THENCE 75 RODS WEST; THENCE IN A NORTHEASTERLY DIRECTION TO A POINT OF COMMENCING.

SECTION 17: E $\frac{1}{2}$ E $\frac{1}{2}$

SECTION 20: E $\frac{1}{2}$ NE $\frac{1}{4}$

SECTION 21: N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$

AND ALSO THE FOLLOWING DESCRIBED LAND;

BEGINNING AT THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 31 E.B.M., POWER COUNTY, IDAHO; THENCE EAST 1980 FEET; THENCE SOUTH 31°52' WEST TO A POINT 165 FEET WEST OF THE SW CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 21; THENCE SOUTH 49°30' WEST TO A POINT 2310 FEET SOUTH OF THE NW CORNER OF THE SW $\frac{1}{4}$ OF SECTION 21; THENCE NORTH 2310 FEET TO A POINT OF BEGINNING.

SECTION 22: W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ LYING NORTH AND WEST OF THE COUNTY ROAD.

PARCEL 3:

TOWNSHIP 9 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 21: SE $\frac{1}{4}$ SW $\frac{1}{4}$

PARCEL: 4

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 14: SE $\frac{1}{4}$ SW $\frac{1}{4}$ LYING SOUTH AND WEST OF SUNBEAM ROAD.

SECTION 23: SE $\frac{1}{4}$ NE $\frac{1}{4}$ LYING SOUTH OF SUNBEAM ROAD.

PARCEL 5:

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 14: SW $\frac{1}{4}$ SW $\frac{1}{4}$ LYING SOUTH AND EAST OF THE SEELOS ROAD.

SECTION 22: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ LYING SOUTHEAST OF THE COUNTY ROAD.

SECTION 23: SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ LYING SOUTH AND EAST OF SEELOS ROAD.

SECTION 24: W $\frac{1}{2}$ SW $\frac{1}{4}$

SECTION 26: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

SECTION 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$, NW $\frac{1}{4}$ LYING SOUTHEAST OF THE COUNTY ROAD, AND S $\frac{1}{2}$ S $\frac{1}{2}$

EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND, TO-WIT: BEGINNING AT THE SE CORNER OF SAID SECTION 27, TOWNSHIP 8 SOUTH, RANGE 31 E.B.M., POWER COUNTY,

FEET NORTHWESTERLY, RUNS ALONG BUT 8 FEET SOUTHERLY FROM WELL DEFINED EXISTING EDGE OF FARMED WHEAT LAND. STRAIGHT LINES TO POINTS ON THIS NEW LINE, AND ALSO SOUTHERLY AND SOUTHWESTERLY AT LEAST 8 FEET FROM EDGE AND OUTSIDE OF SAID FARMED LAND, ARE BY METES AND BOUNDS AS FOLLOWS: FROM SAID POINT OF BEGINNING THE FIRST COURSE IS NORTH 59°50' WEST 1105.0 FEET; THENCE NORTH 30°48' WEST 300.0 FEET; THENCE NORTH 71°44' WEST 157.0 FEET; THENCE SOUTH 77°40' WEST 1065.0 FEET; THENCE NORTH 81°46' WEST 552.0 FEET; THENCE SOUTH 76°04' WEST 650.0 FEET, MORE OR LESS, TO A POINT 60 FEET SOUTHWESTERLY FROM A SOUTHWESTERLY ANGLE OF EDGE OF SAID FARMED LAND; THE LAST FOUR COURSES ARE BETWEEN EDGE OF FARMED LAND AND RIMROCK AT BROW OF HILL TO SOUTH; THENCE NORTH 38°56' WEST 800.00 FEET, TO THE NORTH LINE OF SE¼ SW¼ OF SAID SECTION 27; THENCE WEST ON LATTER 1370.0 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SECTION 27; THENCE SOUTH 1320 FEET TO THE SW CORNER OF SAID SECTION; THENCE EAST 1 MILE TO SE CORNER OF SAID SECTION 27; THENCE NORTH 79.0 FEET TO THE TRUE POINT OF BEGINNING.

SECTION 28: NE¼SE¼, SE¼NE¼ LYING SOUTH AND EAST OF THE COUNTY ROAD.

SECTION 35: NE¼

PARCEL 6:

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 23: NW¼SE¼, W½NE¼ LYING SOUTH AND WEST OF THE COUNTY ROAD.

PARCEL 7:

TOWNSHIP 8 SOUTH, RANGE 31 EAST OF THE BOISE MERIDIAN, POWER COUNTY, IDAHO.

SECTION 23: SW¼NW¼, NW¼SW¼

SECTION 26: W½E½, N½NW¼

SECTION 27: NE¼NE¼

TOGETHER WITH ALL WATER AND WATER RIGHTS APPURTENANT TO SAID LANDS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

THOSE CERTAIN WATER RIGHTS DESCRIBED AND CONTAINED IN THE LICENSES NUMBERED 29-10931, 29-10930, 41-10130, 41-10131, AND (41-7080, APPLICATION BEING HELD PENDING WITHDRAWAL OF DROUGHT MORATORIUM,) ISSUED BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO.

ALSO INCLUDED IS THE CONSERVATION RESERVE PROGRAM CONTRACT, CONTRACT NUMBER 8845A WITH 1564.3 ACRES ENROLLED. SELLERS RESERVE THE CONSERVATION RESERVE PROGRAM CONTRACT PAYMENT FOR 2009 AND HEREBY ASSIGN ALL FUTURE GOVERNMENT SUBSIDY PAYMENTS UNDER THIS CONTRACT TO THE BUYER.

SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations,

William J. Meadows
William J. Meadows

William Joseph Meadows
aka: William Joseph Meadows

Vicki Meadows
Vicki Meadows

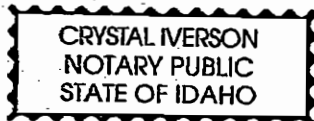
Vicki Lynn Meadows
aka: Vicki Lynn Meadows

Vicki L. Meadows
aka: Vicki L. Meadows

STATE OF Idaho)
ss.

COUNTY OF Bannock)

On this 30th day of September, 2009, before me, a Notary Public in and for said State, personally appeared **William J. Meadows, also known as William Joseph Meadows and Vicki Meadows, also known as Vicki Lynn Meadows and Vicki L. Meadows**, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.



Crystal Iverson
Notary Public for the State of Idaho
Residing at: Pocatello, ID
My Commission Expires: 4/23/10

ARTICLES OF MERGER

RECEIVED

OF

DEC 03 2009

MATTHEWS ROCKLAND, LLC
(a Utah Limited Liability Company)

Utah Div. Of Corp. & Comm. Code

WITH AND INTO

MATTHEWS IDAHO FALLS, LLC
(a Utah Limited Liability Company)

MATTHEWS ROCKLAND, LLC ("Rockland"), a limited liability company organized under the laws of the State of Utah, and MATTHEWS IDAHO FALLS, LLC ("Idaho Falls"), a limited liability company organized under the laws of the State of Utah, hereby execute and file the following Articles of Merger pursuant to the provisions of Section 48-2c-1409 of the Utah Revised Limited Liability Company Act (the "Act"):

ARTICLE ONE – PLAN OF MERGER

Attached hereto and incorporated herein as Exhibit A is a copy of the Agreement and Plan of Merger by and between the Rockland and Idaho Falls, dated as of the 2 day of Dec., 2009, adopted in the manner prescribed by the laws of the State of Utah.

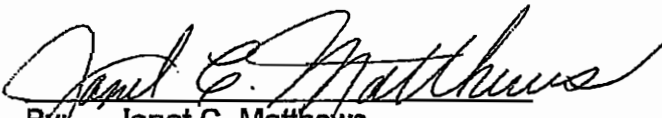
ARTICLE TWO – APPROVAL

The Agreement and Plan of Merger was duly authorized and approved by each entity that is a party to this merger in accordance with Section 48-2c-1408 of the Act.

IN WITNESS WHEREOF the undersigned, being thereunto duly authorized, have executed these Articles of Merger to be effective as of the date of filing these Articles of Merger.

MATTHEWS ROCKLAND, LLC


By: Alvin P. Matthews
Its: Manager


By: Janet C. Matthews
Its: Manager

Date: 12/03/2009
Receipt Number: 3059991
Amount Paid: \$74.00

12-03-09A11:21 RCVD

MATTHEWS IDAHO FALLS, LLC



By: Alvin P. Matthews

Its: Manager



By: Janet C. Matthews

Its: Manager

1060845v1

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

OF

MATTHEWS ROCKLAND, LLC

(a Utah Limited Liability Company)

WITH AND INTO

MATTHEWS IDAHO FALLS, LLC

(a Utah Limited Liability Company)

THIS AGREEMENT AND PLAN OF MERGER is adopted by **MATTHEWS ROCKLAND, LLC** ("Rockland"), a limited liability company organized under the laws of the State of Utah, by action of its members, and is also adopted by **MATTHEWS IDAHO FALLS, LLC** ("Idaho Falls"), a limited liability company organized under the laws of the State of Utah, by action of its members.

1. Rockland and Idaho Falls shall, pursuant to the provisions of the Utah Revised Limited Liability Company Act, be merged with and into a single limited liability company, to wit, Idaho Falls, which shall be the surviving entity at the effective time and date of the merger and which is sometimes hereinafter referred to as the "surviving entity," and which shall continue to exist as said surviving entity under its present name pursuant to the provisions of the Utah Revised Limited Liability Company Act. The separate existence of Rockland, which is sometimes hereinafter referred to as the "non-surviving entity," shall cease at the effective time and date of the merger in accordance with the provisions of the Utah Revised Limited Liability Company Act.

2. At the effective time and date of the merger, the Articles of Organization of the surviving entity, as amended, shall be the Articles of Organization of said surviving entity until further amended in the manner provided by law.

3. The present Operating Agreement of the surviving entity will be the Operating Agreement of said surviving entity and will continue in full force and effect until changed, altered, or amended as therein provided and in the manner prescribed by the provisions of the Utah Revised Limited Liability Company Act.

4. Upon consummation of the Merger, the membership interests of Rockland, which are outstanding immediately prior to the Merger, shall be exchanged for membership interests of Idaho Falls, and all of the membership interests of Rockland shall then be cancelled.

5. The members of the non-surviving entity and the members of the surviving entity, respectively, are hereby authorized, empowered, and directed to do any and all acts and things, and to make, execute, deliver, file and/or record any and all instruments, papers, and documents which shall be or become necessary, proper, or

convenient to carry out or put into effect any of the provisions of this Agreement and Plan of Merger or of the merger herein provided for.

THIS AGREEMENT AND PLAN OF MERGER is executed to be effective as of the 2 day of December, 2009.

MATTHEWS IDAHO FALLS, LLC

MANAGERS:

Alvin P. Matthews
Alvin P. Matthews

Janet C. Matthews
Janet C. Matthews

MEMBERS:

Alvin P. Matthews
Alvin P. Matthews

Janet C. Matthews
Janet C. Matthews

Kyle W. Matthews
Kyle Matthews

MATTHEWS ROCKLAND, LLC

MANAGERS:

Alvin P. Matthews
Alvin P. Matthews

Janet C. Matthews
Janet C. Matthews

MEMBERS:

Alvin P. Matthews
Alvin P. Matthews

Janet C. Matthews
Janet C. Matthews

RECEIVED

DEC 03 2009

Utah Div. of Corp. & Comm. Code



**CERTIFICATE OF AMENDMENT
OF THE
ARTICLES OF ORGANIZATION
OF**

**Matthews Idaho Falls, LLC
(Name Change to Matthews Rockland, LLC)**

All of the members of Matthews Idaho Falls, LLC, a Utah limited liability company (the "Company"), hereby execute and file this Certificate of Amendment of the Articles of Organization of the Company pursuant to the provisions of Section 48-2c-408 of the Utah Revised Limited Liability Company Act (the "Act"), and state as follows:

1. The name of the Company is Matthews Idaho Falls, LLC.
2. Article I of the original Articles of Organization of the Company is hereby amended and replaced in its entirety by the following:

ARTICLE I

NAME

The name of the limited liability company shall be Matthews Rockland, LLC (the "Company").

3. All other provisions of the Articles of Organization of the Company shall remain as presently constituted.
4. The foregoing amendment was adopted by all of the members and any managers of the Company on December 2, 2009 as required by Sections 48-2c-408(2) and 48-2c-804 of the Act and the Operating Agreement of the Company.

IN WITNESS WHEREOF the undersigned, being thereunto duly authorized as the Managers of the Company, have executed this Certificate of Amendment as of this 2 day of December, 2009.

Matthews Rockland, LLC fka Matthews
Idaho Falls, LLC

By: Alvin P. Matthews
Alvin P. Matthews, Manager

By: Janet C. Matthews
Janet C. Matthews, Manager

Date: 12/03/2009
Receipt Number: 3053991
Amount Paid: \$74.00

12-03-09A11:21 RCVD

RECEIVED

AUG 05 2008

Utah Div. Of Corp. & Comm. Code

ARTICLES OF ORGANIZATION

OF

MATTHEWS ROCKLAND, LLC

The undersigned person hereby forms a limited liability company under the Utah Revised Limited Liability Company Act (the "URLLCA") and adopts the following pursuant thereto:

ARTICLE I NAME

The name of the limited liability company is **MATTHEWS ROCKLAND, LLC** (hereinafter the "Company").

ARTICLE II PERIOD OF DURATION

The Company's duration shall commence on the date of filing of these Articles of Organization and shall continue through the 31st day of December, 2099, unless earlier terminated by law or pursuant to the Company's Operating Agreement.

ARTICLE III PURPOSES AND POWERS

The Company is organized for any and all lawful purposes for which companies may be organized pursuant to the URLLCA, including but not limited to acquiring, owning, holding for investment, developing, constructing upon, managing, selling, leasing and otherwise dealing with all forms of real and personal property, tangible and intangible, wherever located, and all other businesses and activities that the Managers may from time to time decide to engage in.

The Company shall have and may exercise all powers necessary or convenient for the carrying out of any or all of the purposes for which it is organized.

ARTICLE IV REGISTERED AGENT, REGISTERED OFFICE, AND DESIGNATED OFFICE

The name and street address of the initial registered agent of the Company for service of process is Alvin P. Matthews, 510 East Main Street, Grantsville, Utah 84029. The street address of the initial registered office of the Company is 510 East Main Street, Grantsville, Utah 84029. The Company's registered office shall be its designated office.

08-05-08P03:03 RCVD

Date: 08/05/2008
Receipt Number: 2561235
Amount Paid: \$52.00



**ARTICLE V
SUBSTITUTE SERVICE OF PROCESS**

The Director of the Division of Corporations and Commercial Code of the Utah Department of Commerce is hereby appointed as the agent of the Company for service of process if the registered agent has resigned, the agent's authority has been revoked or the agent cannot be found or served with the exercise of reasonable diligence.

**ARTICLE VI
MANAGEMENT**

The management of the Company shall be vested in one or more Managers, who shall be appointed in accordance with the Company's Operating Agreement. Managers do not need to be Members of the Company. The names and street addresses of the persons who are to serve as Managers, until their resignation or removal, are as follows:

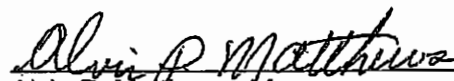
Alvin P. Matthews
510 East Main Street
Grantsville, UT 84029

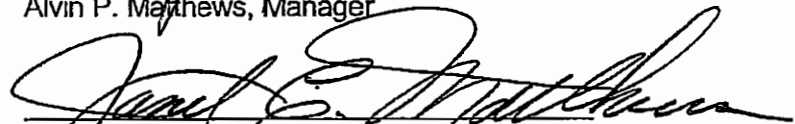
Janet C. Matthews
510 East Main Street
Grantsville, UT 84029

**ARTICLE VII
OPERATING AGREEMENT**

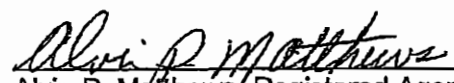
The rules, regulations and procedures governing the operations of the Company shall be set forth in an Operating Agreement which shall be adopted by the Members of the Company.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Organization this 4 day of August, 2008.


Alvin P. Matthews, Manager


Janet C. Matthews, Manager

The undersigned hereby accepts appointment as registered agent of the Company and confirms that the undersigned meets the requirements of Section 48-2c-302 of the URLCA.


Alvin P. Matthews, Registered Agent

**OPERATING AGREEMENT
OF
MATTHEWS ROCKLAND, LLC**

OPERATING AGREEMENT
OF
MATTHEWS ROCKLAND, LLC

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OPERATING AGREEMENT
OF
MATTHEWS ROCKLAND, LLC

THIS OPERATING AGREEMENT is made and entered into effective as of the 4 day of August, 2008, by Alvin P. Matthews and Janet C. Matthews, the initial Managers of the Company, and Alvin P. Matthews and Janet C. Matthews, the initial Members of the Company.

ARTICLE I

DEFINITIONS

1.1 Definitions. The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Additional Member" means any Person admitted to the Company with all the rights of a Member pursuant to Article XI of this Operating Agreement.

(b) "Company" means **MATTHEWS ROCKLAND, LLC**.

(c) "Entity" means any general partnership, limited partnership, limited liability company, limited liability partnership, for-profit corporation, non-profit corporation, joint venture, trust, business trust, estate, cooperative association or other entity.

(d) "Family" means spouse and descendants, including adopted persons of any generation and descendants of adopted persons of any generation, as well as blood descendants.

(e) "Financial Insolvency" of a Person means:

(i) the making of an assignment for the benefit of creditors by such Person;

(ii) the filing of a voluntary petition in bankruptcy by such Person;

(iii) the adjudication of such Person as bankrupt or insolvent;

(iv) the filing by such Person of a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(v) the filing of an answer or other pleading by such Person admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding described in subsection (iv) above;

(vi) the seeking, consent to, or acquiescence in by such Person of the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties;

(vii) the failure of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation to be dismissed within one hundred twenty (120) days after its commencement; or the failure of any appointment, made without such Person's consent or acquiescence, of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties to be vacated or stayed within ninety (90) days after such appointment, or the failure of any such appointment to be vacated within ninety (90) days after the expiration of any such stay; or

(viii) the imposition of a charging order against the interest of a Member.

(f) "Fiscal Year" means the Company's fiscal and taxable year.

(g) "IRC" means the Internal Revenue Code of 1986, as amended, and all references to specific sections thereof shall include any amended or successor provisions thereto.

(h) "Legal Incompetency" of an individual Person means a determination of such individual's incompetency, whether for insanity, age, disability or other reason. For this purpose, such determination shall be made by a duly licensed physician chosen by the Managers. If a Manager's competency is questioned, the other Members may select the determining physician. If such individual disputes such declaration, he may choose a second physician, and said two physicians shall choose a third physician, and the decision of the majority of said physicians as to the competency of such individual shall be binding on all parties. Each party shall bear the cost of the physician chosen by it and the parties shall split the cost of the third physician.

(i) "Liquidation" means the liquidation of the Company or the liquidation of a Member's interest in the Company, as the context may require, and has the meaning set forth in Regulations Section 1.704-1(b)(2)(ii)(g).

(j) "Majority in Interest" refers to Members whose percentage interests in Profits aggregate in excess of fifty percent (50%) of the total Profits interests held by all of the Members entitled to participate in a particular action or decision. If a greater percentage of Profits interests is required, it shall be so specified herein.

(k) "Manager" means the Person or Persons, collectively, designated as Managers in accordance with the provisions hereof.

(l) "Member" means each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Additional or Substituted Members.

(m) "Net Cash Flow" of the Company shall be determined for each Fiscal Year in accordance with sound, cash basis accounting principles and means (i) all cash receipts of the Company during such period, from whatever source, whether or not taxable, including capital contributions and financing proceeds, plus (ii) any cash that is released during such period from the cash reserves of the Company, referred to in (iv) below, less (iii) all cash expenditures and cash losses of the Company during such period, whether capital or current, tax deductible or nondeductible (including debt service payments but excluding distributions to Members), and less (iv) reasonable additions during such period to Company cash reserves deemed necessary by the Managers in their sole and absolute discretion for working capital, contingent liabilities, debt reserves, capital improvements and replacements, and investments.

(n) "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

(o) "Person" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

(p) "Profits" or "Losses" means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period, as the case may be, as determined under IRC Section 703(a) (except that for this purpose all items of income, gain, loss or deduction required to be separately stated pursuant to IRC Section 703(a)(1) shall be included in the computation of taxable income or loss, notwithstanding IRC Section 703(a)(2)), with the following adjustments:

(i) any income of the Company that is exempt from federal income tax which is not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in IRC Section 705(a)(2)(B), or treated as IRC Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(b), which are not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or loss; and

(iii) any items of income, gain, loss or deduction which are specially allocated pursuant to Paragraphs C.1(d) and C.2 of the Capital Accounting and Tax Addendum attached hereto shall not be included in the computation of Profits or Losses.

(q) "Regulations" refers to the income tax regulations promulgated under the IRC, as amended from time to time (including corresponding revisions of successor regulations).

(r) "Substituted Member" means any Person admitted to the Company with all the rights of a Member pursuant to Article XI of this Operating Agreement.

(s) "Transfer," as a verb, means to sell, exchange, assign or otherwise transfer, mortgage, pledge, hypothecate or otherwise encumber property, whether voluntarily or involuntarily, by operation of law, order of any court, contract, gift, will, intestacy, Financial Insolvency, division of property in the context of a divorce or separation proceeding, or otherwise, and as a noun, the act of doing so.

(t) "URLLCA" means the Utah Revised Limited Liability Company Act (Title 48, Chapter 2c, Utah Code Annotated of 1953, as amended), and all references to specific sections thereof shall include any amended or successor provisions thereto.

ARTICLE II

FORMATION AND NAME; PRINCIPAL PLACE OF BUSINESS; TERM

2.1 Formation and Name. The Members have formed a limited liability company under the name of Matthews Rockland, LLC, by the filing of Articles of Organization pursuant to the provisions of URLLCA Section 48-2c-403. The Members desire to govern the affairs of the Company by entering into this Operating Agreement.

2.2 Principal Place of Business. The principal place of business of the Company, at which location the records required to be maintained by URLLCA Section 48-2c-112 shall be kept, is 510 East Main Street, Grantsville, Utah 84029. The Managers may at any time change the principal place of business or designate additional places of business of the Company.

2.3 Registered Office, Designated Office and Registered Agent. The Company's registered office shall be at 510 East Main Street, Grantsville, Utah 84029, and the name of its initial registered agent at such address shall be Alvin P. Matthews. The Company's registered office shall also be its designated office under URLLCA Section 48-2c-102(5). The Managers may change the registered or designated office and/or the registered agent from time to time.

2.4 Term of the Company. The term of the Company shall commence on the filing of the Articles of Organization and shall continue through December 31, 2099, unless the ULLCA is amended to allow perpetual existence of limited liability companies, upon which the term of this Company shall be perpetual, unless earlier terminated by law or as hereinafter provided.

ARTICLE III

PURPOSES AND POWERS OF THE COMPANY

The Company is organized for any and all lawful purposes for which companies may be organized pursuant to the ULLCA, including but not limited to the acquisition, ownership, holding for investment, development, construction, management, sale, lease, rent, exchange and all other modes of dealing with all forms of real and personal property, tangible and intangible, wherever located. The Company shall have and may exercise all powers necessary or convenient for the carrying out of any or all of the purposes for which it is organized without the necessity of their specific enumeration herein.

ARTICLE IV

TAX AND ACCOUNTING MATTERS

4.1 Characterization as a Partnership. It is the intent of the Members that the Company be classified as a partnership for federal and state income tax purposes. Accordingly, this Operating Agreement is written and shall be construed in a manner consistent with such intent and the Managers shall take no action inconsistent with such intent.

4.2 Fiscal Year. The Fiscal Year of the Company shall end on the last day of December of each year.

4.3 Accounting Method. The Company books of account shall be maintained and its income, gains, losses, deductions and credits shall be reported, for both financial and tax accounting purposes, on the cash basis method of accounting, applied consistently and in accordance with sound cash basis accounting principles. The Managers may at any time change the financial and tax accounting method of the Company, subject to any applicable limitation of law or regulation.

4.4 Tax Information. As soon as reasonably practicable after the end of the Company Fiscal Year, the Managers shall cause each Member to be furnished with a Schedule K-1 for such year and any other schedule or statement required by federal income tax law.

4.5 Tax Elections. The Managers in their discretion may make any and all tax elections available to the Company, including without limitation the election provided for in IRC Section 754 and the classification election under Regulations Section 301.7701-3.

4.6 Tax Matters Partner. The Managers shall be the Tax Matters Partner ("TMP") of the Company as such term is defined in IRC Section 6231(a)(7).

ARTICLE V

CAPITAL STRUCTURE; CAPITAL CONTRIBUTIONS; LOANS

5.1 Initial Capital Contributions. The Members have made initial capital contributions to the Company of cash and/or interests in property in the amounts and at the Fair Market Values set forth opposite their names in Schedule One, attached hereto and made a part hereof by this reference.

5.2 Additional Capital Needs. No Member shall be obligated to make any additional contributions to Company capital or loans to the Company without such Member's consent. However, Members may make additional capital contributions to the Company with the approval of the Managers. Further, in the event the Company has insufficient capital for its needs, it may raise additional capital by borrowing from Members or third parties on such commercially reasonable terms and conditions as the Managers and such Member or third party are able to agree upon, and/or by issuing additional equity interests in the Company to Members or third parties on such reasonable terms and conditions as the Managers in their discretion shall deem advisable, subject to Article XI, Admission of New Members.

5.3 Return of Capital. No Member shall be entitled to the return of its capital contribution to the Company except as specifically provided in this Agreement.

5.4 Interest on Contributions. No interest shall accrue or be paid on the balance in the Capital Account of any Member.

ARTICLE VI

CAPITAL ACCOUNTS

A separate Capital Account shall be maintained for each Member. In general, a Member's Capital Account shall be credited in the amount of such Member's contributions to capital and such Member's share of the Profits of the Company and shall be debited in the amount of any distributions of capital to such Member and such Member's share of the Losses of the Company, in accordance with IRC Section 704(b) and the Regulations promulgated thereunder, as more particularly set forth in the

Capital Accounting and Tax Addendum attached hereto and made a part hereof by this reference.

ARTICLE VII

ALLOCATION OF PROFITS AND LOSSES

7.1 Allocation of Profits. Subject to the special tax allocation rules set forth in the Capital Accounting and Tax Addendum attached hereto and made a part hereof by this reference, Profits for any Fiscal Year shall be allocated to the Members for both financial and tax accounting and reporting purposes in proportion to their respective average capital account balance for the particular fiscal year.

7.2 Allocation of Losses. Subject to the special tax allocation rules set forth in the Capital Accounting and Tax Addendum attached hereto, Losses for any Fiscal Year shall be allocated to the Members for both financial and tax accounting and reporting purposes in the same manner and proportion as Profits under Section 7.1.

7.3 Allocations in the Event of Transfer or Liquidation. In the event of the transfer or Liquidation of a Member's entire interest in the Company, such Member's allocable share of Profits, Losses and any specially allocated items pursuant to the Capital Accounting and Tax Addendum attached hereto for the current taxable year of the Company through the date of transfer or Liquidation shall be calculated on the basis of an interim closing of the Company books as of such date, or on the basis of a daily proration through such date of Profits, Losses and any specially allocated items for the entire year, as the Liquidating Member and the Managers may agree.

ARTICLE VIII

NET CASH FLOW AND DISTRIBUTIONS

8.1 Distribution of Net Cash Flow. The Net Cash Flow of the Company shall be distributed to the Members in proportion to their respective interests in Profits at appropriate times in the Managers' sole discretion; provided, that there shall always be a minimum distribution for each Fiscal Year of the Company of at least enough Net Cash Flow to cover the federal and state income tax liability of the Members attributable to their share of Profits under Section 7.1 above for such Fiscal Year, unless the Managers determine there are compelling reasons not to do so.

8.2 Distributions Upon Termination. Notwithstanding the foregoing, liquidating distributions in the event of Liquidation of the Company shall be made in accordance with the Members' respective final positive Capital Account balances, as set forth in Section 14.3 below.

8.3 Amounts Withheld. The Company is authorized to withhold from payments or distributions to the Members and to pay to any federal, state or local government any amounts required to be so withheld pursuant to the Internal Revenue Code or any provisions of any other federal, state or local tax law. All amounts so withheld and paid to any taxing authority with respect to any payment or distribution to the Members shall be treated as amounts paid or distributed to the Members pursuant to this Article VIII for all purposes under this Agreement.

ARTICLE IX

RIGHTS AND DUTIES OF THE MANAGERS

9.1 Management. As provided in the Articles of Organization, the management of the Company shall be vested in those Persons designated by the Members as Manager (collectively, the "Managers"). The initial Managers of the Company shall be Alvin P. Matthews and Janet C. Matthews. The Managers shall direct, manage and control the business of the Company and shall have full and complete authority, power and discretion to make any and all decisions and to do any and all things which the Managers shall deem to be reasonably required in light of the Company's business and objectives, without the necessity of their specific enumeration herein. Whenever there is more than one person serving as Manager, except as otherwise provided herein, a simple majority of such persons must agree on any action to be taken by the Managers. The remaining Members of the Company shall have no right or authority to act for or on behalf of the Company and shall not interfere or participate in the management of the Company except as expressly provided herein.

9.2 Tenure and Succession. Upon the resignation, death, Incompetency or Financial Insolvency of one of Alvin P. Matthews and Janet C. Matthews, then the remaining one of them shall serve as the sole manager. In the event of the resignation, death, incompetency or financial insolvency of both of Alvin P. Matthews and Janet C. Matthews, then a Majority in Interest of the remaining Members shall elect a successor Manager or Managers.

9.3 Duties and Powers of the Managers. The Managers shall have all powers necessary to conduct the business of the Company without the need for specifically setting them forth herein. The Managers may act on behalf of the Company, and may sign whatever documents may be necessary for the proper administration of the Company, including, but not limited to, agreements, contracts, deeds, checks and other financial instruments. Unless authorized to do so by this Operating Agreement or by the Managers, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

9.4 Liability for Certain Acts. The Managers shall exercise business judgment in managing the business, operations and affairs of the Company. Unless fraud, gross negligence or willful misconduct shall be proven by a court order, judgment, decree or

decision which has become final, the Managers shall not be liable or obligated to the Company or the Members for any mistake of fact or judgment or for the doing or failure to do of any act in conducting the business, operations and affairs of the Company which causes or results in any loss or damage to the Company or its Members.

9.5 Time Devoted to Company; Conflicts. It is understood and agreed that the Managers are free to devote less than their full time to the business of the Company and may engage in any other business or activity whatsoever. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of the Managers or in the income or proceeds derived therefrom.

9.6 Indemnification. The Company shall indemnify any Person who is made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such Person is or was a Manager, against costs and expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by the Managers in connection with the action, suit or proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such Person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that such Managers (a) did not act in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company, and (b) with respect to any criminal action or proceeding, had reasonable cause to believe that such Person's conduct was unlawful.

9.7 Resignation. A Person serving as a Manager may resign at any time by giving written notice to the Members of the Company. The resignation of a Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.8 Compensation. The Company may pay reasonable compensation to the Managers for such Persons' services hereunder.

9.9 Dealings with Affiliates. The Company may enter into business and contractual relationships of any kind with affiliated entities, provided that the terms of such relationships are commercially reasonable and satisfy arm's-length standards.

9.10 Removal. At a meeting called expressly for that purpose, a Manager may be removed at any time for any reason, with or without cause, by the affirmative vote of ninety percent (90%) of the Members, and may be removed by reason of Legal Incompetency or willful misconduct or conviction of a felony as adjudicated by a court of competent jurisdiction by the affirmative vote of a Majority in Interest of the Members.

ARTICLE X

RIGHTS AND OBLIGATIONS OF MEMBERS

10.1 **Limitation of Liability.** No Member shall be personally liable for any debts, obligations, liabilities or losses of the Company, regardless of the particular nature or source thereof, beyond such Member's capital interest in the Company. Notwithstanding the foregoing, unless otherwise excused by the URLLCA, in the event a Member has in fact received the return, in whole or in part, of such Member's capital contribution, he shall be liable for and agrees to repay to the Company up to the amount of such returned contribution, to the extent required by URLLCA Section 48-2c-602(6).

10.2 **Company Books:** The Managers shall maintain and preserve at the Company's principal place of business, during the term of the Company and for six (6) years thereafter, all accounts, books, and other documents and records, including those required to be maintained by URLLCA Section 48-2c-112. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the Member's expense.

10.3 **Priority and Return of Capital.** No Member shall have priority over any other Member, either as to the return of capital contributions or as to distributions; provided that this Section shall not apply to loans (as distinguished from capital contributions) which a Member has made to the Company.

10.4 **Withdrawal by a Member.** No Member shall have the right under this Operating Agreement to unilaterally withdraw from the Company or to require that his or her interest in the Company be redeemed, in whole or in part.

ARTICLE XI

ADMISSION OF NEW MEMBERS

No Person shall be admitted to the Company as an Additional or Substituted Member without the express, written consent of a Majority in Interest of the Members. An Additional or Substituted Member shall execute and deliver all documents necessary to reflect such Member's admission to the Company and such Member's agreement to be bound by the terms and conditions of this Operating Agreement. An Additional or Substituted Member shall thereupon be entitled to all of the rights and be subject to all of the duties and liabilities of membership in the Company. This Operating Agreement shall be amended as necessary to conform to the changed conditions of the Company, and the Managers shall file an appropriate amendment to the Articles of Organization of the Company if required by URLLCA Section 48-2c-405 to do so.

ARTICLE XII

TRANSFER OF MEMBER'S INTEREST

12.1 Transferability of Interest. Subject to Section 13.1 below, a Member shall be free to Transfer all or any portion of such Member's interest in the Company at any time to any Person on any terms and conditions, except as follows:

(a) Certain Transfers are subject to the right of first refusal set forth in Section 12.2 below.

(b) Also, no Transfer otherwise permitted hereunder may be made if, in the opinion of counsel for the Company, such Transfer, when added to the total of all other interests in the Company transferred within the period of twelve (12) consecutive months prior to the proposed date of Transfer, would result in the termination of the Company for tax purposes under IRC Section 708, unless such Transfer is specifically consented to by the Managers.

12.2 Right of First Refusal. In the event a Member receives a bona fide written offer to purchase all or any portion of such Member's interest in the Company from a third party which such Member desires to accept, he may do so, provided that such Member first offers to sell such Member's interest, or portion thereof, to the Company and the other Members in the manner set forth below on the same terms and conditions as offered by the third party by delivering a copy of said third party offer to the Managers and the other Members (with a cash equivalent value being substituted for any non-cash consideration contained in said third party offer). If the Member proposes to gift all or any portion of such Member's interest in the Company to a person outside such Member's Family, such Member shall give notice of same to the Managers, which notice shall be treated as the equivalent of an offer to sell such interest to the Company for the value and on the terms determined under Sections 13.2 and 13.3 below.

The Managers shall then have sixty (60) days in which to accept said offer in full on behalf of the Company on the terms and conditions set forth in said offer. If the Managers decline to accept said offer, the Managers may assign the offer to those Members who desire to accept it, pro rata in proportion to such Members' interests in Profits or as such Members may otherwise agree among themselves, but such assignment shall not extend the sixty (60) day period for acceptance. Acceptance shall be in writing delivered to the transferring Member.

If the Managers and Members decline to accept said offer or otherwise waive their rights hereunder, the transferring Member shall be free to accept the offer of purchase from said third party, provided he does so within thirty (30) days after the earlier of the end of the sixty (60) day period or receipt of such waiver and provided he consummates the sale of his interest, or portion thereof, without any material variation in the terms and conditions stated in said offer. If the thirty (30) day period for acceptance expires or if such Member desires to materially vary any of the terms and conditions of

the offer, he must follow the procedure set forth above as if he were receiving a new offer of purchase.

Notwithstanding the foregoing, a lifetime or testamentary Transfer, whether by sale or by gift, by any Member of all or any portion of such Member's interest in the Company to or for the benefit of such Member's Family, or trust or other Entity for the benefit of such Family, or to another Member (an "Intrafamily Transfer"), shall not be subject to the above right of first refusal.

12.3 Effect of Transfer; Status of Transferee. The Transfer of any interest in the Company, voluntary or involuntary, permissible or impermissible, if effective at all, shall be effective only to Transfer the transferring Member's economic rights in such interest and not to Transfer such Member's voting, management and other rights of ownership with respect to such interest. Accordingly, any transferee of such interest shall have the status of a mere assignee under URLLCA Section 48-2c-1102 and shall not be entitled to become, nor to exercise any of the rights of, a Member in the Company unless and until such transferee is admitted as a Substituted Member in accordance with Article XI above. In any event, the transferee shall be subject to all the obligations of Members hereunder and the transferring Member shall cease to have any rights at all with respect to the transferred interest.

12.4 Transferring Member's Capital Account Balance. Subject to Section 7.3 above, that portion of the Capital Account balance of a Member who Transfers all or any portion of such Member's interest in the Company, as permitted hereunder, which is attributable to such transferred interest, shall carry over to the transferee as set forth in Regulations Section 1.704-1(b)(2)(iv)(I).

12.5 Internal Revenue Service Reporting Requirements. In the event of a sale or exchange of an interest in the Company, the Members shall comply with the reporting requirements of IRC Section 6050K.

ARTICLE XIII

BUY-OUT OF MEMBER'S INTEREST

13.1 Buy-Out Upon Certain Events. Upon receiving notice of the occurrence of a Buy-Out Event (defined below), the Company shall have one hundred twenty (120) days in which it may exercise an option to purchase the entire interest in the Company of the Member to whom or by whom the Buy-Out Event has occurred (the "Liquidating Member"). The Managers in their sole discretion shall determine whether or not to exercise such option.

A "Buy-Out Event" shall consist of any of the following events or circumstances:

(a) the death, Legal Incompetency, Financial Insolvency or divorce of a Member (unless the resulting Transfer of such Member's interest would constitute an Intrafamily Transfer as defined under Section 12.2 above); or

(b) the breach by a Member of any material term or provision of this Agreement, which breach remains uncured after reasonable notice and opportunity to cure.

Exercise of said option by the Company shall be made by giving written notice thereof to the Liquidating Member or the personal representative, trustee or other successor-in-interest of the Liquidating Member, effective as of the date of notice of such election. Valuation of the interest in the Company of the Liquidating Member shall then take place pursuant to Section 13.2 below and payment for such interest shall take place pursuant to Section 13.3 below.

13.2 Valuation of Liquidating Member's Interest. The interest in the Company of a Liquidating Member shall be valued as follows:

(a) **Negotiation to Determine Valuation.** The Managers and the Liquidating Member or the personal representative, trustee or other successor-in-interest of the Liquidating Member shall promptly commence negotiations to establish the fair market value of the Liquidating Member's interest in the Company. Value shall be determined as of the date of the election to buy out the interest of the Liquidating Member. Negotiations shall continue as long as required, provided that if an agreement is not reached within ninety (90) days after the date of the election to buy out the interest of the Liquidating Member or if negotiations break down prior to such time, either party may terminate the negotiations and require the valuation to be submitted to appraisal, as provided in the following subsection.

(b) **Appraisal to Determine Valuation.** Unless the parties agree on a different appraisal procedure, if the parties are unable to reach agreement through negotiations between themselves, the fair market value of the Liquidating Member's interest in the Company shall be determined by appraisal. Each of the parties shall promptly select an appraiser qualified by appropriate licensure or certification to conduct appraisals of interests in a limited liability company, taking into consideration the nature of the assets owned and business conducted by the Company, and such appraisers shall then select a third such appraiser. The value of the Liquidating Member's interest shall be the average of the two appraised values which are closest together. Each party shall bear the cost of the appraiser chosen by it and the parties shall split the cost of the third appraiser.

(c) **Method of Valuation and Discounts.** The value of the Liquidating Member's interest in the Company, whether determined by negotiation or appraisal, shall be arrived at by first determining the value of the Company as a whole by reference to such financial data and the use of such valuation methods

as are appropriate and then applying appropriate discounts with respect to the interest of the Liquidating Member to take into account, to the extent applicable, minority interest, nonmarketability of interest and other factors which would affect the value of the Liquidating Member's interest, or in any other manner determined to be appropriate by the aforesaid appraisers.

(d) Payment for Good Will. An appropriate portion of the value of the Liquidating Member's interest in the Company, as determined under subsection 13.2(a) or (b) above, shall be allocated to good will, if there is any, provided that IRC Section 736(b)(3) is applicable.

13.3 Payment Schedule. Payment for the interest in the Company of a Liquidating Member, as valued under Section 13.2 above, may be made by the Company over a period of up to five (5) years in equal monthly, quarterly or annual installments of principal, together with accrued interest from the effective date of the buy-out or redemption. The unpaid balance of the purchase price shall bear interest at the minimum rate necessary to avoid the imputation of interest under the Internal Revenue Code. The unpaid balance of the purchase price need not be secured. The Company shall have the right to prepay all or any portion of such obligation at any time without notice or penalty. In the event the Company terminates under Article XIV, below, prior to the payment in full by the Company of the foregoing obligation, the entire remaining balance of principal and accrued interest shall be immediately due and payable by the Company, as set forth in Section 14.3 below.

ARTICLE XIV

DISSOLUTION AND TERMINATION

14.1 Dissolution and Continuation. The Company shall be dissolved upon the occurrence of any of the following events:

- (a) when the period fixed for the duration of the Company shall expire;
- or
- (b) upon the vote of all the Members.

The death, Financial Insolvency, Legal Incompetency, withdrawal, retirement, resignation, expulsion or dissolution of any Member shall not of itself cause the dissolution of the Company.

14.2 Winding Up the Company. Upon dissolution of the Company, the Managers shall immediately commence to wind up the affairs of the Company and shall engage in an orderly disposition of its assets where such can be done at a fair value (except to the extent the Managers may determine to distribute any assets to the Members in kind). The items comprising the Profits or Losses of the Company, as the case may be, as well as any specially allocated items for the Fiscal Year in which the

Company is terminated, shall continue to be allocated to the Members or their representatives and be credited or charged to their respective Capital Accounts in accordance with Articles VI and VII above. Further, the Capital Accounts of the Members or their representatives shall be adjusted as required by Paragraph B.2(c) of the Addendum attached hereto.

14.3 Distribution of Liquidation Proceeds. Pursuant to the winding up of the Company's affairs, the Company assets and the proceeds from the disposition of Company assets shall be applied in order of priority as follows:

(a) First, to creditors of the Company other than Members (and other than any former Members receiving payments in buy-out of their interest in the Company under Section 13.3 above);

(b) Second, to Members for any debts of the Company to such Members, including Members being bought out under Section 13.3 above, pro rata;

(c) Third, to Members in the amount of the final positive balances in their respective Capital Accounts (after the allocation of all Profits, Losses and specially allocated items).

Each Member shall look solely to the assets of the Company for the return of such Member's investment in the Company, and if such assets or the proceeds from the liquidation of such assets are insufficient to return said investment, such Member shall have no recourse against any other Member. Liquidating distributions to Members shall be made by the later of (i) the end of the Company taxable year in which Liquidation occurs, or (ii) ninety (90) days after Liquidation.

14.4 Return of Capital Contributions. A Member shall not be entitled to the return of specific property contributed to the Company nor to any payments in liquidation of such Member's interest in the Company other than in cash.

14.5 Negative Capital Account Balance. A negative balance in any Member's Capital Account which exists upon termination of the Company (after the allocation of all Profits and Losses through termination) shall not constitute a debt or liability of such Member to the Company, to any creditor of the Company, to any other Member, or to any other Person for any purpose whatsoever, and such Member shall have no obligation to make any additional capital contribution to the Company by reason of such negative balance.

14.6 Articles of Dissolution. When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets of the Company have been distributed to the Members, Articles of Dissolution shall be executed and filed pursuant to URLLCA Section 48-2c-1204. Upon issuance by the State of Utah of a certificate of dissolution, the Company shall be terminated.

ARTICLE XV

MISCELLANEOUS PROVISIONS

15.1 Amendments. This Operating Agreement may be amended, or amended and restated, at any time upon the affirmative vote of a Majority in Interest of the Members; provided, however, the Managers may make technical amendments to the Operating Agreement at any time which do not affect the economic interests of the Members as necessary in order to maintain the Operating Agreement in compliance with applicable tax and limited liability company law.

15.2 Notices. Except as otherwise provided herein, any notice, election or communication required or permitted to be given by any provision of this Operating Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party to whom the same is directed or three (3) days after being sent by United States mail, certified or registered mail, postage prepaid, addressed to such party's address set forth in the records of the Company. Any such address may be changed by notice given in the above manner.

15.3 Governing Law. This Operating Agreement is entered into under and shall be governed by the laws of the State of Utah.

15.4 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

15.5 Headings. The headings in this Operating Agreement are inserted for convenience only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

15.6 Binding Effect. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

15.7 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

15.8 Enforcement. In the event of a breach or dispute arising under this Operating Agreement, the nonbreaching party or the party prevailing in such dispute shall be entitled to recover its costs, including without limitation reasonable attorneys' fees and court costs, from the breaching or nonprevailing party.

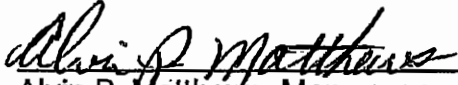
IN WITNESS WHEREOF, this Operating Agreement has been executed effective as of the date hereinabove first written by the following Members, whose respective mailing addresses are set forth opposite their signatures. By their signatures below said Members do hereby affirm that they have read the foregoing Operating Agreement and are familiar with its contents and they do hereby verify the truthfulness thereof.

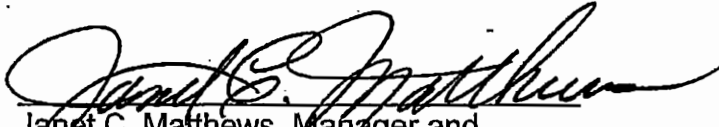
Mailing Addresses:

510 East Main Street
Grantsville, Utah 84029

510 East Main Street
Grantsville, Utah 84029

MEMBERS AND MANAGERS:


Alvin P. Matthews, Manager and
Member


Janet C. Matthews, Manager and
Member

SCHEDULE ONE

Original Capital Contributions
And Share of Profits

<u>Members</u>	<u>Description of Property Contributed</u>	<u>Percentage</u>
Alvin P. Matthews		50%
Janet C. Matthews		<u>50%</u>
TOTAL		<u>100%</u>

CAPITAL ACCOUNTING AND TAX ADDENDUM

A. DEFINITIONS

The following additional definitions are supplied for purposes of this Addendum:

(a) **"Adjusted Capital Account"** means a Member's Capital Account as of the end of any Fiscal Year, increased by the amount of any deficit balance in such Member's Capital Account which such Member is unconditionally obligated to restore to such Member's Capital Account, or is deemed obligated to restore pursuant to the penultimate sentence of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and decreased by the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) **"Adjusted Tax Basis"** means the adjusted tax basis of property for federal income tax accounting purposes.

(c) **"Book Depreciation"** means for each Company Fiscal Year or other period, an amount equal to the Tax Depreciation for such year or other period, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such year or other period, Book Depreciation shall be an amount which bears the same relationship to such beginning Book Value as the Tax Depreciation for such year or other period bears to such beginning Adjusted Tax Basis; provided, however, that if the Tax Depreciation for such year is zero, Book Depreciation shall be determined with reference to such beginning Book Value using any reasonable method selected by the Managers. The foregoing definition of Book Depreciation is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(iv)(g)(3) and shall be interpreted consistently herewith.

(d) **"Book Value"** means the value of property as reflected on the books of the Company in accordance with Paragraph B.2 of this Addendum.

(e) **"Fair Market Value"** means the fair market value of property, unreduced by any liabilities secured by such property. For the purpose of applying the capital accounting rules set forth in Paragraphs B.1(b) and B.1(g) of this Addendum and for purposes of Paragraph B.2(a) of this Addendum, such fair market value shall be determined without regard to the amount of any nonrecourse indebtedness secured by such property, in accordance with IRC Section 752(c). For all other purposes and provisions of this Operating Agreement, such fair market value shall be deemed to be no less than the amount of any nonrecourse indebtedness secured by such property, in accordance with IRC Section 7701(g) and Regulations Section 1.704-1(b)(2)(iv)(e)(1).

(f) "Partner Nonrecourse Liability" means any liability to the extent such liability is nonrecourse to the Company and a Member (or related person) bears the economic risk of loss as set forth in Regulations Section 1.704-2(b)(4).

(g) "Partner Nonrecourse Debt Minimum Gain" means the aggregate amount by which Partner Nonrecourse Liabilities, if any, exceed the adjusted tax bases of the Company properties which they encumber, as set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(i)(2).

(h) "Partner Nonrecourse Deductions" means items of loss, deduction or IRC Section 705(a)(2)(B) expenditures that are attributable to a Partner Nonrecourse Liability, as set forth in Regulations Section 1.704-2(i)(1). The amount of Partner Nonrecourse Deductions for a Company Fiscal Year equals the net increase, if any, in the amount of Partner Nonrecourse Debt Minimum Gain during such Fiscal Year, reduced (but not below zero) by the distribution of proceeds of any Partner Nonrecourse Liability made during such Fiscal Year to the Member (or Members) bearing the economic risk of loss for such liability which are both attributable to such liability and allocable to an increase in Partner Nonrecourse Debt Minimum Gain, as set forth in Regulations Section 1.704-2(i)(2).

(i) "Partnership Minimum Gain" means the aggregate amount by which Partnership Nonrecourse Liabilities, if any, exceed the adjusted tax bases of the Company properties which they encumber, as set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(j) "Partnership Nonrecourse Deductions" means items of loss, deduction or IRC Section 705(a)(2)(B) expenditures that are attributable to Partnership Nonrecourse Liabilities, as set forth in Regulations Section 1.704-2(b)(1). The amount of Partnership Nonrecourse Deductions for a Company Fiscal Year equals the net increase, if any, in the amount of Partnership Minimum Gain during such Fiscal Year, reduced (but not below zero) by the aggregate distributions made during such Fiscal Year of proceeds of any Partnership Nonrecourse Liability which are allocable to an increase in Partnership Minimum Gain, as set forth in Regulations Section 1.704-2(c).

(k) "Partnership Nonrecourse Liability" means any liability that is nonrecourse to the Company as to which no Member (or related person) bears any economic risk of loss as set forth in Regulations Section 1.704-2(b)(3).

(l) "Section 704(c) Property" has the meaning set forth in Paragraph C.1 of this Addendum.

(m) "Tax Depreciation" means for each Company Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period for federal income tax purposes.

B. CAPITAL ACCOUNT MAINTENANCE RULES

1. Basic Capital Accounting Rules. The Members' Capital Accounts shall be kept in accordance with the following rules. A Member's Capital Account shall be increased by:

(a) the amount of money contributed by such Member to the Company (including the amount of Company liabilities assumed by such Member other than liabilities described in subparagraph (g));

(b) the Fair Market Value of property other than money contributed (or deemed contributed) by such Member to the Company, net of liabilities secured by such property that the Company is considered to assume or take subject to under IRC Section 752;

(c) the amount of Company liabilities which are assumed by such Member (other than liabilities described in subsection (g) below which are assumed by a distributee Member);

(d) such Member's allocable share of the Profits of the Company under Section 7.1 above and of any items of income or gain which are specially allocated pursuant to Paragraph C.2 of this Addendum; and

(e) such Member's allocable share under Paragraph C.1(c) of this Addendum of any gain attributable to Section 704(c) Property, as computed for book purposes;

and shall be decreased by:

(f) the amount of money distributed by the Company to such Member (including the amount of such Member's individual liabilities assumed by the Company other than liabilities described in subparagraph (b));

(g) the Fair Market Value of property other than money distributed (or deemed distributed) by the Company to such Member, net of liabilities secured by such property that such Member is considered to assume or take subject to under IRC Section 752;

(h) the amount of such Member's individual liabilities which are assumed by the Company (other than liabilities described in subsection (b) above which are assumed by the Company);

(i) such Member's allocable share of the Losses of the Company under Section 7.2 above and of any items of loss or deduction which are specially allocated pursuant to Paragraph C.2 of this Addendum; and

(j) such Member's allocable share under Paragraph C.1(c) of this Addendum of any Book Depreciation or loss attributable to Section 704(c) Property, as computed for book purposes.

The Members' Capital Accounts shall also be debited or credited as provided in Paragraphs B.2(c) and B.2(d) of this Addendum. Also, in determining the amount of any liability for purposes of this provision, there shall be taken into account IRC Section 752(c) and any other applicable provisions of the IRC and Regulations.

2. Valuation of Company Property; Capital Account Adjustments. The Book Value of Company property shall be its Adjusted Tax Basis except in the following instances:

(a) Contributed Property. The Book Value of property contributed (or deemed contributed) to the Company by any Member shall be equal to its Fair Market Value on the date of contribution (or deemed contribution).

(b) Distributed Property. The Book Value of property distributed (or deemed distributed) by the Company to any Member, whether in connection with the Liquidation of the Company or otherwise, shall be increased or decreased, as the case may be, to equal its Fair Market Value on the date of distribution (or deemed distribution), and the Capital Accounts of the Members shall be debited or credited, as the case may be, to reflect the manner in which gain or loss, as computed for book purposes, would be allocated among the Members if there were a taxable disposition of such property for such Fair Market Value.

(c) Other Property at Time of Contribution or Distribution. In connection with either

(i) a contribution (or deemed contribution) of money or other property, including services, to the Company by a new or existing Member in exchange for a new or increased interest in the Company, or

(ii) a distribution (or deemed distribution) of money or other property by the Company to a withdrawing or continuing Member in exchange for all or a portion of such Member's interest in the Company, or

(iii) the Liquidation of the Company,

the Book Values of all Company assets, including good will if applicable, shall be increased or decreased, as the case may be, to equal their respective Fair Market Values on the date of such contribution or distribution (or deemed contribution or distribution), and the Capital Accounts of the Members shall be debited or credited, as the case may be, to reflect the manner in which gain or loss, as computed for book purposes, would be allocated among the Members if there were a taxable disposition of all such assets for such Fair Market Values; provided, however, in the case of subparagraphs (i) and (ii) hereof, such adjustment need not be made if such contribution or distribution is of a de

minimis amount or if the Members reasonably determine that such adjustment is not necessary or appropriate in view of the cost to the Company of making such adjustment as compared with the distortion in the relative economic interests of the Members which would result from not making such adjustment. Paragraphs (a), (b) and (c) hereof are intended to comply with Regulations Section 1.704-1(b)(2)(iv)(d), (e) and (f) and shall be interpreted consistently therewith.

(d) Section 754 Adjustments. The Book Value of an item of Company property shall be increased or decreased, as the case may be, to equal its Adjusted Tax Basis whenever an adjustment to the Adjusted Tax Basis of such item of Company property arises under IRC Sections 732(d), 734 or 743 and such adjustment exceeds the difference between the Book Value of such item of Company property and its Adjusted Tax Basis prior to making such adjustment. Such increase or decrease in Book Value shall then be allocated to the Capital Accounts of the Members in accordance with Regulations Section 1.704-1(b)(2)(iv)(m). This Paragraph shall be applied only after the application of Paragraphs B.2(a), (b) and (c), above.

C. SPECIAL TAX ALLOCATION RULES

1. Special Allocation Rules Where Book Value and Adjusted Tax Basis Are Unequal. Notwithstanding the general allocation rules set forth in Sections 7.1 and 7.2 above, as to property the Book Value of which is different from its Adjusted Tax Basis ("Section 704(c) Property"), the following rules and definitions shall apply:

(a) If the Book Value of property exceeds its Adjusted Tax Basis, such excess shall be referred to as "Built-in Gain." Conversely, if the Adjusted Tax Basis of property exceeds its Book Value, such excess shall be referred to as "Built-in Loss."

(b) Built-in Gain or Built-in Loss may arise as the result of the contribution or deemed contribution of property to the Company by one or more Members (the "Contributing Members") or as the result of the revaluation of existing Company property under Paragraph B.2 of this Addendum. If existing Company property is revalued, the existing Members shall be considered the Contributing Members as to such property. The term Contributing Members shall include successors-in-interest thereto.

(c) Book Depreciation, and gain or loss with respect to Section 704(c) Property as computed for book purposes, shall be allocated to the Members in accordance with the general profit and loss sharing percentages specified in Sections 7.1 and 7.2 above, and the Members' Capital Accounts shall be adjusted accordingly, as set forth in Paragraph B.1 of this Addendum.

(d) Tax Depreciation, and gain or loss with respect to Section 704(c) Property as computed for tax purposes, shall be allocated to the Members in a manner that takes into account the Built-in Gain or Built-in Loss with respect to

such property, in accordance with Section 704(c) of the IRC and equivalent principles, as follows, and such allocations shall not be independently reflected by further adjustments to the Members' Capital Accounts:

(i) With respect to Built-in Gain property, one hundred percent (100%) of any tax gain shall be allocated to the Contributing Members in the same proportion as such Built-in Gain has been credited to their respective Capital Accounts; Tax Depreciation shall be allocated to the Members other than the Contributing Members (the "Noncontributing Members") in the same proportion as, but in an amount not to exceed, the Book Depreciation with respect to such property which has been allocated to them under Paragraph C.1(c) of this Addendum; and any excess of such Tax Depreciation over the amount allocated to the Noncontributing Members shall be allocated to the Contributing Members in the same proportion that the Book Depreciation with respect to such property has been allocated to the Contributing Members under Paragraph C.1(c) of this Addendum. These allocations shall continue until the Built-in Gain has been eliminated. Thereafter any Tax Depreciation and gain or loss with respect to such property shall be allocated to the Members pursuant to the general profit and loss allocation provisions of Sections 7.1 and 7.2, above.

(ii) With respect to Built-in Loss property, one hundred percent (100%) of any tax loss shall be allocated to the Contributing Members in the same proportion as such Built-in Loss has been charged to their respective Capital Accounts; Tax Depreciation shall be allocated to the Noncontributing Members in the same proportion as, but in an amount not to exceed, the Book Depreciation with respect to such property which has been allocated to them under Paragraph C.1(c) of this Addendum; and any excess of such Tax Depreciation over the amount allocated to the Noncontributing Members shall be allocated to the Contributing Members in the same proportion that the Book Depreciation with respect to such property has been allocated to the Contributing Members under Paragraph C.1(c) of this Addendum. These allocations shall continue until the Built-in Loss has been eliminated. Thereafter any Tax Depreciation and gain or loss with respect to such property shall be allocated to the Members pursuant to the general profit and loss allocation provisions of Sections 7.1 and 7.2 above.

(iii) In the event that the allocation of tax gain, tax loss or Tax Depreciation to the Noncontributing Members under Paragraph C.1(d)(i) or C.1(d)(ii) of this Addendum is limited by application of the "ceiling rule" set forth in Regulations Section 1.704-3(b)(1), the Company may do any of the following:

(A) the Company may make reasonable curative allocations of income, gain, loss or deduction with respect to the tax

item limited by the ceiling rule, including income from the disposition of contributed or revalued property, in accordance with the rules set forth in Regulations Section 1.704-3(c); or

(B) the Company may make remedial allocations of income, gain, loss or deduction with respect to the tax item limited by the ceiling rule in accordance with the rules set forth in Regulations Section 1.704-3(d); or

(C) if applicable, the Company may apply the "small disparity" rules of Regulations Section 1.704-3(e).

The foregoing provision is intended to comply with Regulations Section 1.704-1(b)(2)(iv)(g) and Section 1.704-3(e) and shall be interpreted consistently therewith.

2. Special and Regulatory Allocations.

(a) Partnership Nonrecourse Deductions. Partnership Nonrecourse Deductions for any Company Fiscal Year shall be allocated among the Members in accordance with the Members' percentage interests in Losses, as set forth in Section 7.2 above. This Paragraph C.2(a) is intended to comply with Regulations Section 1.704-2(e)(2) and shall be interpreted consistently therewith.

(b) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any Company Fiscal Year shall be allocated to the Member who bears the economic risk of loss for the Partner Nonrecourse Liability to which such deductions are attributable, or among all the Members who bear the economic risk of loss for such liability according to the ratio in which they bear such economic risk of loss. This Paragraph C.2(b) is intended to comply with Regulations Section 1.704-2(i)(1) and shall be interpreted consistently therewith.

(c) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during any Company Fiscal Year, then in that event, prior to the making of any other allocation under either Article VII above or this Addendum, there shall be specially allocated to all Members items of income and gain for such year (and, if necessary, subsequent years) equal to their share of such net decrease in Partnership Minimum Gain within the meaning of Regulations Sections 1.704-2(f)(1) and 1.704-2(g)(2).

(d) Partner Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Company fiscal year, then in that event, prior to the making of any other allocation under either Article VII above or this Addendum, there shall be specially allocated to all Members with a share of that Partner Nonrecourse Debt Minimum Gain items of income and gain for such year (and, if necessary, subsequent years) equal to

their share of such net decrease in Partner Nonrecourse Debt Minimum Gain within the meaning of Regulations Sections 1.704-2(i)(4) and 1.704-2(i)(5).

(e) Qualified Income Offset. Subject to the provisions of Paragraph C.2(a) of this Addendum, in the event a Member unexpectedly receives an adjustment, allocation, or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate any deficit in such Member's Adjusted Capital Account as quickly as possible. This Paragraph C.2(b) is intended to comply with the qualified income offset requirement set forth in Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(f) Curative Allocations. The special allocations set forth in Paragraphs C.2(a) through C.2(e) of this Addendum (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2(b). The Regulatory Allocations shall be taken into account in determining the allocation of Profits and Losses pursuant to Sections 7.1 and 7.2 above so that, to the extent possible without nullifying the Regulatory Allocations, the amount of the allocations of Profits and Losses under Sections 7.1 and 7.2, as adjusted pursuant to this Paragraph C.2(f), and of the Regulatory Allocations, when taken together, shall be equal to the amount of such allocations of Profits and Losses that would have been allocated to the Members under Sections 7.1 and 7.2 if the Regulatory Allocations had not occurred.

976940v1

ARTICLES OF ORGANIZATION

OF

MATTHEWS IDAHO FALLS, LLC

RECEIVED

AUG 05 2008

Utah Div. Of Corp. & Comm. Code

The undersigned person hereby forms a limited liability company under the Utah Revised Limited Liability Company Act (the "URLLCA") and adopts the following pursuant thereto:

**ARTICLE I
NAME**

The name of the limited liability company is **MATTHEWS IDAHO FALLS, LLC** (hereinafter the "Company").

**ARTICLE II
PERIOD OF DURATION**

The Company's duration shall commence on the date of filing of these Articles of Organization and shall continue through the 31st day of December, 2099, unless earlier terminated by law or pursuant to the Company's Operating Agreement.

**ARTICLE III
PURPOSES AND POWERS**

The Company is organized for any and all lawful purposes for which companies may be organized pursuant to the URLLCA, including but not limited to acquiring, owning, holding for investment, developing, constructing upon, managing, selling, leasing and otherwise dealing with all forms of real and personal property, tangible and intangible, wherever located, and all other businesses and activities that the Managers may from time to time decide to engage in.

The Company shall have and may exercise all powers necessary or convenient for the carrying out of any or all of the purposes for which it is organized.

**ARTICLE IV
REGISTERED AGENT, REGISTERED OFFICE,
AND DESIGNATED OFFICE**

The name and street address of the initial registered agent of the Company for service of process is Alvin P. Matthews, 510 East Main Street, Grantsville, Utah 84029. The street address of the initial registered office of the Company is 510 East Main Street, Grantsville, Utah 84029. The Company's registered office shall be its designated office.

08-05-08P02:59 RCVD

Date: 08/05/2008
Receipt Number: 2561227
Amount Paid: \$52.00



**ARTICLE V
SUBSTITUTE SERVICE OF PROCESS**

The Director of the Division of Corporations and Commercial Code of the Utah Department of Commerce is hereby appointed as the agent of the Company for service of process if the registered agent has resigned, the agent's authority has been revoked or the agent cannot be found or served with the exercise of reasonable diligence.

**ARTICLE VI
MANAGEMENT**

The management of the Company shall be vested in one or more Managers, who shall be appointed in accordance with the Company's Operating Agreement. Managers do not need to be Members of the Company. The names and street addresses of the persons who are to serve as Managers, until their resignation or removal, are as follows:

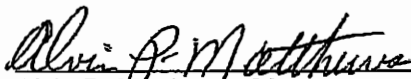
Alvin P. Matthews
510 East Main Street
Grantsville, UT 84029

Janet C. Matthews
510 East Main Street
Grantsville, UT 84029

**ARTICLE VII
OPERATING AGREEMENT**

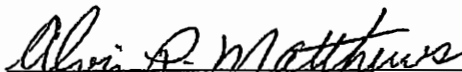
The rules, regulations and procedures governing the operations of the Company shall be set forth in an Operating Agreement which shall be adopted by the Members of the Company.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Organization this 4 day of August, 2008.


Alvin P. Matthews, Manager


Janet C. Matthews, Manager

The undersigned hereby accepts appointment as registered agent of the Company and confirms that the undersigned meets the requirements of Section 48-2c-302 of the URLLCA.


Alvin P. Matthews, Registered Agent

FIRST AMENDMENT TO THE OPERATING AGREEMENT OF

MATTHEWS IDAHO FALLS, LLC

We, the undersigned, desiring to amend the Operating Agreement of Matthews Idaho Falls, LLC, a Utah limited liability company, dated the 4th day of August, 2008, pursuant to Paragraph 15.1 of such agreement and to the laws of the State of Utah, do hereby amend said Operating Agreement as follows:

I. Paragraph 5.1 as it now appears in said Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:

5.1 Restated Capital Accounts and Percentage Interests. The Members' restated capital accounts are set forth opposite their names in Schedule One, attached hereto and made a part hereof by this reference.

II. "Schedule One" as it now appears in said Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:

SCHEDULE ONE

Restated Capital Accounts

<u>Member</u>	<u>Description of Property Contributed</u>	<u>Percentage</u>
Alvin P. Matthews	All of the Member's right, title and interest as a Member of Matthews Idaho Falls, LLC, a Utah limited liability company.	34.5%
Janet C. Matthews	All of the Member's right, title and interest as a Member of Matthews Idaho Falls, LLC, a Utah limited liability company.	34.5%
Kyle Matthews	All of the Member's right, title and interest as a Member of Matthews Idaho Falls, LLC, a Utah limited liability company.	<u>31.0%</u>
TOTAL		<u>100.0%</u>

III. Paragraph 9.10 as it now appears in said Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:

9.10 Removal. At a meeting called expressly for that purpose, a Manager may be removed at any time for any reason, with or without cause, by the affirmative vote of all of the Members, and may be removed by reason of Legal Incompetency or willful misconduct or conviction of a felony as adjudicated by a court of competent jurisdiction by the affirmative vote of Members owning at least seventy-five percent (75%) of the Profits Interests of the Company.

IV. Paragraph 15.1 as it now appears in said Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:

15.1 Amendment. This Operating Agreement may be amended, or amended and restated, at any time upon the affirmative vote of the Managers and a Majority in Interest of the Members; provided, however, the Managers may make technical amendments to the Operating Agreement at any time which do not affect the economic interests of the Members as necessary in order to maintain the Operating Agreement in compliance with applicable tax and limited liability company law.

V. All other paragraphs in the Operating Agreement shall remain in full force and effect.

VI. This Amendment is effective as of the 31st day of December, 2008.

IN WITNESS WHEREOF, the parties hereto have set their hands to this First Amendment.

MEMBERS:

Alvin P. Matthews

Janet C. Matthews

Kyle Matthews

MANAGERS:

Alvin P. Matthews

Janet C. Matthews

1015556v1

OPERATING AGREEMENT
OF
MATTHEWS IDAHO FALLS, LLC

OPERATING AGREEMENT
OF
MATTHEWS IDAHO FALLS, LLC

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OPERATING AGREEMENT
OF
MATTHEWS IDAHO FALLS, LLC

THIS OPERATING AGREEMENT is made and entered into effective as of the 4 day of August, 2008, by Alvin P. Matthews and Janet C. Matthews, the initial Managers of the Company, and Alvin P. Matthews and Janet C. Matthews, the initial Members of the Company.

ARTICLE I

DEFINITIONS

1.1 Definitions. The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Additional Member" means any Person admitted to the Company with all the rights of a Member pursuant to Article XI of this Operating Agreement.

(b) "Company" means **MATTHEWS IDAHO FALLS, LLC**.

(c) "Entity" means any general partnership, limited partnership, limited liability company, limited liability partnership, for-profit corporation, non-profit corporation, joint venture, trust, business trust, estate, cooperative association or other entity.

(d) "Family" means spouse and descendants, including adopted persons of any generation and descendants of adopted persons of any generation, as well as blood descendants.

(e) "Financial Insolvency" of a Person means:

(i) the making of an assignment for the benefit of creditors by such Person;

(ii) the filing of a voluntary petition in bankruptcy by such Person;

(iii) the adjudication of such Person as bankrupt or insolvent;

(iv) the filing by such Person of a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(v) the filing of an answer or other pleading by such Person admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding described in subsection (iv) above;

(vi) the seeking, consent to, or acquiescence in by such Person of the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties;

(vii) the failure of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation to be dismissed within one hundred twenty (120) days after its commencement; or the failure of any appointment, made without such Person's consent or acquiescence, of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties to be vacated or stayed within ninety (90) days after such appointment, or the failure of any such appointment to be vacated within ninety (90) days after the expiration of any such stay; or

(viii) the imposition of a charging order against the interest of a Member.

(f) "Fiscal Year" means the Company's fiscal and taxable year.

(g) "IRC" means the Internal Revenue Code of 1986, as amended, and all references to specific sections thereof shall include any amended or successor provisions thereto.

(h) "Legal Incompetency" of an individual Person means a determination of such individual's incompetency, whether for insanity, age, disability or other reason. For this purpose, such determination shall be made by a duly licensed physician chosen by the Managers. If a Manager's competency is questioned, the other Members may select the determining physician. If such individual disputes such declaration, he may choose a second physician, and said two physicians shall choose a third physician, and the decision of the majority of said physicians as to the competency of such individual shall be binding on all parties. Each party shall bear the cost of the physician chosen by it and the parties shall split the cost of the third physician.

(i) "Liquidation" means the liquidation of the Company or the liquidation of a Member's interest in the Company, as the context may require, and has the meaning set forth in Regulations Section 1.704-1(b)(2)(ii)(g).

(j) "Majority in Interest" refers to Members whose percentage interests in Profits aggregate in excess of fifty percent (50%) of the total Profits interests held by all of the Members entitled to participate in a particular action or decision. If a greater percentage of Profits interests is required, it shall be so specified herein.

(k) "Manager" means the Person or Persons, collectively, designated as Managers in accordance with the provisions hereof.

(l) "Member" means each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Additional or Substituted Members.

(m) "Net Cash Flow" of the Company shall be determined for each Fiscal Year in accordance with sound, cash basis accounting principles and means (i) all cash receipts of the Company during such period, from whatever source, whether or not taxable, including capital contributions and financing proceeds, plus (ii) any cash that is released during such period from the cash reserves of the Company, referred to in (iv) below, less (iii) all cash expenditures and cash losses of the Company during such period, whether capital or current, tax deductible or nondeductible (including debt service payments but excluding distributions to Members), and less (iv) reasonable additions during such period to Company cash reserves deemed necessary by the Managers in their sole and absolute discretion for working capital, contingent liabilities, debt reserves, capital improvements and replacements, and investments.

(n) "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

(o) "Person" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

(p) "Profits" or "Losses" means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period, as the case may be, as determined under IRC Section 703(a) (except that for this purpose all items of income, gain, loss or deduction required to be separately stated pursuant to IRC Section 703(a)(1) shall be included in the computation of taxable income or loss, notwithstanding IRC Section 703(a)(2)), with the following adjustments:

(i) any income of the Company that is exempt from federal income tax which is not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in IRC Section 705(a)(2)(B), or treated as IRC Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(b), which are not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or loss; and

(iii) any items of income, gain, loss or deduction which are specially allocated pursuant to Paragraphs C.1(d) and C.2 of the Capital Accounting and Tax Addendum attached hereto shall not be included in the computation of Profits or Losses.

(q) "Regulations" refers to the income tax regulations promulgated under the IRC, as amended from time to time (including corresponding revisions of successor regulations).

(r) "Substituted Member" means any Person admitted to the Company with all the rights of a Member pursuant to Article XI of this Operating Agreement.

(s) "Transfer," as a verb, means to sell, exchange, assign or otherwise transfer, mortgage, pledge, hypothecate or otherwise encumber property, whether voluntarily or involuntarily, by operation of law, order of any court, contract, gift, will, intestacy, Financial Insolvency, division of property in the context of a divorce or separation proceeding, or otherwise, and as a noun, the act of doing so.

(t) "URLLCA" means the Utah Revised Limited Liability Company Act (Title 48, Chapter 2c, Utah Code Annotated of 1953, as amended), and all references to specific sections thereof shall include any amended or successor provisions thereto.

ARTICLE II

FORMATION AND NAME; PRINCIPAL PLACE OF BUSINESS; TERM

2.1 Formation and Name. The Members have formed a limited liability company under the name of Matthews Idaho Falls, LLC, by the filing of Articles of Organization pursuant to the provisions of URLLCA Section 48-2c-403. The Members desire to govern the affairs of the Company by entering into this Operating Agreement.

2.2 Principal Place of Business. The principal place of business of the Company, at which location the records required to be maintained by URLLCA Section 48-2c-112 shall be kept, is 510 East Main Street, Grantsville, Utah 84029. The Managers may at any time change the principal place of business or designate additional places of business of the Company.

2.3 Registered Office, Designated Office and Registered Agent. The Company's registered office shall be at 510 East Main Street, Grantsville, Utah 84029, and the name of its initial registered agent at such address shall be Alvin P. Matthews. The Company's registered office shall also be its designated office under URLLCA Section 48-2c-102(5). The Managers may change the registered or designated office and/or the registered agent from time to time.

2.4 Term of the Company. The term of the Company shall commence on the filing of the Articles of Organization and shall continue through December 31, 2099, unless the URLLCA is amended to allow perpetual existence of limited liability companies, upon which the term of this Company shall be perpetual, unless earlier terminated by law or as hereinafter provided.

ARTICLE III

PURPOSES AND POWERS OF THE COMPANY

The Company is organized for any and all lawful purposes for which companies may be organized pursuant to the URLLCA, including but not limited to the acquisition, ownership, holding for investment, development, construction, management, sale, lease, rent, exchange and all other modes of dealing with all forms of real and personal property, tangible and intangible, wherever located. The Company shall have and may exercise all powers necessary or convenient for the carrying out of any or all of the purposes for which it is organized without the necessity of their specific enumeration herein.

ARTICLE IV

TAX AND ACCOUNTING MATTERS

4.1 Characterization as a Partnership. It is the intent of the Members that the Company be classified as a partnership for federal and state income tax purposes. Accordingly, this Operating Agreement is written and shall be construed in a manner consistent with such intent and the Managers shall take no action inconsistent with such intent.

4.2 Fiscal Year. The Fiscal Year of the Company shall end on the last day of December of each year.

4.3 Accounting Method. The Company books of account shall be maintained and its income, gains, losses, deductions and credits shall be reported, for both financial and tax accounting purposes, on the cash basis method of accounting, applied consistently and in accordance with sound cash basis accounting principles. The Managers may at any time change the financial and tax accounting method of the Company, subject to any applicable limitation of law or regulation.

4.4 Tax Information. As soon as reasonably practicable after the end of the Company Fiscal Year, the Managers shall cause each Member to be furnished with a Schedule K-1 for such year and any other schedule or statement required by federal income tax law.

4.5 Tax Elections. The Managers in their discretion may make any and all tax elections available to the Company, including without limitation the election provided for in IRC Section 754 and the classification election under Regulations Section 301.7701-3.

4.6 Tax Matters Partner. The Managers shall be the Tax Matters Partner ("TMP") of the Company as such term is defined in IRC Section 6231(a)(7).

ARTICLE V

CAPITAL STRUCTURE; CAPITAL CONTRIBUTIONS; LOANS

5.1 Initial Capital Contributions. The Members have made initial capital contributions to the Company of cash and/or interests in property in the amounts and at the Fair Market Values set forth opposite their names in Schedule One, attached hereto and made a part hereof by this reference.

5.2 Additional Capital Needs. No Member shall be obligated to make any additional contributions to Company capital or loans to the Company without such Member's consent. However, Members may make additional capital contributions to the Company with the approval of the Managers. Further, in the event the Company has insufficient capital for its needs, it may raise additional capital by borrowing from Members or third parties on such commercially reasonable terms and conditions as the Managers and such Member or third party are able to agree upon, and/or by issuing additional equity interests in the Company to Members or third parties on such reasonable terms and conditions as the Managers in their discretion shall deem advisable, subject to Article XI, Admission of New Members.

5.3 Return of Capital. No Member shall be entitled to the return of its capital contribution to the Company except as specifically provided in this Agreement.

5.4 Interest on Contributions. No interest shall accrue or be paid on the balance in the Capital Account of any Member.

ARTICLE VI

CAPITAL ACCOUNTS

A separate Capital Account shall be maintained for each Member. In general, a Member's Capital Account shall be credited in the amount of such Member's contributions to capital and such Member's share of the Profits of the Company and shall be debited in the amount of any distributions of capital to such Member and such Member's share of the Losses of the Company, in accordance with IRC Section 704(b) and the Regulations promulgated thereunder, as more particularly set forth in the

Capital Accounting and Tax Addendum attached hereto and made a part hereof by this reference.

ARTICLE VII

ALLOCATION OF PROFITS AND LOSSES

7.1 Allocation of Profits. Subject to the special tax allocation rules set forth in the Capital Accounting and Tax Addendum attached hereto and made a part hereof by this reference, Profits for any Fiscal Year shall be allocated to the Members for both financial and tax accounting and reporting purposes in proportion to their respective average capital account balance for the particular fiscal year.

7.2 Allocation of Losses. Subject to the special tax allocation rules set forth in the Capital Accounting and Tax Addendum attached hereto, Losses for any Fiscal Year shall be allocated to the Members for both financial and tax accounting and reporting purposes in the same manner and proportion as Profits under Section 7.1.

7.3 Allocations in the Event of Transfer or Liquidation. In the event of the transfer or Liquidation of a Member's entire interest in the Company, such Member's allocable share of Profits, Losses and any specially allocated items pursuant to the Capital Accounting and Tax Addendum attached hereto for the current taxable year of the Company through the date of transfer or Liquidation shall be calculated on the basis of an interim closing of the Company books as of such date, or on the basis of a daily proration through such date of Profits, Losses and any specially allocated items for the entire year, as the Liquidating Member and the Managers may agree.

ARTICLE VIII

NET CASH FLOW AND DISTRIBUTIONS

8.1 Distribution of Net Cash Flow. The Net Cash Flow of the Company shall be distributed to the Members in proportion to their respective interests in Profits at appropriate times in the Managers' sole discretion; provided, that there shall always be a minimum distribution for each Fiscal Year of the Company of at least enough Net Cash Flow to cover the federal and state income tax liability of the Members attributable to their share of Profits under Section 7.1 above for such Fiscal Year, unless the Managers determine there are compelling reasons not to do so.

8.2 Distributions Upon Termination. Notwithstanding the foregoing, liquidating distributions in the event of Liquidation of the Company shall be made in accordance with the Members' respective final positive Capital Account balances, as set forth in Section 14.3 below.

8.3 Amounts Withheld. The Company is authorized to withhold from payments or distributions to the Members and to pay to any federal, state or local government any amounts required to be so withheld pursuant to the Internal Revenue Code or any provisions of any other federal, state or local tax law. All amounts so withheld and paid to any taxing authority with respect to any payment or distribution to the Members shall be treated as amounts paid or distributed to the Members pursuant to this Article VIII for all purposes under this Agreement.

ARTICLE IX

RIGHTS AND DUTIES OF THE MANAGERS

9.1 Management. As provided in the Articles of Organization, the management of the Company shall be vested in those Persons designated by the Members as Manager (collectively, the "Managers"). The initial Managers of the Company shall be Alvin P. Matthews and Janet C. Matthews. The Managers shall direct, manage and control the business of the Company and shall have full and complete authority, power and discretion to make any and all decisions and to do any and all things which the Managers shall deem to be reasonably required in light of the Company's business and objectives, without the necessity of their specific enumeration herein. Whenever there is more than one person serving as Manager, except as otherwise provided herein, a simple majority of such persons must agree on any action to be taken by the Managers. The remaining Members of the Company shall have no right or authority to act for or on behalf of the Company and shall not interfere or participate in the management of the Company except as expressly provided herein.

9.2 Tenure and Succession. Upon the resignation, death, Incompetency or Financial Insolvency of one of Alvin P. Matthews and Janet C. Matthews, then the remaining one of them shall serve as the sole manager. In the event of the resignation, death, incompetency or financial insolvency of both of Alvin P. Matthews and Janet C. Matthews, then a Majority in Interest of the remaining Members shall elect a successor Manager or Managers.

9.3 Duties and Powers of the Managers. The Managers shall have all powers necessary to conduct the business of the Company without the need for specifically setting them forth herein. The Managers may act on behalf of the Company, and may sign whatever documents may be necessary for the proper administration of the Company, including, but not limited to, agreements, contracts, deeds, checks and other financial instruments. Unless authorized to do so by this Operating Agreement or by the Managers, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

9.4 Liability for Certain Acts. The Managers shall exercise business judgment in managing the business, operations and affairs of the Company. Unless fraud, gross negligence or willful misconduct shall be proven by a court order, judgment, decree or

decision which has become final, the Managers shall not be liable or obligated to the Company or the Members for any mistake of fact or judgment or for the doing or failure to do of any act in conducting the business, operations and affairs of the Company which causes or results in any loss or damage to the Company or its Members.

9.5 Time Devoted to Company; Conflicts. It is understood and agreed that the Managers are free to devote less than their full time to the business of the Company and may engage in any other business or activity whatsoever. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of the Managers or in the income or proceeds derived therefrom.

9.6 Indemnification. The Company shall indemnify any Person who is made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such Person is or was a Manager, against costs and expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by the Managers in connection with the action, suit or proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such Person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that such Managers (a) did not act in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company, and (b) with respect to any criminal action or proceeding, had reasonable cause to believe that such Person's conduct was unlawful.

9.7 Resignation. A Person serving as a Manager may resign at any time by giving written notice to the Members of the Company. The resignation of a Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.8 Compensation. The Company may pay reasonable compensation to the Managers for such Persons' services hereunder.

9.9 Dealings with Affiliates. The Company may enter into business and contractual relationships of any kind with affiliated entities, provided that the terms of such relationships are commercially reasonable and satisfy arm's-length standards.

9.10 Removal. At a meeting called expressly for that purpose, a Manager may be removed at any time for any reason, with or without cause, by the affirmative vote of ninety percent (90%) of the Members, and may be removed by reason of Legal Incompetency or willful misconduct or conviction of a felony as adjudicated by a court of competent jurisdiction by the affirmative vote of a Majority in Interest of the Members.

ARTICLE X

RIGHTS AND OBLIGATIONS OF MEMBERS

10.1 Limitation of Liability. No Member shall be personally liable for any debts, obligations, liabilities or losses of the Company, regardless of the particular nature or source thereof, beyond such Member's capital interest in the Company. Notwithstanding the foregoing, unless otherwise excused by the URLLCA, in the event a Member has in fact received the return, in whole or in part, of such Member's capital contribution, he shall be liable for and agrees to repay to the Company up to the amount of such returned contribution, to the extent required by URLLCA Section 48-2c-602(6).

10.2 Company Books. The Managers shall maintain and preserve at the Company's principal place of business, during the term of the Company and for six (6) years thereafter, all accounts, books, and other documents and records, including those required to be maintained by URLLCA Section 48-2c-112. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the Member's expense.

10.3 Priority and Return of Capital. No Member shall have priority over any other Member, either as to the return of capital contributions or as to distributions; provided that this Section shall not apply to loans (as distinguished from capital contributions) which a Member has made to the Company.

10.4 Withdrawal by a Member. No Member shall have the right under this Operating Agreement to unilaterally withdraw from the Company or to require that his or her interest in the Company be redeemed, in whole or in part.

ARTICLE XI

ADMISSION OF NEW MEMBERS

No Person shall be admitted to the Company as an Additional or Substituted Member without the express, written consent of a Majority in Interest of the Members. An Additional or Substituted Member shall execute and deliver all documents necessary to reflect such Member's admission to the Company and such Member's agreement to be bound by the terms and conditions of this Operating Agreement. An Additional or Substituted Member shall thereupon be entitled to all of the rights and be subject to all of the duties and liabilities of membership in the Company. This Operating Agreement shall be amended as necessary to conform to the changed conditions of the Company, and the Managers shall file an appropriate amendment to the Articles of Organization of the Company if required by URLLCA Section 48-2c-405 to do so.

ARTICLE XII

TRANSFER OF MEMBER'S INTEREST

12.1 Transferability of Interest. Subject to Section 13.1 below, a Member shall be free to Transfer all or any portion of such Member's interest in the Company at any time to any Person on any terms and conditions, except as follows:

(a) Certain Transfers are subject to the right of first refusal set forth in Section 12.2 below.

(b) Also, no Transfer otherwise permitted hereunder may be made if, in the opinion of counsel for the Company, such Transfer, when added to the total of all other interests in the Company transferred within the period of twelve (12) consecutive months prior to the proposed date of Transfer, would result in the termination of the Company for tax purposes under IRC Section 708, unless such Transfer is specifically consented to by the Managers.

12.2 Right of First Refusal. In the event a Member receives a bona fide written offer to purchase all or any portion of such Member's interest in the Company from a third party which such Member desires to accept, he may do so, provided that such Member first offers to sell such Member's interest, or portion thereof, to the Company and the other Members in the manner set forth below on the same terms and conditions as offered by the third party by delivering a copy of said third party offer to the Managers and the other Members (with a cash equivalent value being substituted for any non-cash consideration contained in said third party offer). If the Member proposes to gift all or any portion of such Member's interest in the Company to a person outside such Member's Family, such Member shall give notice of same to the Managers, which notice shall be treated as the equivalent of an offer to sell such interest to the Company for the value and on the terms determined under Sections 13.2 and 13.3 below.

The Managers shall then have sixty (60) days in which to accept said offer in full on behalf of the Company on the terms and conditions set forth in said offer. If the Managers decline to accept said offer, the Managers may assign the offer to those Members who desire to accept it, pro rata in proportion to such Members' interests in Profits or as such Members may otherwise agree among themselves, but such assignment shall not extend the sixty (60) day period for acceptance. Acceptance shall be in writing delivered to the transferring Member.

If the Managers and Members decline to accept said offer or otherwise waive their rights hereunder, the transferring Member shall be free to accept the offer of purchase from said third party, provided he does so within thirty (30) days after the earlier of the end of the sixty (60) day period or receipt of such waiver and provided he consummates the sale of his interest, or portion thereof, without any material variation in the terms and conditions stated in said offer. If the thirty (30) day period for acceptance expires or if such Member desires to materially vary any of the terms and conditions of

the offer, he must follow the procedure set forth above as if he were receiving a new offer of purchase.

Notwithstanding the foregoing, a lifetime or testamentary Transfer, whether by sale or by gift, by any Member of all or any portion of such Member's interest in the Company to or for the benefit of such Member's Family, or trust or other Entity for the benefit of such Family, or to another Member (an "Intrafamily Transfer"), shall not be subject to the above right of first refusal.

12.3 Effect of Transfer; Status of Transferee. The Transfer of any interest in the Company, voluntary or involuntary, permissible or impermissible, if effective at all, shall be effective only to Transfer the transferring Member's economic rights in such interest and not to Transfer such Member's voting, management and other rights of ownership with respect to such interest. Accordingly, any transferee of such interest shall have the status of a mere assignee under URLLCA Section 48-2c-1102 and shall not be entitled to become, nor to exercise any of the rights of, a Member in the Company unless and until such transferee is admitted as a Substituted Member in accordance with Article XI above. In any event, the transferee shall be subject to all the obligations of Members hereunder and the transferring Member shall cease to have any rights at all with respect to the transferred interest.

12.4 Transferring Member's Capital Account Balance. Subject to Section 7.3 above, that portion of the Capital Account balance of a Member who Transfers all or any portion of such Member's interest in the Company, as permitted hereunder, which is attributable to such transferred interest, shall carry over to the transferee as set forth in Regulations Section 1.704-1(b)(2)(iv)(I).

12.5 Internal Revenue Service Reporting Requirements. In the event of a sale or exchange of an interest in the Company, the Members shall comply with the reporting requirements of IRC Section 6050K.

ARTICLE XIII

BUY-OUT OF MEMBER'S INTEREST

13.1 Buy-Out Upon Certain Events. Upon receiving notice of the occurrence of a Buy-Out Event (defined below), the Company shall have one hundred twenty (120) days in which it may exercise an option to purchase the entire interest in the Company of the Member to whom or by whom the Buy-Out Event has occurred (the "Liquidating Member"). The Managers in their sole discretion shall determine whether or not to exercise such option.

A "Buy-Out Event" shall consist of any of the following events or circumstances:

(a) the death, Legal Incompetency, Financial Insolvency or divorce of a Member (unless the resulting Transfer of such Member's interest would constitute an Intrafamily Transfer as defined under Section 12.2 above); or

(b) the breach by a Member of any material term or provision of this Agreement, which breach remains uncured after reasonable notice and opportunity to cure.

Exercise of said option by the Company shall be made by giving written notice thereof to the Liquidating Member or the personal representative, trustee or other successor-in-interest of the Liquidating Member, effective as of the date of notice of such election. Valuation of the interest in the Company of the Liquidating Member shall then take place pursuant to Section 13.2 below and payment for such interest shall take place pursuant to Section 13.3 below.

13.2 Valuation of Liquidating Member's Interest. The interest in the Company of a Liquidating Member shall be valued as follows:

(a) **Negotiation to Determine Valuation.** The Managers and the Liquidating Member or the personal representative, trustee or other successor-in-interest of the Liquidating Member shall promptly commence negotiations to establish the fair market value of the Liquidating Member's interest in the Company. Value shall be determined as of the date of the election to buy out the interest of the Liquidating Member. Negotiations shall continue as long as required, provided that if an agreement is not reached within ninety (90) days after the date of the election to buy out the interest of the Liquidating Member or if negotiations break down prior to such time, either party may terminate the negotiations and require the valuation to be submitted to appraisal, as provided in the following subsection.

(b) **Appraisal to Determine Valuation.** Unless the parties agree on a different appraisal procedure, if the parties are unable to reach agreement through negotiations between themselves, the fair market value of the Liquidating Member's interest in the Company shall be determined by appraisal. Each of the parties shall promptly select an appraiser qualified by appropriate licensure or certification to conduct appraisals of interests in a limited liability company, taking into consideration the nature of the assets owned and business conducted by the Company, and such appraisers shall then select a third such appraiser. The value of the Liquidating Member's interest shall be the average of the two appraised values which are closest together. Each party shall bear the cost of the appraiser chosen by it and the parties shall split the cost of the third appraiser.

(c) **Method of Valuation and Discounts.** The value of the Liquidating Member's interest in the Company, whether determined by negotiation or appraisal, shall be arrived at by first determining the value of the Company as a whole by reference to such financial data and the use of such valuation methods

as are appropriate and then applying appropriate discounts with respect to the interest of the Liquidating Member to take into account, to the extent applicable, minority interest, nonmarketability of interest and other factors which would affect the value of the Liquidating Member's interest, or in any other manner determined to be appropriate by the aforesaid appraisers.

(d) Payment for Good Will. An appropriate portion of the value of the Liquidating Member's interest in the Company, as determined under subsection 13.2(a) or (b) above, shall be allocated to good will, if there is any, provided that IRC Section 736(b)(3) is applicable.

13.3 Payment Schedule. Payment for the interest in the Company of a Liquidating Member, as valued under Section 13.2 above, may be made by the Company over a period of up to five (5) years in equal monthly, quarterly or annual installments of principal, together with accrued interest from the effective date of the buy-out or redemption. The unpaid balance of the purchase price shall bear interest at the minimum rate necessary to avoid the imputation of interest under the Internal Revenue Code. The unpaid balance of the purchase price need not be secured. The Company shall have the right to prepay all or any portion of such obligation at any time without notice or penalty. In the event the Company terminates under Article XIV, below, prior to the payment in full by the Company of the foregoing obligation, the entire remaining balance of principal and accrued interest shall be immediately due and payable by the Company, as set forth in Section 14.3 below.

ARTICLE XIV

DISSOLUTION AND TERMINATION

14.1 Dissolution and Continuation. The Company shall be dissolved upon the occurrence of any of the following events:

- (a) when the period fixed for the duration of the Company shall expire;
- or
- (b) upon the vote of all the Members.

The death, Financial Insolvency, Legal Incompetency, withdrawal, retirement, resignation, expulsion or dissolution of any Member shall not of itself cause the dissolution of the Company.

14.2 Winding Up the Company. Upon dissolution of the Company, the Managers shall immediately commence to wind up the affairs of the Company and shall engage in an orderly disposition of its assets where such can be done at a fair value (except to the extent the Managers may determine to distribute any assets to the Members in kind). The items comprising the Profits or Losses of the Company, as the case may be, as well as any specially allocated items for the Fiscal Year in which the

Company is terminated, shall continue to be allocated to the Members or their representatives and be credited or charged to their respective Capital Accounts in accordance with Articles VI and VII above. Further, the Capital Accounts of the Members or their representatives shall be adjusted as required by Paragraph B.2(c) of the Addendum attached hereto.

14.3 Distribution of Liquidation Proceeds. Pursuant to the winding up of the Company's affairs, the Company assets and the proceeds from the disposition of Company assets shall be applied in order of priority as follows:

(a) First, to creditors of the Company other than Members (and other than any former Members receiving payments in buy-out of their interest in the Company under Section 13.3 above);

(b) Second, to Members for any debts of the Company to such Members, including Members being bought out under Section 13.3 above, pro rata;

(c) Third, to Members in the amount of the final positive balances in their respective Capital Accounts (after the allocation of all Profits, Losses and specially allocated items).

Each Member shall look solely to the assets of the Company for the return of such Member's investment in the Company, and if such assets or the proceeds from the liquidation of such assets are insufficient to return said investment, such Member shall have no recourse against any other Member. Liquidating distributions to Members shall be made by the later of (i) the end of the Company taxable year in which Liquidation occurs, or (ii) ninety (90) days after Liquidation.

14.4 Return of Capital Contributions. A Member shall not be entitled to the return of specific property contributed to the Company nor to any payments in liquidation of such Member's interest in the Company other than in cash.

14.5 Negative Capital Account Balance. A negative balance in any Member's Capital Account which exists upon termination of the Company (after the allocation of all Profits and Losses through termination) shall not constitute a debt or liability of such Member to the Company, to any creditor of the Company, to any other Member, or to any other Person for any purpose whatsoever, and such Member shall have no obligation to make any additional capital contribution to the Company by reason of such negative balance.

14.6 Articles of Dissolution. When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets of the Company have been distributed to the Members, Articles of Dissolution shall be executed and filed pursuant to ULLCA Section 48-2c-1204. Upon issuance by the State of Utah of a certificate of dissolution, the Company shall be terminated.

ARTICLE XV

MISCELLANEOUS PROVISIONS

15.1 **Amendments.** This Operating Agreement may be amended, or amended and restated, at any time upon the affirmative vote of a Majority in Interest of the Members; provided, however, the Managers may make technical amendments to the Operating Agreement at any time which do not affect the economic interests of the Members as necessary in order to maintain the Operating Agreement in compliance with applicable tax and limited liability company law.

15.2 **Notices.** Except as otherwise provided herein, any notice, election or communication required or permitted to be given by any provision of this Operating Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party to whom the same is directed or three (3) days after being sent by United States mail, certified or registered mail, postage prepaid, addressed to such party's address set forth in the records of the Company. Any such address may be changed by notice given in the above manner.

15.3 **Governing Law.** This Operating Agreement is entered into under and shall be governed by the laws of the State of Utah.

15.4 **Construction.** Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

15.5 **Headings.** The headings in this Operating Agreement are inserted for convenience only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

15.6 **Binding Effect.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

15.7 **Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

15.8 **Enforcement.** In the event of a breach or dispute arising under this Operating Agreement, the nonbreaching party or the party prevailing in such dispute shall be entitled to recover its costs, including without limitation reasonable attorneys' fees and court costs, from the breaching or nonprevailing party.

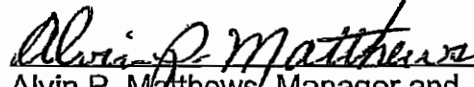
IN WITNESS WHEREOF, this Operating Agreement has been executed effective as of the date hereinabove first written by the following Members, whose respective mailing addresses are set forth opposite their signatures. By their signatures below said Members do hereby affirm that they have read the foregoing Operating Agreement and are familiar with its contents and they do hereby verify the truthfulness thereof.

Mailing Addresses:

510 East Main Street
Grantsville, Utah 84029

510 East Main Street
Grantsville, Utah 84029

MEMBERS AND MANAGERS:


Alvin P. Matthews, Manager and
Member


Janet C. Matthews, Manager and
Member

SCHEDULE ONE

Original Capital Contributions
And Share of Profits

<u>Members</u>	<u>Description of Property Contributed</u>	<u>Percentage</u>
Alvin P. Matthews		50%
Janet C. Matthews		<u>50%</u>
TOTAL		<u>100%</u>

CAPITAL ACCOUNTING AND TAX ADDENDUM

A. DEFINITIONS

The following additional definitions are supplied for purposes of this Addendum:

(a) "Adjusted Capital Account" means a Member's Capital Account as of the end of any Fiscal Year, increased by the amount of any deficit balance in such Member's Capital Account which such Member is unconditionally obligated to restore to such Member's Capital Account, or is deemed obligated to restore pursuant to the penultimate sentence of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and decreased by the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Adjusted Tax Basis" means the adjusted tax basis of property for federal income tax accounting purposes.

(c) "Book Depreciation" means for each Company Fiscal Year or other period, an amount equal to the Tax Depreciation for such year or other period, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such year or other period, Book Depreciation shall be an amount which bears the same relationship to such beginning Book Value as the Tax Depreciation for such year or other period bears to such beginning Adjusted Tax Basis; provided, however, that if the Tax Depreciation for such year is zero, Book Depreciation shall be determined with reference to such beginning Book Value using any reasonable method selected by the Managers. The foregoing definition of Book Depreciation is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(iv)(g)(3) and shall be interpreted consistently herewith.

(d) "Book Value" means the value of property as reflected on the books of the Company in accordance with Paragraph B.2 of this Addendum.

(e) "Fair Market Value" means the fair market value of property, unreduced by any liabilities secured by such property. For the purpose of applying the capital accounting rules set forth in Paragraphs B.1(b) and B.1(g) of this Addendum and for purposes of Paragraph B.2(a) of this Addendum, such fair market value shall be determined without regard to the amount of any nonrecourse indebtedness secured by such property, in accordance with IRC Section 752(c). For all other purposes and provisions of this Operating Agreement, such fair market value shall be deemed to be no less than the amount of any nonrecourse indebtedness secured by such property, in accordance with IRC Section 7701(g) and Regulations Section 1.704-1(b)(2)(iv)(e)(1).

(f) "Partner Nonrecourse Liability" means any liability to the extent such liability is nonrecourse to the Company and a Member (or related person) bears the economic risk of loss as set forth in Regulations Section 1.704-2(b)(4).

(g) "Partner Nonrecourse Debt Minimum Gain" means the aggregate amount by which Partner Nonrecourse Liabilities, if any, exceed the adjusted tax bases of the Company properties which they encumber, as set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(i)(2).

(h) "Partner Nonrecourse Deductions" means items of loss, deduction or IRC Section 705(a)(2)(B) expenditures that are attributable to a Partner Nonrecourse Liability, as set forth in Regulations Section 1.704-2(i)(1). The amount of Partner Nonrecourse Deductions for a Company Fiscal Year equals the net increase, if any, in the amount of Partner Nonrecourse Debt Minimum Gain during such Fiscal Year, reduced (but not below zero) by the distribution of proceeds of any Partner Nonrecourse Liability made during such Fiscal Year to the Member (or Members) bearing the economic risk of loss for such liability which are both attributable to such liability and allocable to an increase in Partner Nonrecourse Debt Minimum Gain, as set forth in Regulations Section 1.704-2(i)(2).

(i) "Partnership Minimum Gain" means the aggregate amount by which Partnership Nonrecourse Liabilities, if any, exceed the adjusted tax bases of the Company properties which they encumber, as set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(j) "Partnership Nonrecourse Deductions" means items of loss, deduction or IRC Section 705(a)(2)(B) expenditures that are attributable to Partnership Nonrecourse Liabilities, as set forth in Regulations Section 1.704-2(b)(1). The amount of Partnership Nonrecourse Deductions for a Company Fiscal Year equals the net increase, if any, in the amount of Partnership Minimum Gain during such Fiscal Year, reduced (but not below zero) by the aggregate distributions made during such Fiscal Year of proceeds of any Partnership Nonrecourse Liability which are allocable to an increase in Partnership Minimum Gain, as set forth in Regulations Section 1.704-2(c).

(k) "Partnership Nonrecourse Liability" means any liability that is nonrecourse to the Company as to which no Member (or related person) bears any economic risk of loss as set forth in Regulations Section 1.704-2(b)(3).

(l) "Section 704(c) Property" has the meaning set forth in Paragraph C.1 of this Addendum.

(m) "Tax Depreciation" means for each Company Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period for federal income tax purposes.

B. CAPITAL ACCOUNT MAINTENANCE RULES

1. Basic Capital Accounting Rules. The Members' Capital Accounts shall be kept in accordance with the following rules. A Member's Capital Account shall be increased by:

(a) the amount of money contributed by such Member to the Company (including the amount of Company liabilities assumed by such Member other than liabilities described in subparagraph (g));

(b) the Fair Market Value of property other than money contributed (or deemed contributed) by such Member to the Company, net of liabilities secured by such property that the Company is considered to assume or take subject to under IRC Section 752;

(c) the amount of Company liabilities which are assumed by such Member (other than liabilities described in subsection (g) below which are assumed by a distributee Member);

(d) such Member's allocable share of the Profits of the Company under Section 7.1 above and of any items of income or gain which are specially allocated pursuant to Paragraph C.2 of this Addendum; and

(e) such Member's allocable share under Paragraph C.1(c) of this Addendum of any gain attributable to Section 704(c) Property, as computed for book purposes;

and shall be decreased by:

(f) the amount of money distributed by the Company to such Member (including the amount of such Member's individual liabilities assumed by the Company other than liabilities described in subparagraph (b));

(g) the Fair Market Value of property other than money distributed (or deemed distributed) by the Company to such Member, net of liabilities secured by such property that such Member is considered to assume or take subject to under IRC Section 752;

(h) the amount of such Member's individual liabilities which are assumed by the Company (other than liabilities described in subsection (b) above which are assumed by the Company);

(i) such Member's allocable share of the Losses of the Company under Section 7.2 above and of any items of loss or deduction which are specially allocated pursuant to Paragraph C.2 of this Addendum; and

(j) such Member's allocable share under Paragraph C.1(c) of this Addendum of any Book Depreciation or loss attributable to Section 704(c) Property, as computed for book purposes.

The Members' Capital Accounts shall also be debited or credited as provided in Paragraphs B.2(c) and B.2(d) of this Addendum. Also, in determining the amount of any liability for purposes of this provision, there shall be taken into account IRC Section 752(c) and any other applicable provisions of the IRC and Regulations.

2. Valuation of Company Property; Capital Account Adjustments. The Book Value of Company property shall be its Adjusted Tax Basis except in the following instances:

(a) Contributed Property. The Book Value of property contributed (or deemed contributed) to the Company by any Member shall be equal to its Fair Market Value on the date of contribution (or deemed contribution).

(b) Distributed Property. The Book Value of property distributed (or deemed distributed) by the Company to any Member, whether in connection with the Liquidation of the Company or otherwise, shall be increased or decreased, as the case may be, to equal its Fair Market Value on the date of distribution (or deemed distribution), and the Capital Accounts of the Members shall be debited or credited, as the case may be, to reflect the manner in which gain or loss, as computed for book purposes, would be allocated among the Members if there were a taxable disposition of such property for such Fair Market Value.

(c) Other Property at Time of Contribution or Distribution. In connection with either

(i) a contribution (or deemed contribution) of money or other property, including services, to the Company by a new or existing Member in exchange for a new or increased interest in the Company, or

(ii) a distribution (or deemed distribution) of money or other property by the Company to a withdrawing or continuing Member in exchange for all or a portion of such Member's interest in the Company, or

(iii) the Liquidation of the Company,

the Book Values of all Company assets, including good will if applicable, shall be increased or decreased, as the case may be, to equal their respective Fair Market Values on the date of such contribution or distribution (or deemed contribution or distribution), and the Capital Accounts of the Members shall be debited or credited, as the case may be, to reflect the manner in which gain or loss, as computed for book purposes, would be allocated among the Members if there were a taxable disposition of all such assets for such Fair Market Values; provided, however, in the case of subparagraphs (i) and (ii) hereof, such adjustment need not be made if such contribution or distribution is of a *de*

minimis amount or if the Members reasonably determine that such adjustment is not necessary or appropriate in view of the cost to the Company of making such adjustment as compared with the distortion in the relative economic interests of the Members which would result from not making such adjustment. Paragraphs (a), (b) and (c) hereof are intended to comply with Regulations Section 1.704-1(b)(2)(iv)(d), (e) and (f) and shall be interpreted consistently therewith.

(d) Section 754 Adjustments. The Book Value of an item of Company property shall be increased or decreased, as the case may be, to equal its Adjusted Tax Basis whenever an adjustment to the Adjusted Tax Basis of such item of Company property arises under IRC Sections 732(d), 734 or 743 and

such property, in accordance with Section 704(c) of the IRC and equivalent principles, as follows, and such allocations shall not be independently reflected by further adjustments to the Members' Capital Accounts:

(i) With respect to Built-in Gain property, one hundred percent (100%) of any tax gain shall be allocated to the Contributing Members in the same proportion as such Built-in Gain has been credited to their respective Capital Accounts; Tax Depreciation shall be allocated to the Members other than the Contributing Members (the "Noncontributing Members") in the same proportion as, but in an amount not to exceed, the Book Depreciation with respect to such property which has been allocated to them under Paragraph C.1(c) of this Addendum; and any excess of such Tax Depreciation over the amount allocated to the Noncontributing Members shall be allocated to the Contributing Members in the same proportion that the Book Depreciation with respect to such property has been allocated to the Contributing Members under Paragraph C.1(c) of this Addendum. These allocations shall continue until the Built-in Gain has been eliminated. Thereafter any Tax Depreciation and gain or loss with respect to such property shall be allocated to the Members pursuant to the general profit and loss allocation provisions of Sections 7.1 and 7.2, above.

(ii) With respect to Built-in Loss property, one hundred percent (100%) of any tax loss shall be allocated to the Contributing Members in the same proportion as such Built-in Loss has been charged to their respective Capital Accounts; Tax Depreciation shall be allocated to the Noncontributing Members in the same proportion as, but in an amount not to exceed, the Book Depreciation with respect to such property which has been allocated to them under Paragraph C.1(c) of this Addendum; and any excess of such Tax Depreciation over the amount allocated to the Noncontributing Members shall be allocated to the Contributing Members in the same proportion that the Book Depreciation with respect to such property has been allocated to the Contributing Members under Paragraph C.1(c) of this Addendum. These allocations shall continue until the Built-in Loss has been eliminated. Thereafter any Tax Depreciation and gain or loss with respect to such property shall be allocated to the Members pursuant to the general profit and loss allocation provisions of Sections 7.1 and 7.2 above.

(iii) In the event that the allocation of tax gain, tax loss or Tax Depreciation to the Noncontributing Members under Paragraph C.1(d)(i) or C.1(d)(ii) of this Addendum is limited by application of the "ceiling rule" set forth in Regulations Section 1.704-3(b)(1), the Company may do any of the following:

(A) the Company may make reasonable curative allocations of income, gain, loss or deduction with respect to the tax

item limited by the ceiling rule, including income from the disposition of contributed or revalued property, in accordance with the rules set forth in Regulations Section 1.704-3(c); or

(B) the Company may make remedial allocations of income, gain, loss or deduction with respect to the tax item limited by the ceiling rule in accordance with the rules set forth in Regulations Section 1.704-3(d); or

(C) if applicable, the Company may apply the "small disparity" rules of Regulations Section 1.704-3(e).

The foregoing provision is intended to comply with Regulations Section 1.704-1(b)(2)(iv)(g) and Section 1.704-3(e) and shall be interpreted consistently therewith.

2. Special and Regulatory Allocations.

(a) Partnership Nonrecourse Deductions. Partnership Nonrecourse Deductions for any Company Fiscal Year shall be allocated among the Members in accordance with the Members' percentage interests in Losses, as set forth in Section 7.2 above. This Paragraph C.2(a) is intended to comply with Regulations Section 1.704-2(e)(2) and shall be interpreted consistently therewith.

(b) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any Company Fiscal Year shall be allocated to the Member who bears the economic risk of loss for the Partner Nonrecourse Liability to which such deductions are attributable, or among all the Members who bear the economic risk of loss for such liability according to the ratio in which they bear such economic risk of loss. This Paragraph C.2(b) is intended to comply with Regulations Section 1.704-2(i)(1) and shall be interpreted consistently therewith.

(c) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during any Company Fiscal Year, then in that event, prior to the making of any other allocation under either Article VII above or this Addendum, there shall be specially allocated to all Members items of income and gain for such year (and, if necessary, subsequent years) equal to their share of such net decrease in Partnership Minimum Gain within the meaning of Regulations Sections 1.704-2(f)(1) and 1.704-2(g)(2).

(d) Partner Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Company fiscal year, then in that event, prior to the making of any other allocation under either Article VII above or this Addendum, there shall be specially allocated to all Members with a share of that Partner Nonrecourse Debt Minimum Gain items of income and gain for such year (and, if necessary, subsequent years) equal to

their share of such net decrease in Partner Nonrecourse Debt Minimum Gain within the meaning of Regulations Sections 1.704-2(i)(4) and 1.704-2(i)(5).

(e) Qualified Income Offset. Subject to the provisions of Paragraph C.2(a) of this Addendum, in the event a Member unexpectedly receives an adjustment, allocation, or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate any deficit in such Member's Adjusted Capital Account as quickly as possible. This Paragraph C.2(b) is intended to comply with the qualified income offset requirement set forth in Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(f) Curative Allocations. The special allocations set forth in Paragraphs C.2(a) through C.2(e) of this Addendum (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2(b). The Regulatory Allocations shall be taken into account in determining the allocation of Profits and Losses pursuant to Sections 7.1 and 7.2 above so that, to the extent possible without nullifying the Regulatory Allocations, the amount of the allocations of Profits and Losses under Sections 7.1 and 7.2, as adjusted pursuant to this Paragraph C.2(f), and of the Regulatory Allocations, when taken together, shall be equal to the amount of such allocations of Profits and Losses that would have been allocated to the Members under Sections 7.1 and 7.2 if the Regulatory Allocations had not occurred.

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