

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

RECEIVED
JUL 03 2017
Department of Water Resources
South Region

APPLICATION FOR TRANSFER OF WATER RIGHT – POINT(S) OF DIVERSION

This form may be used to apply to change and/or add points of diversion for existing water rights and to report an ownership change for a water right(s) in connection with the proposed point of diversion change(s). Do not use this form to apply for changes to other elements of a water right. See the [Application for Transfer Instructions](#) for help completing this form and for mailing addresses of Department offices where your application can be submitted.

Check all that apply:

- ☒ Change diversion point(s) ☐ Add diversion point(s) ☐ Ownership change ☐ Ownership split

1. **APPLICANT(S)** Pinnacle Great Plains Operating Company LLC Phone 317-708-8981
2. **MAILING ADDRESS** 10333 N. Meridian Street, Suite 425 City Indianapolis
State Indiana Zip 46290 Email adam.gore@us-agriculture.com

- ☒ If the applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign for the applicant.
☐ If the applicant is not the current water right(s) owner, attach documentation of authority to file the application.
☒ If the application includes a change in ownership of water right(s), attach a copy of the conveyance document, such as a warranty deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property conveyed or description of the water right if no land is conveyed. Additional fee(s) are required for water right ownership changes; see Item 9 for the [fee schedule](#).

If the ownership change resulted in the water right(s) being split, how did the division occur? Mark one:

- ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

- ☐ If the application is not signed by the applicant, attach a Power of Attorney or other documentation providing authority to sign for the applicant.

3. **LIST WATER RIGHT NUMBER(S)** 31-2443

- ☒ Attach a copy of the water right(s) as recorded, available at www.idwr.idaho.gov, *Water Right Transfers, Step 1*, or by contacting any Department office.

4. **TOTAL AMOUNT OF WATER** transferred is 7.0 cubic feet per second and/or 612.5 acre-feet per annum.
(diversion rate) (storage volume)

5. **POINT OF DIVERSION** – Describe all the point(s) of diversion to be included on the water right(s) after the proposed change.

- ☐ Attach Eastern Snake Plain Aquifer (ESPA) analysis if this transfer proposes to change a point of diversion affecting the ESPA. ESPA analysis information is available at www.idwr.idaho.gov, *Water Right Transfers, Online Resources*.

New?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #
			NW	SW	10	7N	37E	JEFFERSON	GROUNDWATER	
			NW	SE	10	7N	37E	JEFFERSON	GROUNDWATER	

ORIGINAL **81803**

SEP 22 2017

6. GENERAL INFORMATION

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future:
Ground water wells with electric pumps.

- b. Who owns the property at the point(s) of diversion? Applicant
If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:

- c. To your knowledge, has/is any portion of the water right(s) proposed to be changed:

Yes No

- ☐ ☒ undergone a period of five or more consecutive years of non-use,
☐ ☒ currently used in a mitigation plan limiting the use of water under the right(s), or
☐ ☒ currently enrolled in a Federal set-aside program limiting the use of water under the right(s)?

If yes, describe:

- d. Is any portion of the water right(s) proposed to be changed currently leased to the Water Supply Bank? ☐ Yes ☒ No

- ☐ If yes and there are multiple owners, attach a [Lessor Designation](#) form.
☐ If yes, the individual owner or designated lessor must complete, sign and attach an [IRS Form W-9](#).
(Disregard if these items are on file and ownership has not changed.)

7. **MAP** - ☒ Attach a map of the diversion, measurement, control and distribution system. Include the place of use if a split of the water right occurred. Clearly label the map with township, range, section and $\frac{1}{4}$ $\frac{1}{4}$ of section information. The *Map Tool*, available at maps.idwr.idaho.gov/TransferApplicationLayouts/ provides a satisfactory template for creating the required map.

8. **SIGNATURE** - The information in this application is true to the best of my knowledge. I understand any willful misrepresentations in this application may result in rejection of the application or cancellation of an approval.

Adam D Gore

Signature of applicant or authorized agent

Adam Gore - Director

Print name and title if applicable

6-23-17

Date

Signature of applicant or authorized agent

Print name and title if applicable

Date

9. **FEE** - ☒ The application filing fee provided in Section 42-221, Idaho Code, must be submitted with the application for transfer. The Application fee is based on the total amount of water proposed for transfer in Item 4: the larger fee for either cubic feet per second (diversion rate) or acre-feet per annum (storage volume). The *Fee Schedule* is available at www.idwr.idaho.gov, *Water Right Transfers, Step 4* and in the [Application for Transfer Instructions](#).

FOR DEPARTMENT USE ONLY

Transfer includes _____ pages of attachments.

Received by sc

Date 7/3/17

Fee paid 980- Date 7/3/17

Received by sc

Receipt # 2043158

Preliminary review by _____

Date _____

Active in the Water Supply Bank? Yes ☐ No ☐

W-9 received? Yes ☐ No ☐

Name on W-9 _____

W-9 forwarded to fiscal? Yes ☐ No ☐

(Do NOT scan the W-9 – confidential information is held by fiscal only)

WARRANTY DEED

THIS INDENTURE WITNESSETH, That **BLF Land, LLC**, an Idaho limited liability company ("Grantor"), CONVEYS and WARRANTS to **Pinnacle Great Plains Operating Company, LLC**, an Arkansas limited liability company ("Grantee"), for the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, certain real estate located in Jefferson County, Idaho, as more specifically described on Exhibit A, attached hereto and incorporated herein.

This conveyance is subject to those matters more specifically described on Exhibit B, attached hereto and incorporated herein.

The undersigned person executing this Deed on behalf of Grantor represents and certifies that he has been duly authorized by all necessary actions of Grantor to execute and deliver this Deed on behalf of Grantor.

IN WITNESS WHEREOF, Grantor has caused this Deed to be executed this 22nd day of June, 2017.

BLF LAND, LLC,
an Idaho limited liability company

By: Blaine Larsen
Blaine Larsen, Manager

STATE OF Idaho)
) SS:
COUNTY OF Jefferson)

Before me, a Notary Public in and for said County and State, personally appeared Blaine Larsen, the Manager of BLF Land, LLC, an Idaho limited liability company, who acknowledged the execution of the foregoing Deed on behalf of such limited liability company.

WITNESS my hand and Notarial Seal this 22nd day of June, 2017.

My Commission Expires:

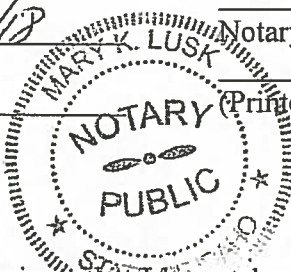
1/17/18

My County of Residence:

Madison

Mary K. Lusk
Notary Public

Mary K. Lusk
(Printed Signature)



I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. Adam J. Kline

This instrument prepared by Adam J. Kline, Attorney at Law, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204, (317) 684-5319.

Send tax statements to and after recording return Deed to Grantee's address at:

Pinnacle Great Plains Operating Company, LLC
10333 N. Meridian Street, Ste. 425
Indianapolis, Indiana 46290

3217337_3

EXHIBIT A
Legal Description

Parcel I:

Township 7 North, Range 37 E.B.M., Jefferson County Idaho:

Section 3: W1/2, EXCEPTING THEREFROM: The South 30 feet of the SW1/4; NW1/4SE1/4

As modernized by the following metes and bounds legal description, prepared by that ALTA/ACSM Survey prepared by Harper Leavitt Engineering, dated April 26, 2017, as Job No. 2017-525:

Part of the SW1/4 and part of the S1/2NW1/4 of Section 3, T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Commencing at the Southwest corner of said Section 3; Thence N 00°37'38" W 30.00 feet along the West line of Said Section 3 to the Point of Beginning; Thence N 00°37'38" W 2609.73 feet along said West section line to the W1/4 corner of said Section 3; Thence N 89°05'50" E 1039.47 feet along the East-West center section line to a point of curve; Thence northeasterly 650.49 feet along said curve to the right, (Curve Data R = 1323.42 feet, D = 28°09'43") Chord Bears N 89°05'42" E 643.96 feet to said center section line; Thence N 89°05'50" E 971.93 feet along said center section line to the center of said Section 3; Thence S 00°27'23" E 972.42 feet along the North-South center section line to a point of curve; Thence southerly 649.13 feet along said curve to the right, (Curve Data R = 1323.42 feet, D = 28°06'11") Chord Bears S 00°27'23" E 642.64 feet to said center section line; Thence S 00°27'23" E 995.17 feet along said center section line; Thence S 89°06'23" W 2647.59 feet to the Point of Beginning.

Parcel contains 159.65 acres, more or less and is subject to a county road right of way along the Westerly side.

Parcel II:

Township 7 North, Range 37 E.B.M., Jefferson County Idaho:

Section 8: SE1/4

As modernized by the following metes and bounds legal description, prepared by that ALTA/ACSM Survey prepared by Harper Leavitt Engineering, dated April 26, 2017, as Job No. 2017-525:

The SE1/4 of Section 8, T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Beginning at the SE corner of said Section 8; Thence S 89°11'27" W 2643.58 feet along the South line of said Section 8 to the South 1/4 corner of said Section 8; Thence N 00°43'06" W 2639.84 feet along the North-South center section line to the Center of said Section 8; Thence N 89°11'22" E 2642.57 feet along the East-West center section line to the East 1/4 corner of said Section 8; Thence S 00°44'25" E 2639.90 feet along the East line of said Section 8 to the Point of Beginning.

Parcel contains 160.18 acres, more or less, and is subject to all easements and rights of way of record.

Parcel III:

[Intentionally deleted]

Parcel IV:

Township 7 North, Range 37 E.B.M., Jefferson County, Idaho:

Section 9: W1/2SW1/4.

EXCEPTING THEREFROM: Commencing at a point 500.82 feet south of the Northeast corner of the NW1/4SW1/4 of Section 9, Township 7 North, Range 37 East of the Boise Meridian, Jefferson County, Idaho, and running thence North 500.82 feet to said Northeast corner; thence running West 800 feet; thence in a southeasterly direction 986 feet, more or less, to the Point of Beginning.

Section 9: W1/2SE1/4; NE1/4SW1/4; N1/2.

EXCEPTING THEREFROM: The North 30 feet of the NE1/4.

ALSO: Commencing at a point 500.82 feet S. of the NE corner of the NW1/4SW1/4 of Section 9, Township 7 North, Range 37 E.B.M., Jefferson County, Idaho, and running thence N. 500.82 feet to said NE corner; thence running W. 800 feet; thence in a southeasterly direction 986 feet, more or less, to the Point of Beginning.

As modernized by the following metes and bounds legal description, prepared by that ALTA/ACSM Survey prepared by Harper Leavitt Engineering, dated April 26, 2017, as Job No. 2017-525:

Part of the N1/2, the W1/2SW1/4, the SE1/4SW1/4, the N1/2NE1/4SW1/4, and the N1/2NW1/4SE1/4 of Section 9 T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Beginning at the Southwest corner of said Section 9; Thence N 00°44'25" W 4057.42 feet along the West line of said Section 9 to a fence line extended; Thence N 28°15'03" E 530.00 feet along said fence line to a point of curve; Thence northeasterly 724.01 feet along said curve to the right, (Curve Data R = 1398.56 feet, D = 29°39'40") Chord Bears N 53°05'46" E 715.95 feet to a fence line; Thence N 00°23'06" W 330.99 feet along said fence line to the North line of said Section 9; Thence N 89°37'30" E 4446.85 feet along said north line to the NE corner of said Section 9; Thence S 00°51'22" E 2634.91 feet along the East line of said Section 9 to the E1/4 corner of said Section 9; Thence S 89°34'13" W 1321.82 feet along the East-West center section line to the NE corner of the NW1/4SE1/4 of said Section 9; Thence S 00°50'13" E 661.09 feet along the East line of said NW1/4SE1/4; Thence S 89°13'15" W 2645.17 feet; Thence S 00°46'45" E 1961.31 feet to the SE corner of the SW1/4SW1/4 of said Section 9; Thence S 89°30'38" W 1324.50 feet along the South line of said Section 9 to the Point of Beginning.

Parcel contains 428.34 acres, more or less, and is subject to all easements and rights of way of record.

RESERVING UNTO GRANTOR THE FOLLOWING EASEMENT:

An easement for ingress and egress 20 feet in width lying 10 feet on both sides of the following described line:

Commencing at the Northwest corner of said Section 9; Thence S 00°44'35" E 1024.21 feet along the section line; Thence S 90°00'00" E 10.00 feet to the approximate centerline of an existing road and the Point of Beginning; Thence along said road centerline the following Thirteen (13) courses; 1) Thence S 00°44'25" W 1381.95 feet; 2) Thence N 89°15'55" E 110.41 feet; 3) Thence S 84°58'45" E 89.29 feet; 4) Thence S 68°42'13" E 141.00 feet; 5) Thence S 62°47'26" E 331.39 feet; 6) Thence S 60°01'16" E 365.57 feet; 7) Thence S 74°36'51" E 43.94 feet; 8) Thence S 50°10'53" E 86.22 feet; 9) Thence S 58°25'42" E 191.10 feet; 10) Thence S 62°30'03" E 218.99 feet; 11) Thence S 70°04'47" E 80.02 feet; 12) Thence S 81°07'45" E 80.75 feet; 13) Thence S 00°46'45" E 18.17 feet to the Point of Terminus.

The sidelines of this easement shall be prolonged or shortened to conform to said centerline.

Parcel V:

Township 7 North, Range 37 E.B.M., Jefferson County, Idaho:

SECTION 10: W $\frac{1}{2}$, SE $\frac{1}{4}$ and S $\frac{1}{2}$ NE $\frac{1}{4}$ EXCEPTING THEREFROM: The North 30 feet of the NW $\frac{1}{4}$

As modernized by the following metes and bounds legal description, prepared by that ALTA/ACSM Survey prepared by Harper Leavitt Engineering, dated April 26, 2017, as Job No. 2017-525:

The SE $\frac{1}{4}$, and the S $\frac{1}{2}$ NE $\frac{1}{4}$, and part of the W $\frac{1}{2}$ of Section 10, T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Beginning at the Southwest corner of said Section 10; Thence N 00°51'22" W 4750.20 feet along the West line of said Section 10 to a fence line; Thence N 75°17'54" E 308.41 feet along said fence line to a point of curve; Thence northeasterly 853.75 feet along said curve to the right, (Curve Data R = 1381.72 feet, D = 35°24'09") Chord Bears N 59°24'45" E 840.24 feet; Thence N 89°06'23" E 1618.28 feet to the North-South center section line; Thence S 00°48'59" E 980.94 feet along said center section line to a point of curve; Thence southeasterly 312.48 feet along said curve to the right, (Curve Data R = 1380.94 feet, D = 12°57'54") Chord Bears S 09°58'59" E 311.82 feet; Thence N 89°08'07" E 2596.92 feet to the East line of said Section 10; Thence S 00°46'37" E 3960.60 feet along said East line to the SE corner of said Section 10; Thence S 89°13'29" W 5287.72 feet along the south line of said Section 10 to the Point of Beginning.

Parcel contains 553.53 acres, more or less, and is subject to all easements and rights of way of record.

Parcel VI:

Township 7 North, Range 37 E.B.M., Jefferson County, Idaho:

SECTION 17: NE $\frac{1}{4}$; NW $\frac{1}{4}$

EXCEPTING THEREFROM: The South 680 feet of the NW $\frac{1}{4}$ and the South 1,135 feet of the NE $\frac{1}{4}$

As modernized by the following metes and bounds legal description, prepared by that ALTA/ACSM Survey prepared by Harper Leavitt Engineering, dated April 26, 2017, as Job No. 2017-525:

Part of the N1/2, of Section 17 T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Beginning at the Northeast corner of said Section 17; Thence S 00°57'14" E 1505.05 feet along the East line of said Section 17; Thence S 89°11'24" W 2644.75 feet; Thence S 00°54'34" E 455.00 feet; Thence S 89°11'23" W 2638.77 feet to the West line of said Section 17; Thence N 01°03'00" W 1960.14 feet along said West line to the North line of said Section 17; Thence N 89°11'27" E 5287.16 feet along said North line to the Point of Beginning.

Parcel contains 210.21 acres, more or less, and is subject to all easements and rights of way of record.

Parcel VII:

Township 7 North, Range 37 E.B.M., Jefferson County, Idaho:

SECTION 18: NE1/4NE1/4

ALSO: Part of the SE1/4NE1/4 of Section 18 T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Commencing at the Northeast corner of said Section 18; Thence S 01°03'00" E 1320.06 feet along the East line of said Section 18 to the NE corner of said SE1/4NE1/4 and the Point of Beginning; Thence S 01°03'00" E 748.91 feet along said East line; Thence N 46°35'32" W 1076.81 feet to the North line of said SE1/4NE1/4; Thence N 89°20'37" E 768.61 feet along said North line to the Point of Beginning.

EXCEPTING: Part of the NE1/4NE1/4 of Section 18 T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Commencing at the Northeast corner of said Section 18; Thence S 89°14'56" W 1318.31 feet along the North line of said Section 18 to the NW corner of said NE1/4NE1/4 and the Point of Beginning; Thence S 23°38'00" E 1431.43 feet to the South line of said NE1/4NE1/4; Thence S 89°20'37" W 551.50 feet along said South line to the SW corner of said NE1/4NE1/4; Thence N 00°58'21" W 1317.88 feet along the West line of said NE1/4NE1/4 to the Point of Beginning.

As modernized by the following metes and bounds legal description, prepared by that ALTA/ACSM Survey prepared by Harper Leavitt Engineering, dated April 26, 2017, as Job No. 2017-525:

Part of the NE1/4NE1/4 of Section 18 T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Commencing at the Northeast corner of said Section 18; Thence S 01°03'00" E 123.38 feet along the East line of said Section 18 to the Point of Beginning; Thence S 01°03'00" E 1945.59 feet along said east line; Thence N 46°35'32" W 1076.81 feet; Thence N 23°38'00" W 1431.43 feet to the North line of said Section 18; Thence N 89°14'56" E 26.44 feet along said North line; Thence S 35°38'46" E 313.17 feet; Thence N 82°24'44" E 1121.33 feet to the Point of Beginning.

Parcel contains 32.83 acres, more or less, and is subject to all easements and rights of way of record.

Water Rights:

The Real Estate described above shall be conveyed TOGETHER WITH all water rights appurtenant to the Real Estate or which become appurtenant to the Real Estate prior to Closing, specifically Idaho water right numbers 31-7030A; 31-12206; 31-2444; 31-7047A; 31-2443; 31-7048; and 31-2445.

**AMENDED AND RESTATED
OPERATING AGREEMENT
OF
PINNACLE GREAT PLAINS OPERATING COMPANY, LLC**

WHEREAS, on May 25, 2011, Heartsill Ragon III, as incorporator, formed a limited liability company pursuant to and under the provisions of the Arkansas Small Business Entity Tax Pass Through Act, as amended (the "Act"), by having the Articles of Organization of PINNACLE GREAT PLAINS OPERATING COMPANY, LLC (the "Company") filed with the Secretary of State of Arkansas; and

WHEREAS, PINNACLE MOUNTAIN HOLDING COMPANY, LLC, the sole member of the Company (the "Member"), deems it important and in the best interest of the Company that certain rules regarding the management and operations of the Company be set forth;

NOW, THEREFORE, the Member hereby agrees as follows:

**ARTICLE I - OPERATING AGREEMENT ADOPTION:
PRIORITY OF AUTHORITIES; PURPOSE**

Section 1.1. Operating Agreement Adoption. The Member agrees that this Operating Agreement is hereby adopted by the Company to govern the internal business and affairs of the Company, and that all actions taken by the Organizer of the Company are hereby ratified, adopted, and approved.

Section 1.2. Priority of Authorities. The terms and provisions of this Operating Agreement shall be controlling except to the extent the terms and provisions hereof are in direct conflict with the Articles of Organization of the Company, as now in existence and as amended from time to time (the "Articles"), or the Act, in which event the provisions of the latter document or law shall be controlling.

Section 1.3 Purpose of Company. The Company has been formed for the purpose of (a) holding, either directly or indirectly, ownership of farmland investment properties and related assets, (b) holding, either directly or indirectly, ownership in other business entities that might own farmland investment properties and related assets, (c) holding ownership in other assets that the Member might designate from time to time, and/or (d) otherwise being involved in any business or other activities that are not prohibited by law.

ARTICLE II - OFFICES; RESIDENT AGENT

Section 2.1. Offices. The Company's location and the address of the company's registered office in the State of Arkansas shall be set forth in the Articles, until changed as provided by the Act. The Company shall continuously maintain a registered office in the State of Arkansas. The Company may also have such other offices and places of business, within or without the State of Arkansas, as the Member may determine from time to time or as the business of the Company may require.

Section 2.2. Resident Agent. The name and address of the Company's registered agent in the State of Arkansas shall be as set forth in the Articles until changed as provided by the Act.

ARTICLE III - MANAGER

Section 3.1 Manager.

(a) The management of the Company's business shall be vested exclusively in a Manager elected by the Member. The Member does hereby, as evidenced by its signature below, unanimously elect US AGRICULTURE, LLC as the Company's Manager. To the extent allowed hereunder, the Manager shall have the authority to sign agreements and other instruments on behalf of the Company without the joinder of Member or any other persons. It is acknowledged and understood that pursuant to the provisions of a certain Sub-Adviser Agreement dated as of April 1, 2016 Halderman Real Asset Management, LLC, the Company's previous manager, appointed and delegated to US Agriculture, LLC certain of its duties and obligations under certain farmland management and agricultural investment advisory agreements identified therein.

(b) The Manager shall perform his duties as a manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(c) The Manager is an agent of the Company for the purpose of its business, and the act of the Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Articles or this Operating Agreement, or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

Section 3.2 Powers of the Manager. The Manager shall have the right and authority to take all actions that the Manager deems necessary, useful, or appropriate for the day-to-day management and conduct of the Company's business. In furtherance thereof, it is agreed that the Manager, on behalf of the Company, shall have the unilateral power and authority to acquire and dispose of real and personal property, enter into tenant farmer leases and enter into construction contracts absent the consent or approval by the Member.

The Manager may exercise all powers of the Company and do all such lawful acts and things as are not by statute, the Act, the Articles, or this Operating Agreement, directed or required to be exercised or done by the Member. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition or property of the Company shall be valid and binding on the Company if executed by the Manager. All instruments,

contracts, agreements, and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by the Manager.

It is recognized and understood that the Manager is serving the Company pursuant to the terms and conditions of a certain Farmland Management Agreement dated as of March 31, 2011 along with all amendments thereto that have been entered into by and between the Manager and the Member (collectively, the "Management Agreement") and that, pursuant to the provisions of the Management Agreement, extensive unilateral power has been granted to the Manager to implement the business plan of the Company as outlined therein.

Section 3.3 Salaries. The Company shall pay to the Manager that salary and other compensation that is specified in the Management Agreement.

Section 3.4 Resignation of Manager. The Manager may resign from his position as a manager at any time by notice to the Member. Such resignation shall become effective as set forth in such notice.

Section 3.5 Termination of Manager. The Manager shall serve as the manager and chief executive officer of the Company so long as the Management Agreement remains in full force and effect. Upon the termination of the Management Agreement, either for cause or otherwise, then the Manager's service, duties and obligation hereunder shall contemporaneously cease and terminate.

ARTICLE IV - MEETINGS OF THE MEMBER

Section 4.1. Place. Meetings of the Member may be held anywhere, either within or without the State of Arkansas, as may be determined from time to time by the Member.

Section 4.2. Meetings. Meetings of the Member for any purpose or purposes may be called by any Member. Such request shall state the purpose or purposes of the meeting.

Section 4.3. Notice. Not less than five (5) nor more than thirty (30) days before any meeting of the Member, written or printed notice stating the time and place thereof and, if a meeting, the purpose or purposes of which such meeting is called, shall be served upon or mailed to each Member entitled to vote thereat, at the address of such Member as provided in this Operating Agreement.

Section 4.4. Proxies. At any meeting of the Member, a Member may vote by proxy entered in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be presented at the time of the meeting. Unless otherwise provided therein, a proxy shall not be valid more than three (3) months after the date of its execution.

Section 4.5. Waiver of Notice. Whenever written notice is required to be given to Member, a written waiver thereof signed by any Member entitled to such notice (whether, in the case of notice of a meeting, the written waiver thereof is signed before or after the meeting) shall

be in all respects tantamount to notice. A Member's attendance in person at any meeting of the Member shall for all purposes constitute waiver of notice thereof unless the Member attends the meeting for the sole purpose of objecting to the transaction of any business thereat because the meeting is not lawfully called or convened and unless such Member so objects at the beginning of the meeting and does not otherwise participate therein.

Section 4.6. Consent of Members in Lieu of Meeting. Any action required to or which may be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members.

Section 4.7. Participation by Means of Communication Equipment. Any Member may participate in any meeting of the Member by means of conference telephone or similar communications equipment that enables all persons participating in the meeting to hear and speak to each other. Such participation shall constitute presence in person at such meeting.

ARTICLE V - CAPITAL AND CAPITAL ACCOUNTS

Section 5.1. Capital Contributions. Member shall contribute to the capital of the Company an amount in cash equal to \$100.

Section 5.2. Additional Capital Contributions. Member shall not be obligated to contribute additional funds to the Company unless agreed to by Member.

Section 5.3. Interests in the Company. Member's "interest" in the Company shall be 100%, and Member shall be deemed the sole and exclusive owner and holder of all of the equity ownership interest in and to the Company. Notwithstanding the foregoing, it is acknowledged that Manager possesses certain profit participation rights that are more fully set forth and identified in the Management Agreement.

Section 5.4. Capital Accounts. Capital accounts shall be established and maintained for each Member in accordance with tax accounting principles and, to the extent they provide otherwise, with valid regulations issued by the U.S. Treasury Department under Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code").

ARTICLE VI - COMPANY PROFIT AND LOSS

Section 6.1. Division. All income, gain, deductions, credits and losses of the Company shall be charged or credited wholly to the capital account of the Member in accordance with its respective interest.

Section 6.2. Incentive Compensation. Notwithstanding the foregoing, it is agreed and understood that the Manager is entitled to receive in addition to that regular compensation payable that incentive compensation that is specified in the Management Agreement.

ARTICLE VII - MANAGEMENT REPORTS AND DISTRIBUTIONS

Section 7.1. Reports. The Manager shall provide the Company and the Member with those financial and operational reports that are required under and pursuant to the Management Agreement.

Section 7.2. Distributions to Member. Member shall be entitled to those profit, loss and cash flow distributions that are contemplated in the Management Agreement, as adjusted so as to reflect that incentive compensation that is payable to Manager as specified in the Management Agreement.

ARTICLE VIII - BOOKS AND RECORDS

Section 8.1. Books and Records. The books and records of the Company shall be kept at the Member's office, or at such other places, within or without the State of Arkansas, as the Member shall from time to time determine. The following shall be kept at the Company's registered office: (1) a current and a past list, setting forth the full name and last known mailing address of each member and manager, if any, set forth in alphabetical order; (2) a copy of the Articles and all articles of amendment thereto, together with executed copies of any powers of attorney pursuant to which any Articles have been executed; (3) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years, or if such returns and reports were not prepared for any reason, copies of the information and records provided to, or which should have been provided to, the Member to enable it to prepare its federal, state, and local tax returns for such period; (4) copies of any effective written operating agreements, and all amendments thereto, and copies of any written operating agreements no longer in effect; (5) copies of any financial statements of the Company for the three (3) most recent years; (6) unless contained in the Operating Agreement, (a) the amount of cash and a statement of the agreed values of other property or services contributed by each member and the times at which or events upon the happening of which any additional contributions agreed to be made by each member are to be made, (b) information that would enable a member to determine the relative voting rights of Member on a particular matter if such voting rights are other than on a per capita basis, and (c) any events upon the happening of which the Company is to be dissolved and its affairs would up; (7) copies of any written promise by a member to make a contribution to the Company, (8) copies of any written consents by Member to the admission of any person as a member of the Company, (9) copies of any written consents by the members to continue the Company upon an event of withdrawal of any member; (10) copies of any other instruments or documents reflecting matters required to be in writing pursuant to the Operating Agreement.

Section 8.2. Right of Inspection. Any Member of record shall have the right to examine, at any reasonable time or times for all purposes, the books and records of account, minutes and records of the Company and to make copies thereof at such Member's expense. Such inspection may be made by any agent or attorney of the Member. Manager agrees that Member of Member's designated agent may review any and all records related to the Company that Manager may possess at any time in accordance with the provisions of the Management Agreement.

ARTICLE IX - TRANSFERS OF INTERESTS; ADDITIONAL MEMBERS

Section 9.1. Transfers. A Member may assign or transfer its interest in the Company; however, an assignee or transferee shall not become a Member unless all of the remaining Members consent in writing to the assignment or transfer and the assignee or transferee complies with Section 9.4 below. Absent such consent, an assignee or transferee is entitled to receive only the share of income, gain deductions, credits and losses and the return of contributions to which the assigning or transferring Member would otherwise be entitled.

Section 9.2. Additional Members. Additional Members may be admitted to the Company only upon the written consent of Members owning at least a majority of the interests in the Company and upon compliance with Section 9.4 below.

Section 9.3. Limitations. Assignments and transfers of interests in the Company shall be subject to, and the assignee or transferee shall acquire the assigned or transferred Company interest subject to, all of the terms and provisions of this Operating Agreement. An assignment or transfer of an interest in the Company shall not relieve the assigning or transferring Member from its duties and obligations to the Company unless all of the other Members agree in writing to release such Member.

Section 9.4. Membership of Assignee, Transferee or Additional Member. No assignee, transferee or additional Member shall become a Member until such assignee, transferee or additional Member shall have:

- (a) become a party to, and adopted all of the terms and conditions of, this Operating Agreement;
- (b) if such assignee, transferee or additional Member is a corporation, partnership (general or limited), trust or limited liability company, provided all the other members with evidence satisfactory to counsel for the Company of such assignee's, transferee's or additional Member's authority to become a Member under the terms and provisions of this Operating Agreement; and
- (c) paid or agreed to pay the costs and expenses incurred by the Company in connection with such assignee's, transferee's or additional Member's becoming a Member;

provided however, that for the purpose of allocating Company income, gain, deductions, credits or losses, an assignee, transferee or additional Member shall be treated as having become, and as appearing in the records of the Company as a Member on such date as the assignment or transfer was consented to pursuant to Section 9.1 hereof or on such date as the admittance of the additional Member was consented to pursuant to Section 9.2 hereof.

ARTICLE X - DISSOLUTION OF THE COMPANY

Section 10.1. Dissolution. The Company shall be dissolved when Member determines in writing to dissolve the Company.

Section 10.2. Liquidation. As soon as possible after dissolution of the Company becomes effective, the Member shall wind up the Company's business and affairs. In this regard:

(a) to the extent the Member deems appropriate, all material, equipment, and real and personal property of the Company of any kind or nature shall be sold for cash and the proceeds thereof shall be credited to the Member's capital account or to the account of Manager in accordance with the provisions of the Management Agreement;

(b) the Member shall:

(i) pay all of the Company's debts, liabilities and obligations to its creditors (including Members who may also be creditors);

(ii) pay any amounts owed to the Manager under the Management Agreement; and

(iii) pay all expenses incurred in connection with the dissolution and liquidation of the Company and distribution of its assets as herein provided;

(c) Member shall ascertain the fair market value by appraisal or other reasonable means of all assets of the Company remaining unsold, and Member's capital account shall be charged or credited, as the case may be, as if such property had been sold at such fair market value and the gain or loss realized thereby had been allocated to and among the Member;

(d) on or as soon as practicable after the effective date of the dissolution, all remaining cash and all other assets of the Company not sold pursuant to the preceding subsections of this Section 10.2 shall be distributed first to any former Member who has withdrawn to the extent he has not been paid the fair value of his interest as of the date of his withdrawal, and second to the Member in proportion to and to the extent of the positive balances in Member's capital accounts, provided that the various items distributed to the Member shall be distributed subject to such liens, encumbrances, restrictions, contracts, operating agreements, obligations, commitments or undertakings as existed with respect to such items at the time they were acquired by the Company or were subsequently created or entered into by the Company and which have not been vacated, satisfied or released; and

(e) in lieu of distributing any remaining properties to the Member, the Member may sell all of such properties for cash and, after satisfying the debts, liabilities

and obligations of the Company, distribute such cash to Member in the same proportions set forth in subsection (d) above.

ARTICLE XI - INCOME TAX AND ELECTIONS

Section 11.1. Accounting Method. The accounting method of the Company shall be that which is adopted by Manager under the advice of the Company's accountant, and the Company's books of account shall utilize this method for income tax reporting purposes. The Manager shall cause the Company to elect the calendar year as its taxable year.

Section 11.2. Restriction. No election shall be made by the Company to be excluded from the application of the provisions of Subchapter K of the Code.

Section 11.3. Other Elections. Member shall have the right to make or not to make, in good faith, such other elections as are authorized or permitted by any law or regulation for income tax purposes.

Section 11.4. Tax Matters Partner. The Manager shall be the "Tax Matters Partner," as such term is defined in the Code, for the Company.

ARTICLE XII **INDEMNIFICATION OF MEMBER,** **EMPLOYEES AND AGENTS**

Section 12.1. Actions by Third Persons. To the extent and in the manner permitted by the laws of the State of Arkansas, the Company shall indemnify any 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 such person is or was a Member, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against expenses (including but not limited to attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 12.2. Actions by the Company. To the extent and in the manner permitted by the laws of the State of Arkansas, the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in

the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a Member, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against expenses (including but not limited to attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 12.3. Determination. Any indemnification under the provisions of Section 12.1 or 12.2 of this Article, 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 Member, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 12.1 or 12.2 of this Article. Such determination shall be made by the Member, unless it was a party to such action, in which case such determination shall be made by independent legal counsel in a written opinion.

Section 12.4. Expense Advances. Expenses incurred by a Member in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such officer or Member to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized by the provisions of this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as Member deems appropriate.

Section 12.5. Insurance. The Company may, to the full extent permitted by the laws of the State of Arkansas, but only to such extent as may be determined by the Member, purchase and maintain insurance on behalf of any person who is or was a Member, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture trust or other enterprise against any liability asserted against and incurred by him in any such capacity or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article.

Section 12.6. Continuation of Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be a Member, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XIII - AMENDMENTS

Section 13.1. Amendments. The Member may propose any amendment to this Operating Agreement, provided, that no such amendment shall be deemed applicable unless acknowledged by the Manager (to the extent that the Manager is still employed by the Company pursuant to the Management Agreement), which acknowledgement shall not be unreasonably withheld.

ARTICLE XIV - GENERAL PROVISIONS

Section 14.1. Entire Agreement. This Operating Agreement and the Articles embody the entire understanding and agreement among the Member concerning the Company, and supersede all prior negotiations, understandings or agreements in regard thereto.

Section 14.2. Counterparts. This Operating Agreement may be executed in multiple counterpart copies, each of which shall be considered an original and all of which constitute one and the same instrument.

Section 14.3. Choice of Law. This Operating Agreement shall be construed and interpreted according to the laws of the State of Arkansas.

Section 14.4. Binding Effect. This Operating Agreement and all of the terms and provisions hereof shall be binding upon and shall inure to the benefit of the Member and its respective heirs, executors, administrators, trustees, successors and assigns.

Section 14.5. Gender and Number. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.

Section 14.6. Members: Operating Agreement. As used herein, the term "Member" or "Members" shall include all assignees and transferees of interests who are admitted as Members or persons who become Members under the provisions of Article IX hereof. As used herein, the term "Operating Agreement" shall include this Operating Agreement as it may be amended from time to time.

Section 14.7. Headings. All headings and other titles and captions used in this Operating Agreement are for convenience only and shall not be considered in construing or interpreting any provision of this Operating Agreement.

(Signature Page Follows)

Unanimously adopted by PINNACLE MOUNTAIN HOLDING COMPANY, LLC, as the sole Member of the Company, as of this 27 day of April, 2017, it being acknowledged that this instrument shall amend, restate and replace in its entirety the Company's operating agreement dated as of May 25, 2011.

"Sole Member"

Pinnacle Mountain Holding Company, LLC

By: US Agriculture, LLC

Its: Sole Manager

By: 

F. Howard Halderman
Executive Chair

"Manager"

US AGRICULTURE, LLC

By: 

F. Howard Halderman
Executive Chair

[Signature page to Amended and Restated Operating Agreement of
Pinnacle Great Plains Operating Company, LLC]

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

2/9/2017

WATER RIGHT NO. 31-2443

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	BLF LAND LLC PO BOX 188 HAMER, ID 83425-0188 208-662-5501
Security Interest	AXA EQUITABLE LIFE INSURANCE CO C/O AXA EQUITABLE AGRIFINANCE LLC 4333 EDGEWOOD RD NE CEDAR RAPIDS, IA 52499-5223 (319)355-8650

Priority Date: 03/14/1966

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	5/01	9/30	7 CFS	1225 AFA
Total Diversion			7 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NWSW	Sec. 10	Township 07N	Range 37E	JEFFERSON County
GROUND WATER	SWNWSE	Sec. 10	Township 07N	Range 37E	JEFFERSON County

81803

Place(s) of use:

Place of Use Legal Description: IRRIGATION JEFFERSON County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
07N	37E	10		SWNE 27			SENE 29							
				SENE 5										
				NESW 38			NWSW 31			SWSW 20			SESW 40	
				NESE 40			NWSE 40			SWSE 40			SESE 40	

Total Acres: 350

Conditions of Approval:

1. C18 THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. C05 RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.
3. THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS APRIL 1 AND MAY CONTINUE TO AS LATE AS OCTOBER 31, PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE [MAY 1] AND AFTER [SEPT 30] UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY OR LATE IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.

Dates:

Licensed Date:

Decreed Date: 02/22/2002

Permit Proof Due Date:

Permit Proof Made Date:

Permit Approved Date:

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

81803

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 110

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

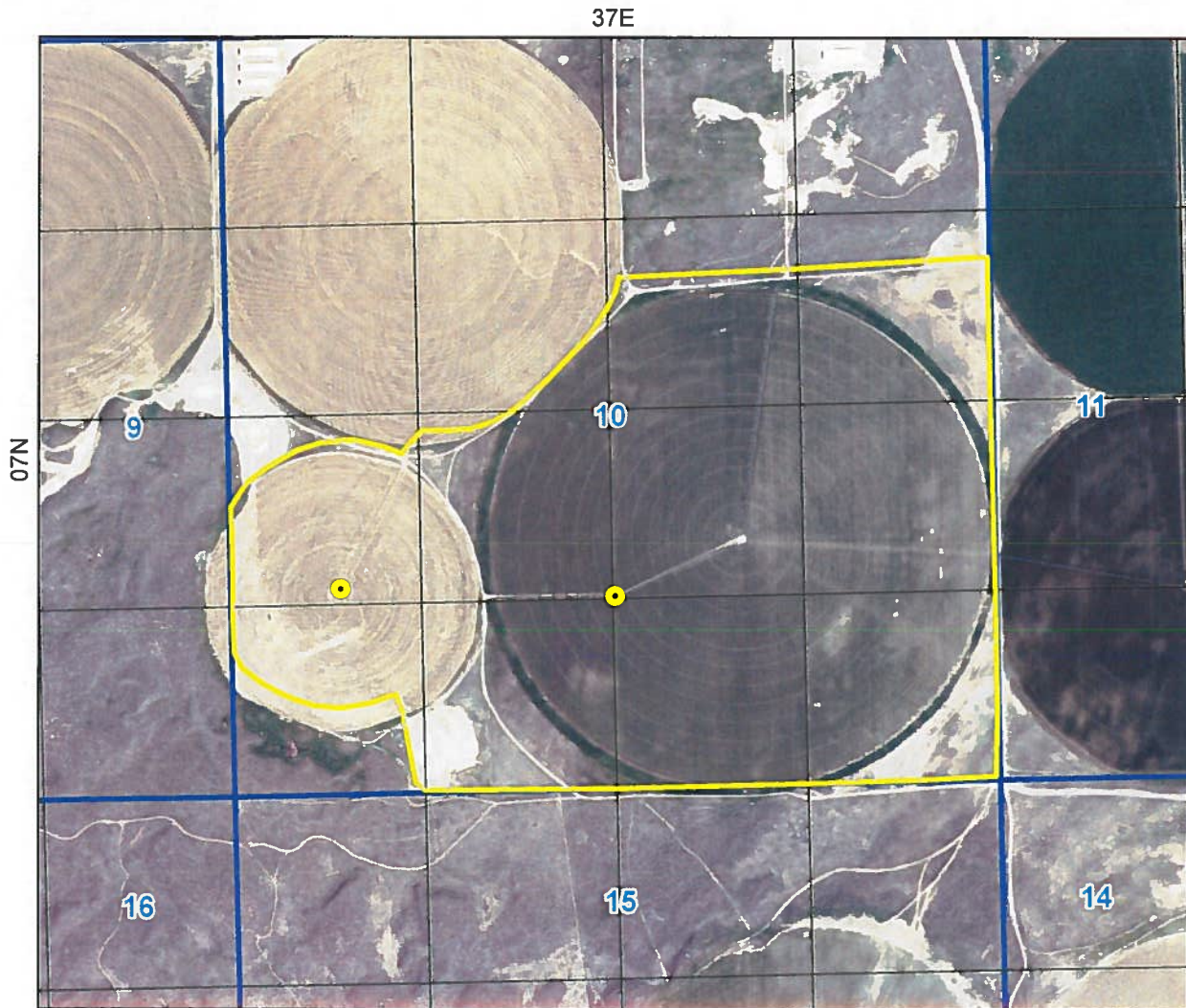
81803

State of Idaho
Department of Water Resources

Water Right
31-2443

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

0 0.15 0.3 0.6 Miles

81803



Department of Water Resources
Eastern Region

 New POD
 Current POD

 TR Lines

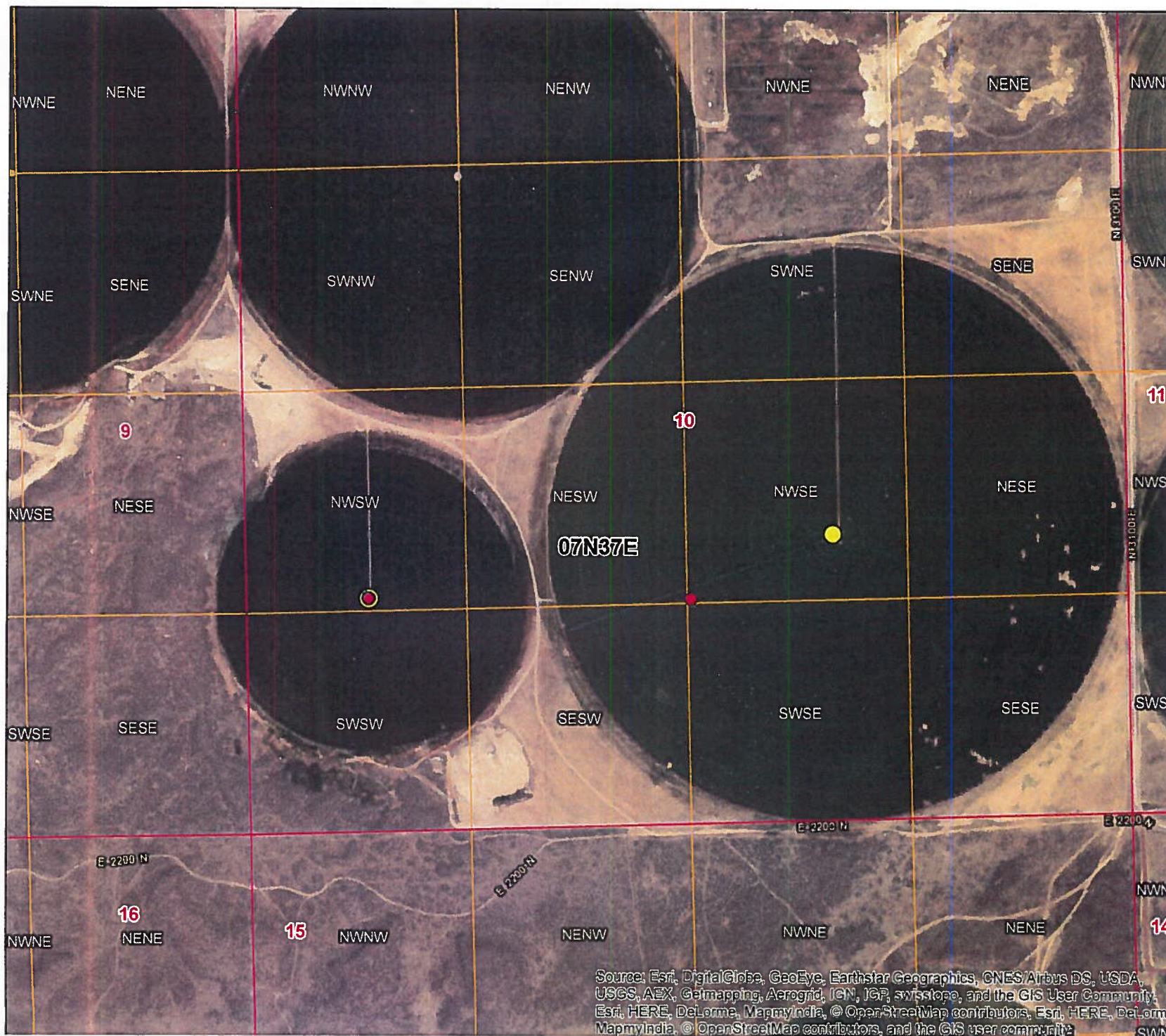
 Section Lines

☐ Quarter Quarters

AMENDED

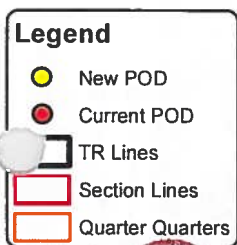


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Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community.

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SUPERCEDED



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