

OCT 29 2010

By

**SETTLEMENT AGREEMENT BETWEEN THE STATE OF IDAHO,
DEPARTMENT OF LANDS, AND NATURAL GUARDIAN LIMITED PARTNERSHIP**

Deputy Clerk

THIS AGREEMENT is entered into between the State of Idaho, Department of Lands,
and Natural Guardian Limited Partnership.

IN CONSIDERATION OF THE PROMISES STATED IN THIS AGREEMENT, THE
PARTIES AGREE AS FOLLOWS:

I. DEFINITIONS

A. The term "IDL" means the State of Idaho, Department of Lands, 300 N 6th Street,
P.O. Box 83720, Boise, Idaho 83720-0050, by and through its authorized representatives.

B. The term "Lessee" means Natural Guardian Limited Partnership, 2880 N 55 W,
Idaho Falls, Idaho 83402.

C. The term "Lease" means State of Idaho Land Lease No. G-8623 executed on May
15, 2005 with a term from January 1, 2005 to December 31, 2014; in the event a successor
lease(s) is entered into between the State of Idaho and the Lessee, the term "Lease" shall mean
such successor lease(s).

D. The term "expiration" or "expire(s)(d)" means that the right of the Lessee to
occupy and use the leased premises has ended because the term expiration date of the Lease has
passed.

E. The term "termination" or "terminate(s)(d)" means that the right of the Lessee to
occupy and use the leased premises has ended because IDL has exercised its rights to forfeit or
cancel the Lease.

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II. RECITALS AND PURPOSE OF AGREEMENT

A. IDL acquired the following lands from the United States as follows:

Acquisition Document	Date	Legal Description	Acres
Clear List No. 10	Oct. 18, 1912	T13N R41E S9 S2SE	80
Clear List No. 5	June 9, 1908	T13N R40E S12 S2NE	640
Clear List No. 24	Sept. 14, 1920	T13N R40E S12 S2NW	80

B. Lessee has claimed the lands described above as including the place of use for water right nos. 21-00030C, 21-10011A, and 21-12483C.

C. Water right nos. 21-00030C, 21-10011A, and 21-12483C are attached herewith as Attachments I, II, and III to this Agreement.

D. IDL currently leases the lands described above to Lessee in accordance with State of Idaho Land Lease No. G-8623.

E. The purpose of this agreement is to describe what happens upon the expiration, termination, or otherwise ending of the Lease.

III. EXPIRATION, TERMINATION, OR OTHERWISE ENDING OF THE LEASE

A. In the event of the expiration, termination, or otherwise ending of the Lease, Lessee shall have ninety (90) days from the date of expiration, termination, or otherwise ending of the Lease to file with IDWR or any successor agency an application to transfer water right nos. 21-00030C, 21-10011A, and 21-12483C to lands not owned by the State of Idaho.

B. If within the prescribed ninety (90) day time limit Lessee fails or refuses to file with IDWR or any successor agency an application to transfer water right nos. 21-00030C, 21-10011A, and 21-12483C to lands not owned by the State of Idaho, any ownership interest held by Lessee in water right nos. 21-00030C, 21-10011A, and 21-12483C shall automatically cease and IDL shall become the sole owner of water right nos. 21-00030C, 21-10011A, and 21-

12483C. In such event, Lessee waives any right to object to the transfer of water right nos. 21-00030C, 21-10011A, and 21-12483C to the name of IDL exclusively.

C. If within the prescribed ninety (90) day time limit Lessee files an application to transfer water right nos. 21-00030C, 21-10011A, and 21-12483C to lands not owned by the State of Idaho, Lessee shall then have three (3) years from the date of filing to accomplish said transfer. If Lessee fails or refuses to accomplish said transfer within the prescribed three (3) year time limit, any ownership interest held by Lessee in water right nos. 21-00030C, 21-10011A, and 21-12483C shall automatically cease and IDL shall become the sole owner of water right nos. 21-00030C, 21-10011A, and 21-12483C. In such event, Lessee waives any right to object to the transfer of water right nos. 21-00030C, 21-10011A, and 21-12483C to the name of IDL exclusively. The parties agree to make reasonable accommodations to extend the three (3) year time limit where the accomplishment of the transfer is delayed due to government delays beyond the Lessee's control.

D. In the event of the expiration, termination, or otherwise ending of the Lease, Lessee shall have no right or privilege to access the lands described above in Paragraph II.A for use of water right nos. 21-00030C, 21-10011A, and 21-12483C.

IV. TERM

A. This Agreement shall take effect when executed by both parties hereto.

B. This Agreement shall continue in effect until a period of five years from the date of the expiration, termination, or otherwise ending of the Lease.

C. These term limits are in no way to be interpreted as extinguishing, limiting, or otherwise affecting the provisions and agreements of Paragraph III of this Agreement.

V. ALTERATION

Any change in this Agreement shall be in writing signed by an authorized representative of both parties.

VI. GOVERNING LAW

Both parties agree that this Agreement shall be governed by, and construed in accordance with, the laws of the State of Idaho.

VII. ASSIGNMENT OF RIGHTS AND DELEGATION OF DUTIES

No party shall assign a right under this Agreement or delegate a duty under this Agreement without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding upon the parties and their permitted successors and assigns.

VIII. ENTIRE AGREEMENT

This Agreement sets forth all the covenants, promises, provisions, agreements, conditions, and understandings between the parties and there are no covenants, provisions, promises, agreements, conditions, or understandings, either oral or written between them other than are herein set forth.

IX. EFFECT OF SECTION HEADINGS

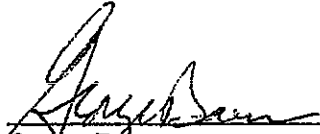
The section headings appearing in this contract are not to be construed as interpretations of the text but are inserted for convenience and reference only.

X. DUPLICATE ORIGINALS

This Agreement is executed in duplicate. Each of the two (2) Agreements with an original signature of each party shall be an original.

IN WITNESS WHEREOF the parties executed this contract on the date following their respective signatures.

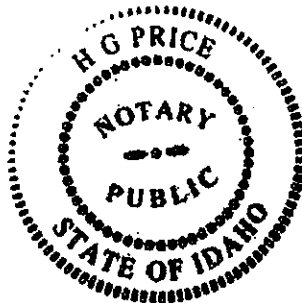
IDAHO DEPARTMENT OF LANDS


George Bacon

STATE OF IDAHO)
COUNTY OF ADA)

On this 24th day of September in the year 2010, before me a Notary Public in and for said State, personally appeared George Bacon, known to me to be the Director, that executed the within instrument, and acknowledged to me that the State of Idaho Department of Lands executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.




Notary Public for Idaho
Residing at Middleton
My commission expires: 03/18/16

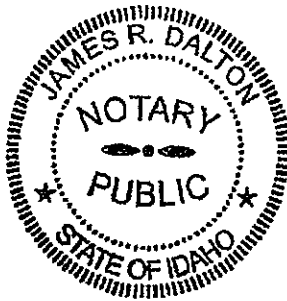
LESSEE

Sign: Frank L. Vandersloot Date: 9/10/2010
Print: FRANK L VANDERSLOOT
Position: President of Tesamen Enterprises, Inc.
GENERAL PARTNER OF Natural Guardian, LP

STATE OF IDAHO)
:S
COUNTY OF BONNEVILLE

On this 10th day of September in the year 2010, before me a Notary Public in and for said State, personally appeared FRANK L VANDERSLOOT known to me to be The President of Tesamen Enterprises, Inc., General Partner, that executed the within instrument and acknowledged to me that Natural Guardian Limited Partnership executed the same.

IN WITNESS THEREOF, I have hereunto set my hand and seal on the day and year last above written.



James R. Dalton
Notary Public for Idaho
Residing at Idaho Falls, ID
My commission expires: 9/2/2016