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PARTNERSHIP AGREEMENT

THIS AGREEMENT mad September 27, 1974, among LUTHER J. HOLM and BERNICE J. HOLM, husband and wife (first parties) and LENNIS J. HOLM (second party), and all of them collectively referred to herein as the partners.

Whereas, the partners desire to conduct a farming and livestock business as a partnership in all respects, and desire to further define certain rights among themselves, and to make certain provisions as to their business.

Now, therefore, in consideration of the mutual confidence of the partners in each other, and the mutual agreements herein contained, the partners do hereby agree as follows:

1. Name and place of business. The partnership and its business shall be conducted under the firm name of Lazy H Farms. The principal place of such business shall be in Madison County, Iowa. The post office address shall be Winterset, Iowa.

2. Business activities. The partnership shall conduct a general farming business including raising, buying, feeding, selling, and dealing in livestock and such other activities as are necessary or incidental thereto.

3. Term. The partnership having commenced on January, 1974, shall continue until terminated under this agreement.

4. Books. The partnership books and business records shall be maintained at the principal office of the partnership, and the partners shall have access thereto at all times. The books shall be kept on the cash basis for each calendar year, and shall be closed and balanced at the end of each such year.

5. Capital. The first parties, collectively, and the second party having made equal contributions to the capital accounts of the partnership, and such capital accounts now being equal, they shall continue to be equal, except as hereinafter provided, and in such amounts as the partners shall determine from time to time. If, at any time or times hereafter, further capital shall be advanced by the partners in the same percentages as their capital accounts shall stand from time to time. No interest shall be paid on any contributions of capital to the partnership.

6. Land. The partners shall make available to the partnership all farm land now held by each of them, and no payments shall be made by the partnership for the use of such land. Each partner shall be responsible for the payment of taxes and mortgage debt on his or her respective land. Repairs, conservation expenses and maintenance shall be paid by the partnership.

Hon. Agreement Allocating Partnership Real Estate 30-734

7. Machinery and equipment. The first parties and the second party jointly furnish the machinery and equipment, and all necessary replacements therefor, for the conduct of the business of the partnership, and no payments shall be made by the partnership for the use of any such machinery and equipment. All taxes, repairs, expenses and maintenance of such machinery and equipment shall be paid by the partnership.

8. Profit and loss. The net profits of the partnership shall be divided one-half to the first parties and one-half to the second party and the net losses shall be borne by them in the same manner.

9. Salaries and drawings. No partner shall receive any salary for services rendered to the partnership, except as may in the future be agreed upon by the partners from time to time. The partners shall have such drawing and expense as may be agreed upon by them.

10. Management and duties. The partners shall have equal rights in the management of the partnership business. No partner shall, either directly or indirectly, engage in any other business or occupation without the consent of the other partner or partners, provided that the second party intends to open a law office in Winterset, Iowa, however, he will devote the necessary time and attention to the partnership business and the farming and livestock operations conducted by it to maximize the profits of the partnership, and provided that nothing contained in this agreement shall prohibit the activity of any partner in managing his personal investments and property.

11. Restrictions. No partner shall, without the consent of the other partner or partners, endorse any note, or act as an accomodation party, or otherwise become surety for any person on behalf of the partnership. Without the consent of the other partner or partners, no partner shall, on behalf of the partnership, borrow or lend money, or make, deliver, or accept any commercial paper, or execute any mortgage, security agreement, bond, or lease, or purchase, or contract to purchase, or sell or contract to sell any property for or of the partnership other than the type of property bought and sold in the regular course of its business.

12. Prohibition against assignment. No partner shall, except with the consent of the other partner or partners, assign, mortgage, grant a security interest in, or sell his share in the partnership or in its capital assets or property, or do any act detrimental to the best interest of the partnership or which would make it impossible to carry on the ordinary business of the partnership.

13. Bank account. All funds of the partnership shall be deposited in its name with the Union State Bank of Winterset, Iowa, or such other banking institution or institutions as the partners shall from time to time determine. All withdrawls therefrom are to be made upon checks signed by any two partners.

14. Retirement. Any partner shall have the right to retire from the partnership at the end of any accounting year, at which time the partnership shall be dissolved. Written notice of intention to retire shall be served upon the other partner or partners at the office of the partnership at lease three months before the end

of the accounting year. Thereafter the retiring partner and the surviving partner or partners shall have the same rights and elections as are specified in paragraph 15 with respect to the "Estate" and the surviving partner or partners respectively, in the event of the death of a partner.

15. Death. Upon the death of any partner, the partnership shall be terminated as at the end of the current accounting year and not until then. Thereafter the personal representatives of such deceased partner, or the person or persons to whom such deceased partner shall have bequeathed his interest in the partnership in the event that such interest has been paid over and delivered to such person or persons by such representatives, all collectively referred to hereafter as the "Estate," and the surviving partner or partners shall have the following rights and elections:

(a) All or one of them may elect to carry on the partnership business upon such terms as shall be mutually satisfactory, including continuance as a partnership on the same or a different accounting basis and year, as a corporation, or as a sole proprietorship. Such election shall be made by them within three months after the termination of the former partnership and shall be effective on filing a written and signed notice of the same at the office of the former partnership. Any one or more of them not making such election shall be deemed to have elected not to carry on the partnership business, but such one or more may nevertheless enter into a new arrangement on such terms as shall be agreed. If all of them do not so elect, any others may, and that one or more not so electing shall have the right to sell his or their interest to the others in the same manner as is hereinafter set forth, or to have his or their interest partitioned in the same manner as is hereinafter set forth. The words "new partners" are hereafter used to refer to that one or more of the surviving partner or partners and the Estate electing to carry on the partnership business. The words "ex-partners" are hereafter used to refer to that one or more of the surviving partner or partners and the Estate not so electing. The word "parties" is hereafter used to reder to all "new partners" and all "ex-partners".

(b) The new partners may elect to purchase the interest of the ex-partners in the assets of the partnership, and the ex-partners shall have the right but not the obligation to sell the same, except that the ex-partners shall not sell to others than the new partners part or all of their share of the partnership assets for a period of two years after termination without offering the same to the new partners at the same price and on the same terms unless this right of refusal shall have been waived in writing by the new partners. The new partners shall be entitled, without cost, to use the trade name of the partnership if they elect to carry on the business. No interest in real estate being operated by the partnership shall be included among its assets, except real estate to which it shall have title in fee.

(c) The new partners may elect not to purchase the interest of the ex-partners in the assets of the partnership or the ex-partners may elect not to sell their interests. In such event, the business and assets of the partnership shall be sold or partitioned among the parties as their interests shall appear, wholly or in part. The same shall be sold or partitioned wholly

if the parties so agree, or the interest of the ex-partners shall be sold or partitioned on such terms as the parties shall agree, and the other interests shall remain intact and the owners of such interests shall continue the partnership business with such interest if they so agree. The parties shall proceed with reasonable promptness to consummate the total or partial sale or partitioning of the business and assets of the partnership. In the event of total sale only, the partnership name shall be sold with the other assets of the business, but any of the parties including the estate may buy the same at a price acceptable to the others. The parties shall share in the profits and losses of the business period of total or partial sale or partition in the same percentages as their shares and that of the deceased partner shall stand at the termination of the partnership, except that the deceased partner's estate shall not be liable for losses in excess of the interest of the deceased partner at the time of his death. No compensation shall be paid to any party for his or their services in the sale or partition, except as may be agreed upon. The proceeds of sale shall be distributed to the parties, including the estate of the deceased partner, as realized and in accordance with the ratio of distributions theretofore effective, unless at the date of termination there shall be a deficit in any capital account, in which case the proceeds of liquidation otherwise distributable to the partner in whose capital account such a deficit exists shall be applied first to the restoration of such deficit.

16. Other legal disabilities. Upon the insolvency, bankruptcy, or adjudication of incompetency of any partner or partners, the partnership shall be terminated as of the end of the current accounting year, and not before. Thereafter the other partner or partners shall have all the rights, obligations, and elections hereinabove prescribed in paragraph 15 for the surviving partner or partners in the case of death of one or more of the partners; and the receiver, trustee, committee, guardian, conservator, or other representative of the partner incurring any of such aforementioned legal disabilities shall have all of the rights, obligations, interests, and options prescribed for the estate of a deceased partner in such paragraph 15.

17. Definitions. As used in paragraph 15, the word "Estate" shall be deemed a word of collective reference only. Insofar as it shall include any personal representatives and any person or persons to whom any deceased partner shall have bequeathed any interest in the partnership, its use shall not be deemed to bind nay such persons to any collective action, and they shall each have all of the rights and privileges accorded to the "Estate" in paragraph 15 to be severally and individually enjoyed and exercised by them without reference to any exercise by any others of such group of any such rights and privileges.

18. Arbitration. Any controversy or claim arising out of or related to this agreement, or the claimed breach thereof, shall be settled by majority vote of the three (3) partners.

IN WITNESS WHEREOF the parties have assigned this agreement on the day and year above written.

Luther J. Holm (L.S.)

Bernice J. Holm (L.S.)

Lennis J. Holm (L.S.)

STATE OF IOWA, MADISON COUNTY, ss:

On this 27th day of September, 1974, before me, the undersigned, ~~a Notary Public~~ in and for said County and said State, personally appeared Luther J. Holm, Bernice J. Holm, and Lennis J. Holm

SEAL MADISON COUNTY IOWA

to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Ida L. Silverthorn
Deputy Clerk of Court

~~Notary Public~~ in and for said County and said State