

17382

AGREEMENT

Vol. 1782 Page 15430

This agreement is entered into on the date indicated below by and between SOQUEL CONSTRUCTION, a California corporation, and RICHARD ALDERSON, individually and under his specific power of attorney for JOHN BLANTON, ELIZABETH BLANTON, CHARLES CANFIELD, BARBARA CANFIELD, JOSEPH ANZALONE, and LAVONNE ANZALONE.

RICHARD ALDERSON and those he represents under his specific power of attorney own a fifteen percent interest in that real property known as the JOHNS MANVILLE PLANT property located in Chiloquin, Oregon. The remaining interest in the property is owned by SOQUEL CONSTRUCTION.

SOQUEL CONSTRUCTION hereby agrees to allow RICHARD ALDERSON, individually, and those he represents under the specific power of attorney to become limited partners in that proposed limited partnership known as the AROMAS PROJECTS, which limited partnership agreement is attached hereto as Exhibit A. As limited partners, they shall continue to retain a fifteen percent interest.

Until such time as RICHARD ALDERSON, individually, and those he represents, under his specific power of attorney actually become limited partners, RICHARD ALDERSON agrees individually and under his power of attorney that all decisions shall be made in the sole judgment and discretion

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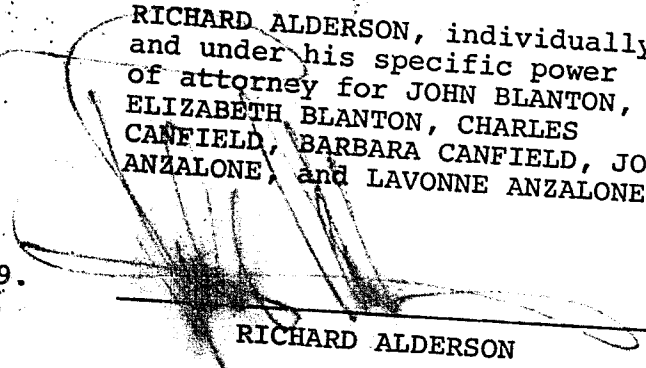
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of SOQUEL CONSTRUCTION and will be final. SOQUEL CONSTRUCTION agrees to consult with RICHARD ALDERSON to obtain his advice and recommendations with regard to all major decisions concerning said property, including but not limited to such measures as resale, lease, or other such matters.

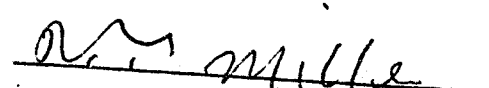
RICHARD ALDERSON, individually
and under his specific power
of attorney for JOHN BLANTON,
ELIZABETH BLANTON, CHARLES
CANFIELD, BARBARA CANFIELD, JOSEPH
ANZALONE, and LAVONNE ANZALONE

Dated: 11 July 1979.


RICHARD ALDERSON

SOQUEL CONSTRUCTION, a
California corporation

Dated: 23 July 1979.

By 

LIMITED PARTNERSHIP AGREEMENT FOR PURCHASE AND SALE OF LAND

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SOQUEL CONSTRUCTION, INC., a California Corporation, hereinafter referred to as the "General Partner", and Ralph J. Phillips and Jerry Meeks, hereinafter referred to as "Limited Partners", agree that:

ARTICLE I. NATURE OF PARTNERSHIP

Formation of Limited Partnership

1.01. They hereby form a Limited Partnership, herein call "the Partnership," pursuant to the provisions of Chapter 2 Title 2 of the Corporations Code of the State of California, known as the "Uniform Limited Partnership Act" of California.

Name of Partnership

1.02 The name of the Partnership shall be Aromas Projects.

Purpose of Partnership

1.03 The Partnership shall engage in the business of purchasing, developing, promoting, and reselling the former Johns-Manville Plant, situated in Chiloquin, Oregon, and such activities as are related or incident thereto. The Partnership shall engage in no other business unless agreed upon in writing by all Partners.

Principal Place of Business

1.04 The place of business of the Partnership shall be at Soquel, County of Santa Cruz, State of California, or such other place of places as may be agreed upon by the Partners.

TERM

1.05 The Partnership shall commence on the recording of a Certificate of Limited Partnership in the manner required by the Uniform Limited Partnership Act, and shall continue for a period of ten years therefrom, unless previously terminated as herein provided or extended in writing by all of the Partners.

ARTICLE II. MEMBERS OF PARTNERSHIP

Original General Partner

2.01 The name and place of residence of the original General Partner is as follows:

Soquel Construction, Inc.

4555 Cherryvale Avenue
Soquel, California 95073

Original Limited Partners

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2.02 The name and place of residence of each original Limited Partner is as follows:

NAME

ADDRESS

Jerry Meeks

Castillon Way
San Jose, CA

Ralph J. Phillips

3535 Capitola Avenue
Santa Cruz, CA

Admission of Additional General Partners

2.03 Subject to any other provision of this Agreement, after the formation of the Partnership a person may be admitted as a General Partner with the written consent of all Partners, on the recording of an amendment to the original Certificate of Limited Partnership in accordance with the requirements of Section 15525 or Section 15525.5 of the California Corporations Code.

Admission of Additional Limited Partners

2.04 Subject to any other provision of this Agreement after the formation of the Partnership a person may be admitted as an additional Limited Partner with the written consent of the General Partner, on the recording of an amendment to the original Certificate of Limited Partnership in accordance with the requirements of Section 15525 or Section 15525.5 of the California Corporations Code.

Admission of Substituted Limited Partners

2.05 Subject to any other provision of this Agreement, after the formation of the Partnership a person may be admitted as a substituted Limited Partner with the written consent of all the Partners, except his predecessor in interest, on the recording of an amendment to the original Certificate of Limited Partnership in accordance with the requirements of Section 15525 or Section 15525.5 of the California Corporations Code.

Additional Partners Bound by Agreement

2.06 Notwithstanding any other provision of this Agreement, before any person is admitted to this Partnership as an additional General, additional Limited, or substituted Limited Partner, he shall agree in writing to be bound by all of the provisions of this Agreement

ARTICLE III. FINANCIAL

Initial Capital Contribution of Original General Partner

3.01 The property contributed to the initial capital of the Partnership by the General Partner consists of cash, credit, real property, and personal services in an agreed Partnership value of one million dollars.

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Initial Capital Contribution of Original Limited Partners

3.02 The property initially contributed to the capital of this Limited Partnership by each of the Limited Partners is:

<u>NAME</u>	<u>DESCRIPTION OF CAPITAL CONTRIBUTION</u>	<u>AGREED PARTNERSHIP VALUE</u>
Jerry Meeks	Cash	\$50,000.00
Ralph J. Phillips	Cash	\$50,000.00

Initial Capital Contribution Required of Each Additional Limited Partner

3.03 Each additional Limited Partner admitted to this Partnership shall contribute to the capital of this Partnership such amount as may be determined by the General Partner.

Additional Permissive Capital Contributions

3.04 In addition to the initial capital contributions of the Partners, each Partner may voluntarily make additional contributions to the capital of this Partnership in such amounts as may from time to time be agreed upon by the General Partner.

Limitation of Additional Capital Contributions

3.05 Limited Partners shall not be required to contribute to the capital of this Partnership or to its creditors any additional money or property, the liability of each Limited Partner being limited to the amount of his initial capital contribution as set forth in this Agreement.

Interest on Capital Contributions

3.06 No Partner shall receive any interest on his contribution to the Partnership capital.

Withdrawal and Return of Capital

3.07 No Partner may withdraw any portion of the capital of the Partnership and no Partner, General or Limited, shall be entitled to the return of his contribution to the capital of the Partnership except on dissolution of the Partnership.

Profits and Losses

3.08 Subject to the provisions of Paragraph 3.09 of this Agreement, the net profits of the Partnership and any net losses suffered by the Partnership shall be borne by the Partners in the following proportions:

GENERAL PARTNER

Soquel Construction, Inc.

90 Percent

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LIMITED PARTNERS

Jerry Meeks
Ralph J. Phillips

5 Percent
5 Percent

Limitation on Losses and Liabilities of Limited Partners

3.09 No Limited Partner shall be liable or subject to any obligations, losses, debts, or liabilities of the Partnership in excess of the amount of his capital account. Any losses of the Partnership in excess of the amount of the capital of the Partnership shall be borne by the General Partner.

Maintenance of Books, Records, Reports, and Accounts

3.10 At all times the General Partners shall maintain or cause to be maintained true and proper books, records, reports, and accounts in which shall be entered fully and accurately all transactions of the Partnership.

Location of Books, Records, Reports and Accounts

3.11 All books, records, reports, and accounts, together with this Agreement and the Certificate of Limited Partnership and any amendments thereto, shall at all times be kept and maintained at the principal place of business of this Partnership.

Inspection of Books, Records, Reports, and Accounts

3.12 All books, records, reports, and accounts shall be open to inspection by any Partner or his duly authorized representatives, at any regularly called meeting of the Partners.

Method of Accounting

3.13 The Partnership books shall be kept on an accrual basis.

Fiscal Year

3.14 The fiscal year of the Partnership shall expire on the 31st of December of each year unless otherwise agreed by the Partners.

Capital Accounts

3.15 An individual capital account shall be maintained for each General and Limited Partner consisting of his contribution to the initial capital of the Partnership, any additional contributions to the Partnership capital made by him pursuant to this Agreement, and any amounts transferred from his income account to his capital account pursuant to this Agreement.

Income Accounts

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3.16 An individual income account shall be maintained for each General and Limited Partner. At the end of each fiscal year, or at such time as may be determined by agreement of all Partners, each Partner's share of the net profits or net losses of the Partnership shall be credited or debited to and his withdrawals during such fiscal year deducted from his income account. After such amounts have been credited or debited to and deducted from a Partner's income account, any balance or deficit remaining in such account shall be transferred to or charged against such Partner's capital account; provided, however, that no Partner may withdraw any portion of his distributive share of the net profits of the Partnership for a period of eighteen months from the close of escrow on the Chiloquin, Oregon plant, or until the reserve fund of \$150,000.00 has been accumulated over and above the normal monthly required working capital of the Partnership, whichever shall occur first, unless a prior distribution of profits is determined by the General Partner, except as herein provided upon the termination of the Partnership.

Annual Financial Statement

3.17 The books shall be closed and balanced at the end of each fiscal year and there shall be delivered to each Partner within 60 days after the expiration of each fiscal year of this Partnership, a balance sheet and a profit and loss statement, together with a statement showing the accounts of each Partner, the distributions to each Partner, and each Partner's share of profits or loss of the Partnership for such year reportable for State and Federal tax purposes. In addition to the foregoing, any Partner may request that an estimated balance sheet and profit and loss statement for the pending fiscal year be prepared and delivered to said requesting Partner thirty days prior to the expiration of each fiscal year, provided that all costs and expenses incurred in connection with the preparation and delivery thereof are borne by said requesting Partner.

Banking

3.18 The General Partner shall open and thereafter maintain a separate bank account in the name of the Limited Partnership, in which there shall be deposited all of the funds of the Partnership. No other funds shall be deposited in the account. The funds in said account shall be used solely for the business of the Partnership, and all withdrawals therefrom are to be made only on checks signed by the General Partner or such other person or persons as the General Partner may from time to time designate.

ARTICLE IV. RIGHTS, POWERS, DUTIES AND RESTRICTIONS OF PARTNERS

General Partner-- Exclusive Right to Manage

4.01 The General Partner shall have full and exclusive charge

4.01 (continued)

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and control of the management, conduct, and operation of the Partnership in all respects and in all matters.

General Partner--Devotion of Time to Partnership

4.02 The General Partner shall devote such time to this Partnership as shall be necessary to conduct this Partnership in an efficient manner.

Rights of General Partner

4.03 The General Partner shall have the right to borrow money, extend credit, contract for services and/or materials, and make capital improvements to the project on behalf of the Partnership, and shall have the right to pay any and all expenses or debts incurred in connection therewith out of the Partnership account.

Restriction on General Partner

4.04 Except as otherwise expressly provided in this Agreement, a General Partner shall have all the rights and powers of a Partner in a Partnership without Limited Partners and shall be subject to all the restrictions imposed on General Partners by the Uniform Limited Partnership Act of the State of California or imposed on a Partner in a Partnership without Limited Partners.

Nonparticipation in Management by Limited Partners

4.05 Limited Partners shall contribute no services and shall take no part in or interfere in any manner with the management, conduct, or control of the Partnership business and shall have no right or authority to act for or bind the Partnership. This provision shall not, however, restrict a Limited Partner from employment by the General Partner, or from becoming a contractor to the project.

Voting Rights of Limited Partners

4.06 Notwithstanding any other provision of this Agreement, the Limited Partners are hereby given the right and power to vote on any or all of the following matters which affect the basic structure of the Partnership:

- (a) Election or removal of General Partner;
- (b) Termination of the Partnership;
- (c) Amendment of the Partnership Agreement;
- (d) Sale of all or substantially all of the assets of the Partnership.

On such matters each Limited Partner shall have one vote for each one percent of Partnership net profits distributable to him pursuant to this Agreement.

General and Limited Partners Engaging in Other Business .

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4.07 Except as otherwise provided in this Agreement, any of the Partners, General or Limited, may engage in or possess an interest in other business ventures of every nature and description independently or with others, including but not limited to the ownership, financing, leasing, operation, management, syndication, brokerage, and development of real property; and neither the Partnership nor the Partners shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom.

Borrowing Money From The Partnership

4.08 A Partner may borrow money from the Partnership, with the consent of all remaining Partners, upon such terms and conditions as may be established by the Partnership.

ARTICLE V. TERMINATION OF PARTNERSHIP

Sale or Transfer of a Limited Partner's Interest

5.01 No Limited Partner, nor his heirs, personal representatives, successors, or assigns, shall have the right, at any time, to sell or transfer all or any portion of his interest in this Partnership unless:

(a) Such Limited Partner shall deliver a notice in writing to the General Partner stating the price, terms, and conditions of such proposed sale or transfer, and the identity of the proposed transferee. Within 30 days after receipt of such notice, the General Partner shall have the right to purchase all or any portion of such interest so offered at the price and on the terms and conditions stated in such notice.

(b) Should the General Partner fail to purchase all of the portion of such Limited Partner's interest in the Partnership specified in the notice to them provided for in this paragraph, it shall at the expiration of 30 days after receipt of such notice, transmit a copy of such notice to each of the remaining Limited Partners. Each of the remaining Limited Partners shall have 30 days after the mailing of such notice to him to serve on the General Partner notice in writing of his intention to purchase such portion of the interest described in such notice on the terms and conditions set forth in such notice as his interest in the profits of the Partnership bears to the total interest of all Limited Partners in the profits of the Partnership. Provided, however, if any Limited Partner shall fail to purchase his proportionate share of the interest described in such notice, notice of that fact shall be given to each Limited Partner by the General Partner, and it may be purchased by any one or more of the other Limited Partners.

5.02 Should any Limited Partner be adjudged a bankrupt by any Court of competent jurisdiction to make such adjudication, the remaining General and Limited Partners shall have an option to purchase the Partnership interest of such Limited Partner by paying to the person legally entitled thereto within one year after the date of such adjudication the net value of such interest as it appears on the last regular accounting of the Partnership affairs preceding such adjudication. Each such remaining General and Limited Partner shall have the right to purchase such proportionate part of such bankrupt Limited Partner's interest in the Partnership as such remaining Partner's interest in the profits of the Partnership bears to the total interest in such profit of all other such remaining General and Limited Partners; provided, however, any such remaining General or Limited Partner shall fail to purchase his proportionate part of such interest, the same may be purchased by any or all of the remaining General and Limited Partners.

Option to Purchase Terminated Interest of General Partner

5.03 On dissolution of the Partnership by the withdrawal or bankruptcy of the General Partner, the Limited Partners shall have an option to continue the Partnership business by purchasing the interest of the withdrawing or bankrupt General Partner in the assets and goodwill of the Partnership, and by assuming the right, duties and obligations of the General Partner as specified in this Agreement. Each Limited Partner shall have the right to purchase such proportionate part of the withdrawing or bankrupt General Partner's interest in the Partnership as such Limited Partners interest in the profits of the Partnership bears to the total interest in such profits of all other such Limited Partners; provided, however, if any such Limited Partners shall fail to purchase his proportionate part of such interest, the same may be purchased by any or all of the remaining Limited Partners. This option to purchase the withdrawing or bankrupt General Partner's interest is exerciseable at any time within 30 days after the date of such General Partner's withdrawal or adjudication of bankruptcy by execution of an Agreement assuming all rights, duties, and obligations of the General Partner, and by paying to the person legally entitled the value of such interest as determined in Paragraph 5.04 of this Agreement.

As used in this Article, the term "Withdrawal of the General Partner" shall include the failure of the General Partner to cure any default in the purchase of the Johns-Manfield Plant within 30 days of the recording of any foreclosures proceedings relating thereto.

Purchase Price of General Partner's Interest

5.04 On exercise of the option described in Paragraph 5.03 of this Agreement to purchase the Partnership interest of the withdrawing, or bankrupt General Partner, the exercising Limited Partners shall pay to the person legally entitled thereto the value of such interest as shown on the last regular accounting of the Partnership preceding

such dissolution together with the full distributive share of any net profits earned by the Partnership between the date of such accounting and the date of dissolution of the Partnership.

Duties of Remaining Purchasing General Partners

5.05 On any purchase and sale being made pursuant to the provisions of Paragraphs 5.03 and 5.04 of this Agreement, the purchasing Partners shall assume all obligations of the General Partner and shall hold the withdrawing Partner, free and harmless of any such withdrawing, or bankrupt Partner, and the property from all liability for such obligations. Further, the purchasing Partners, at their own cost and expense, shall immediately amend the Certificate of Limited Partnership as required by the Uniform Limited Partnership Act of California, and shall cause to be prepared, filed, served, and published all such other notices as may be required by law to protect the withdrawing Partner from liability for the future obligations of the Partnership business.

Dissolution of Partnership

5.06 On dissolution of the Partnership other than as provided in Paragraphs 5.01 through 5.05 of this Agreement, the General Partner shall wind up the affairs of the Partnership, liquidate the Partnership assets, and pay the debts of the Partnership in the following order:

- (a) Those owing to creditors, in the order of priority as provided by law, except those owing to Limited Partners on account of their capital contributions, and those owing to the General Partner.
- (b) Those owing to Limited Partners in respect to their share of the profits and other compensation by way of income on their contributions.
- (c) Those owing to Limited Partners in respect to the capital of their contributions.
- (d) Those owing to the General Partner other than for capital and profits.
- (e) Those owing to the General Partner in respect to profits.
- (f) Those owing to the General Partner in respect to capital.

ARTICLE VI. MISCELLANEOUS CLAUSES AND REPRESENTATIONS

Executing and Recording Certificate of Limited Partnership
(Corp. Code 15502, 15524, 15525, 15525.5)

6.01 The parties agree to execute, acknowledge and cause to

6.01 (continued)

be filed and recorded:

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(a) The certificate of Limited Partnership in the form and manner prescribed by Section 15502 of the California Corporations Code.

(b) Any amendment to the Certificate of Limited Partnership, as required by Sections 15524, 15525, and 15525.5 of the California Corporations Code;

(c) The cancellation of the Certificate of Limited Partnership, as required by Sections 15524 and 15525 of the California Corporations Code.

Notices

6.02 All notices provided for in this Agreement shall be directed to the parties at the addresses hereinbefore set forth opposite their respective names, or at such other places at the Limited Partnership shall be so notified, in writing, by the Partners; and to the Limited Partnership, at its principal office, by registered or certified mail

Governing Law

6.03 All questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereto shall be governed by the laws of the State of California

Binding on Heirs and Successors

6.04 Subject to the restrictions against assignment as herein contained, this Agreement shall inure to the benefit of and shall be binding upon the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties hereto.

Counterparts

6.05 This Agreement may be exercised in several counterparts and all so executed shall constitute an agreement which shall be binding on all the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

Entirement Agreement

6.06 This Agreement contains the entire understanding among the Partners and supersedes any prior written or oral agreements between them respecting the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the Partners relating to the subject matter of this Agreement which are not fully expressed herein.

Amendments

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6.07 This Agreement is subject to amendment only with the unanimous consent of all of the Partners.

Power of Attorney

6.08 Each Limited Partner, by becoming a Limited Partner, hereby constitutes and appoints the authorized representative of Soquel Construction, Inc., as his true and lawful attorney and empowers him to act for and in the place, name, and stead of said Limited Partner in executing and recording the Certificate of Limited Partnership and any amendments thereto or cancellation thereof as required by Paragraph 6.01.

Executed on

1779, at

GENERAL PARTNER

Darwin T. Miller
Darwin T. Miller

LIMITED PARTNERS

Jerry Meeks

Ralph J. Phillips

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SPECIFIC POWER OF ATTORNEY

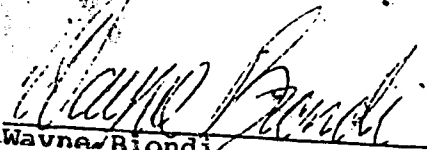
I, WAYNE BIONDI, hereby give RICHARD ALDERSON, a single man, my specific Power of Attorney to act in my behalf in all matters pertaining to my investment in the former Johns Manville Plant and the approximately 370 adjoining acres located near Chiloquin, Oregon.

Said powers given RICHARD ALDERSON also include joining a limited partnership, selling part or all of the property, refinancing of all or part of the property and entering into leases on all or part of the property.

I agree that this Power of Attorney is irrevocable by the party named herein but shall terminate upon resale of this property or upon becoming limited partners in the Aromas Projects.

I also agree to hold RICHARD ALDERSON harmless for any act he performs under this Power of Attorney.

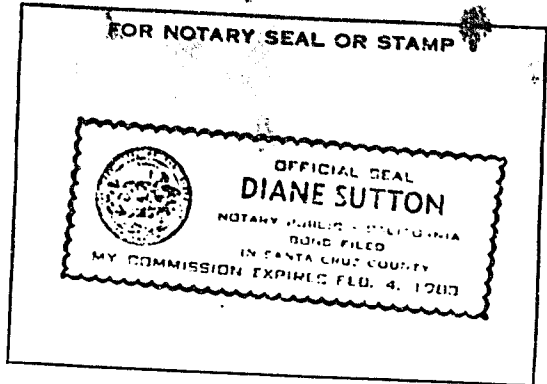
I hereby set my hand this 9th August, 1979.


Wayne Biondi

STATE OF CALIFORNIA
COUNTY OF Santa Cruz } SS.
On August 9th, 1979
the undersigned, a Notary Public in and for said County and State,
personally appeared Wayne Biondi

_____ is known to me
to be the person whose name _____ subscribed to the
within instrument and acknowledged that he _____ executed the
same.

Diane Sutton



15444

Specific Power of Attorney

We; John and Elizabeth Blanton, Charles and Barbara Canfield, Joseph and Lavonne Anzalone; hereby give Richard Alderson, a single man, our specific power of attorney to act in our behalf in all matters pertaining to our investment in the former Johns Manville Plant and the approximately 370 adjoining acres located near Chiloquin, Oregon.

Said powers given Richard Alderson also include joining a limited partnership, selling part or all of the property, refinancing of all or part of the property, and entering into leases on all or part of the property.

We agree that this power of attorney is irrevocable by the parties named herein but shall terminate upon resale of this property or upon becoming limited partners in the Aromas Projects.

We also agree to hold Richard Alderson harmless for any act he performs under this power of attorney.

We hereby set our hands this _____ day of June, 1979:

John L. Blanton
JOHN BLANTON

Charles Canfield
CHARLES CANFIELD

Joseph Anzalone
JOSEPH ANZALONE

Ret
glenn R. R. R.
Box 368
K. J. R. R.

Elizabeth Blanton
ELIZABETH BLANTON

Barbara Canfield
BARBARA CANFIELD

Lavonne Anzalone
LAVONNE ANZALONE

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record

this 19 day of Nov A.D. 19 82 at 10:19 o'clock A.M. and
duly recorded in Vol. M82, of Misc on p. 15430

Fee \$60.00

EVELYN BIEHN, Clerk

By James M. R. R.