

## STATEMENT OF INFORMAL PARTNERSHIP

To induce KRAUSE CORPORATION ("Lender"), to extend or continue credit to \_\_\_\_\_  
 \_\_\_\_\_ ("Partnership"), the undersigned hereby represent and certify as follows:

1. That the Partnership is engaged in the business of carrying on general farming, livestock, or poultry operations as a general partnership under the provisions of the Uniform Partnership Act as adopted in the State of \_\_\_\_\_ but without a written partnership agreement executed by the partners. The undersigned constitute all of the members of the Partnership, their full names and respective addresses and ownership interest in the Partnership being as follows:

Name of Each Partner	Address	Social Security No.	Ownership Interest %	Personal Liability (Yes/No)*
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

2. That \_\_\_\_\_ ("Managing Partner") is fully authorized and empowered to transact any and all business for and on behalf and in the name of the Partnership, including without limitation thereto the power and authority to:

(a) borrow funds from time to time and in various amounts from the Lender, at such interest rates, for such periods, and on such terms and conditions as the Lender may make available to the Partnership and the Managing Partner, in the Managing Partner's discretion, may deem proper;

(b) encumber property of the Partnership as required by the Lender to secure the repayment of such loans, including any or all of the Partnership's inventory, growing crops, harvested or stored grain and commodities, warehouse receipts, storage contracts, livestock, farm products, tools, machinery, equipment, contract rights, chattel paper, documents, accounts, general intangibles, governmental farm program payments, in cash or in kind, fixtures, real estate, and all other property of the Partnership, real, personal, and mixed, of whatever kind and description and wherever located both now owned and hereafter acquired, and the products and proceeds of the same, including insurance proceeds; and

(c) execute and deliver such applications for loan, promissory notes, loan agreements, security agreements, financing statements, pledge agreements, collateral assignments, mortgages, deeds of trust, and other documents, agreements, and security instruments as may be deemed necessary or appropriate by the Lender to effect such loans and the security therefor; and to make application for and execute and deliver documents in connection with any disbursements, additional advances, extensions, renewals, or releases of such loans.

3. That in the making of such loans and advances thereon, the Lender may conclusively presume that the loan proceeds are to be used in the general course of the business of the Partnership and may continue to rely upon the representations made herein until the Lender has been notified by certified mail of the termination of the Partnership or any other material change in this Statement, provided such notification shall not affect the rights of the Lender or the liability of the undersigned under actions taken, commitments extended, or obligations incurred prior to actual receipt by the Lender of such notice.

\* The Lender's loan program requires at least one partner, who has a significant ownership interest in the partnership, to be personally liable for loans made to the partnership. Those partners who are to be personally liable will be required to sign the promissory note/loan agreement in their individual capacities.

Dated: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_