

LIMITED PARTNERSHIP AGREEMENT

for

R.J. BALL FARMS LIMITED PARTNERSHIP

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

1. Name.

The name of the Limited Partnership is: R.J. BALL FARMS LIMITED PARTNERSHIP.

2. Character of Business.

The general character of the business of the partnership is:

Owning, leasing, operating and managing farms and farming properties and investing in properties.

3. Registered Agent.

The name and address of the registered agent of the Limited Partnership, for service of process, as required by Idaho Code, §53-204, are:

Ronald James Ball, Jr.
2749 North 700 East
Montevue, Idaho 83435

4. Partners' Names and Addresses.

(a) The names and business addresses of the General Partners are:

Ronald J. Ball
P.O. Box 8
Lewisville, Idaho 83431

Ronald James Ball, Jr.
2749 North 700 East
Monteview, Idaho 83435

(b) The names and business addresses of the Limited Partners are:

Emily M. Ball
P.O. Box 8
Lewisville, Idaho 83431

Dianna P. Ball
2749 North 700 East
Monteview, Idaho 83435

Andrew James Ball
2749 North 700 East
Monteview, Idaho 83435

Douglas Wayne Ball
2749 North 700 East
Monteview, Idaho 83435

Kristen Sue Simmons
1603 East 1500 North
Hamer, Idaho 83425

Ronald James Ball, Jr. and Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust,
2749 North 700 East
Monteview, Idaho 83435

for the benefit of Trust Beneficiaries:

Brooke Ann Ball born March 27, 1973	2749 North 700 East Monteview, Idaho 83435
Brian Jon Ball born July 12, 1975	2749 North 700 East Monteview, Idaho 83435
Ann Ball born March 31, 1977	2749 North 700 East Monteview, Idaho 83435
Kimberly Ball born November 24, 1979	2749 North 700 East Monteview, Idaho 83435
Michelle Ball born September 24, 1982	2749 North 700 East Monteview, Idaho 83435

Eric Scott Ball
born April 24, 1984

2749 North 700 East
Monteview, Idaho 83435

5. Initial Contributions to Capital.

(a) The amount of cash and a description and statement of the agreed value of property contributed by partners to the Partnership are as follows:

(1) No cash is contributed

(2) There is contributed farming real estate and related personal property in Jefferson County, Idaho, and legally described as follows:

Twp. 8 N., Rge. 33 E., Boise Mer.:

Sec. 13: N1/2NW1/4

Sec. 14: SE1/4

Sec. 15: N1/2

Together with all water rights appurtenant thereto, and all improvements and appurtenances, including wells and complete irrigation system.

Containing 560 acres including 534 acres, more or less, of irrigated farming ground, of a value of \$750.00 per acre, including irrigation wells, ditches and sprinkler systems complete for a total of \$400,500.00; 4 acres, more or less, of farmstead, with buildings and improvements of a value of \$33,000.00; and 15 acres, more or less, of waste ground, of a value of \$1,500.00, for a total value of \$435,000.00.

(b) The Partnership capital is divided into 1000 units with a value of \$435.00 per unit, and the Partnership Units are issued to the Partners in proportion to their contributions of capital to the Partnership represented by their respective undivided interests in the property contributed to the Partnership.

(c) The name of each Partner, the undivided interest of each Partner in the farming real estate and related personal property when transferred to the Partnership, the value of that undivided interest transferred to the Partnership, and the Partnership Units issued to each Partner, as a result of the contributions of property, are as follows:

<u>Partners</u>	<u>Undivided Interest in Property</u>	<u>Value</u>	<u>Units</u>
Ronald J. Ball and Emily M. Ball, husband and wife P.O. Box 8 Lewisville, ID 83431	58.2%	\$253,170.00	582
Ronald James Ball, Jr. and Dianna P. Ball, husband and wife 2749 North 700 East Monteview, Idaho 83435	7.6%	\$ 33,060.00	76
Andrew James Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38
Douglas Wayne Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38
Kristen Sue Simmons 1603 East 1500 North Hamer, Idaho 83425	3.8%	\$ 16,530.00	38
Ronald James Ball and Dianna P. Ball, as Trustees of the R.J. Ball Children's Trust, 2749 North 700 East Monteview, Idaho 83435			
for the benefit of Trust Beneficiaries:			
Brooke Ann Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38

Brian Jon Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38
Ann Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38
Kimberly Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38
Michelle Ball 2749 North 700 East Monteview, Idaho 83435	3.8%	\$ 16,530.00	38
Eric Scott Ball 2749 North 700 East Monteview, Idaho 83435	<u>3.8%</u>	<u>\$ 16,530.00</u>	<u>38</u>
TOTAL:	100%	\$435,000.00	1,000

(d) Ronald J. Ball and Emily M. Ball, husband and wife, own all of their units as community property; Ronald James Ball, Jr. and Dianna P. Ball, husband and wife, elect to own all of their units as community property. Each other Partner owns his/her units as his/her sole and separate property and with the rents, shares and profits to remain sole and separate. Unless otherwise provided in an instrument of transfer, such ownership shall apply as to any units hereafter acquired by any Partner.

6. Additional Contributions.

There is no agreement to make additional contributions to capital.

7. Right to Assign; Substitute Limited Partners.

(a) A Limited Partner may at any time or times assign his/her rights, or any part thereof, in the Limited

Partnership, including his rights to receive shares of the profits or other compensation by way of income and a return of his capital account, and his share of capital appreciation.

(b) If a Limited Partner assigns all or part of his/her units in the Limited Partnership to a person or entity whether or not already a Limited Partner, the assignee may become a new Limited Partner to the extent of the units assigned, provided:

- (1) The assignment so provides;
- (2) The assignee agrees in writing to be bound by the Limited Partnership Agreement as then amended; and
- (3) An executed assignment and an executed agreement to be bound are filed with the Limited Partnership.

8. Termination.

(a) A General Partner has no right to terminate his role as a General Partner in the Partnership prior to an event under Clause 14(b)(1), infra, or Clause 12, infra, which causes a dissolution of the Partnership. A General Partner who elects not to continue as a General Partner, after dissolution, may terminate his interests in the Partnership in the same manner as a Limited Partner under Subclause (b) infra.

(b) A Limited Partner may terminate his interest in the Partnership, prior to dissolution as provided under Clause 12, infra, and under Clause 14(b)(1), infra, only by assigning

away all of his Partnership Units to an existing General Partner or Limited Partner; or by assigning all of his Partnership Units to an Assignee who becomes a Limited Partner under Clause 7(b), supra; or by electing to not continue in a new Limited Partnership under Clause 13(b), infra.

9. Right to Distributions.

(a) The General Partners may in their reasonable discretion cause the Limited Partnership to maintain reserves for anticipated future expenses and disbursements necessary to meet the reasonable needs of the business of the Limited Partnership.

(b) The General Partners shall be compensated from time to time for management and other services provided to the Limited Partnership. Compensation shall be in a reasonable amount as determined by the General Partners.

(c) The annual report to the Limited Partners shall account for amounts retained and to be retained for reserves, and for disbursements and anticipated disbursements to General Partners; and shall explain the reasons for such reserves and disbursements and the amounts thereof.

(d) Balances of revenues and profits, if any, after payment of necessary expenses, maintenance of necessary reserves and payment of reasonable compensation to the General Partners shall be distributed at periodic intervals, not less frequently than annually, on a per-unit basis among all holders of partnership units. The General Partners may authorize

advance distributions on a pro-rata basis, at convenient intervals within a fiscal year, but with a full written accounting together with pro-rata profit distribution to be made to all partners annually as soon after the close of the partnership fiscal year as is reasonably feasible.

(e) In the event of liquidation of the partnership, all proceeds shall be distributed in the following order of priority:

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

(2) Current and unpaid compensation or reimbursement of expenses, owing to the General Partners.

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

(4) To the partners with respect to the return of their capital contribution.

(5) The balance, if any, shall be distributed to the holders or assignees of partnership units on a per unit basis.

10. No Other Right to Distribution.

There is no other right of a partner to receive, nor

of the General Partners to make, distributions to a partner, whether by way of return of all or any part of the partner's contribution.

11. Term of Partnership.

The term of the Limited Partnership shall commence on the date the Certificate of Limited Partnership described in Idaho Code §53-208 (1991 Supp.) is filed in the office of the Secretary of State, State of Idaho, in accordance with the Idaho Uniform Limited Partnership Act, as amended; and shall continue until the winding up and liquidation of the Limited Partnership and its business is completed, following a dissolution event as provided in clause 12 hereof. Prior to the time that the Certificate is filed, no persons shall represent to third parties the existence of the partnership or hold himself out as a partner.

12. Dissolution of Partnership.

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

(a) Retirement, death, bankruptcy, or insanity of a General Partner shall work an immediate dissolution of the partnership.

(b) The partnership shall earlier terminate upon the agreement of all partners, general and limited.

(c) Unless sooner terminated, the partnership shall be dissolved on November 15, 2016.

13. Continuance of Business.

(a) In the event of dissolution of the Partnership then a remaining General Partner, if there be one, may elect to continue the business; or if there be no General Partner or the remaining General Partner does not elect to continue the business, then Dianna P. Ball may elect to be a new General Partner; or if there be no remaining General Partner who elects to continue the business and if Dianna P. Ball fails or refuses to elect to be a new General Partner, then one or more Limited Partners may elect, by notice in writing to all interested parties within 30 days of dissolution, to become a substituted General Partner or Partners and to continue the business.

(b) But if a General Partner does not continue, and Dianna P. Ball does not elect to be a General Partner, then a Limited Partner or partners becoming a General Partner or Partners must pay to each Limited Partner or non-continuing General Partner who requests in writing (within 15 days) withdrawal of his partnership units, the value of the units of each partner not continuing or withdrawing. Value shall be determined and paid as provided in subparagraphs (d) and (e) hereof. Alternatively the new General Partner(s) may elect to liquidate the Partnership. If more than one Limited Partner elects to be a new General Partner, but not together, then the continuing Limited Partners shall determine who shall be the new General Partner by majority vote of units; otherwise, the partnership shall be liquidated.

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

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

(2) Amend this agreement to establish the new General Partner or Partners.

(3) Execute and file with the Secretary of State, State of Idaho, an Amendment to Certificate of Limited Partnership, to reflect the new General Partner.

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

(d) In the event of the formation of a new Limited Partnership, the value of a partnership unit, as to any noncontinuing or withdrawing Limited Partners, shall be book value adjusted to include fair market value of all property owned by the partnership, including going concern value, if any. Any disputes as to value (or other terms including interest rate under subparagraph (e) infra) shall be arbitrated in accordance with sub-paragraph (f) hereof.

(e) The price of a partnership unit shall be payable in cash, or by mutual agreement on installment terms which may include: twenty percent (20%) down; the balance shall bear

interest at the local market rate for contracts with similar terms and risks from the date the Limited Partners requested withdrawal, in twenty equal annual amortized installments with the first due one-year after the down payment, and subsequent payments due annually thereafter. The price shall be evidenced by a written promissory note, shall be a debt of the partnership, and shall be secured by a lien on partnership assets of equal priority for all withdrawing partners.

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

14. Additional Agreements.

(a) This Limited Partnership Agreement may not be amended by General Partners without consent in writing of the Limited Partners.

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

(1) Dissolve or wind up the Limited Partnership;

(2) Sell, exchange, lease, mortgage, pledge, or make any other transfer of all or substantially all of the assets of the Limited Partnership other than in the ordinary course of business (recognizing sale of investment assets, for reinvestment, is in the ordinary course of business);

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

(4) Change the nature of the business.

(c) No Limited Partners may participate in the control of the business of the partnership, nor shall a Limited Partner act for the partnership in transacting business with any person. Limited Partners shall not be liable for any obligations of the Limited Partnership.

(d) So that Limited Partners may be fully informed of partnership business and have a means of providing counsel and advice to General Partners; and so the partnership shall have an easy available system for Limited Partners to express approval or disapproval on partnership issues, there shall be partnership meetings as needed or desired, to be called, conducted, and to act as follows:

(1) A General Partner or any Limited Partners holding not less than ten (10%) percent of the outstanding partnership units, may call a partnership meeting at any time at a designated location in Jefferson or Madison Counties, Idaho, upon ten (10) days notice in writing to each partner.

(2) The General Partners, or in lieu thereof any Limited Partner selected by the other Limited Partners, shall conduct each partnership meeting, shall report to the partnership on the business of the partnership and respond to any questions from any partner, and take up any business designated in the notice of the meeting. Partnership books and records shall be open for inspection by any partner.

(3) At such meeting the Limited Partnership Agreement may be amended by an affirmative vote of all General Partners and of Limited Partners holding a majority of units owned by Limited Partners; provided, the Limited Partnership Agreement shall not be amended without the consent of each person adversely affected if such amendment would [a] convert a Limited Partner's interest in the partnership into a General Partner's interest; [b] modify the limited liability of a Limited Partner; [c] alter the interest of a partner in profits, losses, other items thereof, or any partnership distributions; or [d] limit the right of a Limited Partner to assign units and have the assignee become a Limited Partner.

(4) Limited Partners shall not be permitted to participate in the operations of the partnership to the extent that it would constitute participating in

the control of the business as provided in Idaho Code §53-219; and conversely Limited Partners may be authorized by the General Partners to propose, approve or disapprove, by voting or otherwise, those matters specified in Idaho Code §53-219(b)(6). Limited Partners may be authorized by General Partners to participate in the partnership in ways which under Idaho Code §53-219 do not constitute participation in control of the business and would not serve to make a Limited Partner liable for obligations of the Limited Partnership.

(5) Limited Partners shall be permitted to vote at a partnership meeting to ratify and confirm decisions of the General Partners as to maintaining reasonable reserves, payment of compensation to General Partners, partnership distributions, disposition of investment properties of the partnership, and investments of the partnership. However, the General Partners may make decisions for the partnership on those issues, contrary to a vote of Limited Partners, to the extent such decisions by the General Partners fall within their reasonable discretion under this partnership agreement and are not contrary to this partnership agreement, their fiduciary responsibilities, or the law.

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

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

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

(h) The books of account shall be examined and reviewed at the close of each fiscal year by the General

Partners, who shall make a report thereon. A copy of the report shall be furnished to each Limited Partner.

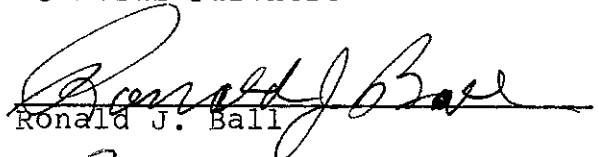
(i) The fiscal year of the partnership shall be the calendar year.

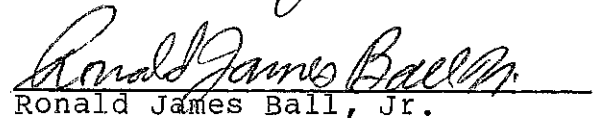
(j) The General Partners shall not be required to devote their entire business time to this partnership. They may have other employment. The General Partners agree to devote such time and attention to this enterprise as may be necessary in their discretion, for the successful functioning and completion of the work of the partnership.

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

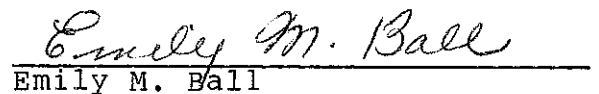
EXECUTED This 16th day of November, 1991.

"General Partners"


Ronald J. Ball


Ronald James Ball, Jr.

"Limited Partners"


Emily M. Ball


Dianna P. Ball

Ann Ball

Ann Ball

Ronald James Ball, Jr.
Ronald James Ball, Jr. and

Dianna P. Ball

Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust
for Kimberly Ball

Kimberly Ball
Kimberly Ball

Ronald James Ball, Jr.
Ronald James Ball, Jr. and

Dianna P. Ball

Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust
for Michelle Ball

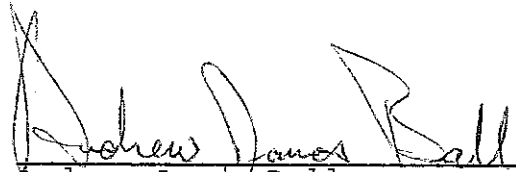
Michelle Ball
Michelle Ball

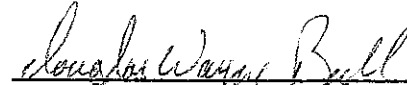
Ronald James Ball, Jr.
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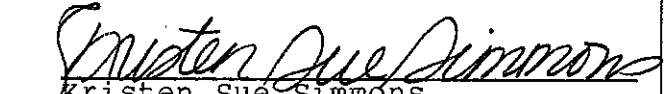
Dianna P. Ball

Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust
for Eric Scott Ball

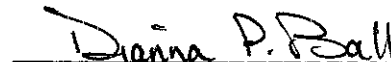
Eric Scott Ball
Eric Scott Ball


Andrew James Ball


Douglas Wayne Ball


Kristen Sue Simmons


Ronald James Ball, Jr. and


Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust
for Brooke Ann Ball


Brooke Ann Ball


Ronald James Ball, Jr. and


Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust
for Brian Jon Ball


Brian Jon Ball


Ronald James Ball, Jr. and


Dianna P. Ball,
as Trustees of the
R.J. Ball Children's Trust
for Ann Ball