

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. _____

MINIMUM REQUIREMENTS CHECKLIST
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

RECEIVED
SEP 12 2016

An application for transfer must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Incomplete applications will be returned. The instructions, fee schedule, Part 2A reports and additional Part 2B forms are available from any Department office or on the Department's website at www.idwr.idaho.gov.

Name of Applicant(s) Foster Land and Cattle

Check whether each item below is *attached* (Yes) or *not applicable* (N/A) for the proposed transfer.

Yes N/A * Means the item is always required and must be included with the application.

- ☒ * Completed Application for Transfer of Water Right form, Part 1.
- ☒ * Signature of applicant(s) or applicant's authorized representative on Application for Transfer Part 1. Include evidence of authority labeled Attachment #3 (see below) if signed by representative.
- ☒ * Application for Transfer Part 2A. Attach a Part 2A report describing each water right in the transfer as currently recorded.
- ☒ Complete and attach an Application for Transfer Part 2B for each water right for which only a portion is proposed to be changed through this transfer application.
- ☒ * Application for Transfer Part 3A is always required (see Attachment #7a below); Parts 3B and 3C must be completed for transfer applications proposing to change the nature of use of the water right(s) or proposing changes to supplemental right(s).
- ☒ * Correct fee submitted with transfer application form. (Fee schedule is on website and instructions for application for transfer.)

Attachments to Application - Label each attachment with the corresponding number shown below as Attachment #1-10.

- ☐ ☒ #1 If the applicant is a business, partnership, organization, or association, and not currently registered in the State of Idaho as a business entity, attach documentation identifying officers authorized to sign or act on behalf of right holder. (See Part 1.)
- ☐ ☒ #2a Water Right ownership documentation if Dept. records do not show the applicant as the current water right owner. **
- ☐ ☒ #2b If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s).**
** Additional fee(s) required for water right ownership changes; see fee schedule.
- ☐ ☒ #3 Documentation of authority to make the change if the applicant is not the water right owner.
- ☐ ☒ #4 Power of Attorney or documentation providing authority to sign or act on the applicant's behalf. (See Part 1.)
- ☐ ☒ #5 If the transfer application proposes to change the point of diversion for a water right affecting the Eastern Snake Plain Aquifer (ESPA), attach the results of an ESPA analysis and a detailed mitigation plan to offset any depletions to hydraulically connected reaches of the Snake River. ESPA transfer spreadsheet and model grid labeled cells are available on the Department's website at www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.
- ☒ ☐ #6 Notarized statement of agreement or a statement on official letterhead signed by an authorized representative from each lien holder or other entity with financial interest in the water right(s) or land affected by the proposed transfer. (See Part 1.5.c.)
- ☒ * #7a Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described on the application. Include legal description labels. If only a portion of the right is proposed to be changed, identify the current location of the part of the existing right(s) proposed to be changed. (See Part 3A.)
- ☒ ☐ #7b If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. If some or all of any right is leased to the Water Supply Bank, you must also show the the specific location and/or acres to be idled at the new, proposed place of use to satisfy lease requirements.
- ☐ ☒ #8a If the transfer application proposes to change the nature of use or period of use for one or more rights, provide documentation describing the extent of historic beneficial use for the water rights proposed to be transferred and document how enlargement will be avoided. (See Part 3B.) Additional fee required for proposed changes to nature of use; see fee schedule.
- ☐ ☒ #8b If the transfer application proposes to change the place of use of a supplemental irrigation right, provide documentation regarding the historic use of the supplemental right(s) and availability or reliability of the primary right(s) being supplemented, both before and after the proposed change. (See Part 3C.)
- ☐ ☒ #9 Water Supply Bank information for all rights proposed for transfer and currently leased to the Bank. (Attachment WSB)
- ☒ ☐ #10 Other. Please describe: Century Holdings, LLC consent to transfer; Mann Easement for POD and pipeline.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**

RECEIVED

SEP 12 2016

Department of Water Resources
Eastern Region

Name of Applicant(s) Foster Land and Cattle Phone _____

Mailing address PO Box 40, Ririe, ID 83443 Email _____

- ☐ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☐ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☐ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☐ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☐ No Representative

Name of Representative Luke H. Marchant Phone (208) 523-0620

Mailing address PO Box 50130, Idaho Falls, ID 83405 Email lmarchant@holdenlegal.com

- ☐ Send all correspondence for this application to the representative and not to the applicant.
OR
- ☒ Send original correspondence to the applicant and copies to the representative.
- ☐ The representative may submit information for the applicant but is not authorized to sign for the applicant.
OR
- ☒ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). 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.


Signature of Applicant or Authorized Representative

Luke H. Marchant, Attorney
Print Name and Title if applicable

09/03/2016
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

1. ☒ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
☐ Change nature of use ☐ Change period of use ☐ Other _____

2. Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it **Part 1A.2**.

The purpose of this transfer is to transfer a portion of Water Right Nos. 25-14335 and 25-14337 to a new place of use with a new point of diversion.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 1 Continued

B. DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT, DESCRIBE PORTIONS TO BE CHANGED AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☐ ☒	25-14335	4.52 cfs	Irrigation	04/15 to 10/31	Brockman Creek/Outlet Creek
☐ ☒	25-14337	1.5 cfs	Irrigation	04/15 to 10/31	Brockman Creek/Outlet Creek
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 6.02 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 6.02 cubic feet per second and/or _____ acre-feet per year.

3. Point(s) of Diversion:

- ☐ No changes to point(s) of diversion are proposed - the following chart is therefore not completed. (Proceed to #4.)
- ☐ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA. Label it Attachment #5.

New ?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #
			SE	NW	17	03N	40E	Bonneville	Willow Creek	

4. Place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

- ☐ No changes to place of use are proposed - the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
02N	40E	4	0.3	31.1			16.4												47.8
		5	8.2	15.9	18.5	10													52.6
03N	40E	33											12.8	31.9	11.9	34.8	33		124.4
		34									3.5	3.7							7.2
Total Acres (for irrigation use)																			232

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued**

5. 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:

A pump station will divert water out of Willow Creek into a pressurized pipeline that will convey the water south to the proposed place of use.

- b. Who owns the property at the point(s) of diversion? Matt Mann

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:
The applicant has an easement for the point of diversion.

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?

If yes, ☒ attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien: The Bank of Commerce, c/o Western AgCredit, FLCA, Real Estate Mortgage

It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.

- d. Are any of the water rights proposed for transfer currently leased to the Water Supply Bank?

If yes, ☐ complete Attachment WSB.

- e. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:

The land will no longer be irrigated.

- f. Describe the use of any other water right(s) for the same purpose or land, or the same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use:

Century Holdings, LLC has submitted an Application for Permit which will also divert water out of Willow Creek from the proposed point of diversion.

- g. 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 leased to the Water Supply Bank,
☐ ☒ currently used in a mitigation plan limiting the use of water under the right, or
☐ ☒ currently enrolled in a Federal set-aside program limiting the use of water under the rights?

If yes, describe:

AMENDED

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 2

A. DESCRIPTION OF RIGHT(S) AS RECORDED

For each water right listed in Part 1B.1 of the application, attach a **Part 2A** report obtained from any Department office or from the Department's website @ www.idwr.idaho.gov, Water Right Transfers, Step 1.

Insert Part 2A reports into the application following Part 1.

B. IF ONLY A PORTION OF THE RIGHT IS PROPOSED TO BE CHANGED, DESCRIBE THE PORTION BEING CHANGED AS IT APPEARS BEFORE THE REQUESTED CHANGES

- ☐ Complete and attach one copy of Part 2B for each right for which only a portion is proposed to be changed. If the entire right is proposed to be changed, Part 2B is not applicable. Additional copies of the Part 2B form can be obtained from any Department office or from the Department's website @ www.idwr.idaho.gov, Water Right Transfers, Step 3, or Water Right Forms, Changes in Use. Insert completed Part 2B forms into the application following Part 2A of the same water right.

Right Number: 25-14335

- [illegible]

2. Lands irrigated or place of use: (If irrigation, identify with number of acres irrigated per $\frac{1}{4}$ $\frac{1}{4}$ tract.)

[illegible]

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

9/3/2016

WATER RIGHT NO. 25-14335

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	FOSTER LAND & CATTLE PO BOX 40 RIRIE, ID 83443
Security Interest	THE BANK OF COMMERCE C/O WESTERN AG CREDIT FLCA 10980 W SOUTH JORDAN GATEWAY PO BOX 95850 SOUTH JORDAN, UT 84095-0850

Priority Date: 10/31/1915

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
BROCKMAN CREEK	OUTLET CREEK

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	7.46 CFS	
STOCKWATER	05/01	11/01	0.12 CFS	
Total Diversion			7.46 CFS	

Location of Point(s) of Diversion:

BROCKMAN CREEK | SESENE | Sec. 28 | Township 02S | Range 42E | BONNEVILLE County

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

8 1 2 3 8

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
02S	42E	20		SWSE	19									
		28		NENW	18		NWNW	21		SWNW	40		SENW	40
				NESW	3.2		NWSW	9.6						
		29		NENE	32		NWNE	33		SWNE	33		SENE	40
				NESE	21		NWSE	11						

Place of Use Legal Description: STOCKWATER same as IRRIGATION

Total Acres: 320.8

Conditions of Approval:

1. X02 Stockwater use is for 600 range cattle.
2. 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.

Dates:

Licensed Date:

Decreed Date: 09/30/2005

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:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 01

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

8 1 2 3 8

8 1 2 3 8

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2B**

IF ONLY A PORTION OF THE RIGHT IS PROPOSED TO BE CHANGED, DESCRIBE THE PORTION BEING CHANGED AS IT APPEARS BEFORE THE REQUESTED CHANGES

☒ Complete and attach one copy of **Part 2B** for each right for which only a portion is proposed to be changed.

Right Number: 25-14337

[illegible]

2. Lands irrigated or place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

[illegible]

Total Acres (for irrigation use)	37.6
---	-------------

8 1 2 3 8

SUPERCEDED

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

9/3/2016

WATER RIGHT NO. 25-14337

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	FOSTER LAND & CATTLE PO BOX 40 RIRIE, ID 83443 (208)538-5172
Original Owner	GERALD E STOLWORTHY & SON INC 453 E 1000 N FIRTH, ID 83736 (208)521-9931
Security Interest	THE BANK OF COMMERCE C/O WESTERN AG CREDIT FLCA 10980 W SOUTH JORDAN GATEWAY PO BOX 95850 SOUTH JORDAN, UT 84095-0850

Priority Date: 10/31/1915

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
BROCKMAN CREEK	GRAYS LAKE OUTLET

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	3.39 CFS	
STOCKWATER	05/01	11/01	0.03 CFS	
Total Diversion			3.39 CFS	

Location of Point(s) of Diversion:

BROCKMAN CREEK|SWSE|Sec. 27|Township 02S|Range 42E|BONNEVILLE County

81238

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
02S	42E	27		SWNW	6.8									
				NESW	9.7		NWSW	7.7						
		28		SWNE	37		SENE	22						
				NESE	1.4									

Place of Use Legal Description: STOCKWATER same as IRRIGATION

Total Acres: 84.6

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. X02 Stockwater use is for 100 range cattle and 1300 sheep.

Dates:

Licensed Date:

Decreed Date: 09/30/2005

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:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

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:

81238

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT PART 3

A. PLAT MAP (See Part 3A of Instructions for application for transfer for complete requirements.)

- ☒ Attach a map of the diversion, measurement, control, and distribution system. Label it **Attachment #7a**.
- ☒ If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. Label it **Attachment #7b**.

If the place of use currently consists of a permissible place of use, then the attachment is not required if the application contains a clear statement that the boundaries for the place of use are not proposed to be changed by the transfer and the total number of irrigated acres within the place of use before and after the transfer is clearly stated.

If any part of the irrigation water right is leased to the Water Supply Bank, you must also specify the location and number of acres that will remain idled for the duration of the lease contract at the new, proposed place of use.

B. CHANGES IN NATURE OF USE (Water Balance)

- ☐ If you propose to change the nature of use or period of use of all or part of the right(s) listed in this application, attach documentation describing the extent of historic beneficial use of the portion of the right(s) proposed to be changed. Also attach documentation showing that the portion of the right(s) to be changed will not be enlarged in rate, volume, or consumptive use through the proposed change. Label it **Attachment #8a**.

C. PLACE OF USE CHANGES TO SUPPLEMENTAL IRRIGATION RIGHTS

- ☐ If you propose to change the place of use of a supplemental irrigation right, answer below and attach supporting documentation. Label it **Attachment #8b**.

Describe how the supplemental water rights have been used historically in conjunction with other water rights at the existing place of use. Describe the time during the irrigation season that the supplemental rights have been used. Include information about the availability or reliability of the primary right(s) being supplemented, both before and after the change. If the applicant is proposing to change a supplemental irrigation right to a primary right, provide the information required on Part 3B above:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments.

Received by *JS* Date 11/11/2018 Preliminary check by Date

Fee paid 980 - Date 9/12/16 Received by SC Receipt # E042447

Add'l fee paid _____ Date _____ Received by _____ Receipt # _____

Check all that apply: Attachment WSB ☐ (copy sent to state office) Lessor Designation form ☐ &/or W-9 ☐ (originals to state office)

Attachment No. 6

Lien Holder Authorization



2195 North Main Street
Logan, Utah 84341
435.752.2146
800.748.5071 Toll Free
435.752.9180 Fax

August 2, 2016

To: Idaho Department of Water Resources

From: The Bank of Commerce, c/o Western AgCredit, FLCA

Re: Transfer of Water Rights in the name of Foster Land and Cattle

The Bank of Commerce, c/o Western AgCredit, FLCA is the holder of a real estate mortgage on property owned by Foster Land and Cattle in Bonneville County, Idaho. The mortgage is evidenced by Instrument No. 1421484 recorded in the records of Bonneville County, Idaho attached hereto as Exhibit A.

I understand that Foster Land and Cattle plans to file a water right transfer application to move a portion of Water Right Nos. 25-14335 and 25-14337 to a new place of use located within Section 4 and Section 5, Township 02N., Range 40E.B.M. and Section 33 and Section 34, Township 03N., Range 40E.B.M. as shown on the map attached hereto as Exhibit B.

The Bank of Commerce, c/o Western AgCredit, FLCA understands that approximately 6.02 CFS from Water Rights 25-14335 & 25-14337 will be transferred with the balance of the right remaining at the current place of use - See attached Exhibit C.

The Bank of Commerce, c/o Western AgCredit, FLCA has no objection to Foster Land and Cattle's application for water right transfer, and I have the authority on behalf of The Bank of Commerce, c/o Western AgCredit, FLCA to consent to the transfer as long as Western AgCredit's security interest in the above stated water rights remain in force through and after the water transfer

Sincerely,

Garn A. Lovell

Western AgCredit

Regional Vice President – Correspondent Lending

EXHIBIT A

RERECORDED TO CORRECT NOTARY
Recording Requested by:

WHEN RECORDED MAIL TO:

The Bank of Commerce
1730 West Broadway
P.O. Box 1887
Idaho Falls, Idaho 83403

MWT 2011013507

Instrument # 1421484
IDAHO FALLS, BONNEVILLE, IDAHO
2012-07-13 08:24:22 AM No. of Pages 13
Recorded for MOUNTAIN WEST TITLE & ESCROW I
RONALD LONGMORE Fee \$46.00
Ex-Officio Recorder Deputy DWoolf
Index To MORTGAGE REAL ESTATE
Electronically Recorded by Simplifile

RECORDED ELECTRONICALLY
NUMBER: 1418921
BONNEVILLE COUNTY
DATE: 06/11/2012 TIME: 3:41 pm
SIMPLIFILE.COM 1-800-460-5657

THIS DOCUMENT IS BEING RE-RECORDED TO
ADD THE CORRECT NOTARY FORM.

Space Above This Line For Recorder's Use

Loan Number: 4100894-851

REAL ESTATE MORTGAGE

THIS MORTGAGE is made this 16th day of May, 2012, between FOSTER LAND AND CATTLE, an Idaho General Partnership hereinafter called "Mortgagor", and The Bank of Commerce hereinafter called "Mortgagee", having its principal place of business in Idaho Falls, Idaho.

WITNESSETH: That Mortgagor IRREVOCABLY GRANTS, BARGAINS, SELLS, CONVEYS AND ASSIGNS unto Mortgagee together with right of entry and possession the following described real property situated in the County of Bonneville, State of Idaho, described in Exhibit "A".

TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or placed thereon; all standing timber and timber to be cut located thereon; all existing and future water rights, however evidenced, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the above-described property, all of which rights are hereby made appurtenant to the property, and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the property, all of which are hereby declared to be fixtures; all existing and future grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; all tenements, hereditaments, easements, rights-of-way and appurtenances to the property; and all right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, including without limitation, the water, water rights and other assets and items described below in subparagraphs (a) through (h) which shall collectively be called "Water Assets" (hereafter collectively referred to as the "Property"). References to "Water" and "Water Rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "Water" includes water rights and right to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's shares of any Water Assets in any water bank or with any water authority, or any other water reallocation rights:

a. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual

RERECORDED TO CORRECT NOTARY
Recording Requested by:

WHEN RECORDED MAIL TO:

The Bank of Commerce
1730 West Broadway
P.O. Box 1887
Idaho Falls, Idaho 83403

MWT 2011013507

RECORDED ELECTRONICALLY
NUMBER:1421484
BONNEVILLE COUNTY
DATE:07/13/2012 TIME: 8:24 am
SIMPLIFILE.COM 1-800-460-5657

RECORDED ELECTRONICALLY
NUMBER:1418921
BONNEVILLE COUNTY
DATE:06/11/2012 TIME: 3:41 pm
SIMPLIFILE.COM 1-800-460-5657

THIS DOCUMENT IS BEING RE-RECORDED TO
ADD THE CORRECT NOTARY FORM.

Space Above This Line For Recorder's Use

Loan Number: 4100894-851

REAL ESTATE MORTGAGE

THIS MORTGAGE is made this 16th day of May, 2012, between FOSTER LAND AND CATTLE, an Idaho General Partnership hereinafter called "Mortgagor", and The Bank of Commerce hereinafter called "Mortgagee", having its principal place of business in Idaho Falls, Idaho.

WITNESSETH: That Mortgagor IRREVOCABLY GRANTS, BARGAINS, SELLS, CONVEYS AND ASSIGNS unto Mortgagee together with right of entry and possession the following described real property situated in the County of Bonneville, State of Idaho, described in Exhibit "A".

TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or placed thereon; all standing timber and timber to be cut located thereon; all existing and future water rights, however evidenced, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the above-described property, all of which rights are hereby made appurtenant to the property, and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the property, all of which are hereby declared to be fixtures; all existing and future grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the property; all tenements, hereditaments, easements, rights-of-way and appurtenances to the property; and all right, title, and interest at any time of Mortgagor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, including without limitation, the water, water rights and other assets and items described below in subparagraphs (a) through (h) which shall collectively be called "Water Assets" (hereafter collectively referred to as the "Property"). References to "Water" and "Water Rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "Water" includes water rights and right to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's shares of any Water Assets in any water bank or with any water authority, or any other water reallocation rights:

a. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual

rights or otherwise, (ii) Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easements, covenant, agreement or contract with any person or entity, (iii) any rights to which the Property is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water, (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity;

b. All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any water or other Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset;

c. All licenses, permits, approvals, contracts decrees, rights and interest to acquire or appropriate any water or other Water Assets, water bank or other credits evidencing any right to water or other Water Assets, to store, carry, transport or deliver water or other Water Assets, to sell, lease, exchange, or otherwise transfer any water or other Water Asset, or to change the point for diversion of water, the location of any water or Water Asset, the place of use of any water or Water Asset, or the purpose of the use of any water or Water Asset;

d. All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any water or Water Asset;

e. All storage and treatment rights for any water or any other Water Asset, whether on or off the Property or other property of Mortgagor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any water or any water or any other Water Asset;

f. All rights to transport, carry, allocate or otherwise deliver water or other Water Assets by any means wherever located;

g. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset;

h. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer or other disposition of any Water Asset.

Absolute Assignment of All Revenue From Water Assets - Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all proceeds, rents, issues and profits from any use (apart from watering plants on the Property or other ordinary use on the Property), nonuse, sale, lease, transfer or disposition of any kind of any water or any other Water Asset subject to a lien in favor of Mortgagee. That assignment shall be perfected automatically without appointment of a receiver or Mortgagee becoming a mortgagee in possession and Mortgagee shall have the right, before or after the occurrence of any default or event of default, to notify any account debtor to pay all amounts owing with respect to those proceeds, rents, issues and profits directly to Mortgagee. Except as otherwise agreed in writing by Mortgagee, Mortgagee may apply any such collection (and any rents, issues, profits and proceeds) to any indebtedness owed to Mortgagee in any order, priority or manner desired by Mortgagee.

MORTGAGOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Mortgagee all the rents, royalties, issues, profits, revenue, income and other benefits of the property arising from the use or enjoyment of all or any portion thereof or from any lease, mineral lease, or agreement pertaining thereto (collectively the "Rents"); **SUBJECT, HOWEVER**, to the right, power and authority given to and conferred upon Mortgagor by Paragraph B.3 hereof.

PERSONAL PROPERTY SECURITY AGREEMENT: All of the Property will be considered to the fullest extent of the law to be real property for purposes of this Mortgage. To the extent that any of the Property, (including without limitation any Water Assets or fixtures), is deemed to constitute, is adjudicated to be, or declared to be personal property, this Mortgage shall also be deemed to be a security agreement. Mortgagor does hereby create and grant to Mortgagee a security interest in all such personal property described herein; and further, grants to Mortgagee all of the rights and remedies of a secured party under the Uniform Commercial Code and other applicable state law, which rights are cumulative.

FIXTURE FILING: This Mortgage shall also be deemed to be a fixture filing under the Uniform Commercial Code and is to be recorded in the county real estate records.

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness or obligations evidenced by the following promissory note(s) and/or guaranties executed by Mortgagor and/or others to the Mortgagee at the times, in the manner and with interest as therein set forth (notes may contain variable or adjustable rate provisions):

[X] a Promissory Note or a Supplement to Master Loan Agreement dated as of May 16, 2012, in the stated principal amount of \$3,947,500.00.

(2) The payment of such additional loans or advances, including advances under a revolving line of credit, with interest thereon, as hereafter may be made to Mortgagor, or Mortgagor's successors or assigns, and/or to parties whose obligation Mortgagor is guaranteeing, evidenced by a promissory note or otherwise and any obligations evidenced by any guaranties executed by Mortgagor in favor of Mortgagee; PROVIDED HOWEVER, THAT, such additional loans advances guaranty obligations shall be secured by this Mortgage only if the promissory note, guaranty, or other document evidencing such loans or advances shall recite that it is to be secured by this Mortgage; (3) the payment of any substitute notes, renewals, reamortizations, and extensions of all indebtedness secured by this Mortgage; (4) the performance of every obligation and agreement of Mortgagor whether contained or incorporated by reference in this Mortgage, or contained in any loan document or guaranty executed by Mortgagor in favor of Mortgagee, with respect to any loan, advance, or guaranty secured by this Mortgage; and (5) the payment of all sums expended or advanced by Mortgagee under or pursuant to the terms of this Mortgage, together with interest thereon as herein provided. The continuing validity and priority of this Mortgage as security for future loans, advances, or guaranties shall not be impaired by the fact that at certain times hereafter there may exist no outstanding indebtedness from Mortgagor to Mortgagee or no commitment to make loans or advances.

A. TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES:

1. To use loan proceeds solely for the purposes set forth in the loan application(s) or agreements.
2. To keep the Property in good condition, working order and repair; care for the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Mortgagee, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Mortgagor under any lease of the Property.
3. To provide, maintain and deliver to Mortgagee fire and all other types of insurance of the type and in amounts as Mortgagee may require, with loss payable clauses solely in favor of Mortgagee. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Mortgagee, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the

property damaged. In the event that the Mortgagor shall fail to provide satisfactory hazard insurance, Mortgagee may procure, on Mortgagor's behalf, insurance in favor of Mortgagee alone. If insurance cannot be secured by Mortgagor to provide the required coverage, such inability shall constitute an event of default hereunder.

4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Mortgagee; Mortgagee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the Property, or Mortgagee's interest therein, in which event Mortgagor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.
5. To pay on or before the due date all taxes and assessments affecting the Property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens, on the Property or any part thereof, which at any time appear to be prior or superior hereto.
6. In case of any suit to foreclose this Mortgage or to collect any charge arising out of the debt hereby secured, or of any suit which the Mortgagee may deem necessary to prosecute or defend to effect or protect the lien herein, including any proceeding in bankruptcy, or if Mortgagee retains an attorney to advise Mortgagee in connection with this Mortgage or any other agreement related to the indebtedness secured by this Mortgage, Mortgagor agrees to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit, and further agrees to pay the reasonable costs of searching the records and abstracting or insuring the title, and such sums, costs and expenses shall be secured hereby and shall be included in any decree of foreclosure. The fees and costs described herein and elsewhere in this Mortgage shall be in addition to those set forth in the loan agreement or any other written agreement between Mortgagor and Mortgagee.
7. Should Mortgagor fail to make any payment or to do any act as provided for in this Mortgage, then Mortgagee, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the Property, Mortgagee being authorized to enter upon the Property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, including any bankruptcy proceeding affecting the Property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees, environmental fees, and costs of securing evidence of title, and all amounts so expended shall be obligations of Mortgagor secured by this Mortgage. Nothing contained herein shall prohibit Mortgagee from entering the Property, at a reasonable time and upon reasonable notice to Mortgagor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.
8. To pay immediately and without demand all sums expended by Mortgagee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Mortgage. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of capital stock or participation certificates, to the principal balance of the indebtedness secured hereby and shall accrue interest as herein set forth. All such sums shall be secured hereby.
9. Environmental Representations, Warranties and Covenants.

(a) Except as disclosed in writing to Mortgagee, or except as otherwise provided in any loan agreement between Mortgagee and Mortgagor which specifically refers to the Property, to the best knowledge of Mortgagor after due inquiry, Mortgagor hereby further represents, warrants and covenants as follows:

(i) No pollutants, contaminants (including oil or other petroleum products), toxic or hazardous substances, or solid or hazardous wastes, as such terms are defined under any federal, state or local Environmental Law, regulation or ordinance (hereinafter "Contaminants") have been, are being or will be generated, manufactured, produced, stored, disposed of, discharged, released threatened to be released, or otherwise allowed to migrate or escape on, under or from the Property in such quantities or concentrations as would violate any federal, state or local Environmental Law, regulation or ordinance or as would require Mortgagor to report such condition to any governmental authority or to undertake removal or remedial action to clean up such contaminants;

(ii) No Contaminants are located on, in or under any property located adjacent to the Property in such quantities or concentrations as would constitute a violation of any Environmental Law or as would require the owner of the adjacent property to report such condition to any governmental authority or to undertake removal or remedial action to clean up such Contaminants;

(iii) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law. Mortgagor shall immediately notify Mortgagee if Mortgagor acquires any information concerning the listing or proposed listing of the Property or any adjacent property and shall provide Mortgagee with any documents in Mortgagor's possession relative thereto;

(iv) No hazardous wastes, as defined under the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), or any analogous state law ("Hazardous Wastes"), have been, are being or will be stored or treated in surface impoundments or other structures or facilities located on the Property that are partially or entirely below the ground surface;

(v) No litigation, investigation, administrative "Action" has previously been brought, is now pending, or to the best knowledge of Mortgagor threatened against or anticipated by Mortgagor, with respect to Mortgagor's use or management of Hazardous Materials or Hazardous Wastes or the environmental condition of the Property, including any underlying groundwater. Upon learning thereof, Mortgagor shall immediately notify Mortgagee of any such Action or threatened Action and provide Mortgagee with copies of all documentation relative thereto; and

(vi) Except as disclosed in writing to Mortgagee, no underground tanks, wells (except domestic water wells), septic tanks, ponds, pits or any other storage tanks ("Tanks") (whether currently in use or abandoned) are or were located on or under the Property and no Tanks are or were serving the Property described herein. With respect to any Tanks disclosed in writing to Mortgagee, Mortgagor shall comply with all federal, state and local laws, regulations and ordinances and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations Part 112.

(b) Nothing herein shall be deemed to prohibit Mortgagor from (i) using, handling or storing hazardous materials or substances, as defined under any federal, state or local law, regulation or ordinance ("Hazardous Materials") or (ii) storing or treating non-hazardous wastes, so long as such activities are carried out (a) in a good and husbandlike manner in the ordinary course of

business, and (b) in compliance with all applicable environmental laws, regulations, permits, orders or other requirements.

(c) In the event that Mortgagor is in breach of any of its representations, warranties or covenants as set forth above, Mortgagor, at its sole expense, shall take all action required, including environmental cleanup of the Property, to comply with the representations, warranties and covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary by appropriate governmental authorities. Mortgagee shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Mortgagor's obligations hereunder.

(d) Mortgagor and its successors and assigns shall indemnify, defend, protect, and hold harmless Mortgagee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, liens, losses, liabilities, interest, judgments, response and cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs and the reasonable fees and expenses of counsel) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Mortgagee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damages to or contamination of property or natural resources, or injury to business, in connection with or arising out of the activities of Mortgagor on the Property, Mortgagor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Mortgagor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by Mortgagor or within the control of Mortgagor, including without limitation: (i) the presence, use, generation, treatment, storage, disposal, release, threatened release, or discharge of any Hazardous Material or Contaminant at or from the Property and/or the cleanup of Hazardous Materials or Contaminants within, on or under the Property; (ii) Mortgagor's breach of any of the representations, warranties and covenants contained herein; and (iii) Mortgagor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance.

(e) Mortgagor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation the payoff of any promissory note(s) secured hereby, the release or foreclosure of this Mortgage, the acceptance by Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the Property.

(f) The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance, or regulation, now in effect or hereinafter enacted, pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Property, including but not limited to enactments requiring the removal or containment of asbestos-containing materials in private buildings.

(g) Mortgagor shall permit, or cause any tenant of Mortgagor to permit, Mortgagee or its agents, or independent contractors to enter and inspect the Property at any reasonable time for purposes of determining, as Mortgagee deems necessary or desirable: (i) the existence, location and nature of any Hazardous Materials or Hazardous Wastes on, under or about the Property, (ii) the existence, location, nature, magnitude and spread of any Hazardous Materials or Hazardous Waste that has been spilled, disposed of, discharged or released on, under or about the Property, or (iii) whether or not Mortgagor and any tenant of Mortgagor is in compliance with applicable Environmental Law. If Mortgagor or its tenants fail to comply fully with the terms of this subdivision (g), Mortgagee may obtain affirmative injunctive relief to compel such compliance.

10. **Grazing Rights.** If any portion of the Property described in this Mortgage is used by Mortgagor as the basis for obtaining grazing permits or other grazing rights issued by any governmental agency,

including without limitations the Forest Service, U.S. Department of Agriculture or the Bureau of Land Management, U.S. Department of Interior, Mortgagor covenants and agrees as follows:

- (a) Said grazing permits or other rights are in good standing and have not been modified, reduced or limited in any other respect, except as fully disclosed in writing to Mortgagee;
- (b) Mortgagor will perform all obligations imposed as a requirement of exercise of said grazing permits or other rights and will comply with all laws, rules and regulations applicable thereto;
- (c) Mortgagor will take such timely action as may be required to cause the renewal or reissuance of said grazing permits or other rights from time to time as they expire during the term thereof. Mortgagor agrees and acknowledges that the failure to renew or cause the reissuance of any said permits for any reason, whether the result of an act or omission of Mortgagor or for reasons beyond Mortgagor's control, is an event of default hereunder and Mortgagee shall have the right to exercise the rights hereinafter set forth in this Mortgage; and
- (d) Mortgagor agrees to pay all fees, charges, rents or other payments accruing under said permits or any renewals thereof prior to delinquency. In the event Mortgagor fails to pay any such payment, the amount unpaid shall become a part of the indebtedness secured by this Mortgage and shall be immediately due and payable.

B. IT IS MUTUALLY AGREED THAT:

1. Any award of damages in connection with any taking or condemnation or injury to the Property by reason of public use, or for damages resulting from private trespass or injury to the Property, is absolutely and unconditionally assigned and shall be paid to Mortgagee, under the terms and conditions of this Mortgage pertaining to Rents. Upon receipt of such money Mortgagee may apply the same on the indebtedness secured hereby. Mortgagor agrees to execute such further documents as may be required to effect the assignments herein made as Mortgagee may require.
2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Mortgagee may (a) consent to or join in the making of any map or plat of the Property; (b) grant any easement or create any restriction thereof; (c) subordinate this Mortgage; (d) extend or modify the term of the loan or loans secured hereby; and (e) release without warranty, all or any part of the Property.
3. Prior to any default by Mortgagor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Mortgagor contained herein, Mortgagor may, for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Mortgagor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Mortgage and to the payment of all other sums payable under this Mortgage and, thereafter, so long as the aforesaid has occurred, the balance shall be distributed to the account of Mortgagor. Upon any such default, Mortgagee may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the indebtedness secured hereby.
4. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to

the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon default by Mortgagor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Mortgagee and in accordance with applicable state law. In the event of default, Mortgagee may employ counsel to enforce payment of the obligations secured hereby, may foreclose and, if applicable, sell the Property by advertisement and sale, and in accordance with other applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive. Mortgagee may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Mortgagee for the obligations secured hereby in such order and manner as Mortgagee may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the obligation secured by this Mortgage is also secured by personal property, fixtures or crops, Mortgagee may enforce its security interest in the personal property, fixtures and crops and its lien under this Mortgage in any manner and in any order or sequence permitted by applicable law. All remedies are cumulative and none are exclusive; no election by Mortgagee to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Mortgagor or any guarantor to pay and perform in full all obligations to Mortgagee. The procedures governing the enforcement by Mortgagee of its foreclosure and provisional remedies against Mortgagor shall be governed by the laws of the state in which the Property is located. Nothing contained herein shall be construed to provide that the substantive law of the state in which the Property is located shall apply to Mortgagee's rights and Mortgagor's obligations hereunder or under the promissory note(s) or guaranties described herein, which are and shall continue to be governed by the substantive law of the state in which the promissory note(s) or guaranties were executed.
6. The failure on the part of the Mortgagee to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Mortgagee of any default shall not constitute a waiver of any other subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Mortgagor, or of Mortgagee's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.
7. This Mortgage applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Mortgagee shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Mortgagor hereunder are joint and several.
8. In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed, alienated or transferred, including any water transfer as defined in subsection (a) below, by Mortgagor, or by operation of law or otherwise, except by inheritance, without Mortgagee's prior written consent, all obligations secured hereby, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.
 - a. A water transfer is any transfer, assignment, sale, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any part of (i) the groundwater on, under, pumped from or otherwise available to the Property, (ii) Mortgagor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency and any rights granted or created by any easement, covenant, agreement or contract with any person or entity, (iii) any rights to which the Property is entitled

with respect to surface water, whether such right is appropriative, riparian, prescriptive or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water, (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, water allocation, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property's being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity, or (v) any shares (or any rights under such shares) of any private water company, mutual water company, or other non-governmental entity pursuant to which Mortgagor or the Property may receive any rights.

9. In the event any one or more of the provisions contained in this Mortgage or in any promissory note(s) hereby secured shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage or said promissory note(s), but this Mortgage and said promissory note(s) shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

Signature(s):

FOSTER LAND AND CATTLE, an Idaho General Partnership

By: Bradley D. Foster Bradley D. Foster
BRADLEY D. FOSTER, Partner Bradley D. Foster, Partner

By: Sharol Foster Sharol Foster
SHAROL FOSTER, Partner Sharol Foster, Partner

Notary Acknowledgment(s):

STATE OF)

COUNTY OF)

REPUBLIC OF ARGENTINA
CITY OF BUENOS AIRES
EMBASSY OF THE UNITED STATES OF AMERICA

On this 31st day of May, 2012, before me, the undersigned Notary Public in and for said County and State, personally appeared BRADLEY D. FOSTER [~~(-)~~ personally known to me] [~~(-)~~ proved to me on the basis of satisfactory evidence] to be the person(s) who executed the within instrument as PARTNER of the partnership therein named, on behalf of the partnership, and acknowledged to me that the partnership executed it. ~~as Partner of the partnership named, on behalf of the partnership and acknowledged to me that the partnership executed it.~~

WITNESS my hand and official seal

Martha A. Pacheco Martha A. Pacheco
Notary Public in and for said County and State ~~Consul~~

STATE OF

COUNTY OF

REPUBLIC OF THE PHILIPPINES
CITY OF QUEZON CITY
EMBASSY OF THE UNITED STATES OF AMERICA

On this 31st day of May, 2012, before me, the undersigned Notary Public in and for said County and State, personally appeared SHAROL FOSTER [~~()~~ personally known to me] [~~(X)~~ proved to me on the basis of satisfactory evidence] to be the person(s) who executed the within instrument as ~~PARTNER of the partnership therein named, on behalf of the partnership, and acknowledged to me that the partnership executed it.~~ ~~as Partner of the partnership therein named, on behalf of the partnership, and acknowledged to me that the partnership executed it.~~

WITNESS my hand and official seal

Martha A. Pacheco

Consul

Notary Public in and for said County and State

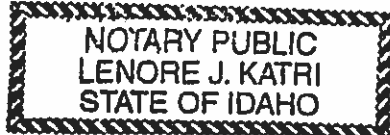
STATE OF IDAHO

)
) ss.

COUNTY OF BONNEVILLE

)

On July 12, 2012, before me, the undersigned, personally appeared Bradley D. Foster and Sharol Foster, known or identified to me to be the Partners of Foster Land and Cattle, the partnership that executed the within instrument, and acknowledged to me that such Company executed the same.



A handwritten signature in cursive script, appearing to read "Lenore J. Katri".

NOTARY FOR THE STATE OF IDAHO

Commission Expires: _____

Residing at Idaho Falls, Idaho
My Commission Expires: 01/30/2015

EXHIBIT "A"

PARCEL/TAX NO(S): RP02S42E190002, RP02S42E201201, RP02S42E216001,
RP02S42E282401, RP02S42E290002, RP02S42E309001, RP02S42E310601,
RP02S42E320002, RP02S42E333001, RP02S42E266001, RP02S42E273602,
RP02S42E281201, RP02S42E340002, RP02S42E352401,

TRACT 1:

Township 2 South, Range 42 East of the Boise Meridian, Bonneville County, Idaho:

Section 19: Government Lot 2

SE 1/4 NW 1/4

N 1/2 NE 1/4

SE 1/4 SW 1/4

Section 20: SW 1/4 SE 1/4

S 1/2 NW 1/4

NW 1/4 NW 1/4

SW 1/4 NE 1/4

Section 21: SW 1/4 SW 1/4

Section 28: NW 1/4

N 1/2 SW 1/4

SW 1/4 SW 1/4

Section 29: E 1/2

N 1/2 NW 1/4

SW 1/4 NW 1/4

NW 1/4 SW 1/4

Section 30: SE 1/4 SE 1/4

Section 31: NW 1/4 NE 1/4

Section 32: NE 1/4

Section 33: W 1/2 NW 1/4

TRACT 2:

Township 2 South, Range 42 East of the Boise Meridian, Bonneville County, Idaho:

Section 26: S1/2 SW1/4

Section 27: S1/2 SE1/4

SW1/4 NW1/4

N1/2 SW1/4

SE1/4 SW1/4

Section 28: S1/2 NE1/4

N1/2 SE1/4

Section 34: NE1/4 NE1/4

Section 35: N1/2 NW1/4

SW1/4 NW1/4

EXCEPTING THEREFROM ALL OF THE FOLLOWING DESCRIBED PROPERTY:

a. Township 2 South, Range 42 East of the Boise Meridian, Bonneville County, Idaho:

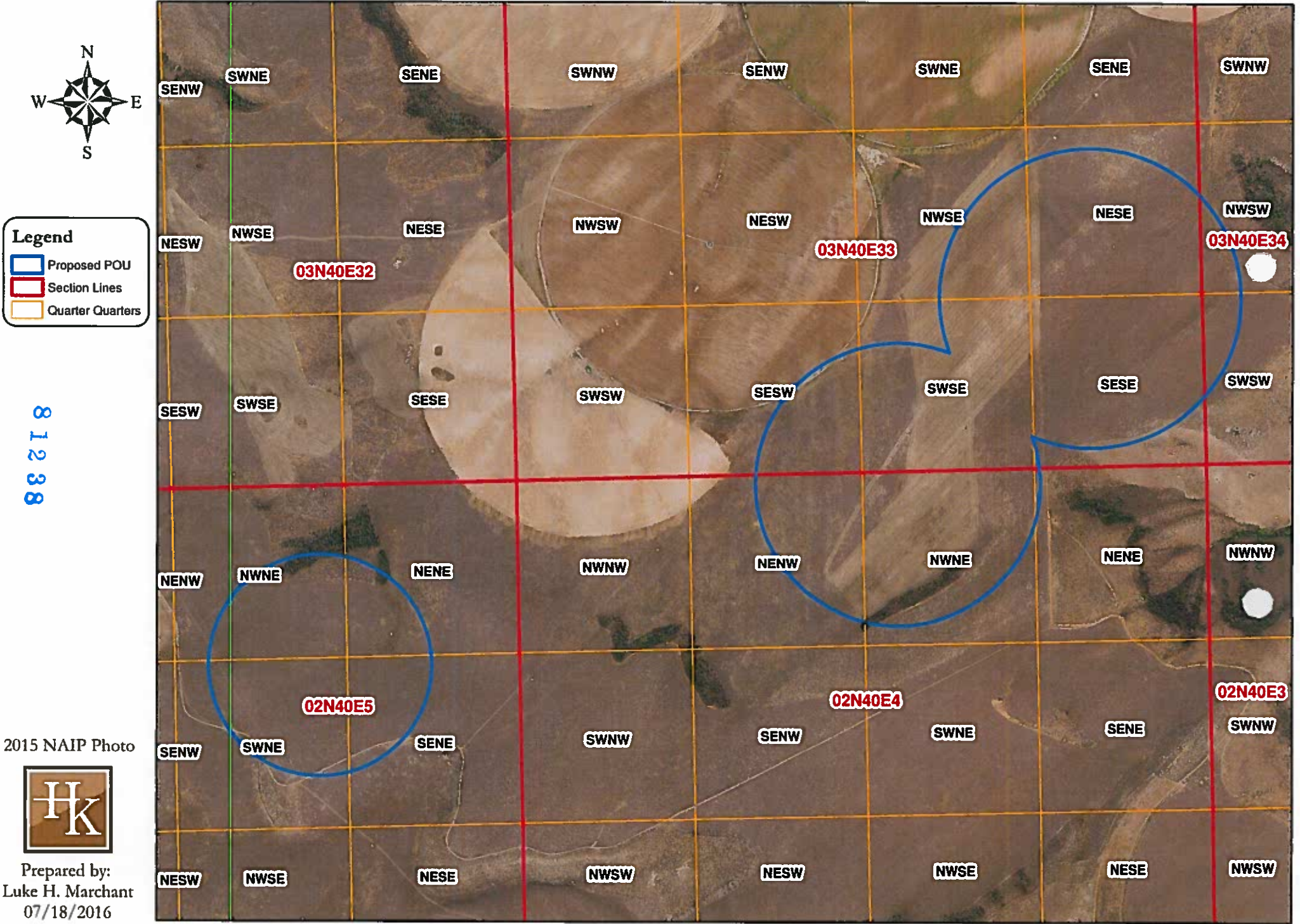
Section 27: S1/2 NW1/4 SW1/4 NW1/4

N1/2 SW1/4 SW1/4 NW1/4

TOGETHER WITH the following water rights registered with the State of Idaho Department of Water Resources: Water Right Number(s): 25-14206, 25-14335, 25-14336, 25-14337, 25-4306, 25-14334, 25-14207

ALSO TOGETHER with all debtor(s) right, title and interest in, to and under Lease no(s). G800061, by and between debtor(s) (tenant/lessee) and the State of Idaho Department of Lands (landlord/lessor), including all renewals or replacements thereof.

FLC - BROCKMAN RANCH WR TRANSFER - Exhibit B



2015 NAIP Photo



Prepared by:
Luke H. Marchant
07/18/2016

Exhibit - C

WR No.	Total Currently Allowed		Amount Proposed for Transfer		Amount Remaining at Current Place of Use After Transfer	
	CFS	Acres	CFS	Acres	CFS	Acres
25-14335	7.46	320.8	4.52	194.4	2.94	126.4
25-14337	3.39	84.6	1.5	37.6	1.89	47

Attachment No. 7a

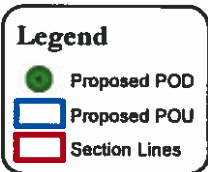
GIS Maps

8
7
6
5
4

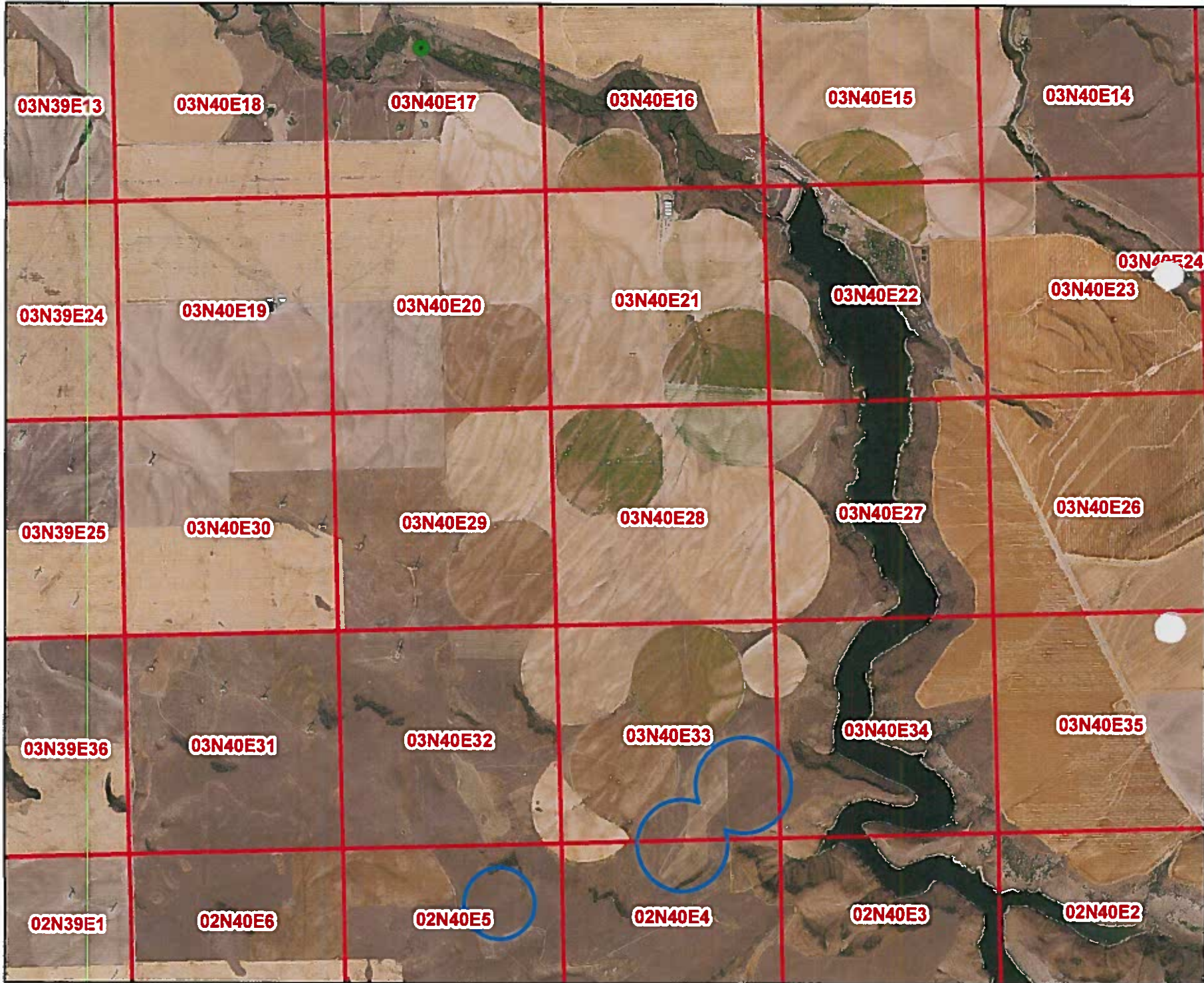


Prepared by:
Luke H. Marchant
09/03/2016

FLC - BROCKMAN RANCH WR TRANSFER



8
1
2
3
8



2015 NAIP Photo



Prepared by:
Luke H. Marchant
09/03/2016

Attachment No. 7b
GIS Shapefile

**(Will be sent via email upon
request from IDWR)**

Attachment No. 10

Other

July 18, 2016

To: Idaho Department of Water Resources

From: Century Holdings, LLC

Subject: Transfer of Water Rights in the name of Foster Land and Cattle

Century Holdings, LLC is the owner property located within Section 4 and Section 5, Township 02N., Range 40E.B.M. and Section 33 and Section 34, Township 03N., Range 40E.B.M. in Bonneville County, Idaho. I understand that Foster Land and Cattle would like to transfer a portion of Water Right Nos. 25-14335 and 25-14337 to a portion of the property described above. I have no objection to Foster Land and Cattle's application for water rights transfer. I understand that the water rights will remain in Foster Land and Cattle's name, and that Foster Land and Cattle is not transferring title to the water rights to Century Holdings, LLC.

CENTURY HOLDINGS, LLC

[Signature]
By: Dave Chapple, Manager

STATE OF IDAHO)
County of Jefferson) ss.

On this 18th day of July, 2016, before me, a Notary Public for said County and State, personally appeared Dave Chapple, known or identified to me to be one of the Managers of the Limited Liability Company that executed the foregoing instrument, and acknowledged to me that such Limited Liability Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Marilyn Jensen
NOTARY PUBLIC FOR IDAHO
Residing at: Jefferson County
My commission expires: Aug 13, 2018

G:\WPDATA\RI\16179 FOSTER LAND & CATTLE\18 BROCKMAN WATER RIGHTS\CENTURY HOLDINGS CONSENT TO TRANSFER.DOCX

Instrument # 1517727

IDAHO FALLS, BONNEVILLE, IDAHO

2-12-2016 03:37:29 PM No. of Pages: 5

Recorded for : DAVID W CHAPPLE

RONALD LONGMORE

Fee: 22.00

Ex-Officio Recorder Deputy

Index to: EASEMENT

KRM

(Space Above for Recorder's Use)

GRANT DEED FOR EASEMENT

THIS INDENTURE is made this 10th day of February, 2016, by **Matt and Kayleen Mann**, husband and wife, whose address is 13043 N. 115th E., Idaho Falls, Idaho, 83401 (hereinafter collectively the "**Grantor**"), and **Century Holdings, LLC**, an Idaho limited liability company, whose address is P.O. Box 40, Ririe, Idaho, 83443, (the "**Grantee**").

WITNESSETH:

That the Grantor, for good and valuable consideration, to the Grantor in hand paid by the Grantee, the receipt whereof is hereby acknowledged, has granted, and by these presents does grant and confirm unto the Grantee, and to Grantees' heirs, successors and assigns forever, the following described easement in the County of Bonneville, State of Idaho, to-wit:

Location: For the location of a pump station, electrical equipment, and other attendant equipment, as well as a pipeline extending from the pump station, all of which shall be located in the SE1/4NW1/4, SE1/4NE1/4, and NW1/4SE1/4 of Section 17, Township 3N., Range 40E., Boise Meridian (within Bonneville County tax parcel number of RP03N40E171204). The location of the pump station is more particularly described as follows:

Located at a point on Willow Creek, said point being approximately 1,755 feet south and 267 feet west of the north quarter corner of Section 17, Township 3N., Range 40 E.B.M.

The location of the pipeline is more particularly described as follows:

Commencing at a point on Willow Creek, said point being approximately 1,755 feet south and 267 feet west of the north quarter corner of section 17, Township 3N, Range 40 E.B.M., running thence in a southwesterly direction for approximately 150 feet, thence in a southeasterly direction for approximately 1,405 feet to a point on the boundary line of property owned by Bradley Duane Foster and Sharol Lyn Foster, said point being approximately 450 feet south and 440 feet east of the central quarter corner of said section 17.

KRM
m 11

The location of both the pump station and the pipeline easement is approximately depicted on the map attached hereto as **Exhibit A**. Once the pump station and pipeline are installed, either Grantor or Grantee may have the final location of the pump station and pipeline easement surveyed and thereafter described with a metes and bounds legal description. Such survey will be performed at the requesting party's sole cost and expense. The metes and bounds legal description may thereafter be recorded as a correction deed to this easement, but it is understood and agreed by the parties that the substituted metes and bounds legal description shall have no effect on the validity of this easement.

Scope: The easement for the pump station shall extend twenty feet in all directions from the center point of the pump station location. The easement for the pipeline shall extend three (3) feet on each side of the centerline of the pipeline (for a total width of six (6) feet) for installation of the pipeline and any necessary backfill, and shall also include an undefined, but reasonable and necessary, width outside of said six (6) foot width for secondary rights of access for installation, repair, and maintenance of the well and pipeline as provided for under Idaho Code § 42-1102 and Idaho Code § 42-1204.

Benefitted Property: The easement and all rights and privileges incidental thereto are appurtenant to the property described on **Exhibit B** attached hereto.

TOGETHER, with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and any reversions, any remainders, and rents, issues and profits therefrom.

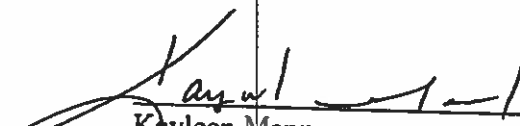
The easement granted herein shall remain valid for a period of one hundred (100) years from the date first written above, at which time, the easement shall expire unless an instrument is recorded extending the easement. Such extension must be signed by the owner(s) of the property where the pump station and pipeline are located.

In construing this *Grant Deed for Easement* and where the context so requires, the singular includes the plural.

IN WITNESS WHEREOF, the Grantor has executed the within instrument on the date set forth below.

"Grantor"


Matt Mann


Kayleen Mann

State of IDAHO)
)
County of Bonneville)

On this 10th day of ~~December~~ ^{February}, 2016, before me the undersigned notary public in and for said state, personally appeared **Matt Mann** and **Kayleen Mann**, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me they execute the same.

IN WITNESS WHEREOF, I set my hand and affixed my official seal the day and year above written.

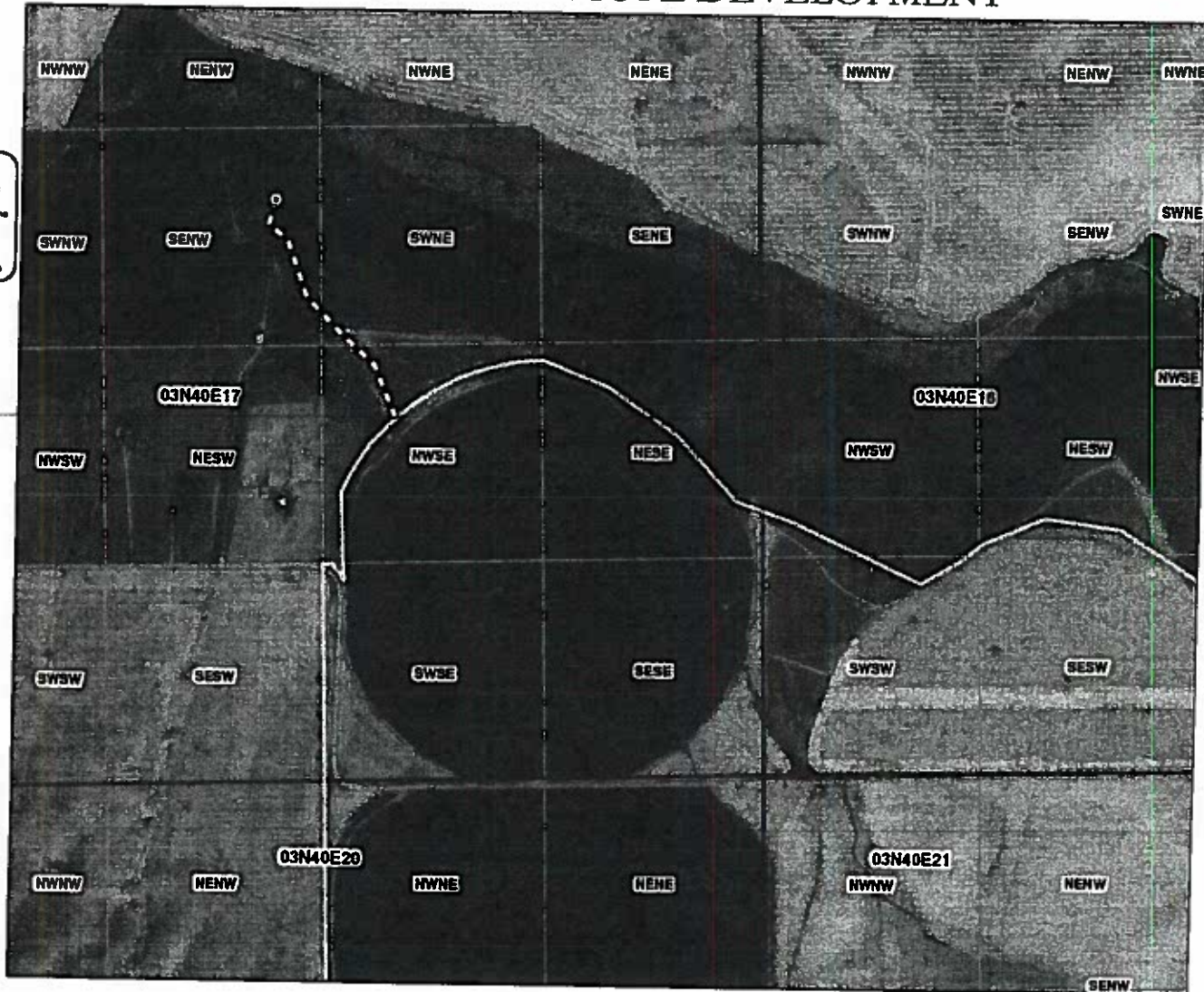


Marilyn Jensen
NOTARY PUBLIC FOR IDAHO
Residing at: Jefferson County
My commission expires: August 13, 2018

*mm
KL.*

FOSTER LAND & CATTLE - NORTH SLOPE DEVELOPMENT

EXHIBIT A



ESRI Basemap



Prepared by:
Luke H. Marchant
12/14/2015

EXHIBIT B

Section 3, South 10 acres of SW $\frac{1}{4}$ of the NE $\frac{1}{4}$, NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ less 3.21 Acres.
Section 3, North $\frac{1}{2}$ of the SW $\frac{1}{4}$
Section 3, South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$, Southwest $\frac{1}{4}$ of the Southeast Less 1.38 acres.
Section 4, South $\frac{1}{2}$ of the North $\frac{1}{2}$
Section 5, Lots 1-4, South $\frac{1}{2}$ Northeast $\frac{1}{4}$, Southeast $\frac{1}{4}$ of the South west $\frac{1}{4}$, South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$
Northeast $\frac{1}{4}$ of the South east $\frac{1}{4}$
Section 5, South $\frac{1}{2}$ Northwest $\frac{1}{4}$, Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$
Section 6, Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, Lots 1-5, Southeast $\frac{1}{4}$ of Northwest $\frac{1}{4}$
All in Township 2 North Range 40 EBM.

DAV
9/2/15

T.B. 9/2/15

Section 4, South west $\frac{1}{4}$
Section 4, Southeast $\frac{1}{4}$
Section 6, Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$
Section 8, East $\frac{1}{2}$ Northeast $\frac{1}{4}$, Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, Northeast $\frac{1}{4}$ of the
Northwest $\frac{1}{4}$
Section 9, North $\frac{1}{2}$
Section 10, Northwest $\frac{1}{4}$ of the northeast $\frac{1}{4}$, Northeast $\frac{1}{4}$ Northwest $\frac{1}{4}$, West $\frac{1}{2}$ Northwest $\frac{1}{4}$
Section 10, Southwest $\frac{1}{4}$ Northeast $\frac{1}{4}$ less 3.44 acres. Southeast $\frac{1}{4}$ southwest $\frac{1}{4}$
All in Township 2 North Range 40 EBM.

DAV 9/2/15

T.B. 9/2/15

**[INSERT DESCRIPTION OF OTHER FOSTER PROPERTY SOUTH OF
POWERLINE]**

✓

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "Agreement") is made and entered into this 6th day of February, 2016 (the "Effective Date"), by and between **Matt and Kayleen Mann**, husband and wife, whose address is 13043 N. 115th E., Idaho Falls, Idaho, 83401 (hereinafter collectively "**Mann**"), and **Century Holdings, LLC**, an Idaho limited liability company, whose address is P.O. Box 40, Ririe, Idaho, 83443, (hereinafter "**Century**"). Mann and Century are individually a "**Party**" and together the "**Parties**".

RECITALS:

A. Mann owns certain property located, in part, within the SE1/4NW1/4, SE1/4NE1/4, and NW1/4SE1/4 of Section 17, Township 3N., Range 40E., Boise Meridian. The property has been assigned a Bonneville County tax parcel number of RP03N40E171204, and is referred to herein as the "**Property**."

B. Century desires to construct a pump station, pipeline, and other attendant equipment on the Property, the location of which is approximately depicted on **Exhibit 1** attached hereto.

C. Mann is willing to grant Century an easement for the pump station, pipeline, and other attendant equipment upon the conditions set forth herein.

AGREEMENTS:

NOW, THEREFORE, in consideration of the promises, covenants, representations and warranties set forth in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as set forth below.

1. Conveyance of Easement. Contemporaneous with the execution of this Agreement, Mann shall execute the *Grant Deed for Easement* substantially in the form of **Exhibit 2** attached hereto, which is an easement for a term of one hundred (100) years. The easement shall be recorded by Century in the records of Bonneville County, Idaho, at its sole cost and expense.

2. Pump Station Construction and Maintenance Standards. Century shall construct the pump station according to the following standards and specifications:

(a) Concrete and Backfill. Century shall construct the pump station with concrete in accordance with standard specifications for materials, installation, and backfill as set

forth in the Idaho standards for public works construction or other standards recognized by Bonneville County.

(b) Erosion Control. Century shall install erosion control measures at the pump station to minimize erosion that could result from the alteration of the Willow Creek channel bank necessary for installation of the pump station.

(c) Electrical Equipment. Century shall pour a concrete pad to set the transformer and any other associated electrical components for the pump station as close to the pumps as practicable.

(d) Construction of Fence. Century shall construct and maintain a fence of a type and in a location designated by Mann surrounding the electrical equipment and pump station.

(e) Weeds. Century shall perform all reasonably necessary measures to control weeds at the pump station, including weeds that are classified as noxious weeds.

3. Installation of Pipeline. Century shall install a 28-inch pipeline and shall not later replace the pipeline with a pipeline of greater dimension without the written consent of Mann. Nothing herein shall prevent Century from later replacing the 28-inch pipeline, if necessary, with a pipeline of the same size. With both the initial pipeline installation and any replacement installation, Century shall level and re-seed any areas disturbed by such installation on the Property.

4. Limitation of Access and Notice Requirement. Only employees or agents of Century or an affiliate of Century shall be permitted to access the pump station, and such access shall only occur as is reasonably necessary to monitor, maintain, and repair the pump station and its attendant equipment. Such individuals shall be permitted to access the pump station without any requirement to provide notice to Mann. However, Century shall provide verbal and/or written notice to Mann if a boom truck or other heavy equipment is required to service the pump station or any of its attendant facilities.

5. Construction and Maintenance of Access Road. Century shall improve the surface of the current access road to Willow Creek with pit run gravel and shall extend the access road to the pump station with pit run gravel beginning at the intersection of the access road and 101st N. Century shall thereafter maintain the access road in a safe and reasonable manner.

6. Installation of Power Line to Pump Station. The Parties acknowledge that it is necessary for Century to run a power line to the Pump Station, but the power company has not yet designated the location of the power line. The Parties agree that the location of the power line on the Property shall be determined in the sole discretion of the power company, and that the Parties will execute any documents required by the power company to authorize installation of the power line.

7. Installation of Power Line to Mann Corrals. At its sole cost and expense, Century shall run a power line to certain corrals owned by Mann located near the pump station at a specific location at the corrals designated by Mann.

8. Construction of Bridge Footings. At the same time Century is causing concrete work to be performed at the pump station, Century shall cause bridge footings large enough for a bridge of sufficient width (to later be constructed by Mann) to allow a four-wheeler to cross said bridge. The footings shall be installed on both sides of Willow Creek at locations designated by Mann.

9. Hazardous Materials. Century shall undertake reasonable measures to prevent spillage or discharge of any petroleum products or toxic or hazardous chemicals on the Property. In the event of spillage or discharge, Century shall promptly undertake measures to clean the spillage or discharge in accordance with accepted standards for such clean up.

10. Indemnification. Century shall indemnify and hold Mann free and harmless from all claims, liability, loss, damage, or expense resulting from the occupation and use of the Property by Century, including without limitation, any claim, liability, loss or damage arising by reason of:

(a) Any injury to person or property, from whatever cause, while in or on the Property, or in any way connected with the Property, or with improvements or personal property in or thereon, including any liability for injury to the person, or personal property of Century, or the agents or employees of Century;

(b) Any work performed on the Property or materials furnished to the Property, by or at the request of Century, or the agents or employees of Lessee;

(c) Any failure by Century to perform any provision of this Agreement or to comply with any requirement imposed upon Century, or on the Property by any duly authorized governmental agency or political subdivision.

11. Breach and Cure Period. In the event either party is in breach of this Agreement and such breach is not cured within thirty (30) days after receipt of written notice thereof by the party alleged to be in breach, the non-breaching party, at its option, may seek recovery of any damages or pursue any other remedy under Idaho law by reason of such breach.

12. Miscellaneous.

(a) Attorneys' Fees. If either party commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages by reason of an alleged breach hereof), the prevailing party therein shall be entitled to recover from the other, in addition to any other relief granted, its reasonable attorney's fees, costs and expenses incidental to such legal action.

(b) Notices. Any notice under this Agreement shall be in writing and be delivered in person, by U.S. Mail, by private courier, or by facsimile. Notice shall be provided to the following:

de
Mann
K.A.

Mann

Matt and Kayleen Mann
13043 N. 115th E.
Idaho Falls, ID 83401

Century

Century Holdings, LLC
P.O. Box 40
Ririe, ID 83443

(c) Merger. This Agreement supersedes any and all other written or verbal agreements between the Parties hereto regarding the Agreement. Neither Buyer nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specifically contained herein.

(d) Remedies Cumulative. Upon any breach, any and all rights and remedies which either Party may have under this Agreement or by operation of law or equity, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other. No such right or remedy, whether exercised by said Party or not, shall be deemed to be in exclusion of any other right or remedy, any two or more of all such rights and remedies may be exercised at the same time or separately as desired.

(e) Further Documents. The Parties hereby agree that they shall sign such other and further documents as may be required to carry into effect the terms and conditions of this Agreement.

(f) Enforceability. The validity or enforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or other provision hereof, shall in no way affect the validity or enforcement of the remaining provisions, or any part hereof.

(g) Counterparts. This Agreement may be executed in any number of counterparts for all the convenience of the Parties, all of which, when taken together and after execution by all Parties hereto, shall constitute one and the same Agreement.

(h) Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

(i) Successors. This Agreement is for the benefit only of the Parties hereto and shall inure to the benefit of and bind their respective heirs, agents, personal representatives, successors and assigns.

(j) Essence of Time. Time is of the essence in this Agreement.

DC [Signature]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement effective on the date set forth above.

"MANN"

Matt D. Mann
Matt Mann

Kayleen Mann
Kayleen Mann

"CENTURY"

CENTURY HOLDINGS, LLC

By:

David Chapple
David Chapple, Member

*mm
K1.*

R LAND & CATTLE - NORTH SLOPE DEVELOPMENT

EXHIBIT 1

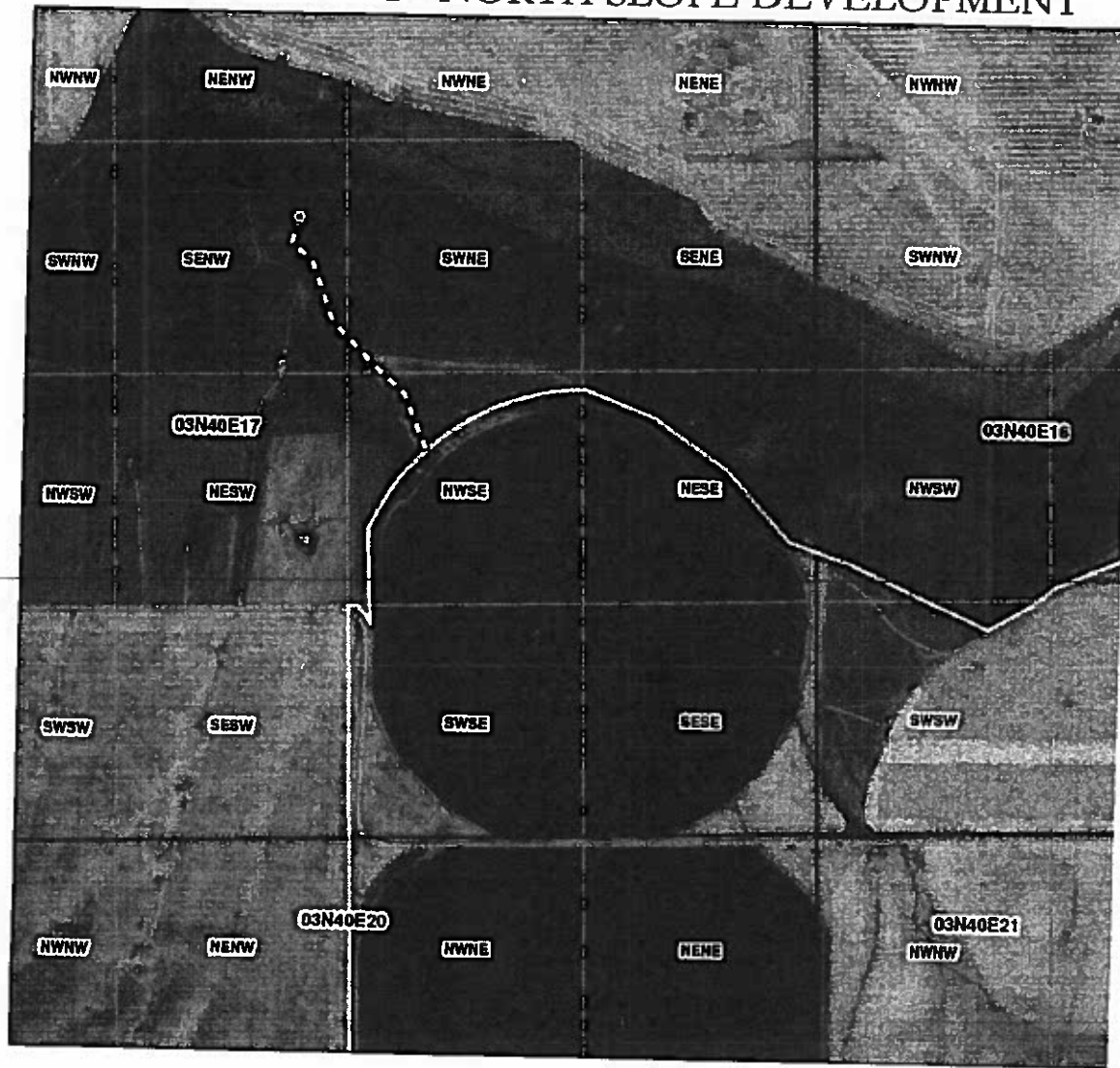


EXHIBIT 2
Grant Deed for Easement

Handwritten signature