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JUL 27 2020

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 450

RECEIVED

JUL 24 2020

WATER RESOURCES
WESTERN REGION

This is to certify that:

DUANE AMYX
6184 W HOLLILYNN DR
BOISE, ID 83709-7236

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
61-12280	7/10/1972	GROUND WATER	0.19	37.4	9.4	0.02	4.0
61-12281	8/23/1967	GROUND WATER	0.19	45.5	11.4	0.02	4.0
61-12282	1/4/1980	GROUND WATER	0.08	22.6	5.6	0.01	4.0
61-12283	4/30/1974	GROUND WATER	0.03	6.7	1.7	0.02	4.0
61-12284	1/14/1963	GROUND WATER	0.20	38.9	9.7	0.02	4.0
61-12285	1/14/1963	GROUND WATER	0.21	43.6	10.9	0.02	4.0
Combined Limit Totals			0.67	177	44.3	0.015	4.0
61-12354	7/10/1972	GROUND WATER	0.13	24.7	6.2	0.02	4.0
61-12355	8/23/1967	GROUND WATER	0.13	30.1	7.5	0.02	4.0
61-12356	1/4/1980	GROUND WATER	0.05	14.9	3.7	0.01	4.0
61-12357	4/30/1974	GROUND WATER	0.02	4.5	1.1	0.02	4.0
61-12358	1/14/1963	GROUND WATER	0.13	25.6	6.4	0.02	4.0
61-12359	1/14/1963	GROUND WATER	0.13	28.8	7.2	0.02	4.0
Combined Limit Totals			0.44	116	29.0	0.015	4.0
Combined Rental Totals			1.10	293	73.2	0.015	4.0

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2020. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2020, whichever occurs last.

Annual Rental Fee:

2020: \$585.20

SUPPORT DATA

IN FILE # 61-12280

The full fee for the rental of the above-described right(s) is \$585.20 for 2020. The rental fee includes an administrative fee of \$585.20 for 2020. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 61-12280, 61-12281, 61-12282, 61-12283, 61-12284, 61-12285, 61-12354, 61-12355, 61-12356, 61-12357, 61-12358, 61-12359.


An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 450

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:



Signature of Renter

JULY 23, 2020

Date

DUANE Amyx

Printed Name

Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By 

BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 08/20/20

Rental approved by IDWR 

Date 08/20/20

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 450

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	NESW	Sec. 14, Twp 01S, Rge 04E,	ELMORE County
GROUND WATER	NWSW	Sec. 14, Twp 01S, Rge 04E,	ELMORE County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
1.10 CFS

VOLUME
293 AF

SEASON OF USE

Water Right No.	From	To
61-12280, 61-12282	3/15	11/15
61-12283, 61-12284		
61-12354, 61-12356		
61-12357, 61-12358		
61-12281, 61-12355	3/1	10/15
61-12285, 61-12359	4/1	10/31

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	04E	14								0.1	32	31	30	38		0.1	0.5		131.7
01S	04E	23					16												16.0

Total Acres: 147.7

Limited to: 73.2

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 450

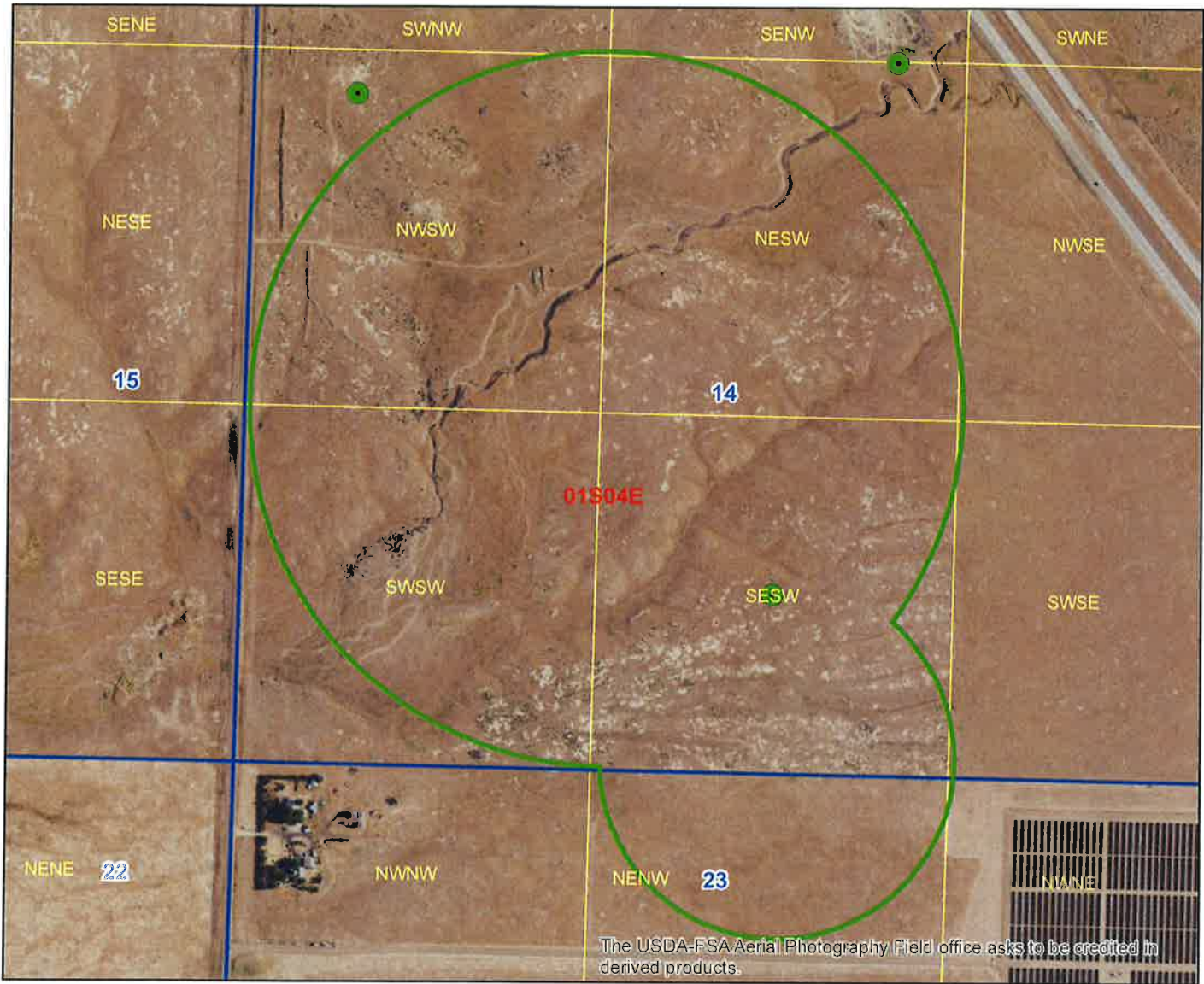
8. This agreement shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
9. Water rights 61-12280, 61-12281, 61-12282, 61-12283, 61-12284, 61-12285, 61-12354, 61-12355, 61-12356, 61-12357, 61-12358 and 61-12359 shall be subordinated to 61-12090 and 63-32499 in the event of priority administration of water rights with points of diversion within administrative Basin 61 and Basin 63.
10. Rights 61-12283 and 61-12357 are subordinate to all water rights with a priority date earlier than April 12, 1994, that are not decreed as enlargements pursuant to Section 42-1426, Idaho Code. As between water rights decreed as enlargements pursuant to Section 42-1426, Idaho Code, the earlier priority right is the superior right.
11. The period of use for the irrigation under water rights 61-12359 and 61-12285 described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date of this approval.
12. The period of use for the irrigation under water rights 61-12281 and 61-12355 described in this approval may be extended to an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water after 10/15 is subordinate to all water rights having no subordinated late irrigation use and a priority date earlier than the date of this approval.
13. Use of water under this agreement may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No 161.
14. Prior to diversion of water under this rental agreement, the renter shall install and maintain a measuring device and lockable controlling works of a type acceptable to the Department as part of the diverting works.
15. Diversion and use of water in connection with this agreement is subject to a Monitoring-Reporting Plan. The right holder shall provide the Department with a plan for monitoring-reporting aquifer levels, diversion flow rates, and volumes. The monitoring-reporting should occur in parallel with land development and production and should include identification of non-production wells and timelines for measuring and reporting. The right holder shall not divert water in connection with this right until the plan is approved by the Department. Failure to comply with the plan once it is accepted shall be cause for the Department to cancel or revoke the right.
16. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.
17. The diversion and use of water described in Transfer 78356 may be subject to additional conditions and limitations agreed to by the protestant and the right holder under a separate agreement to which the Department is not a party. Because the Department is not a party, the Department is not responsible for enforcement of any aspect of the agreement not specifically addressed in other conditions herein. Enforcement of those portions of the agreement not specifically addressed in other conditions shall be the responsibility of the protestant and the water right holder.
18. This agreement does not grant any right-of-way or easement across the land of another.
19. This agreement does not authorize the construction of a well.

Idaho Water Resource Board

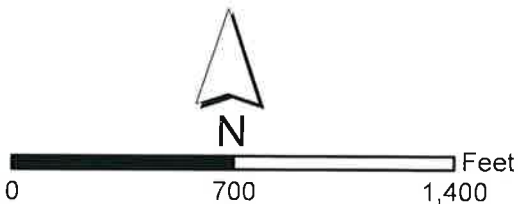
Attachment to Water Supply Bank Rental Agreement No. 450

Effective until December 31, 2020

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



- Authorized Rental Point of Diversion
- Authorized Rental Place of Use
- Township/Range
- Sections
- QQ



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APR 27 2020

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK

Applicant Name: Duane Amyx

Is this application being submitted with a lease application as a lease/rental package?

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

		Yes	
		<input checked="" type="checkbox"/>	Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>
		<input checked="" type="checkbox"/>	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank
Attachment	N/A	Yes	
2		<input checked="" type="checkbox"/>	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Detailed information on a proposed use of rental water
3F	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Authorization from the owner/operator of the rental point(s) of diversion
3H	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water modeling to account for the impacts of the rental request
3J	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Duane Amyx

Mailing Address 6184 Hollilynn Dr. Boise ID. 83709
Street City State Zip Code
 Email Address duanea@amyxconstruction.com Phone Number (917) 221-9991

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
 If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Hal N. Anderson Professional Title Managing Partner
 Organization Idaho Water Engineering Relationship to Applicant Consultant
 Mailing Address 2918 N. El Rancho Pl., Boise ID. 83704
 Email Address hal@idahowaterengineering.com Phone Number (208) 830-5525

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Irrigation

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
1.46 CFS	292.89 AF	1.46 CFS	292.89 AF	73.22 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
04/01/2020	04/30/2020	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> Process application as soon as possible	<input type="checkbox"/> Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
01SR04ES14SWNW	Groundwater	See Attachments A & B
01SR04ES14SWNE	Groundwater	See Attachments A & B

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒
If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

☐ Irrigation 73.22 (number of acres) Duration: Subject to IDWR standard seasons of use

☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)

☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)

☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)

☐ Other: _____ from: 03/15 (mm/dd) to: 11/15 (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☒ No ☐
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	1.46	292.89	73.22
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:


- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information

This rental required to accomodate location of center pivots and irrigation of more land than authorized by owner water rights

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.



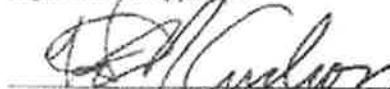
Signature of Applicant

DWANE Amyx

Printed Name of Applicant

04/17/2020

Date



Signature of Representative

H21 N. Anderson

Printed Name of Representative

4/15/2020

Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Attachment A

Shekinah Water Supply Bank Lease and Amyx Rental

Water Right

4/15/2020

Needed for Amyx Rental

Shekinah*	Div. Rate	Volume AF	Acre Limit	Div. Rate	Volume AF	Acre Limit
61-12280	1.08	215	53.9	0.170	34.02	8.50
61-12281	1.08	262	65.6	0.207	41.40	10.35
61-12282	0.45	130	32.5	0.103	20.51	5.13
61-12283	0.17		9.67	0.031	6.10	1.53
61-12284	1.12	224	55.9	0.176	35.28	8.82
61-12285	1.19	251	62.9	0.198	39.70	9.92
Total			280.47			44.25
Tot. Combined Allowed	3.85	1020	255			
Hudson**						
61-12354	0.17	33.2	8.31	0.111	22.28	5.57
61-12355	0.17	40.5	10.1	0.135	27.07	6.77
61-12356	0.07	20	5.01	0.067	13.43	3.36
61-12357	0.03		1.49	0.020	3.99	1.00
61-12358	0.17	34.5	8.63	0.116	23.13	5.78
61-12359	0.18	38.8	9.69	0.130	25.97	6.49
Total			43.23			28.97
Tot. Combined Allowed		155.87	38.96			

* Acreage Needed for Amyx = 44.25

** Acreage Needed for Amyx = 28.97

Total Needed for Amyx = 73.22

Attachment B

Amyx Water Supply Bank Rental Application

Item E. Other Water Rights diverted from POD's

A total of 24 water rights are authorized for the two POD's included in the rental application the rights for the Shekinah and Hudson ownership are included in Attachment A and the water rights for the two Amyx properties are listed below:

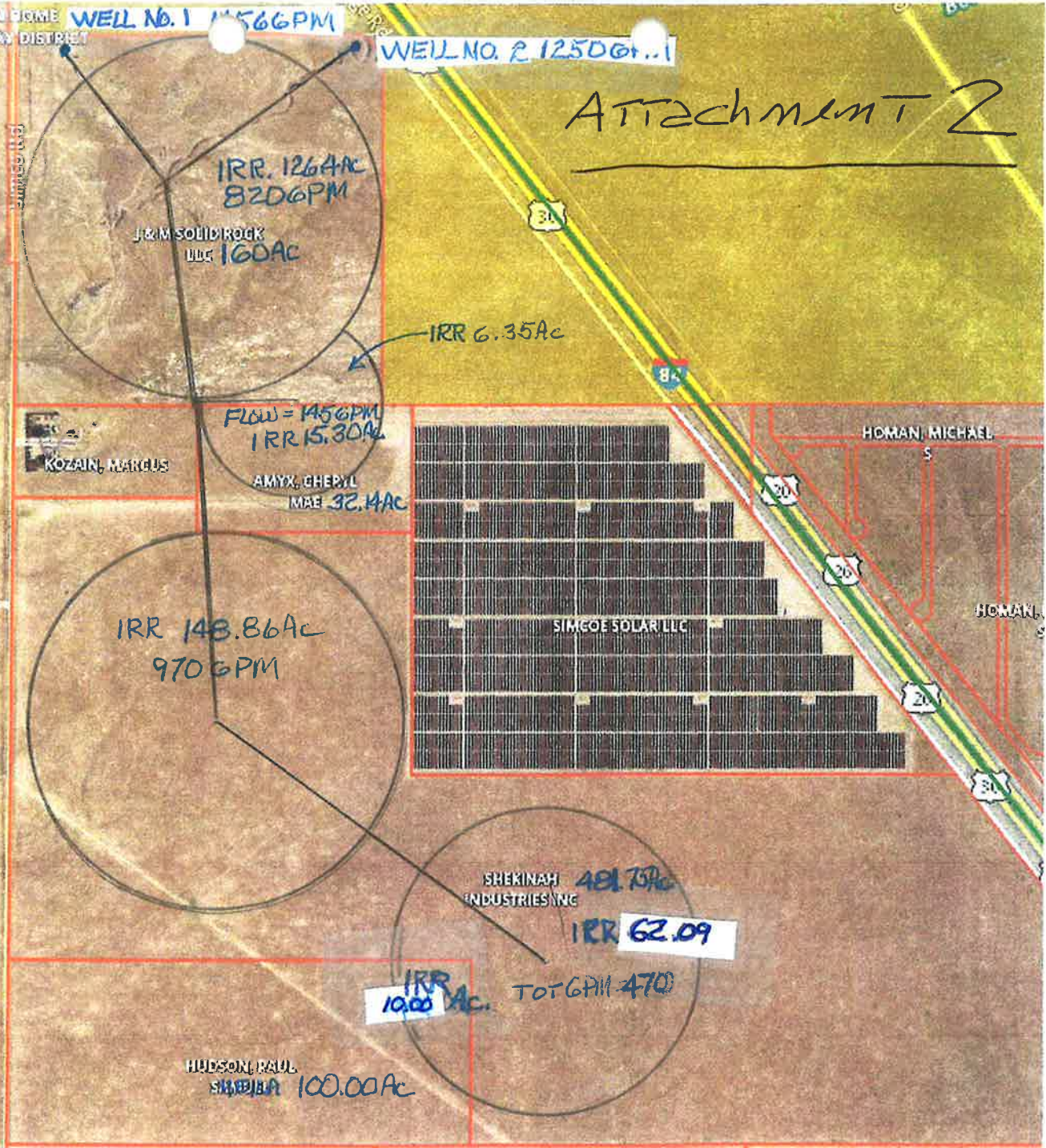
1. 61-12348
2. 61-12349
3. 61-12350
4. 61-12351
5. 61-12352
6. 61-12353
7. 61-12342
8. 61-12343
9. 61-12344
10. 61-12345
11. 61-12346
12. 61-12347

MTN HOME
HIGHWAY DISTRICT

WELL NO. 1 11566PM

WELL NO. 2 12506PM

Attachment 2



SIMCO WATER PROVE UP

LAND OWNER	Number Of Acres Owned By Entry	Acres Feet Of Water Owned Entry	Percentage Of Water Owned Entry	Acres Allowable To Farm Before Water Bank Leases	Acres Of Irrigated Land Leased To Water Bank	Acres Of Irrigated Land Leased From Water Bank	Acres Feet Leased to Water Bank	Acres Feet Leased From Water Bank
Shekinah	481	1020.8015	69.18%	255.20 Acres	44.25 Acres		177.00 Acres Feet	
J&M Solid Rock LLC	160	249.2954	16.89%	62.32 Acres		70.43 Acres		281.72 Acres Feet
Hudson Family Trust	100	155.8856	10.66%	38.97 Acres	38.97 Acres		115.85 Acres Feet	
Amyx Trust	32.14	50.0354	3.39%	12.61 Acres		2.79 Acres		11.16 Acres Feet
Total	773.14 Acres	1476 Acres Feet	100%	368.96	73.22 Acres	73.22 Acres	292.85 Acres Feet	292.85 Acres Feet



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

August 24, 2020

DUANE AMYX
6184 W HOLLILYNN DR
BOISE, ID 83709-7236

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 61-12280, 61-12281, 61-12282, 61-12283, 61-12284, 61-12285, 61-12354, 61-12355, 61-12356, 61-12357, 61-12358, 61-12359, AGREEMENT 450**

Dear Renter:

Please find enclosed a receipt in the amount of \$585.20 and a copy of a fully executed Water Supply Bank Rental Agreement of 293.0 acre-feet of water for irrigation of 73.2 acres. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

A rental fee of \$585.20 was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 293.0 acre-feet. Since you have a private agreement with the lessor, you are only obligated to pay the 10% administrative fee or \$585.20.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,


Amanda Johnson-Verhulst
Water Supply Bank

Enclosures: Receipt No. W048545
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Western Regional Office
State Water District No. 161
Hal H Anderson – Idaho Water Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

July 20, 2020

DUANE AMYX
6184 W HOLLILYNN DR
BOISE, ID 83709-7236

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 61-12280, 61-12281, 61-12282, 61-12283, 61-12284, 61-12285, 61-12354, 61-12355, 61-12356, 61-12357, 61-12358, 61-12359, AGREEMENT 450**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$585.20** was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 293.0 acre-feet. Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or \$585.20.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$585.20 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,


Amanda Schwan-Viebel
Water Supply Bank

Enclosure(s)

c: IDWR Front Desk
Hal H Anderson – Idaho Water Engineering

Memorandum

To: Water Rights

From: Justin Ferguson

Date: May 13, 2020

Re: Water Supply Bank Rental Application 1712

Purpose/Narrative: An application was received from Mr. Duane Amyx as part of a lease/rental package proposing to supplement his water rights. The intended place of use spans across two parcels, the first held by the Amyx Trust and the second held by J & M Solid Rock LLC.

The rental will supplement Mr. Amyx's existing water rights as well as those held by J & M Rock Solid in order to irrigate a total of 147 acres across the two parcels. Review of the existing water rights indicate that, without this rental, J & M would only be authorized to irrigate approximately 69 total acres of the 160 acres held while the Amyx Trust would be limited to approximately 14 acres of the 26 acres held.

The purpose of this lease/rental package is to maximize the total acreage irrigated within the prior permissible place of use before the acreage was divided to the individual owners. Originally the water rights had been established during a transfer to Shekinah Industries however, the area was not irrigated before it was split into the separate parties. The intent here is to establish beneficial use within the five year window while moving excess portions of the water rights held by individuals around to acres that would not otherwise be irrigable.

Authority to File: The application was signed by Mr. Duane Amyx and submitted by his representative at Idaho Water Engineering. Documentation was provided by Mr. Amyx to affirm that he is an agent for J & M Rock Solid and is the one of the current water right holders for the Amyx Trust. No concerns at this time.

Water Right Validity/Forfeiture Evaluation: The leased water rights are in the Bank and available to be rented. No concerns about validity at this time.

Injury Evaluation: During the initial transfer to establish the PPU in the name of Shekinah Industries the impacts to the Mountain Home Ground Water Area. It was determined that the injury was minimal and no public comments were received. Since this rental is seeking to establish the maximum beneficial use of what used to be the entire permissible place of use, it can be assumed that the review done during the transfer will still apply to the acreage. No concerns at this time.

Enlargement of Use: No enlargement is evident through this rental. Mr. Amyx is seeking to use the acres idled by the other parties within the prior permissible place of use to irrigate areas that are currently not able to be irrigate with the current water right configuration. The applicant provided an estimation of the acreage to be rented however, the figures do not appear to conserve either the rate per acre or the volume per acre. During the review, the total acreage necessary was used to determine the correct portions without causing enlargement.

Local Public Interest: Staff are unaware of any local public interests that are averse to the rental.

Beneficial Use/Conservation of Water Resources: The rental appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: Watermaster and IDWR Western Region comments were requested

Water Supply Bank Evaluation: Bank staff recommend the approval of this rental through 2020 for Mr. Amyx.

Parker, Cody

From: Duane Amyx <duanea@amyxconstruction.com>
Sent: Wednesday, May 13, 2020 6:38 PM
To: Ferguson, Justin
Cc: Hal Anderson
Subject: Re: Water Supply Bank Lease/Rental Applications for Amyx/Shekinah/Hudson
Attachments: J & M Solid Rock LLC Operating Agreement copy.pdf; J&M Loan Minutes.pdf

Good afternoon Justin

J&M Solid Rock LLC. Is a family owned Business held by by myself and four siblings. I am a Managing Member, 20% owner and President attached is a copy of the Operating Agreement I believe what you are looking for is covered in Section 4 particularly 4.4. Also Attached is a letter from our last meeting on February 4, 2020. Hope this will do if not please contact me back. I will be working in Donnelly home on Friday.

Thanks

Duane

On May 13, 2020, at 3:05 PM, Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov> wrote:

Hal,

I wanted to check in quick, we did receive the applications Monday and I am almost finished with the lease portions of the package. I did run into a question for you, is there a land use agreement allowing Mr. Amyx to irrigate the acreage held by J & M Solid Rock LLC? From what I was able to find, the only authorized agent for the LLC was a Ms. Bollinger. If you or Mr. Amyx were able to email over a copy of the agreement of proof of authorization I can get it added into the rental application

From: Hal Anderson [<mailto:hal@idahowaterengineering.com>]
Sent: Monday, May 11, 2020 9:48 AM
To: Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov>
Cc: Bank <Bank@idwr.idaho.gov>; Mike Preston <dmp3669@icloud.com>; Paul Hudson <Paul@paulhudson.com>; Duane Amyx <duanea@amyxconstruction.com>
Subject: Re: Water Supply Bank Lease/Rental Applications for Amyx/Shekinah/Hudson

Justin,

FYI, on Saturday I mailed a modified Lease Application for Mike Preston and a new Application for Paul Hudson along with a check for the Hudson Lease Fee. You already have the fee check for Mr. Preston and the Rental Application for Mr. Amyx. You should get

the Applications in the next few days. Call or email if you have any questions. --Hal

Hal N. Anderson

Managing Partner

Idaho Water Engineering

2918 N. El Rancho Place

Boise, ID. 83704

Office: 208.378.1513

Mobil: 208.830.5525

hal@idahowaterengineering.com

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On Wed, May 6, 2020 at 11:15 AM Hal Anderson <hal@idahowaterengineering.com> wrote:

Justin,

I understand having to file an additional Lease Application for the Hudson water rights but was hoping that since they are all business partners and the rights were only recently split to the individual partners that we could get away with a single application. Concerning the map of the lands that will be idled currently neither the Shekinah or Hudson property is or has been irrigated. The water rights they are using to irrigate this year were transferred in 2016, but have not yet been put to beneficial use. Also the map I sent included the individual ownerships and center pivot acreages by ownership, so I think it is all there for both the Lease and Rental applications. I will work on a separate Lease Application for Hudsons and Modify the Shekinah Application. --Hal

Hal N. Anderson

Managing Partner

Idaho Water Engineering

2918 N. El Rancho Place

Boise, ID. 83704

Office: 208.378.1513

Mobil: 208.830.5525

hal@idahowaterengineering.com

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On Wed, May 6, 2020 at 10:40 AM Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov> wrote:

Hal,

I have started reviewing the lease/rental package for Shekinah/Amyx and wanted to touch base, there were a couple items that we need to get things moving. In the application you provided a designated applicant form for Mr. & Ms. Hudson, allowing Mr. Preston to act as their designated applicant. Question one on the lease application affirms that the designated applicant must be an owner of the water right and, because Mr. Preston is not an owner of their portion, is not able to sign on their behalf. Further, because the Hudson water rights and the Shekinah water rights can be used independently from each other, we are not able to process them as the same lease. Below are a list of the items we need to continue processing the applications:

- A lease application for each of the water rights held by Shekinah/Mr. Preston being offered to the Bank, signed by Mr. Preston
- A lease application for each of the water rights held by Mr. & Ms. Hudson being offered to the Bank, signed by Mr. and Ms. Hudson
- An additional \$500.00 payment for the Hudson lease of water rights 61-12354 through 61-12359. We can apply the payment we have already received to the Shekinah applications
- A map for both the Shekinah and Hudson applications outlining the acreage intended to be idled through the lease application.
 - o We did receive the map depicting the intended 2020 irrigation practices however, if you are able to outline the specific areas to be idled it may help avoid any misinterpretation
- A map depicting the intended rental place of use for Mr. Amyx.
 - o Similar to the lease applications, we did receive the map of the intended irrigation practices for 2020 but wanted to verify the specific acreage Mr. Amyx was planning to irrigate

Please let me know if you have any questions or if there is anything I can help with, hope you are staying safe and well!

Justin Ferguson

Water Supply Bank Specialist

Idaho Department of Water Resources

322 East Front Street, Boise, ID, 83720

T: (208) 287-4936 | Justin.Ferguson@IDWR.Idaho.gov

Special Meeting Minutes

J & M Solid Rock (Management Group), LLC

2/10/2020

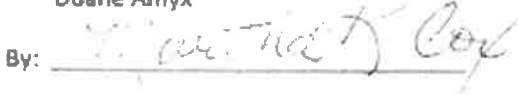
To whom it may concern,

A special meeting was held on February 4th, 2020 between all members of J & M Solid Rock (Management Group), LLC to finalize the assignment of membership shares. In addition to the assignment, the members confirmed that the sole manager(s) of the LLC is Duane Amyx.

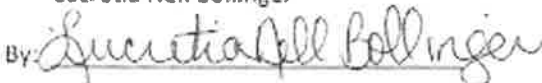
MEMBERS OF THE COMPANY

By: 

Duane Amyx

By: 

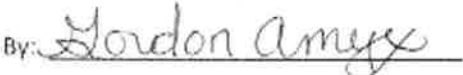
Lucretia Nell Bollinger

By: 

Martha Kay Amyx (AKA Martha Kay Cox)

By: 

Donald Scott Amyx

By: 

Gordon Amyx

OPERATING AGREEMENT

of

J & M Solid Rock (Management Group), LLC

An Idaho Limited Liability Company

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J & M Solid Rock (Management Group), LLC Operating Agreement

WHEREAS, effective August 16, 2012, the Idaho Secretary of State approved the Statement of Conversion of the Amyx Family Limited Partnership into a limited liability company known as J & M Solid Rock (Management Group), LLC (the "Company"); and

WHEREAS, the undersigned parties, being all of the members of the Company, wish to enter into this Operating Agreement to set forth the terms and conditions on which the management, business and financial affairs of the Company shall be conducted.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, covenants and conditions herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby covenant and agree as follows:

ARTICLE I – Definitions

(a) "Accounting Period" shall mean the period beginning on the day following any Adjustment Date (or, in the case of the first Accounting Period, beginning on the day of formation of the Company) and ending on the next succeeding Adjustment Date.

(b) "Act" shall mean the Idaho Limited Liability Company Act and its default provisions, Title 53, Chapter 6 et. seq. (as amended from time to time).

(c) "Adjustment Date" shall mean (i) the last day of each Fiscal Year, (ii) the date of any adjustment pursuant to clause (i) or (ii) of the definition of Book Value, and (iii) any other date determined by the Managers as appropriate for a closing of the Company's books.

(d) "Authorized Person" means any person authorized to act on behalf of the Company pursuant to Section 4.4.

(e) "Available Cash" shall mean all cash funds of the Company on hand from time to time (other than cash funds obtained as Capital Contributions, Capital Event Proceeds and cash funds obtained from loans to the Company) after (i) payment of all operating expenses of the Company as of such time, (ii) reasonable provisions for payment of all obligations of the Company as of such time, and (iii) reasonable provisions for a working capital and other reserves for identified future needs.

(f) "Book Value" shall mean, with respect to any Company asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) the initial Book Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset;

(ii) the Book Values of all of the Company's assets shall be adjusted by the Company to equal their respective gross fair market values as of the following times: (a) the admission of a Person (other than a transferee) as a new Member of the Company; (b) the distribution by the Company of money or property to a Member in consideration of the retirement of all or a portion of such Member's Interest; and (c) any time that either one or more Members, but fewer than all Members, or all Members but not in proportion to their Percentage Interests, make a Capital Contribution to the Company;

(iii) the Book Value of any or all of the Company's assets shall be adjusted to the gross fair market value thereof if the Managers determine that such adjustment is necessary in order to ensure that the allocations of Net Profits and Net Losses provided for under this Agreement comply with the Treasury Regulations issued under section 704(b) of the Code; and

(iv) if the Book Value of any asset has been adjusted pursuant to clause (i), (ii) or (iii) hereof, such Book Value shall thereafter be adjusted by any Depreciation taken into account with respect to such asset.

(g) "Capital Account" shall have the meaning set forth in Section 5.3.

(h) "Capital Contributions" shall mean, with respect to any Member, the amount of cash or the gross fair market value of any property contributed by such Member to the Company pursuant to Article V and the other provisions of this Agreement.

(i) "Capital Event Proceeds" shall consist of the net amount of cash received by the Company from the sale, exchange, refinancing, condemnation, casualty loss or other disposition by the Company of its assets outside of the ordinary course of business, less (i) the portion thereof disbursed by the Managers for the payment of the Company's debts and expenses and (ii) such other reserves as the Managers in their business judgment may see fit to establish.

(j) "Certificate" shall mean Certificate of Formation of the Company as filed with the Idaho Secretary of State.

(k) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor act thereto.

(l) "Depreciation" shall mean, for any Accounting Period and with respect to any asset, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to such asset for such period for U.S. federal income tax purposes, provided that if the Book Value of an asset differs from its adjusted basis for U.S. federal income tax purposes at the beginning of any such period, Depreciation shall be an amount that bears the same relationship to the Book Value of such asset as the depreciation, amortization, or other cost recovery deduction computed for tax purposes with respect to such asset for the applicable period bears to the adjusted tax basis of such asset at the beginning of such period, or if such asset has a zero adjusted tax basis, Depreciation shall be an amount determined under any reasonable method selected by the Managers.

(m) "Dissolution Event" shall have the meaning set forth in Section 11.1.

(n) "Fiscal Year" shall mean the Company's fiscal year which shall end on December 31 in each year and which shall be the same for income tax and financial and accounting purposes.

(o) "Indemnified Person" means any person entitled to indemnification pursuant to the terms set forth in Article VIII.

(p) "Interest" of a Member shall mean the "limited liability company interest" (as defined in the Act) of a Member of the Company and such Member's rights and obligations with respect to the Company pursuant to this Agreement and applicable law.

(q) "Majority" or "Majority-In-Interest" shall mean more than fifty percent of all membership interests in the Company.

(r) "Manager" shall mean a Manager of the Company, whose rights, powers and duties are specified in Article IV hereof.

(s) "Member" shall mean each person that is identified as an initial Member in Schedule A hereto or is admitted as a Member as provided in Article IX hereof. A Person shall cease to be a Member at such time as such Person no longer owns an Interest as a Member.

(t) "Net Profits" and "Net Losses" shall mean, with respect to any Accounting Period, the net income or net loss of the Company for such Accounting Period, determined in accordance with section 703(a) of the Code, including any items that are separately stated for purposes of section 702(a) of the Code, as determined in accordance with U.S. federal income tax accounting principles with the following adjustments:

(i) any income of the Company that is exempt from U.S. federal income tax shall be included as income;

(ii) any expenditures of the Company described in section 705(a)(2)(B) of the Code or treated as section 705(a)(2)(B) of the Code expenditures pursuant to section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations shall be treated as current expenses;

(iii) any items of income, gain, loss or deduction specially allocated pursuant to this Agreement shall be excluded from the determination of Net Profits and Net Losses;

(iv) without giving effect to any adjustments made pursuant to sections 734 or 743 of the Code;

(v) treating as an item of gain (loss) the excess (deficit), if any, of the gross fair market value of property distributed in such Accounting Period over (under) such property's Book Value;

(vi) treating as an item of gain (or loss) the amount of any adjustment to the Book Value of any asset pursuant to clause (ii) or (iii) of the definition of Book Value; and

(vii) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such net income or loss, there shall be taken into account Depreciation for such Accounting Period.

(u) "Partnership" means the Amyx Family Limited Partnership

(v) "Percentage Interest" shall mean with respect to any Member, (i) for the initial Percentage Interest, the percentage set forth opposite such Member's name on column 2 of Schedule A hereto, and (ii) upon the occurrence of any event described in clause (ii) of the definition of Book Value herein, the percentage obtained by dividing the Capital Account of such Member by the aggregate Capital Accounts of all of the Members.

(w) "Permitted Transferee" shall mean a person or entity entitled to receive a transfer of an interest without the consent of the Managers pursuant to Section 9.4.

(x) "Person" shall mean any natural person or entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person where the context so admits.

(y) "Treasury Regulations" shall mean the U.S. federal income tax regulations promulgated under the Code, as they may be amended from time to time.

(z) "Unreturned Capital" consists of so much of a Member's Capital Contributions that have not been returned to such Member by way of distributions under section 7.1(b).

ARTICLE II – Purpose, Principal Office, Etc.

2.1 Purpose. The Company is formed to engage in any lawful activity for which limited liability companies may be formed under the Act, and to engage in any and all activities necessary or incidental to the foregoing, including, without limitation, acquiring, operating, managing, holding and disposing of real estate (and interests therein), stocks, bonds, notes, debentures, limited liability company interests, limited partner interests and other securities and assets of any kind.

2.2 Principal Office. The principal office of the Company shall be located at 7597 Madden Dr., Nampa, Idaho 83686. The location of the Company's principal place of business may be changed by the Managers from time to time in accordance with the then applicable provisions of the Act and any other applicable laws.

2.3 Registered Office and Registered Agent. The Managers shall designate a registered office and a registered agent for service of process in accordance with the Act. The Managers may from time to time in accordance with the Act change the Company's registered office or registered agent or both. The Managers shall select and designate a registered office and registered agent for the Company in each other state in which the Company is required to maintain or appoint one.

2.4 Term. The term of the Company shall continue without interruption from the date of its commencement as the Partnership and shall continue in existence until terminated pursuant to Section 11.1 hereof.

2.5 Limited Liability. Except as otherwise provided by Act or herein, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Managers nor the Members shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

2.6 Other Business. The Managers, Members and any Person affiliated with any of the Managers or Members may engage in or possess an interest in other business ventures of every kind and description, independently or with others. Neither the

Company nor other Members shall have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

2.7 Transaction of Business. With the consent of the Managers, any Member shall have the authority to lend money to, borrow money from, act as surety, guarantor or endorser for, guarantee or assume one (1) or more obligations of, provide collateral for, and transact other business with the Company. Any Member transacting business with the Company shall have the same rights and obligations with respect to such matter as person who is not a Member or Manager.

2.8 Filings. The Managers and any Authorized Person (as hereinafter defined) are hereby designated as authorized persons, within the meaning of the Act, and shall be authorized to execute and file (or direct the execution and filing of) a Certificate of Formation with the Office of the Secretary of State of the State of Idaho. The Managers are hereby authorized to execute, file and record all such other certificates and documents, including amendments to the Certificate, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property and the conduct of business under the laws of the State of Delaware and any other jurisdiction in which the Company may own property or conduct business.

ARTICLE III – Voting Powers, Meetings, Etc. of Members

3.1 In General. The Members shall not be entitled to participate in the day-to-day affairs and management of the Company, but instead, the Members' right to vote or otherwise participate with respect to matters relating to the Company shall be limited to those matters as to which the express terms of the Act, the Certificate or this Agreement vest in the Members the right to so vote or otherwise participate.

3.2 Actions Requiring Approval of Members.

(a) Notwithstanding any other provision of this Operating Agreement, the approval of 66.66% of the Percentage Interest of Members shall be required in order for any of the following actions to be taken on behalf of the Company:

- (i) Amending the Articles or operating agreement of the Company or any subsidiary.
- (ii) Establishing any subsidiary;
- (iii) Confessing a judgment against the Company in excess of \$100,000.

(iv) Acquiring shares or interests in any company whether by acquisition, subscription or otherwise;

(v) Carrying out any form of material capital restructuring of the Company and any subsidiary;

(vi) Selling, transferring or in any other way disposing of the whole of the Company's or any subsidiary's business or assets;

(vii) Filing or consenting to filing a petition for or against the Company under any federal or state bankruptcy, insolvency or reorganization act.

(viii) Passing any resolution for the voluntary winding up of the Company or any subsidiary;

(ix) Establishing any pension, life assurance, profit sharing, profit related bonus or incentive scheme or make any material revision to the terms of any such scheme which may have been established

(x) Loaning any Company funds to any person or entity (other than credit given in the normal course of business) other than to employees of the Company to meet expenses in connection with the Company's business.

(xi) Offering, or granting, or agreeing to offer or grant any option to subscribe or other right to call or subscribe for a Membership Interest in the Company or any subsidiary;

(xii) Save as may arise by operation of law, giving any guarantee for any sum in excess of US\$100,000 inclusive of all principal interest and costs;

(xiii) Save as may arise by operation of law and save as regards retention of title clauses imposed by third parties in respect of the sale of goods to the Company, creating, or causing or permitting to be created, any debenture, mortgage, charge, lien or other security or encumbrance whatsoever over the whole or any part of its business, undertaking or assets of the Company.

(b) The affirmative vote of a Majority-In-Interest of the Percentage Interests of Members shall be necessary and sufficient in order to approve or consent to any of the matters other than those set forth in Section 3.2(a) above or any other matters that requires a different percentage.

3.3 Action by Members. In exercising their rights as provided above, the Members shall act collectively through meetings or written consents as provided in this Article.

3.4 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Managers, and shall be called by the Managers at the request of any two Members, or such lesser number of Members as are Members of the Company.

3.5 Place of Meeting. The place of any meeting of the Members shall be the principal office of the Company, unless another place is designated by the Managers.

3.6 Notice of Meetings. Written notice stating the place, day and hour of any meeting of the Members and the purpose or purposes for which the meeting is called shall be delivered not less than 5 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the Managers, to each Member, unless the Act or the Certificate requires different notice.

3.7 Conduct of Meetings. All meetings of the Members shall be presided over by a chairperson of the meeting, who shall be the Managers, or a Member designated by the Managers. The chairperson of any meeting of the Members shall determine the order of business and the procedure at the meeting, including regulation of the manner of voting and the conduct of discussion, and shall appoint a secretary of such meeting to take minutes thereof.

3.8 Participation by Telephone or Similar Communications. Members may participate and hold a meeting by means of conference telephone or similar communications equipment by means of which all Members participating can hear and be heard, and such participation shall constitute attendance and presence in person at such meeting.

3.9 Waiver of Notice. When any notice of a meeting of the Members is required to be given, a waiver thereof in writing signed by a Member entitled to such notice, whether given before, at, or after the time of the meeting as stated in such notice, shall be equivalent to the proper giving of such notice.

3.10 Action by Written Consent. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if one or more written consents to such action are signed by the Members who are entitled to vote on the matter set forth in the consents and who constitute the requisite number or percentage of such Members necessary for adoption or approval of such matter on behalf of the Company. Such consent or consents shall be filed with the minutes of the meetings of the Members. Action taken under this Section shall be effective when the requisite Members have

signed the consent or consents, unless the consent or consents specify a different effective date.

ARTICLE IV – Management of the Company

4.1 Management and Control. Except as otherwise expressly provided in the Act, the Certificate or this Operating Agreement, the Managers are authorized and empowered on behalf of and in the name of the Company to carry out any and all of the purposes of the Company and to perform all acts and enter into and perform all contracts and other undertakings that they may, in their sole discretion, deem necessary, advisable or incidental thereto. Notwithstanding the foregoing, no member other than a Manager shall have authority to manage or specifically bind the Company except as specifically provided in this Operating Agreement.

4.2 Election, Etc. of Managers.

(a) Martha Amyx, Duane Amyx, and Lucretia Nell Bollinger, as Conservator for Jay S. Amyx shall serve as the initial Managers of the Company until their respective successors shall be duly elected and qualified.

(b) A Manager may be removed or appointed as a Manager by the Members with or without cause at any time by vote of a Majority In Interest of the Members (excluding the Manager the subject of removal). A Manager may, but shall not be required to, be elected from among the Members. A Manager may be a natural person or an Entity.

4.3 Powers. Except as otherwise expressly provided in the Act, the Certificate or this Operating Agreement, the Managers shall have full, exclusive and complete discretion, power and authority to manage, control, administer and operate the business and affairs of the Company for the purposes herein stated, and to make all decisions affecting such business and affairs, including without limitation, but subject to Clause 3.2(a), for Company purposes, the power to:

(a) acquire by purchase, lease or otherwise, any real or personal property, tangible or intangible;

(b) construct, operate, maintain, finance and improve and to own, sell, convey, assign, mortgage or lease any property owned or held by the Company;

(c) enter into agreements and contracts in connection with the Company's business;

(e) execute or modify agreements or contracts with respect to any part or all of the property owned or held by the Company;

(f) repay, in whole or in part, refinance, amend, modify or extend any mortgages or deeds of trust that may affect any property owned or held by the Company and, in connection therewith, to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;

(g) execute any and all other instruments and documents that may be necessary, or in the reasonable opinion of the Managers, desirable to carry out the intent and purpose of this Agreement;

(h) make any and all expenditures that the Managers, in their sole discretion, deem necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all operating, capital, legal, accounting, investment advisory and other related expenses incurred in connection with the organization, financing and operation of the Company or in connection with its property;

(i) enter into any kind of activity necessary for, in connection with, or incidental to, the accomplishment of the purposes of the Company;

(j) open bank accounts, and invest and reinvest Company monies in short term instruments or money market funds or any securities or other investments, whether or not publicly traded or readily marketable;

(k) loan money on behalf of the Company;

(l) carry out the Company purposes through other limited liability companies, joint ventures, partnerships, corporations, trusts or other entities;

(m) purchase liability and other insurance to protect the Company's property and business, including policies of life insurance which insure the life of any Member;

(n) pay all Company debts, obligations and expenses;

(o) employ accountants, attorneys, appraisers or other professionals to perform services for or on behalf of the Company and to compensate them from Company funds; and

(p) subject to limitations imposed by this Agreement and the Act, perform any and all other acts as the Managers may deem necessary or appropriate to the conduct of the Company's business.

4.4 Authorized Persons. Subject to all terms of this Agreement, the Managers may (a) authorize by written action any person to enter into and perform any agreement on behalf of the Company, and (b) appoint individuals (including one or more Managers), with such titles as they may select, as officers, employees or agents of the Company to act on behalf of the Company, for such reasonable compensation as the Managers shall determine, and with such power and authority as the Managers may delegate from time to time to any such person. Any such persons, individuals, officers, employees and agents (each "**Authorized Person**"). Unless prohibited, pursuant to the terms of a written agreement with an Authorized Person, any such Authorized Person may be removed by the Managers at any time and from time to time, with or without cause.

4.5 Authority. The Managers and any Authorized Person shall have the right to act for and bind the Company and may execute documents, instruments and contracts in the name of and on behalf of the Company. Any person or entity dealing with the Company, the Members, the Managers or any Authorized Person may rely upon a certificate signed by the Managers as to the identity of the Members, the Managers or such Authorized Person and as to the authority of the Managers or such Authorized Person to execute and deliver any agreement or other instrument or document on behalf of the Company. No person dealing with the Managers need inquire into the validity or propriety of any agreement, instrument or document executed in the name of the Company by the Managers, or as to the authority of the Managers executing the same.

4.6 Decisions by Managers. During any period in which more than two persons are serving as the Managers, and except as otherwise provided herein, all decisions which under this Agreement are to be made by the Managers shall be made by the majority of such Managers, with each Manager having one vote. If only two persons are serving as the Managers, all decisions shall be made by a unanimous vote of such Managers unless otherwise agreed by them. Moreover, if an even number of persons are serving as the Managers and such Managers are unable to take action or make a decision because of a disagreement or dispute, such decision shall be made by a person or entity identified by vote of a Majority in Interest of the Members (excluding the Managers). If only one person is serving as the Manager all decisions to be made by the Managers shall be made by such person serving as the sole Manager.

In exercising their powers and authority under, and otherwise carrying out the provisions of, this Agreement, the Managers shall act solely in the best interests of, and shall have a fiduciary duty (including the duty of loyalty, the duty of good faith and fair dealing, the duty of care, and the duty to disclose material information) with respect to, the Company and the Members.

4.7 Execution of Documents by Managers. When more than one person is serving as a Manager, the signature of one Manager on a contract or other document on behalf of the Company shall be legally binding as to the Company and its Members even though such Manager did not have the authority to do so under the provisions of this Agreement unless the person with whom the Manager is dealing has knowledge of the fact that the Manager has no authority to legally bind the Company on such matter.

4.8 IRC Section 754 Elections. The Managers shall have the power, in their sole discretion, to (a) cause an election under section 754 of the Code to be made with respect to the Company, (b) determine the method (or methods) adopted by the Company for making any income tax allocations required by section 704(c) of the Code or the Treasury Regulations issued thereunder, (c) make such allocations for Federal, state and local income tax purposes as may be necessary to maintain substantial economic effect, or to ensure that such allocations are in accordance with the Interests of the Members in the Company, within the meaning of the Code and the Treasury Regulations, and (d) determine all other tax matters relating to the Company, including accounting procedures, not expressly provided for by the terms of this Agreement.

4.9 Reliance by Authorized Persons. An Authorized Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person or entity as to matters the Authorized Person reasonably believes are within such person's or entity's professional or expert competence.

4.10 Incapacity of Individual Manager. For purposes of this Agreement, an individual who is a Manager shall be treated as being incapacitated if he or she lacks sufficient understanding or capacity to make or communicate responsible decisions concerning the management of the Company assets by reason of mental illness, mental deficiency, mental disorder, physical illness or disability, chronic use of drugs, chronic intoxication or other similar cause. The existence of a Manager's incapacity shall be conclusively established by (i) a determination of a court having jurisdiction of such matters, (ii) the written opinion of the Manager's regularly attending physician or (iii) the written opinion of two other physicians licensed to practice medicine in the state in which the Manager resides. If a Manager is treated as being incapacitated, he or she shall be deemed to have irrevocably resigned as a Manager. If the effect of the incapacity results in no remaining Manager, the remaining Members by the vote of a Majority-In-Interest shall designate a new Manager.

4.11 Insolvency or Bankruptcy of Individual Manager. If a Manager is insolvent or has voluntarily filed, or has filed against him, an action in bankruptcy, such Manager shall be deemed to have resigned as a Manager.

4.12 Reimbursement & Employment Agreements.

(a) Each Manager shall be entitled to be reimbursed for all expenses reasonably incurred by such manager in connection with the business and purposes of the Company.

(b) The Managers may enter into employment agreements with the Company further delineating the duties, rights, compensation and covenants of the Managers. Any employment agreements shall be subject to approval by a vote of a Majority of Interest of Members. Such employment agreements, if any, shall be read in conjunction with this Agreement.

ARTICLE V - Contributions and Capital Accounts

5.1 Initial Capital Contributions. On or prior to the date hereof, each of the Members shall make an initial Capital Contribution of all or a portion of such Member's right, title and interest in and to the property set forth opposite such Member's name in column 1 of Schedule A hereto, in exchange for the respective Percentage Interests set forth in column 2 thereon. The parties to this Agreement agree that the fair market value of the foregoing contributions is set forth in column 1 of Schedule A hereto.

5.2 Additional Contributions. No Member shall be required to make any Capital Contribution in addition to his initial Capital Contribution, and the Members may make additional Capital Contributions to the Company only if such additional Capital Contributions are made pro rata by all the Members or all the Members consent in writing to any non-pro rata contribution. The fair market value of any property other than cash or publicly traded securities to be contributed as an additional Capital Contribution shall be (a) agreed upon by the contributing Member and a Majority-in-Interest of the Members before the contribution, or (b) determined by a disinterested appraiser selected by the Managers.

5.3 Capital Accounts. For each Member, there shall be established a separate Capital Account to which such Member's initial Capital Contribution shall be credited. As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (a) increasing such balance by such Member's (i) allocable share of Net Profits for such Accounting Period (allocated in accordance with Article 6.1) and (ii) Capital Contributions, if any, made during such Accounting Period and (b) decreasing such balance by (i) the amount of cash and the fair market value of property distributed to such Member during such Accounting Period and (ii) such Member's allocable share of Net Losses for such Accounting Period (allocated in accordance with Section 6.1). The Capital Accounts shall also be adjusted to reflect any special allocations made pursuant to this Agreement and any Member indebtedness transferred to the Company and any Company indebtedness transferred to a Member.

5.4 Negative Capital Accounts. No Member shall be required to make up a negative balance in his, her or its Capital Account.

5.5 No Withdrawal of Capital. No Member shall have the right to withdraw his or her capital from the Company or to receive any distribution of or return on such Member's Capital Contributions, except as otherwise provided in Section 7.1 once declared or on transfer or windup as provided in Article 11 of this Agreement.

5.6 Loan. No loan or promissory note made to the Company by any Member (whether or not evidenced by a promissory note) shall constitute a Capital Contribution to the Company for any purpose.

ARTICLE VI - Allocations and Tax Matters

6.1 Allocations to Capital Accounts. Net Profits or Net Losses with respect to any Accounting Period shall be allocated among the Capital Accounts of the Members in proportion to their Percentage Interests in effect during such Accounting Period.

6.2 Tax Allocations and Other Tax Matters. Except as otherwise provided in the following sentence, each item of income, gain, loss and deduction recognized by the Company shall be allocated among the Members, for U.S. federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Members' Capital Accounts, provided that the Managers may adjust such allocations as long as such adjusted allocations have substantial economic effect or are in accordance with the interests of the Members in the Company, within the meaning of the Code and the Treasury Regulations. Each item of income, gain, loss and deduction with respect to property contributed to the Company shall be allocated in accordance with the principles of section 704(c) and section 737 of the Code and the Treasury Regulations thereunder. Tax credits and tax recapture shall be allocated in accordance with the Members' interests in the Company as provided in Treasury Regulations section 1.704-1(b)(4)(ii). The Managers shall have the power, in their sole discretion, to (a) cause an election under section 754 of the Code to be made with respect to the Company, (b) determine the method (or methods) adopted by the Company for making any income tax allocations required by section 704(c) of the Code or the Treasury Regulations thereunder, and (c) determine all other tax matters relating to the Company, including accounting procedures, not expressly provided for by the terms of this Agreement.

6.3 Allocation of Income and Loss in Respect of Interests Transferred or Reduced. If a Member shall Transfer an Interest pursuant to Section 9.3 of this Agreement (or a Member shall be admitted to the Company) other than on the first day of the Company's taxable year, the Company books shall not be closed but instead the Net Profits and Net Losses allocable in respect of such Interest (or all Interests) for such taxable year shall be apportioned between the transferor and the transferee (or between the Persons who were Members immediately before such admission and the persons who are Members immediately after such admission) based on the portion of the taxable year

that has elapsed prior to such transfer (or admission), as provided in section 1.706-1(c)(2)(ii) of the Treasury Regulations, unless the Manager shall otherwise elect or as may otherwise be required by section 1.706-1(c)(5) of the Treasury Regulations in the case of a Transfer by gift.

ARTICLE VII – Distributions

7.1 Distributions of Cash Flow.

(a) Distribution of Available Cash. Available Cash shall be distributed to the Members according to their Percentage Interests in such amounts and at such times as the Managers shall determine consistent with the Managers' fiduciary duty to the Company and the Members of the Company.

(b) Distribution of Capital Event Proceeds. Capital Event Proceeds shall be distributed to the Members in such amounts and at such times as the Managers shall determine in their discretion but always in the following rank and order:

- (i) Among the Members in proportion to, and to the extent of, their Unreturned Capital.
- (ii) The remainder, if any, among the Members according to their Percentage Interests.

7.2 Member Tax Liability. The amount of tax which is required to be paid or withheld by the Company with respect to any Member's allocable share of the income of the Company shall be assessed to such Member, who shall pay the same to the Company or the taxing authority forthwith upon demand of the Managers. The Managers may in their discretion set off any such tax against any amounts otherwise distributable to a Member under this Agreement. Each Member hereby indemnifies the Company and every other Member and agrees to hold them harmless from any liability or loss they might incur by virtue of any such tax with respect to such Member's allocable share of the income of the Company.

7.3 Restrictions on Distributions. Notwithstanding the distributions contemplated by this Section, if the Company has creditors, no distribution may be made if, after giving effect to such distribution, either (i) the Company would be unable to pay its debts as they become due in the usual course of business or (ii) the net assets of the Company would be less than zero.

7.4 Liquidating Distributions. Distributions of proceeds resulting from a termination and dissolution of the Company shall be distributed by the Managers in the manner set forth in Section 11.4 hereof.

ARTICLE VIII - Exculpation, Indemnification, and Insurance

8.1 Exculpation. So long as a Manager acts in good faith with respect to the conduct of the business and affairs of the Company, no Manager shall be liable or accountable to the Company or to any of the other Managers and Members, in damages or otherwise, for any error of judgment, for any mistake of fact or of law, for any other act or thing that the Manager may do or refrain from doing in connection with the business and affairs of the Company or for any act or omission performed or omitted by a Manager or Authorized Person, except for willful misconduct or gross negligence or breach of fiduciary duty, and further except for breaches of contractual obligations or agreements between the Manager and the Company. Whenever in this Agreement a Manager is permitted or required to make decisions in good faith, the Manager shall act under such standard imposed by this Agreement or any relevant provisions of law or in equity or otherwise. A Manager shall not be relieved of any breach of the Manager's fiduciary obligation to the Company or its Members.

8.2 Reliance. A Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Members, officers, employees or committees, or by any other person as to matters the Manager reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company (including, without limitation, information, opinions, reports or statements as to the value and the amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid). In addition, the Manager may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by him or her, and any opinion of any such person as to matters which the Manager reasonably believes to be within such person's professional or expert competence shall be a full and complete authorization and shall provide full and complete protection in respect of any action taken or suffered or omitted by the Manager hereunder in good faith and in accordance with such opinion.

8.3 Indemnification. In addition to any other powers provided by law:

(a) The Company has power to indemnify any person (an "**Indemnified Person**") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that the Indemnified Person is or was a Manager, Member, Authorized Person, employee or agent of the Company, or is or was serving at the request of the Company as a Manager, Member, officer, director, Authorized Person, employee or agent of another

Company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if the Indemnified Person c The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which the Indemnified Person reasonably believed to be or not opposed to the best interests of the Company (measured as aforesaid), and, with respect to any criminal action or proceeding, had reasonable cause to believe that the Indemnified Person's conduct was unlawful.

(b) To the extent that a Manager, Member, Authorized Person, director, employee or agent of a Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraph (a), or in defense of any claim, issue or matter therein, the Indemnified Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(c) Any indemnification under subparagraphs (a) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Manager, Member, Authorized Person, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in subparagraph (a). Such determination shall be made by the Managers (but excluding any Manager who was a party to such action, suit or proceeding) if any such Managers were not parties to such action, suit or proceeding supported by independent legal counsel in a written opinion. If all of the Managers were parties to such action, suit, or proceeding, then such determination shall be made by a Majority-In-Interest of the Members provided such Members were not parties to such action, suit, or proceeding supported by independent legal counsel in a written opinion.

(d) The indemnification provided by this Section 8.3 shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any law, agreement, or otherwise, both as to action in the Indemnified Person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Manager, Member, Authorized Person, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

8.4 Insurance. The Company may purchase and maintain insurance or other similar protection for its benefit, the benefit of any Indemnified Person, or both, against any Claims, whether or not the Company would have the obligation to indemnify such Indemnitee against such liability.

8.5 Expenses. To the fullest extent permitted by applicable law, expenses (including, without limitation, attorneys' fees and disbursements) incurred by an Indemnified Person in defending any claim, demand, action (a civil or criminal), suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding, subject to recapture by the Company following a later determination that such Indemnified Person was not entitled to be indemnified hereunder.

ARTICLE IX - Resignation; Admission of Members

Voluntary Transfers of Interests; Involuntary Transfers of Interests

9.1 Resignation.

(a) Resignation by Manager. A Manager may resign at any time by giving written notice to the other Manager of the Company, or if none, to the Members of the Company. The resignation of a Manager shall take effect upon delivery of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation may be revoked at any time before its effective date by delivery of a notice of revocation to the other Manager, or if none, to the Members. The resignation of a Manager shall not affect such Manager's rights and liabilities as a Member.

(b) Resignation by Member. In accordance with the Act, no Member shall have the right to resign from the Company, except as a result of a transfer of his, her or its Interest pursuant to Section 9.4 hereof.

9.2 Admission of Members.

(a) Admission of New Members. No person shall be admitted to the Company as a Member without the unanimous consent of the Members. Upon the admission of one or more new Members, the Managers are authorized to adjust the Percentage Interests of the Members to reflect the dilution, if any, required to admit such new Members. Any such dilution shall be in proportion to the Members' Percentage Interests in the Company, unless otherwise agreed by each such Member whose Percentage Interest may be diluted in excess of that proportion. The Percentage Interest to be granted to a new Member shall take due account of the value of the new Member's capital contribution and capital commitment in relation to the value of the Company upon admission. Each new Member shall have all of the rights, duties and obligations of the original Members hereunder and in all respects each new Member's admission shall be subject to all of the terms and provisions of this Agreement.

(b) Admission of Substitute Member. In the event a Member transfers all or any part of his, her or its Interest in accordance with this Agreement, the transferee of such Member shall be admitted to the Company as a Substitute Member only if:

(i) the transferring Member and his, her or its transferee execute and deliver such instruments as the Managers deem necessary or desirable to effect such substitution;

(ii) such transferring Member furnishes to the Managers such assurances as the Managers may request, including, without limitation, an opinion of counsel, which opinion and which counsel are satisfactory to the Managers, that the transfer of such Member's Interest complies with, or does not require the registration under applicable Federal and state securities laws, and that such transfer shall not require the Company to be registered under the Investment Company Act of 1940, as amended; and

(iii) except as provided in Section 9.4, 9.5, 9.7 and 9.8, the Members' unanimous consent to the substitution of such transferee as a Substitute Member.

Substituted Members shall have all of the rights, duties and obligations of the original Members hereunder, and in all respects their admission shall be subject to all of the terms and provisions of this Agreement.

(c) Unadmitted Assignee. A person who acquires all or any portion of a Member's Interest but who is *not* admitted as a Substitute Member pursuant to Section 9.2(b) shall be a mere assignee (herein an "**Unadmitted Assignee**") under the Act and shall have the right to receive such distributions to which the assignor was entitled to the extent assigned and shall be allocated the share of Net Profits and Net Losses attributable to such Interest transferred to such person and shall otherwise be treated as a Member for Federal and state income tax purposes and for purposes of the distribution of cash or other assets to such person upon dissolution of the Company pursuant to Section 11.1 but shall have no right to participate in the management of the business or affairs of the Company or exercise any rights as a Member under this Agreement (including the right to vote), to require any information or account of Company transactions, or to inspect the Company books and records.

9.3 Voluntary Transfers of Member Interest. Except as provided under Sections 9.4, 9.5, and 9.7 each Member hereby covenants and agrees that he, she or it shall only sell, assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise dispose of all or any part of his, her or its Interest to any person after first having obtained the unanimous written consent of the Members. Any transfer in violation of this provision shall be null and void and not be recognized by the Company.

9.4 Permitted Transfers.

(a) If a Member's Interest is transferred:

(i) by gift or sale during the lifetime of the Member, as a bequest or devise upon the death of the Member, upon distribution to a beneficiary of a trust, and or (iv) by a custodian for a minor under the laws of Idaho or any state, to such minor when the minor has attained the age of termination of such custodianship under the applicable law, and (ii)

(1) the transferee is a Member of the class consisting of Martha Amyx, Jay Amyx, the lineal descendants of Martha Amyx and Jay Amyx, the spouse of any lineal descendants of Martha Amyx and Jay Amyx, or any trust created and existing for the primary benefit of the Martha Amyx and/or Jay Amyx or his/her lineal descendants ("**Amyx Descedents**") or

(2) to a spouse of an Amyx Descendant (an Amyx Descendent and/or the spouse of an Amyx Descendent, is an "**Amyx Transferee**") , then

the transfer shall be valid and the Amyx Transferee shall be an Unadmitted Assignee.

(b) If a Member's Interest is (a) transferred (ii) by gift during the lifetime of the Member, (ii) as a bequest or devise upon the death of the Member, (iii) upon distribution to a beneficiary of a trust, and or (iv) by a custodian for a minor under the laws of Idaho or any state, to such minor when the minor has attained the age of termination of such custodianship under the applicable law, and (b) the transferee is *NOT* an Amyx Transferee ("**Non-Amyx Transferee**") , the transfer shall be valid and the Non-Amyx Transferee shall be an Unadmitted Assignee (an Amyx Transferee and Non-Amyx Transferee are individually and collectively, a "**Permitted Transferee**").

(c) A Permitted Transferee shall be bound at any time before the expiration of six months from the date of such transfer, if and when required in writing by a majority of the Interests of the other Members so to do, to give a Transfer Notice to the Company in respect of all of the Interests then registered in the name of the transferring Member. The Company may elect, by written notice to the Permitted Transferee and to the other Members given within thirty (30) days after receiving the Transfer Notice to purchase the Permitted Transferee's Interest at the Transfer Purchase Price (as defined below). Failure to provide such written notice within such thirty (30) day period shall be deemed a declination by the Company of the option to purchase such Interest. The Transfer Purchase Price may be paid to the Permitted Transferee over a period of ten (10) years in equal monthly installments amortized over those ten (10) years. Interest shall accrue on the unpaid balance at the prime rate as of the first date of

each month, adjusted quarterly. The obligation to make these payments shall be evidenced by a promissory note which shall be unsecured, shall provide for reasonable attorneys fees payable to the prevailing party in the event of a suit or action, and shall provide that the Company may make payments sooner than required or may pay off the entire unpaid balance due and owing at any time.

(d) *Prescribed Price for Transfer.* In any case where a Transfer Notice has been duly required or is deemed to be given under this Section 9.4 in respect of the Permitted Transferee's Interests, then the "**Transfer Purchase Price**" shall be, in the case of an:

(i) Amyx Transferee, 100% of the Fair Market Value of the Interests (taken together) which are the subject of such Transfer Notice as determined by professional(s) experienced and qualified in valuing interests in entities similar to the Company in all material respects including, without limitation, the Company's principal business and the nature and location of its assets. In determining the fair market value of such Interests the valuer shall act as an expert and not as an arbitrator. The "**Fair Market Value**" of the Interests in question shall be the price at which the Interests (taken together) would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts and assuming that the Interest is of a Substituted Member and *taking into account* discounts for lack of marketability, minority interest, if applicable, and the fact that the Interests which are the subject of such Transfer Notice or deemed Transfer Notice do or do not constitute a minority holding in the company.

(ii) Non-Amyx Transferee, forty percent (40%) of the Adjusted Fair Market Value of the Interests (taken together) which are the subject of such Transfer Notice as determined by professional(s) experienced and qualified in valuing interests in entities similar to the Company in all material respects including, without limitation, the Company's principal business and the nature and location of its assets. In determining the fair market value of such Interests the valuer shall act as an expert and not as an arbitrator. The "**Adjusted Fair Market Value**" of the Interests in question shall be the Fair Market Value as defined in paragraph (i) immediately above, but assuming that the Interest is of an Unadmitted Assignee, rather than a Substituted Member.

9.5 Right of First Refusal on Transfer of Member Interests.

(a) Company's First Option. If a Member or a Substitute Member desires to sell his, her or its Interest (the "**Offeror**") and has received a bona fide third party offer in writing (the "**Offer**") from an individual or entity not described as a Permitted Transferee in Section 9.4, the Offeror shall, within five (5) days of receiving such Offer, give the Company the first option to purchase and redeem the Offeror's

Interest on the same terms and conditions as the Offer, but subject to the Payout Proviso (the "**First Option**") by written notice (the "**Offer Notice**") to the Managers. The Company may elect, by written notice to the Offeror and to the other Members (the "**First Exercise Notice**") given within thirty (30) days after receiving the Offer Notice (the "**First Response Date**"), to purchase the Offeror's Interest. If, on or before the First Response Date, there is a First Exercise Notice, then the Offeror shall be required to sell the Interest to the Company under the same terms and conditions contained in the Offer; provided that: (i) the purchase price may be paid to the Offeror over a period of ten (10) years in equal monthly installments amortized over those ten (10) years with interest accruing on the unpaid balance at the prime rate as of the first date of each month, adjusted quarterly, and (ii) the obligation to make these payments shall be evidenced by a promissory note which shall be unsecured, shall provide for reasonable attorneys' fees payable to the prevailing party in the event of a suit or action, and shall provide that the Company may make payments sooner than required or may pay off the entire unpaid balance due and owing at any time (the foregoing clauses (i) and (ii), the "**Payout Proviso**").

(b) Members' Second Option. If no First Exercise Notice is received by the First Response Date or the Company has notified the Offeror that the First Option will not be exercised, the Offeror shall give the other Members the second option to purchase and redeem the Offeror's Interest on the same terms and conditions as the Offer, (the "**Second Option**") by written notice (the "**Second Offer Notice**") to the other Members. Each of the other Members shall initially be entitled to purchase that fraction of the Offeror's Interest subject to the Offer equal to each such Member's Percentage Interest divided by the Percentage Interests of all Members other than that of the Offeror. The other Members may elect, by written notice to each Member and Manager (the "**Second Exercise Notice**") within thirty (30) days of the Second Offer Notice (the "**Second Response Date**"), to purchase the Offeror's Interest. If, on or before the Second Response Date, there is a Second Exercise Notice, then the Offeror shall be required to sell the Interest to the exercising Member(s) or their designee(s) (the "**Purchasing Members**"). Unless otherwise agreed between the Purchasing Members, each Purchasing Member shall be entitled to purchase that fraction of the Offeror's Interest subject to the Offer equal to the Purchasing Member's Percentage Interest divided by the Percentage Interests of all Purchasing Members. For the avoidance of doubt, a Purchasing Member shall not have the benefit of the Payout Proviso defined in section 9.5(a).

(c) Conditions of Purchase by Company. At the closing, which shall take place at the principal place of business of the Company on a date and time mutually agreed upon by the Managers and the Offeror, the Offeror shall deliver to the Company (i) a duly executed and acknowledged instrument of assignment transferring the Interest of the Offeror to the Company and (ii) evidence of the absence of any liens, security interests and encumbrances as the Managers, shall reasonably request; and the Offeror

shall pay all transfer or similar taxes due in connection with the conveyance of the Interest. The Company shall (i) pay the purchase price to the Offeror in accordance with the Offer, the cash portion thereof by wire transfer, or certified or bank cashier's check payable to the order of the Offeror, and (ii) deliver to the Offeror a duly executed agreement indemnifying the Offeror against claims arising from or in connection with the Company except obligations of the Company which the Offeror may have incurred prior to the date of such closing. The Members shall execute all amendments to the Certificate and/or this Agreement as may be required to reflect the transfer of the offered Offeror's interest.

(d) Conditions of Purchase by Members. At the closing, which shall take place at the principal place of business of the Company on a date and time mutually agreed upon by the Purchasing Members and the Offeror, the Offeror shall deliver to each Purchasing Member (i) duly executed and acknowledged instruments of assignment transferring that portion of the Offeror's Interest being purchased to such Purchasing Member and (ii) evidence of the absence of any liens, security interests and encumbrances as the Purchasing Member, or the Purchasing Member's designee(s) shall reasonably request; and the Offeror shall pay all transfer or similar taxes due in connection with the conveyance of the Interest. Each Purchasing Member shall (i) pay the purchase price for that portion of the Offeror's Interest being purchased, in accordance with the Offer, the cash portion thereof by wire transfer, or certified or bank cashier's check payable to the order of the Offeror, and (ii) deliver to the Offeror a duly executed agreement indemnifying the Offeror against claims arising from or in connection with the Company except obligations of the Company which the Offeror may have incurred prior to the date of such closing. The Members shall execute all amendments to the Certificate and/or this Agreement as may be required to reflect the transfer of the Offeror's Interest.

(e) Sale to Third Party Purchaser. If no Second Exercise Notice is received by the Second Response Date, the Offeror shall have the right to sell the Offeror's Interest to a third party purchaser on the same terms and conditions contained in the Offer for a period of sixty (60) days following the expiration of the Second Response Date. In the event that a binding contract to sell such Interest is not entered into between the Offeror and a third party purchaser within such sixty (60) day period, any sale thereafter shall be subject to the provisions of this Section 9.5. In the event of a completed sale of the Offeror's Interest to the third party purchaser, such third party purchaser shall have the rights, duties and obligations of a Unadmitted Assignee unless all of the provisions of Section 9.2(b) are complied with, in which case the purchaser shall be a Substituted Member. For the avoidance of doubt, the Members may refuse in their sole discretion and without cause to deny approval of the purchaser becoming a Substitute Member in which case the transferee shall be an Unadmitted Assignee.

9.6 Additional Transfer Restriction. Notwithstanding any other provision contained herein, without the unanimous consent of the Members, a Substituted Member or an Unadmitted Assignee may not transfer his, her or its Interest in the Company if such transfer, when aggregated with any prior transfers of Interests in the Company results in a sale or exchange within a 12 month period of 50% or more of the Interests of the Company within the meaning of Code Section 708(b).

9.7 Involuntary Transfer of Interest.

(a) In the event the Interest of a Member, Substituted Member or Unadmitted Assignee is taken or encumbered by levy, foreclosure, charging order, execution, assignment for the benefit of creditors or other similar involuntary proceeding (an "**Involuntary Transfer**") or in the event a Member or Unadmitted Assignee voluntarily files or is involuntarily subject to a bankruptcy proceeding (the "**debtor Member**"), the statutory or other involuntary assignee (the "**Involuntary Assignee**") of such Interest or the debtor Member, as the case may be, shall have the rights, duties and obligations of an Unadmitted Assignee in accordance with Section 9.2(c) hereof, unless such Involuntary Transferee or debtor Member is admitted to the Company as a Substitute Member in accordance with the provisions of this Agreement.

(b) If the Involuntary Transferee has a right to dispose of the Interest in which it has a security interest or a Bankruptcy Court or its representative has a right to do so (the "**Seizing Creditor**"), the Seizing Creditor may complete a public or private sale to itself or third party only after the Seizing Creditor has offered such Interest by private sale to the Company and other Members pursuant to the procedures in Section 9.5, but at a price not exceeding the least of: (i) the offer price and (ii) twenty five percent (25%) of the Book Value of the Interests (taken together) that are the subject of such sale and in the case of purchase by the Company or Member(s), the payment shall be subject to the Payment Proviso (as defined in 9.5(a)).

In connection therewith such Seizing Creditor shall obtain a bona fide written offer from a third-party purchaser or make an offer itself. If the Company or other Members elect to purchase the Interest of the Seizing Creditor, debtor Member or Unadmitted Assignee pursuant to this Section 9.7 and the procedures set forth in Section 9.5, or if they do not elect to do so and the Seizing Creditor completes the purchase, the proceeds from such sale shall be first remitted to any creditors of the debtor Member or Unadmitted Assignee which have a security interest in the Interest superior to the Seizing Creditor to satisfy all of the debtor Member's or Unadmitted Assignee's indebtedness to such superior creditors, if any, then to the Seizing Creditor to satisfy all indebtedness of the debtor Member or Unadmitted Assignee to the Seizing Creditor, with the balance, if any, to be remitted to other creditors of the debtor Member or Unadmitted Assignee which have a security interest in the Interest inferior to the Seizing Creditor to satisfy all indebtedness of the debtor Member or Unadmitted Assignee to such inferior creditors, if

any, with the balance, if any, to be remitted to the debtor Member or Unadmitted Assignee or as specified by a Bankruptcy Court.

ARTICLE X - Books and Records; Bank Accounts; Tax Matters Partner

10.1 Books and Records. The Managers shall keep or cause to be kept complete and accurate books and records of the Company. Such books and records shall be maintained and be available, in addition to any documents and information required to be kept under the Act, at its principal office, for examination and copying by any Member, or his or her duly authorized representative, at his or her reasonable request and at his or her expense during ordinary business hours. A current list of the full name and last known address of each Member, a copy of this Agreement, any amendments thereto and the Certificate, executed copies of all powers of attorney, if any, pursuant to which this Agreement or the Certificate or any amendment has been executed, copies of the Company's financial statements and required tax returns and reports, if any, for the three most recent years, shall also be maintained at such office.

10.2 Bank Accounts. Bank accounts and/or other accounts of the Company shall be maintained in such banking and/or other financial institution(s) as shall be selected by the Managers. The Managers and Members agree that all bank accounts opened in the name of the Company or any subsidiary shall be governed by a bank mandate requiring the signature of any two Managers in respect of withdrawals up to and including \$50,000 (or the dollar equivalent) and any three Managers (or, if there are fewer than three Managers, then all of the Managers and as many Members as necessary to provide a total of three signatures in respect of withdrawals for more than \$50,000.

10.3 Filing Returns and Other Writings; Tax Matters Partner. (a) The Managers shall cause the preparation and timely filing of all required Company tax returns and shall, on behalf of the Company, timely file all other writings required by any governmental authority having jurisdiction to require such filing. On or before the date which is 15 days before the due date (including extensions) of any required federal income tax return of the Company for each year, each Member shall be furnished with a copy of his or her Form K-1 with respect to the Company's federal income tax return for the year.

(b) The "Tax Matters Partner," as defined in Section 6231(a)(7) of the Code, shall be [].

(c) Promptly following the written request of the Tax Matters Partner, the Company shall, to the fullest extent permitted by law, reimburse and indemnify the Tax Matters Partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Partner in

connection with any administrative or judicial proceeding with respect to the federal income taxation of the Company and/or the Members.

(d) The provisions of this Section 10.3 shall survive the termination of the Company or the termination of any Member's Interest and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the federal income taxation of the Company and/or the Members.

ARTICLE XI - Dissolution and Winding Up

11.1 Dissolution Events. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following (each a "**Dissolution Event**"):

- (a) The unanimous consent of the Managers and the Members;
- (b) The entry of a decree of judicial dissolution; or
- (c) At any time there are no Members, unless the Company is continued as permitted under the Act.

11.2 Winding Up.

(a) Upon the occurrence of a Dissolution Event, the Managers shall wind up the Company's affairs.

(b) The Managers shall sell such assets as the Managers deem proper to pay or provide for the Company's debts or liabilities and to generate cash for distribution to the Members.

(c) Any cash or other assets, based on their fair market values, remaining, after paying or providing for payment of the debts and liabilities of the Company, in any order of priority required by the Act, shall be distributed to the Members as provided in Section 11.4.

11.4 Tax Law Requirements; Deficit Capital Accounts. In the event the Company is "liquidated" within the meaning of Treasury Regulations Section 704-1(b)(2)(ii)(g) following a Dissolution Event, distributions shall be made to the Members who have positive Capital Accounts (after giving effect to all contributions, distributions and allocations for all tax years, including the tax year during which such liquidation occurs) in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Member has a deficit balance in his Capital Account after giving effect to all such contributions, distributions and allocations, such Member shall have no obligation to make any

contributions to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owned to the Company or to an other person or entity for any purpose whatsoever.

11.5 State Law Compliance.

(a) The Managers shall take all steps which are required by the Act to complete the dissolution of the Company of record.

ARTICLE XII – Miscellaneous

12.1 Binding Effect, Not for Benefit of Creditors. Subject to the restrictions on transfers set forth herein, the terms of this Agreement shall be binding upon and shall inure to the benefit of the Members, their respective successors, successors-in-title, heirs, legal representatives and assigns; and each and every successor-in-interest to any Member, whether such successor acquires his, her or its interest by way of inheritance, gift, purchase, foreclosure or any other method, and each Member shall hold his, her or its interest subject to all of the terms and provisions of this Agreement. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or of any Member (including any Member acting in his or her capacity as a creditor of the Company).

12.2. Amendment. No change, modification or amendment of this Agreement shall be valid or binding unless such change, modification or amendment shall be in writing and duly adopted by all Members. Any amendment made pursuant to this Section 12.2 may be made effective as of the date of this Agreement.

12.3. Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

12.4. Severability of Provisions. Each provision of this Agreement shall be considered severable and, if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

12.5. Waiver of Partition. Each Member agrees that irreparable damage would be done to the Company if any Member brought an action in court to dissolve the Company. Accordingly, except as may be otherwise expressly authorized in this Agreement, each Member agrees that he, she or it shall not, either directly or indirectly, take any action to require partition or appraisal of the Company or of any of the assets or properties of the

Company, and notwithstanding any provisions of this Agreement to the contrary, each Member (and his, her or its successors and assigns) accepts the provisions of this Agreement as his, her or its sole entitlement on termination, dissolution or liquidation of the Company and hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale or other liquidation with respect to his, her or its Interest, in or with respect to, any assets or properties of the Company; and each Member agrees that he, she or it will not petition a court for the dissolution, termination or liquidation of the Company.

12.6. Personal Jurisdiction. Subject to the provisions of Section 12.8, the Company, the Managers and the Members hereby irrevocably consent to the jurisdiction of the courts of the State of Idaho for purposes of any litigation among or between the Company, any Manager and/or any Member concerning the Company or this Agreement. In any such proceeding, the Company and each Member shall be deemed to have waived his, her or its right to a trial by jury. The parties hereto hereby individually agree that they shall not assert any claim that they are not subject to the jurisdiction of such court, that the venue is improper, that the forum is inconvenient or any similar objection, claim or arguments. Service of process on any of the parties hereto with regard to any such action may be made by mailing the process to such person by regular or certified mail to the address of such person set forth herein or to any subsequent address to which notices shall be sent.

12.7. Title to Assets. Title to the assets and to any other property, real or personal, owned by or leased to the Company shall be held in the name of the Company unless, in the opinion of counsel to the Company or if the Managers so determine, it is advisable to hold record title in a nominee or in a limited liability company or other entity wholly owned, directly or indirectly, by the Company.

12.8. Resolution of Controversies.

(a) Intent. It is the intention of the parties to bring all disputes between or among any of them to an early, efficient and final resolution. Therefore, it is hereby agreed that all disputes, claims and/or otherwise, including without limitation management, contract, quasi contract, equitable claims, tort claims, statutory claims or any other kind of controversy, claim or dispute shall be resolved by mediation and arbitration as provided herein. Nothing herein shall preclude any party from applying to a court of competent jurisdiction for preliminary injunctive relief or a temporary restraining order or other preliminary relief as may be required.

(b) Mediation. All disputes arising among the Members with respect to Company matters shall be resolved by mediation in the following manner. Mediation shall be initiated by any Member by written request to Members for selection of a mediator which request (the "Mediation Request") shall identify the matters to be mediated. Such mediation shall occur in the city in the metropolitan area of which a Majority-In-Interest of the Members reside. If a Majority-In-Interest of the Members do not reside in the metropolitan

area of the same city, or a Majority-In-Interest of the Members cannot agree on a location for the mediation, the mediation shall take place in the City of Boise, Idaho. The mediator shall be an individual selected by the Members. Costs and expenses of mediator shall be borne by the party that initiates the mediation.

(c) Arbitration. In the event that the Members cannot agree to mediation within sixty (60) days of the date of the Mediation Request, or in the event that the Members are unable to reach agreement through mediation, then such dispute arising among the Members shall be resolved by arbitration in the following manner. Such arbitration shall occur in accordance with the rules of the American Arbitration Association then in effect, in the city in the metropolitan area of which a Majority in Interest of the Members reside. If a Majority in Interest of the Members do not reside in the metropolitan area of the same city, or a Majority in Interest of the Members cannot agree on a location for the arbitration, the arbitration shall take place in the City of Boise, Idaho. The arbitration panel shall consist of one (1) individual selected by a Majority in Interest of the Members. The determination of the arbitrator shall be binding upon all parties in accordance with the procedures of the American Arbitration Association. The prevailing party shall be entitled to attorney's fees and costs including the expense of arbitration.

12.9. Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted and enforced in accordance with the laws of the State of Idaho, notwithstanding any choice of law rules to the contrary.

12.10. Entire Agreement. This Agreement, including the Certificate, which is hereby incorporated herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

12.11. Non-Waiver. The failure of any Member to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Member's right to demand strict compliance in the future. No consent or waiver, expressed or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

12.12. Notices. Any and all notices provided under this Agreement shall be treated as having been received (i) on the fourth business day after being sent by registered or certified mail, return receipt requested, postage prepaid, or (ii) on the first business day after being sent by commercial expedited delivery service providing a receipt for delivery or by telecopy or e-mail by a machine providing automatic, printed confirmation of successful transmission (if the telecopy number or e-mail address, as the case may be, of the person to whom the notice is addressed is set forth as part of such person's address for purposes of this

Agreement) or by United States Postal Service express mail. All such notices in order to be effective shall be addressed, if to a Manager or the Company at the principal office of the Company, if to a Member at the last address of record on the Company's books, and copies of such notices shall also be sent to the last address for the recipient which is known to the sender, if different from the address so specified.

12.13. Titles, etc. Article and paragraph titles are for descriptive purposes only and shall not control or alter the meaning of the Agreement as set forth in the text. As used herein, the singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

12.14. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall for all purposes constitute one Agreement, binding on all parties notwithstanding that all parties have not signed the same counterpart.

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IN WITNESS WHEREOF, the parties have executed this Operating Agreement on the date of effective conversion of the Amyx Family Limited Partnership to the Company under the laws of the State of Idaho.

By:

AS CONSERVATOR
JAY S
Lucetia Nell Bollinger Martha L Amyx
Lucetia Nell Bollinger, as Conservator For Jay S. Amyx Martha L. Amyx

Gordon J. Amyx

Martha Kay Cox

Duane C. Amyx

Lucetia Nell Bollinger
Lucetia Nell Bollinger

Donald Scott Amyx

IN WITNESS WHEREOF, the parties have executed this Operating Agreement on the date of effective conversion of ~~the~~ Amyx Family Limited Partnership ~~to~~ the Company under the laws of the State of Idaho.

By:

Lucretia Nell Bollinger, as Conservator
For Jay S. Amyx

Martha L. Amyx

Gordon J. Amyx

Martha Kay Cox



Duane C. Amyx

Lucretia Nell Bollinger

Donald Scott Amyx

IN WITNESS WHEREOF, the parties have executed this Operating Agreement on the date of effective conversion of the Amyx Family Limited Partnership to the Company under the laws of the State of Idaho.

By:

Lucretia Nell Bollinger, as Conservator
For Jay S. Amyx

Martha L. Amyx
Martha L. Amyx

Gordon J. Amyx

Martha Kay Cox
Martha Kay Cox

Duane C. Amyx

Lucretia Nell Bollinger

Donald Scott Amyx

SCHEDULE A

<u>Member's Name</u>	COLUMN 1	COLUMN 2	<u>Address</u>
	<u>Agreed Value of Initial Capital Contribution*</u>	<u>Percentage Interest</u>	
Jay S. Amyx	\$233,200	42.10%	7597 Madden Dr. Nampa, Idaho 83686
Martha L. Amyx	\$233,200	42.10%	
Gordon J. Amyx	\$ 17,500	3.16%	
Martha Kay Cox	\$ 17,500	3.16%	
Duane C. Amyx	\$ 17,500	3.16%	
Lucretia Nell Bollinger	\$ 17,500	3.16%	
Donald Scott Amyx	\$ 17,500	3.16%	

* Being the value of initial contributed property of the Partnership.