

LIMITED PARTNERSHIP AGREEMENT

Agreement made as of this 1st day of April, 1977, by and among RON CHANEY (General Partner), residing at P.O. Box 205, Eureka, Nevada 89316 and LON CHANEY (Limited Partner), residing at 8307 Lexington Ave., Downey, California 90241.

1. NAME AND BUSINESS: The parties do hereby form a Limited Partnership, pursuant to the provisions of Chapter 88 of the Nevada Revised Statutes, to hold, operate, improve, form and lease the real property located in the County of Eureka, State of Nevada, and more particularly described by Exhibit "A", as attached hereto and incorporated by reference herein.

The name of the partnership shall be CHANEY ASSOCIATES, and the principal office and place of business of the partnership shall be Eureka, Nevada 89316.

2. TERM: The term of the partnership shall begin as of the 1st day of April, 1977, and shall continue until the 30th day of March, 1982, unless terminated earlier as hereinafter provided.

3. CONTRIBUTION: GENERAL PARTNER: RON CHANEY shall be the General Partner. The General Partner shall contribute to the partnership the following:

A. The use of his equipment as and for the operation and farming of the subject leasehold located in the County of Eureka, State of Nevada.

B. The rendition of his services and management expertise as and for the operation and farming of the subject leasehold.

4. CONTRIBUTION: LIMITED PARTNER: LON CHANEY shall be the Limited Partner and shall contribute to the capital of the partnership the cash amount as set forth below:

A. \$ 35000⁰⁰

5. PROFITS AND LOSSES:

A. The net profits of the partnership shall be divided and any losses shall be borne by each of the partners, as follows:

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|----------------------------------|-----|
| (a) RON CHANEY (General Partner) | 50% |
| (b) LON CHANEY (Ltd. Partner) | 50% |

B. Notwithstanding anything to the contrary in sub-paragraph A of this paragraph, it shall further be expressly agreed that LON CHANEY, Limited Partner, shall receive the benefits of all tax deductions attributable to this partnership, if any, for a period of two (2) years subsequent to the enactment of this agreement. Thereafter, and in consideration of the services, et al, to be rendered by RON CHANEY, General Partner, the tax benefits and deductions shall be split equally.

6. LOSSES: Notwithstanding anything to the contrary herein contained, the liability of the Limited Partner for the losses of the Partnership shall in no event exceed in the aggregate the amount of his contribution to the capital of the partnership. Any losses in excess of such amount shall be borne solely by the General Partner.

7. BOOKS: The partnership shall maintain full and accurate books in its principal office, or such office as shall be designated for such purpose by the General Partner, and all partners shall have the right to inspect and examine such books at reasonable times. The books shall be closed and balanced at the end of each calendar year.

8. NON-ASSIGNABILITY: No Limited Partner shall have the right to substitute an assignee as contributor in his place. No assignment of any Limited Partner's right to proceeds distributable to him as a Limited Partner hereunder shall be valid unless consented to by the General Partners.

9. DEATH, RETIREMENT, OR INSANITY OF THE GENERAL PARTNER: In the event of the death, retirement, or insanity of General Partner, the partnership shall be expeditiously terminated by his representative appointed by a Court of competent jurisdiction.

10. DEATH OF A LIMITED PARTNER: The death of a Limited Partner shall not dissolve the partnership nor terminate the partnership business.

11. TERMINATION: The partnership may be terminated by the General Partner, prior to the end of its term, after at least thirty (30) days prior written notice by the General Partner to the Limited Partner. In such event, or in the event of the death, retirement, or insanity of the General Partner, the partnership shall wind up by either of the following methods:

A. Selling the partnership's assets and distributing the net proceeds therefrom after the payment of partnership liabilities to each partner in satisfaction of his interest in the partnership.

B. Distributing the partnership's assets to the partners in kind, each partner accepting an undivided interest in the partnership's assets, subject to its liabilities, in satisfaction of his interest in the partnership.

Upon completion of the liquidation the partnership shall be deemed completely dissolved and terminated.

12. DISTRIBUTION OF PROCEEDS ON LIQUIDATION: The proceeds of liquidation shall be distributed, as realized, in payment of the liabilities of the partnership in the following order: (1) to creditors of the partnership; (2) to all of the partners in respect of their capital accounts as determined pursuant to the provisions of this agreement. The General Partners shall not be personally liable to the Limited Partners for any deficit in the Limited Partners' capital accounts or for the return of their contributions.

In the event of a liquidating distribution of the partnership's property in kind, the fair market value of such property shall be determined and each partner shall receive an undivided interest in such property equal to the portion of the proceeds to which he would be entitled.

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13. **POWER OF ATTORNEY:** Each of the Limited Partners hereto constitutes and appoints the General Partner the true and lawful attorney for the undersigned, to make, execute, sign, acknowledge, and file a Certificate of Limited Partnership or amendments thereto, and upon termination of the partnership, a certificate of dissolution, as required under the laws of the State, and to include therein all information required by the laws of such State, and also to make, execute, sign, acknowledge, and file such other instruments as may be required under the laws of the State. The General Partner is authorized to take title to the real property herein referred to and to execute any and all documents related thereto on behalf of the partnership whether or not a Certificate of Limited Partnership has been filed prior to the date of such acceptance of title or execution of such documents, and all of the parties hereto hereby ratify and confirm any such action by the General Partner. The aforementioned General Partner shall convey the real property, hereinbefore referred to, to the partnership upon the filing of a Certificate of Limited Partnership and the completion of the requisite advertising.

14. **OPINION OF COUNSEL:** The doing of any act or the failure to do any act by any General Partner, the effect of which may cause or result in loss or damage to the partnership if pursuant to opinion of legal counsel employed by the General Partner on behalf of the partnership, shall not subject the General Partner to any liability.

15. **INDEMNITY:** The partnership shall indemnify and save harmless any General Partner from any personal loss or damage incurred by him by reason of any act performed by him for and on behalf of the partnership and in furtherance of its interests.

16. It is further agreed that the Limited Partner, LON CHANEY, shall have the right to vote upon all matters as set forth in NRS 88.080 (2) without making Limited Partner subject to any further liability.

Donald R. Chaney
 Ron Chaney
Lon R. Chaney
 Lon Chaney

STATE OF NEVADA)
) ss:
 COUNTY OF ELKO)

Subscribed and sworn to me this 20th day of March 1980 personally appeared before me, a Notary Public, Ron Chaney and Lon Chaney who acknowledged that they

72987 executed the foregoing instrument.

RECORDED AT THE REQUEST OF Frontier Title Company
 on April 11, 1980, at 30 mins. past 1 P. M. in
 Book 80 of OFFICIAL RECORDS, page 79-81, RECORDS OF
 EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
 File No. 72987 Fee 5.00

Donald R. Chaney
 Notary Public

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GORDON C. SHELLEY
 ATTORNEY AT LAW
 RENO, NEVADA

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