

RECEIVED

MAY 20 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No.

79357

Dairy # 2

MINIMUM REQUIREMENTS CHECKLIST
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

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) Thomas and Dorothy LenoCheck 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 #1-9.

- ☒ ☐ #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.
- ☒ ☐ #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 Other. Please describe: _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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MAY 20 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGION

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1

Name of Applicant(s) Thomas and Dorothy Leno Phone (208) 543-4633Mailing address 4236 N 1900 E BUHL, ID 83316 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 RepresentativeName of Representative Greg Sullivan of Brockway Engineering, PLLC Phone (208)736-8543Mailing address 2016 North Washington St. Suite 4 Twin Falls, Idaho 83301 Email greg.sullivan@brockwayeng.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.

Tom Leno
Signature of Applicant or Authorized Representative

Tom Leno owner
Print Name and Title if applicable

5-7-14
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**.

Transfer a portion of ground water 47-17589 Irrigation use to Stockwater/Commercial use at a Dairy owned by Blue Sage Property, aka Antoinette Hafliger. Dairy is being operated by Cedar Ridge Dairy. Location known as Dairy#2.

CONTRACT OF AGREEMENT

To Whom It May Concern,

Thomas and Dorothy Leno own water right 47-17589 that will provide a discharge rate of 0.19 cubic feet per second and an annual volume of 30.5 acre feet to Dairy #2. This water will be beneficially used as stock and commercial water on a dairy facility (Dairy #2) south of Filer, Idaho that is currently owned by Blue Sage Properties, LLC. The dairy facility is located at Township 11 South Range 16 East Section 5 SENE and NESE.

The ownership of the 0.19 cfs and 30.5 acre feet of stock and commercial water will be retained by Thomas and Dorothy Leno.

Thomas and Dorothy Leno:

Tom Leno
Name

owner
Title

Date: 5-7-14

Blue Sage Properties, LLC:

Antoinette H. Hoffeig
Name

Manager
Title

Date: 5/9/14

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.

I.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☐ ☒	47-17589	0.19/30.5 afa	Stockwater/Commerical	1/1 to 12/31	Ground Water
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 1.21 cfs and/or 307.5 acre-feet.

2. Total amount of water proposed to be transferred or changed 0.19 cubic feet per second and/or 30.5 acre-feet per annum.

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	NE	5	11S	16E	Twin Falls	Ground Water	
			SE	NE	5	11S	16E	Twin Falls	Ground Water	

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	
11S	16E	5				S/C									S/C				
Total Acres (for irrigation use)																			

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:

Wells, piping, & in-line meter.

- b. Who owns the property at the point(s) of diversion? Blue Sage Properties, LLC, Aka Antionette Hafliger

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:

- 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: None

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

The acres will no longer be irrigated.

- e. 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:

47-7431B & 47-7519B Stockwater/Commercial water rights in the name of Blue Sage Properties LLC combined
0.39 cfs & 168.8 afa are also applicable to this dairy.

- f. 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:

A. DESCRIPTION OF RIGHT(S) AS RECORDED

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

- Right Number: 47-17589

- [illegible]

Basis: Decreed

Tributary

GROUND WATER

Location of Point(s) of Diversion

GROUND WATER

NW1/4SW1/4SW1/4 Sec. 20, Twp 16S, Rge 16E B.M.

TWIN FALLS County

Place of Use

IRRIGATION Within TWIN FALLS County

T16S R16E S20	SWSW	40.00	T16S R16E S20	SESW	12.00
T16S R16E S29	NENW	28.00	T16S R16E S29	NWNW	22.50

Total Acres: 102.5

Conditions of Approval:

1. R62 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.0 afa per acre at the field headgate for irrigation of the lands below.
2. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Decreed Date: 6/1/2010

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.

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:

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments.

Received by A. SKINNER Date 5/20/2014 Preliminary check by _____ Date _____

Fee paid \$450.00 Date 5/20/2014 Received by P. SKINNER Receipt # 5034038

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

Page 67



0 250 500 1,000 Feet

**CEDAR RIDGE DAIRY, LLC
TRANSFER DAIRY #2 - STOCKWATER/COMMERCIAL
NAIP 2013 AERIAL**

Legend

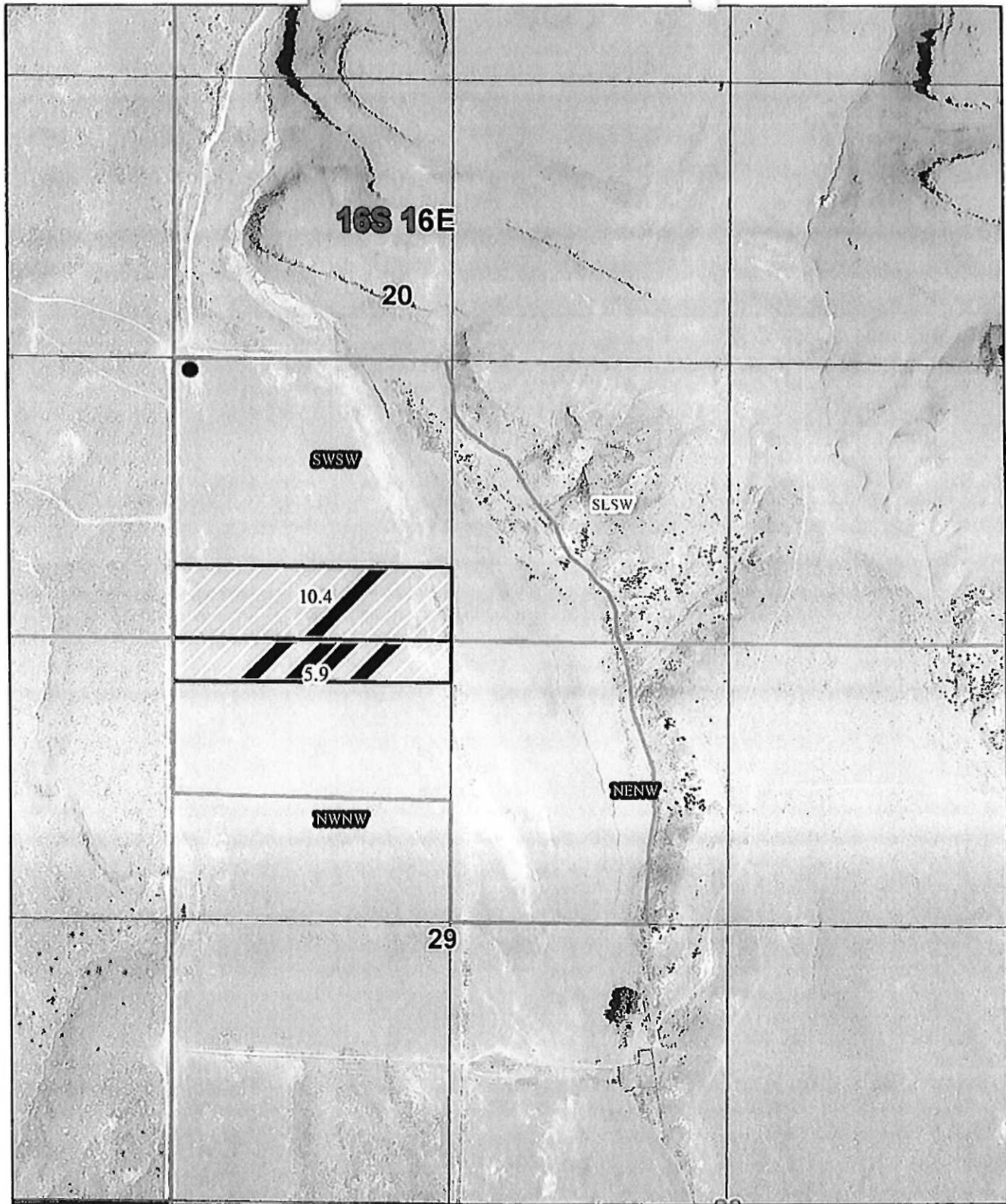
- PODs Dairy #2
- Sections
- POU Dairy #2
- QQ Lines
- twnshp



BROCKWAY ENGINEERING, PLLC.
ALR - Date: 4/21/2014

ATTACHMENT #7B

TRANSFER 79357



0 250 500 1,000 Feet

**HAFLIGER - CEDAR RIDGE - LENO
47-17589 TRANSFERS TO DAIRY #2
NAIP 2013 AERIAL**

TRANSFER 79357

Legend

- 47-17589
- 47-17589_POU
- Transfer Dairy #2, 16.3 Ac.
- ▬ township
- ▬ Sections
- ▬ lades



Historical Water Use Analysis on Parent Water Right 47-7106

Thomas Leno
Diesel Powered Pump Analysis
Brockway Engineering
GWS

Irrigated Acres 155
Volume 465
Engine HP 111
Efficiency of Engine 40%
Pump Efficiency 75%
Water Pumping Depth 100 Based on well log
Irrigation Pressure 50 psi
Irrigation Pressure Head 115
Total Required Head 215
 $\gamma = 62.42$
BTU/gal Diesel 138700 <http://www.doi.gov/pam/enerplan.html>
1 HP = 2545 BTU/hr
Irrigation Efficiency 75%
Primary Ground Water 94%

Date	Diesel (gal)	Monthly Average	Average	gal diesel/hr
8/21/1999	986.1			
5/23/2000	1501.4			
6/20/2000	1439.3	1524		
7/12/2000	1631.4		1488	2.07
5/12/2001	1538.7			
6/7/2001	1300.8	1452		
7/12/2001	1515.5			
7/10/2002	1675.3			
8/6/2002	1900			
7/14/2003	1687			
9/8/2003	841			

Theoretical Calculation				Actual Calculation					
gal diesel/hr	HP ¹	Shaft HP ²	CFS water/gal diesel ³	CFS ⁴	AF/day ⁵	Days/month	months	AFA ⁶	Acre-Feet ⁷
1	54.50	21.80	0.67	1.38	2.74	30	5	411	1.99

Irrigation to S/C	Consumptive AFA ⁸	Primary AFA ⁹	Acre-Feet ¹⁰
	308	290	1.87

Irrigation to Irrigation	Primary Acres @ 3.0 ft/acre	Primary Acres @ 4.0 ft/acre	Supplemental Acres @ 3.0 ft/acre	Supplemental Acres @ 4.0 ft/acre
	145.7	109.3	9.3	7.0

- ¹ (gallon diesel/hr)*(BTU/gal diesel)/(1 HP)
- ² HP*Efficiency of Engine
- ³ Shaft HP*550/(γ *Total Required Head)*Pump Efficiency
- ⁴ (CFS water/gal diesel)*(2.07 gal diesel/hr)
- ⁵ CFS*1.98347
- ⁶ (AF/day)*(Days/month)*months
- ⁷ (AFA*Irrigation Efficiency)/(Irrigated Acres)
- ⁸ AFA*Irrigation Efficiency
- ⁹ Consumptive AFA*% Primary Ground Water
- ¹⁰ Primary AFA/Irrigated Acres
- ¹¹ Irrigated Acres*Primary Ground Water
- ¹² Irrigated Acres*Primary Ground Water/(4 acre-feet)
- ¹³ Irrigated Acres-Primary Acres
- ¹⁴ (Supplemental acres*3.0 ft/acre)/(4 acre-feet)

TRANSFER 79357

FILED EFFECTIVE

251

CERTIFICATE OF ORGANIZATION LIMITED LIABILITY COMPANY

(Instructions on back of application)

2013 APR 30 PM 4:40

SECRETARY OF STATE
STATE OF IDAHO

1. The name of the limited liability company is:

Blue Sage Properties, LLC

2. The complete street and mailing addresses of the initial designated office:

3765 North 2300 East, Filer, Idaho 83328

(Street Address)

(Mailing Address, if different than street address)

3. The name and complete street address of the registered agent:

Antoinette H. "Toni" Haflinger

(Name)

3765 North 2300 East, Filer, Idaho 83328

(Street Address)

4. The name and address of at least one member or manager of the limited liability company:

NameAddressAntoinette H. "Toni" Haflinger3765 North 2300 East, Filer, Idaho 83328

5. Mailing address for future correspondence (annual report notices):

3765 North 2300 East, Filer, Idaho 83328

6. Future effective date of filing (optional): _____

Signature of a manager, member or authorized person.

Signature _____

Typed Name: Timothy J. Stover, Attorney at Law

Signature _____

Typed Name: _____

Secretary of State use only

 IDAHO SECRETARY OF STATE
 04/30/2013 05:00
 CK: 1381480 CT: 172099 BH: 1371862
 1 @ 100.00 = 100.00 ORGAN LLC # 2
 1 @ 20.00 = 20.00 EXPEDITE C # 3

9/21/2012

cert_org_fic Rev. 07/2010

TRANSFER 79357

W124736

FILED EFFECTIVE

251


**CERTIFICATE OF ORGANIZATION
LIMITED LIABILITY COMPANY**

2013 APR -8 AM 9:37

SECRETARY OF STATE
STATE OF IDAHO

(Instructions on back of application)

1. The name of the limited liability company is:

Cedar Ridge Dairy, LLC

2. The complete street and mailing addresses of the initial designated office:

4288 North 2500 East, Filer, ID 83328

(Street Address)

(Mailing Address, if different than street address)

3. The name and complete street address of the registered agent:

Wright Brothers Law Office, PLLC

(Name)

1186 Eastland Drive N., Ste. A, Twin Falls, ID 83301

(Street Address)

4. The name and address of at least one member or manager of the limited liability company:

Name**Address**Ryan Visser~~1030 East 8000 South, Wendell, ID 83338~~41 Northridge way Jerome, ID83338

5. Mailing address for future correspondence (annual report notices):

41 Northridge way Jerome, ID 83338

6. Future effective date of filing (optional): _____

Signature of a manager, member or authorized person.

Signature

Typed Name: Ryan Visser

Signature

Typed Name: _____

Secretary of State use only

W21/2012

cert.org Do Rev. 07/2010

 IDAHO SECRETARY OF STATE
 04/08/2013 05:00
 CK: 1353484 CT: 172099 BH: 1368277
 1 @ 100.00 = 100.00 ORGAN LLC # 2
 1 @ 20.00 = 20.00 EXPEDITE C # 3

W123874

TRANSFER 79357

4200
TWIN FALLS COUNTY
RECORDED FOR:
LAND TITLE AND ESCROW - TWIN
03:25:16 PM 05-31-2013
2013011923
NO. PAGES 10 FEE: \$37.00
KRISTINA GLASCOCK
COUNTY CLERK
DEPUTY: JWD
Electronically Recorded by Simplifile

SPECIAL WARRANTY DEED

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged L & S LAND HOLDINGS, LLC, the "Grantor", hereby grants, bargains, sells, and conveys unto BLUE SAGE PROPERTIES, LLC, an Idaho limited liability company, whose address is 3765 N. 2300 E., Filer, Idaho 83328, the "Grantee", the following described premises located in Twin Falls County, Idaho, to wit:

See EXHIBIT A attached hereto.

Together with all water rights appurtenant thereto.

TO HAVE AND TO HOLD, unto Grantee, their successors, heirs and assigns forever.

SUBJECT TO the following: (a) general taxes and assessments, which are not yet due and payable; and (b) the encumbrances, easements, restrictions and matters set forth on EXHIBIT B attached hereto and incorporated herein (collectively the "Permitted Exceptions").

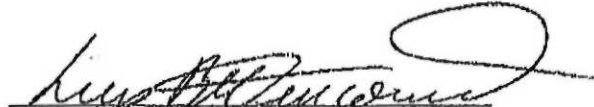
Grantors warrant that they are the owners in fee simple of the Property, that the Grantors have not conveyed any interest in the Property to any person other than Grantee, and that the Property is free from all encumbrances created or suffered by Grantor, except the Permitted Exceptions, and that Grantors will warrant and defend the same against all lawful claims of all persons claiming by, through or under Grantors.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the 31st day of May, 2013.

"GRANTORS"

L & S LAND HOLDINGS, LLC

LUIS M. BETTENCOURT AND SHARON BETTENCOURT 2008 TRUST
u/a/d March 5, 2008, Member


LUIS M. BETTENCOURT, Trustee

WARRANTY DEED - 1

\\SERVER\\share\\data\\Bettencourt\\Haffliger\\Haffliger 2013\\Agreement of Sale RCD 1 & 2 (T Haffliger)\\Amended Agreement of Sale RCD 1 & 2\\WD RP (special).doc

TRANSFER 79357

4220



SPECIAL WARRANTY DEED

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged **L & S LAND HOLDINGS, LLC**, the "Grantor", hereby grants, bargains, sells, and conveys unto **BLUE SAGE PROPERTIES, LLC**, an Idaho limited liability company, whose address is 3765 N. 2300 E., Filer, Idaho 83328, the "Grantee", the following described premises located in Twin Falls County, Idaho, to wit:

See *EXHIBIT A* attached hereto.

Together with all water rights appurtenant thereto.

TO HAVE AND TO HOLD, unto Grantee, their successors, heirs and assigns forever.

SUBJECT TO the following: (a) general taxes and assessments, which are not yet due and payable; and (b) the encumbrances, easements, restrictions and matters set forth on EXHIBIT B attached hereto and incorporated herein (collectively the "Permitted Exceptions").

Grantors warrant that they are the owners in fee simple of the Property, that the Grantors have not conveyed any interest in the Property to any person other than Grantee, and that the Property is free from all encumbrances created or suffered by Grantor, except the Permitted Exceptions, and that Grantors will warrant and defend the same against all lawful claims of all persons claiming by, through or under Grantors.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the 31st day of May, 2013.

"GRANTORS"

L & S LAND HOLDINGS, LLC

LUIS M. BETTENCOURT AND SHARON BETTENCOURT 2008 TRUST
w/a/d March 5, 2008, Member

LUIS M. BETTENCOURT, Trustee

WARRANTY DEED - I

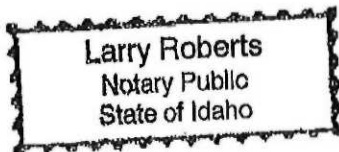
\\SERVER\\share\\data\\Bettencourt\\Haffiger\\Haffiger 2013\\Agreement of Sale RCD 1 & 2 (T Haffiger)\\Amended Agreement of Sale RCD 1 & 2\\WD RP (special).doc

TRANSFER 79357

STATE OF IDAHO)
 : ss
County of Twin Falls)

On this 31 day of May, 2013, before me, the undersigned, a Notary Public in and for said County and State, personally appeared LUIS M. BETTENCOURT, as Trustee of the Luis M. Bettencourt and Sharon Bettencourt 2008 Trust u/a/d March 5, 2008, Member of L & S Land Holdings, LLC, known to me to be such Trustee and the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same on behalf of the Trust, as member of the company.

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



A handwritten signature in cursive script, appearing to read "Larry Roberts", written over a horizontal line.

Notary Public for Idaho
Residing at: Burley, ID
My Commission expires: 6-30-2015

CONTINUATION
SCHEDULE A

Bettencourt to
Antoinette H. Hafliger
Legal Description

Order Number: 4149

PARCEL NO. 1:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN
TWIN FALLS COUNTY, IDAHO

Section 9: NE¼ SAVE AND EXCEPT the following described:

Beginning at the Northeast corner of Section 9, said corner marked by a 5/8 inch rebar; Thence North 89°57'40" West along the North line of Section 9 for a distance of 39.87 feet to the extended West right-of-way of State Highway 93, which shall be the Point of Beginning;
Thence South 00°15'06" East along the West right-of-way of State Highway 93 for a distance of 25.28 feet to a concrete highway right-of-way marker;
Thence South 00°15'06" East along said highway right-of-way for a distance of 723.89 feet to a 1/2 inch rebar;
Thence North 48°56'17" West for a distance of 1087.39 feet to a 1/2 inch rebar;
Thence North 48°56'17" West for a distance of 53.98 feet to the North line of Section 9;
Thence South 89°57'40" East along the North line of Section 9 for a distance of 857.31 feet to the Point of Beginning.

PARCEL NO. 2:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN
TWIN FALLS COUNTY, IDAHO

Section 3: Lot 4: SW¼NW¼

SAVE AND EXCEPT that portion decided to State of Idaho for a public highway, dated February 8, 1950 and recorded February 10, 1950 as Instrument No. 396688, records of Twin Falls County, Idaho.



PARCEL NO. 6:

TOWNSHIP 10 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 34: S½SW¼ SAVE AND EXCEPT the following described tracts:

Tract No. 1:

All that part lying South and East of the Highline Canal of the Twin Falls Canal Company

Tract No. 2:

That portion deeded to the State of Idaho by Deed recorded February 28, 1950, in Book 166 of Deeds, Page 147, records of Twin Falls County, Idaho

PARCEL NO. 7:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 4: SW¼; SE¼; Lots 3 and 4; S½NW¼ SAVE AND EXCEPT the following described tracts:

Tract No. 1:

Beginning at the North ¼ corner of Section 4, said corner marked by a 5/8 inch rebar, which shall be the Point of Beginning;

Thence South 00°02'53" East along the East line of the NW¼ for a distance of 520.47 feet to a ½ inch rebar,

Thence South 89°18'37" West for a distance of 285.42 feet to a ½ inch rebar;

Thence North 31°53'46" West for a distance of 586.15 feet to a ½ inch rebar;

Thence North 00°03'00" East for a distance of 26.80 feet to a ½ inch rebar on the North line of Section 4;

Thence South 89°57'00" East along the North line of Section 4 for a distance of 504.65 feet to the Point of Beginning.

-Continued-

CONTINUATION

SCHEDULE A

Order Number: 4149

Tract No. 2:

Commencing at the Northwest corner of said Section 4 being the Point of Beginning:

Thence South $89^{\circ}54'55''$ East along the North boundary for a distance of 275.00 feet;

Thence South $00^{\circ}00'00''$ West parallel with the West boundary for a distance of 316.80 feet;

Thence North $89^{\circ}54'55''$ West parallel with the North boundary for a distance of 275.00 feet to a point on the West boundary of the NW $\frac{1}{4}$ of said Section 4;

Thence North $00^{\circ}00'00''$ West along the West boundary for a distance of 316.80 feet to the Point of Beginning.

PARCEL NO. 8:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 5: Lots 1, 2 and 3; S $\frac{1}{2}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$; and a parcel of land located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$, more particularly described as follows:

Beginning on the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$, at a point 362 feet West from the Southeast corner of said NW $\frac{1}{4}$ SW $\frac{1}{4}$;

Thence North $56^{\circ}36'$ West for 202.5 feet,

Thence South $37^{\circ}44'$ West for 139.5 feet to the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$;

Thence East along the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ for 254 feet to the Point of Beginning.

SAYE AND EXCEPT a portion of 1 of 3 more particularly described as follows:

Beginning at the Northwest corner of Lot 3;

Thence South on the West boundary line of Lot 3 for a distance of 347 feet;

Thence East for 60 feet;

Thence North along a line parallel with the West boundary line of Lot 3 for a distance of 347 feet to the North line of Lot 3;

Thence West along the North line of said Lot 3 to the Point of Beginning.

Section 9: N $\frac{1}{2}$ NW $\frac{1}{4}$

CONTINUATION

SCHEDULE A

Order Number: 4149

PARCEL NO. 10:

TOWNSHIP 10 SOUTH RANGE 15 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 35: Being all that certain tract or parcel of land situated in the SE $\frac{1}{4}$ being more particularly described by metes and bounds as follows:

Beginning at the Southeast corner of the aforementioned Section 35, from which the East quarter corner of Section 35 bears North for 2640.49 feet;

Thence South 89°36'04" West for 1968.80 feet, along and with the south line of the aforementioned Section 35;

Thence North 26°27'24" East for 268.82 feet;

Thence North 46°22'00" West for 384.40 feet;

Thence North 36°53'35" West for 226.42 feet;

Thence North 25°04'45" West for 216.86 feet;

Thence North 16°27'58" West for 276.80 feet;

Thence North 12°16'49" East for 874.27 feet;

Thence South 80°22'43" East for 43.26 feet;

Thence North 22°53'37" East for 154.88 feet;

Thence North 46°38'25" East for 279.70 feet;

Thence North 59°07'44" East for 302.38 feet;

Thence North 74°52'21" East for 249.37 feet;

Thence North 86°53'21" East for 186.61 feet;

Thence North 00°36'28" West for 87.00 feet to a point on the north line of the SE $\frac{1}{4}$ of Section 35;

Thence North 89°42'56" East for 1255.62 feet, along and with the north line of the SE $\frac{1}{4}$ of Section 35, to the northeast corner of same, and also the Northeast corner of the herein described tract;

Thence South for 1823.05 feet along and with the east line of Section 35;

Thence South 41°55'34" West for 816.92 feet;

Thence South 82°59'02" East for 549.95 feet to a point on the east line of Section 35;

Thence South for 142.46 feet along and with the section line, to the Point of Beginning.

END OF SCHEDULE A

EXHIBIT B

9. Taxes for 2013 and subsequent years, a lien, but not yet due or payable.
10. Levies and assessments of the Salmon River Canal Company, LTD and the rights, powers and easements of said District as by law provided.
11. Liens, levies, and assessments of the Twin Falls Canal Company, and the rights, powers, and easements of said Company as by law provided.
12. Rights of way for ditches, tunnels and telephone and transmission lines constructed by authority of the United States, as granted to the United States under provisions of Section 58-604, Idaho Code.
13. Easement granting right of way to convey water over and across a portion of property described in Schedule A herEOF, contained in Quitclaim Deed from L.L. Breckenridge and Florence Breckenridge, his wife, to L. Ernest Daniel dated May 13, 1910, recorded May 13, 1910 as Instrument No. 19426 in Book 14 of Deeds, Page 568, records of Twin Falls County, Idaho. (Covers the SW¼SW¼ of Section 34, Township 10 South, Range 16 East of the Boise Meridian.)
14. Reservation contained in Deed from William C. Williams and Jane Williams, his wife, and D.L. Hickling and Hagar Hickling, his wife, to L. Ernest Daniel dated May —, 1910, recorded May 13, 1910 as Instrument No. 19427 in Book 15 of Deeds, Page 28, records of Twin Falls County, Idaho. (Covers the SW¼ of Section 34, Township 10 South, Range 16 East of the Boise Meridian.)
15. Right of way contained in Deed by and between High Line Seed Farms, a corporation, and Twin Falls County of the State of Idaho, dated February 1, 1916 and recorded March 10, 1910 as Instrument No. 69186, records of Twin Falls County, Idaho. (Covers the S½ of Section 35, Township 10 South, Range 16 East of the Boise Meridian.)

-Continued-

16. Easement from Raymond Jones and Blanche Jones, husband and wife, to the Salmon River Canal Company, Ltd., recorded May 9, 1925 as Instrument No. 177620 in Book 71 of Deeds, Page 252, records of Twin Falls County, Idaho. (Covers the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 9, Township 11 South, Range 16 East of the Boise Meridian.)
17. Waterway Agreement by and between Oregon Short Line Railroad Company, a corporation, and M. W. Hunt, an individual, dated December 2, 1935 and recorded January 6, 1936 as Instrument No. 271330, records of Twin Falls County, Idaho. (Covers Section 3, Township 10 South, Range 15 East of the Boise Meridian.)
18. Highway Right of Way Deed from Ernest Tucker and Irma Tucker, his wife, to the State of Idaho, dated January 31, 1950 and recorded February 9, 1950 as Instrument No. 396663, records of Twin Falls County, Idaho. (Covers the E $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4, Township 11 South, Range 16 East of the Boise Meridian.)
19. Restrictions and Easement contained in Highway Right of Way Deed from Gunda A. Estling, a widow, to the State of Idaho, dated February 8, 1950, recorded February 10, 1950 as Instrument No. 396688 in Book 166 of Deeds, Page 87, records of Twin Falls County, Idaho. (Over and across the SW $\frac{1}{4}$ NW $\frac{1}{4}$ and Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 3, Township 11 South, Range 16 East of the Boise Meridian.)
20. Right of way Deed from Raymond Jones and Blanche Jones, husband and wife, to the State of Idaho recorded February 14, 1950 as Instrument No. 396742 in Book 166 of Deeds, Page 98, records of Twin Falls County, Idaho. (Over and across the E $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 9, Township 11 South, Range 16 East of the Boise Meridian.)
21. Easement granted in Deed to State of Idaho recorded February 28, 1950 as Instrument No. 397133 in Book 166 of Deeds, Page 147, records of Twin Falls County, Idaho, granting easement adjacent to highway for relocation of ditches as may be necessary for proper construction of highway. (Over and across the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 10 South, Range 16 East of the Boise Meridian.)
22. Right of Way and reservation in Details of Grant dated February 10, 1961 and recorded February 16, 1961 as Instrument No. 500690, records of Twin Falls County, Idaho.
23. Power Line Easement from Leslie R. Jones and Charlotte Jones, husband and wife, to the Idaho Power Company dated May 11, 1965, recorded March 2, 1966 as Instrument No. 561388 in Book 218 of Deeds, Page 2178, records of Twin Falls County, Idaho. (Covers the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 11 South, Range 16 East of the Boise Meridian.)
24. Easement from John F. Grisez and Josephine Grisez, his wife, Grantors, to the State of Idaho and the Twin Falls Canal Company, Grantees, and their successors and assigns, dated December 19, 1967 and recorded March 21, 1969 as Instrument No. 586789, records of Twin Falls County, Idaho. (Covers Lots 3 and 4, and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 3, Township 10 South, Range 15 East of the Boise Meridian.)
25. An Easement for concrete pipeline as recorded July 8, 1968 as Instrument No. 590368, records of Twin Falls County, Idaho. (Covers the SW $\frac{1}{4}$ of Section 4, Township 11 South, Range 16 East of the Boise Meridian.)
26. Power Line Easement from M. J. Danos and Ruth Danos, his wife, to Idaho Power Company, a corporation, dated October 4, 1978 and recorded February 5, 1974 as Instrument No. 660647, records of Twin Falls County, Idaho. (Covers the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 5, Township 11 South, Range 16 East of the Boise Meridian.)
27. Power Line Easement from Irma Tucker, a widow, to the Idaho Power Company, a corporation, dated April 28, 1975 and recorded February 13, 1976 as Instrument No. 692029, records of Twin Falls County, Idaho. (Covers the NE $\frac{1}{4}$ of Section 9, Township 11 South, Range 16 East of the Boise Meridian.)

Continued

28. Power Line Easement from Leander J. Smith and Milton C. Smith, his wife, to Idaho Power Company, a corporation, dated November 20, 1976 and recorded July 18, 1977 as Instrument No. 719037, records of Twin Falls County, Idaho. (Covers the NW¼NW¼S¼ of Section 35, Township 10 South, Range 15 East of the Boise Meridian.)
29. Power Line Easement from Leslie R. Jones and Charlotte B. Jones, his wife, to Idaho Power Company, a corporation, dated July 11, 1977 and recorded October 11, 1977 as Instrument No. 723681, records of Twin Falls County, Idaho. (Covers the NE¼NE¼ of Section 9, Township 11 South, Range 16 East of the Boise Meridian.)
30. Power Line Easement from Glavin & Glavin Farms, Inc., to Idaho Power Company, a corporation, dated November 18, 1977 and recorded June 5, 1978 as Instrument No. 738331, records of Twin Falls County, Idaho. (Covers the SW¼NW¼ of Section 3, Township 11 South, Range 16 East of the Boise Meridian.)
31. Underground Power Line Easement from Leslie R. Jones, Inc., an Idaho corporation, to Idaho Power Company, a corporation, dated January 15, 1979 and recorded August 27, 1979 as Instrument No. 766716, records of Twin Falls County, Idaho. (Covers the SW¼SE¼NE¼ of Section 9, Township 11 South, Range 16 East of the Boise Meridian.)
32. Easement from Leslie R. Jones, Inc., to the State of Idaho, by and through the Idaho Transportation Board for the Division of Highways, recorded September 24, 1976 as Instrument No. 789886, records of Twin Falls County, Idaho. (Covers Lot 4 of Section 3, Township 11 South, Range 16 East of the Boise Meridian.)
33. Easement granted by Leslie R. Jones, Inc., to the State of Idaho, by and through the Idaho Transportation Board for the Division of Highways, recorded September 24, 1980 as Instrument No. 789887, records of Twin Falls County, Idaho. (Covers the SW¼SW¼ of Section 34, Township 10 South, Range 16 East of the Boise Meridian.)
34. Power Line Easement from Leslie R. Jones Inc., to Idaho Power Company, a corporation, dated April 17, 1981 and recorded July 17, 1981 as Instrument No. 806346, records of Twin Falls County, Idaho. (Covers Lot 4 of Section 3, Township 11 South, Range 16 East of the Boise Meridian.)
35. Mineral Deed between Union Pacific Railroad Company, a corporation, successor by merger to Oregon Short Line Railroad Company, a corporation, Grantor, and Union Pacific Land Resources Corporation, a corporation, (successor by merger to Union Pacific Land Resources Corporation, a corporation), Grantee, dated April 1, 1971 and recorded July 21, 1988 as Instrument No. 942124, records of Twin Falls County, Idaho. (Covers Lot 4 of Section 4, Township 11 South, Range 16 East of the Boise Meridian.)
36. Power Line Easement from Randle Durham and Patricia C. Durham, his wife, to Idaho Power Company, a corporation, dated January 25, 1993 and recorded August 6, 1993 as Instrument No. 1993-011231, records of Twin Falls County, Idaho. (Covers the SW¼SW¼ of Section 4, Township 11 South, Range 16 East of the Boise Meridian.)
37. Amended Agreement For Sprinkler Installation by and between the Twin Falls Canal Company, an Idaho corporation and Leslie R. Jones, Inc., dated June 21, 1995 and recorded January 31, 1996 as Instrument No. 1996-001651, records of Twin Falls County, Idaho. (Covers the W¼NW¼ of Section 3, Township 11 South, Range 16 East of the Boise Meridian.)
38. Agreement For Sprinkler Installation by and between Salmon River Canal Company, an Idaho corporation, and Leslie R. Jones, Inc., recorded January 6, 2000 as Instrument No. 2000-000227, records of Twin Falls County, Idaho. (Covers the B¼NE¼ of Section 9, Township 11 South, Range 16 East of the Boise Meridian.)
39. Amended Agreement For Sprinkler Installation by and between Twin Falls Canal Company, an Idaho corporation, and Patricia Durham, dated December 12, 2002 and recorded October 6, 2003 as Instrument No. 2003-025994, records of Twin Falls, Idaho. (Covers Section 34, Township 10 South, Range 16 East of the Boise Meridian.)

-Continued-

40. INTENTIONALLY DELETED

41. Terms contained in Agreement as disclosed by Memorandum of Liquid Effluent and Fiber Off-Take Agreement by and between Bottencourt Dairies, LLC, an Idaho limited liability company, L & S Land Holdings, LLC, a limited liability company and New Energy One, LLC, an Idaho limited liability company, dated May 9, 2011 and recorded September 9, 2011 as Instrument No. 2011-016959, records of Twin Falls County, Idaho.
42. Terms contained in Agreement as disclosed by Memorandum of Manure Supply Agreement by and between Bottencourt Dairies, LLC, an Idaho limited liability company, L & S Land Holdings, LLC, a limited liability company and New Energy One, LLC, an Idaho limited liability company, dated May 9, 2011 and recorded September 9, 2011 as Instrument No. 2011-016961, records of Twin Falls County, Idaho.

STATE OF IDAHO
IDAHO DEPARTMENT OF HEALTH AND WELFARE
BUREAU OF VITAL RECORDS AND HEALTH STATISTICS
CERTIFICATE OF DEATH

Date Filed AUGUST 23, 2011

State File No. 2011-07427

DECEDENT - LEGAL NAME DOROTHY MAE LENO			
SEX FEMALE	SOCIAL SECURITY NUMBER 286-26-3454	AGE 81 YEARS	DATE OF BIRTH NOVEMBER 16, 1929
BIRTHPLACE GREENFIELD, OHIO		PLACE OF RESIDENCE BUHL, IDAHO	
MARITAL STATUS AT TIME OF DEATH MARRIED		NAME OF SURVIVING SPOUSE (If wife, maiden name) THOMAS LENO	WAS DECEDENT EVER IN U.S. ARMED FORCES? NO
FATHER - NAME CHARLES EDWARD WATTS			BIRTHPLACE OHIO
MOTHER - MAIDEN NAME FLORA INEZ COOK			BIRTHPLACE OHIO
METHOD OF DISPOSITION BURIAL		FUNERAL SERVICE LICENSEE STEPHEN BONAR	
NAME AND ADDRESS OF FUNERAL FACILITY FARMER FUNERAL CHAPEL, BUHL, IDAHO			
DATE OF DEATH AUG. 15, 2011	TIME OF DEATH 6:30 P.M.	CITY/TOWN OR LOCATION OF DEATH BUHL, IDAHO	COUNTY OF DEATH TWIN FALLS
CAUSE OF DEATH (underlying cause last) a. METASTATIC CANCER		Approximate Interval Between Onset and Death 8/15/11	
DUE TO (or as a consequence of): b. MELANOMA		2009	
DUE TO (or as a consequence of): c.			
DUE TO (or as a consequence of): d.			
OTHER SIGNIFICANT CONDITIONS CONTRIBUTING TO DEATH but not resulting in the underlying cause given above NONE STATED			WAS AN AUTOPSY PERFORMED? NO
MANNER OF DEATH NATURAL	NAME OF CERTIFIER MARY B. CURTIS, M.D.		TITLE PHYSICIAN
CORONER SUBSEQUENT CERTIFICATION IF NECESSARY			
EXTERNAL CAUSES ONLY			
DATE OF INJURY	TIME OF INJURY	PLACE OF INJURY	INJURY AT WORK?
LOCATION WHERE INJURY OCCURRED			
DESCRIPTION OF HOW INJURY OCCURRED			

This is a true and correct reproduction of the document officially registered and placed on file with the IDAHO BUREAU OF VITAL RECORDS AND HEALTH STATISTICS.

AUGUST 23, 2011

DATE ISSUED:

This copy not valid unless prepared on engraved border displaying state seal and signature of the Registrar.

PRNCO (Rev) 07/10

James B. Aydelotte
JAMES B. AYDELOTTE
STATE REGISTRAR

ANY ALTERATION OR ERASURE VOIDS THIS CERTIFICATE

RECEIVED

MAY 20 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGION

State of Idaho Department of Water Resources Relinquishment of Water Right

I, Tom Leno, hereby relinquish to the State of Idaho all my right, title and interest in and to the Public Waters of the State of Idaho described as, 93.2 acres of irrigation water located at Township 16 South Range 16 East Section 20 (40.0 acres) SWSW, (12.0 acres) SESW and Section 29 (18.7 acres) NENW, (22.5 acres) NWNW Boise Meridian pertaining to Water Rights No. 47-7287.

Signed this 16TH day of May, 2014.

Tom Leno
Water Right Holder(s)

Subscribed and sworn before me this 16th day of May, 2014.

Sheila D. Daniels
(Notary Public)

My Commission expires

8/6/19



RECEIVED

MAY 20 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGION

State of Idaho Department of Water Resources Relinquishment of Water Right

I, Tom Leno, hereby relinquish to the State of Idaho all my right, title and interest in and to the Public Waters of the State of Idaho described as, 80.2 acres of irrigation water located at Township 16 South Range 16 East Section 20 (37.0 acres) SWSW, (6.0 acres) SESW and Section 29 (14.7 acres) NENW, (22.5 acres) NWNW Boise Meridian pertaining to Water Rights No. 47-14285.

Signed this 16th day of May, 2014.

Tom Leno
Water Right Holder(s)

Subscribed and sworn before me this 16th day of May, 2014.

Sheila D. Dail
(Notary Public)

My Commission expires 8/6/19



RECEIVED

MAY 20 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGION

WATER RIGHT PURCHASE AND SALE AGREEMENT

This WATER RIGHT PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of this 16th day May, 2014, by and among Thomas Leno, an unmarried man whose address is 4236 N. 1900 E., Buhl, ID 83316 (collectively, the "Seller"), and Cedar Ridge Dairy, LLC, an Idaho limited liability company whose address is P.O. Box 105, Twin Falls, Idaho 83303 (the "Buyer").

WHEREAS, the Seller is the owner of Idaho Department of Water Resources ("IDWR") Water Right No. 47-17589 (the "Parent Water Right");

WHEREAS, the Buyer desires to purchase a portion of the Parent Water Right consisting of a current diversion amount of 1.10 cfs and 279.6 AFA, which can currently irrigate 93.2 acres (such portion, the "Water Right"), and obtain approval from IDWR of a transfer of the Water Right to the Buyer for use in the Buyer's operations (the "Transfer");

WHEREAS, the Seller desires to sell to the Buyer and the Buyer desires to purchase from the Seller, the Water Right upon the terms and conditions described in this Agreement; and

NOW THEREFORE, for in consideration of the mutual agreements and representations and warranties contained herein, the parties hereby agree as follows:

1. Purchase and Sale.

1.1. Water Right. Subject to and upon the terms and conditions contained herein, the Seller hereby agrees to sell the Water Right to the Buyer, and the Buyer hereby agrees to purchase the Water Right from the Seller.

1.2. Purchase Price. The total purchase price (the "Purchase Price") which the Buyer shall pay to the Seller for the Water Right is [REDACTED] (subject to adjustment as set forth in Section 3.2), payable as follows:

(a) [REDACTED] (the "Cash at Closing") shall be paid by the Buyer to the Seller at Closing (as such term is defined below);

(b) The remainder of the Purchase Price shall be payable to the Seller pursuant to the terms of a promissory note in the form attached as Exhibit A hereto (the "Note"), which Note shall be secured by a security agreement executed by the Buyer in favor of the holder of the Note in the form attached as Exhibit B hereto (the "Security Agreement").

2. Closing.

2.1. Closing Date. The closing of the purchase and sale of the Water Right (the "Closing") shall take place at the offices of Land Title & Escrow, Inc., 1411 Falls Ave. East, Suite 1311, Twin Falls, ID 83301 (the "Escrow Company") or at such other place as may be agreed to in writing by the Buyer and the Seller, within five (5) business days of a final order

from IDWR approving the Transfer, or on such other date as may be agreed to in writing by the Buyer and the Seller (the "Closing Date"). The Buyer shall be entitled to exclusive use of the Water Right following Closing.

2.2. Responsibilities at Closing. At the Closing:

(a) Payments.

(i) The Cash at Closing shall be paid by the Buyer to the Seller (to an account as directed by the Seller).

(ii) Each party shall pay its own attorney's fees and expenses incurred in the preparation and/or review of this Agreement and any ancillary documents hereto; and

(iii) The Buyer shall pay all the closing costs of the Escrow Company in connection with this transaction.

(b) Documents.

(i) The Buyer shall execute and deliver the Note to the Seller;

(ii) The Buyer shall execute and deliver the Security Agreement to the Seller;

(iii) The Seller shall execute and deliver to the Buyer a special water deed for the Water Right conveying good and marketable title to the Water Right free and clear of any liens or encumbrances in the form attached hereto as Exhibit C;

(iv) The Buyer shall execute and file with IDWR a Notice of Change in Water Right Ownership with respect to the Water Right;

(v) The Seller shall execute and file with IDWR a Notice of Security Interest in a Water Right with respect to the Water Right;

(vi) The Seller shall file with the Idaho Secretary of State an UCC financing statement evidencing its security interest in the Water Right; and

(vii) Each party shall execute and provide any other documents that may be necessary to transfer free and clear ownership of the Water Right and to close this transaction in accordance with this Agreement.

3. Conditions.

3.1. Water Right Transfer Approval. The Buyer's obligation to close hereunder is contingent upon approval by IDWR of the Transfer on terms and conditions reasonably acceptable to the Buyer. In the event IDWR rejects the Transfer, or approves the Transfer on

terms and conditions not reasonably acceptable to the Buyer, the Buyer may terminate this Agreement by providing written notice of such termination to the Seller. In the event the Buyer terminates this Agreement pursuant to this Section, this Agreement shall be of no further force or effect.

3.2. Adjustment to Purchase Price. The Buyer and the Seller acknowledge and agree that the Purchase Price was calculated based on the Buyer receiving after the Transfer at least 221.3 AFA available under the Water Right for the Buyer's use in its operations. In the event the amount of water under the Water Right available for the Buyer's use after the Transfer is less than 221.3 AFA, the Purchase Price will be reduced on a pro-rata basis (with the reduced Purchase Price reflecting the percentage of AFA available for the Buyer's use after the Transfer as compared to the 221.3 AFA anticipated to be available for the Buyer's use). Any reduction in the Purchase Price pursuant to this Section shall be reflected in a reduction of the original principal amount of the Note.

3.3. Title Commitment. Within seven (7) days following the mutual execution hereof, the Seller shall provide to the Buyer a commitment of title insurance showing the condition of the title to the real property to which the Water Right is appurtenant (the "Commitment"). The Buyer shall have ten (10) business days following the receipt thereof to provide the Seller with a written objection to any condition disclosed on the Commitment that would encumber the Water Right. If the Buyer does not object within such allotted time, the Buyer shall be deemed to have accepted the conditions of the title. The parties agree that if the title to the Water Right is encumbered and cannot be released from such encumbrance within ten (10) business days after the Seller receives the Buyer's written objection, the Buyer may terminate this Agreement by providing written notice of such termination to the Seller.

3.4. Closing Items. The obligations of each of the Buyer and the Seller to close hereunder is contingent upon the full payment, execution and delivery (as applicable) of the items set forth in Section 2.2 in accordance with the terms hereof.

4. Covenants.

4.1. The Seller's Obligations. The Seller covenants and agrees as follows:

(a) To cooperate with the Buyer in obtaining approval of the Transfer, including producing, executing, and submitting any documentation required to complete the Transfer, including (without limitation) executing any documentation required by IDWR to process or approve the Transfer, reasonably cooperating with the Buyer in satisfying conditions for approval of the Transfer, and reasonably cooperating in any appeal of a denial of the Transfer or approval of the Transfer on terms and conditions not reasonably acceptable to the Buyer.

(b) To perform its obligations under Section 2.2.

(c) To cease using the Water Right on or before the Closing Date;

(d) To be responsible for satisfying any dry-up obligation imposed by IDWR as a result of the Transfer.

4.2. The Buyer's Obligations. The Buyer covenants and agrees as follows:

(a) To file an Application for Transfer of Water Right with IDWR and take other commercially reasonable steps to effectuate the Transfer in a reasonable time.

(b) In the event IDWR issues a preliminary order approving the Transfer on terms and conditions not reasonably acceptable to the Buyer, the Buyer shall take commercially reasonable steps to withdraw its application for the Transfer before such preliminary order becomes a final order.

4.3. Additional Documents. The parties agree to reasonably cooperate and to execute such additional documents as may be reasonably necessary to give effect to this Agreement and the transactions contemplated hereby.

The provisions of this Section 4 shall expressly survive Closing.

5. Representations and Warranties.

5.1. Representations and Warranties of the Seller. The Seller represents and warrants as follows as of the date hereof, which representations and warranties shall also be true and correct as of the Closing Date:

(a) Authorization. The Seller owns the Water Right to be transferred hereunder free and clear of all liens or encumbrances and has all necessary power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby.

(b) No Conflicts. To the knowledge of the Seller, neither the execution, delivery nor performance of this Agreement by the Seller nor the consummation of the transactions contemplated hereby will result in any material conflict with, breach of, or default under any material contract, agreement or instrument to which the Seller is a party.

(c) Brokers and Finders. The Seller has not engaged any broker, agent or finder in connection with the transactions contemplated by this Agreement. The Seller shall be solely responsible for all fees and commissions owing to any consultant working with the Seller in connection with this transaction.

5.2. Representations of the Buyer. The Buyer represents and warrants as follows as of the date hereof, which representations and warranties shall also be true and correct as of the Closing Date:

(a) Authorization. The Buyer is duly organized and in good standing in the State of Idaho, and has all necessary power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby.

(b) No Conflicts. To the knowledge of the Buyer, neither the execution, delivery nor performance of this Agreement by the Buyer nor the consummation of the

transactions contemplated hereby will result in any material conflict with, breach of, or default under any material contract, agreement or instrument to which the Buyer is a party.

(c) Brokers and Finders. The Buyer has not engaged any broker, agent or finder in connection with the transactions contemplated by this Agreement. The Buyer shall be solely responsible for all fees and commissions owing to any consultant working with the Buyer in connection with this transaction.

6. Miscellaneous.

6.1. Risk of Loss. The risk of loss to the Water Right prior to the Closing (including without limitation any loss, forfeiture, impairment or damage to the Water Right by reason of the Transfer) shall be with the Seller.

6.2. Further Assurances. The parties hereto shall deliver or cause to be delivered to the other party at such times and places as shall be reasonably agreed, such additional instruments as the other may reasonably request for the purpose of consummating the transactions contemplated by this Agreement.

6.3. Successors and Assigns. This Agreement and the rights of the parties hereunder may not be assigned (directly or indirectly, by operation of law or otherwise) and shall be binding upon and shall inure to the benefit of the parties hereto, their successors and permitted assigns and the heirs and legal representatives of any individual party hereto.

6.4. Entire Agreement; Amendment. This Agreement (including the exhibits attached hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior and current understandings and agreements, whether written or oral. This Agreement may be modified or amended only by a written instrument executed by the Buyer and the Seller.

6.5. Counterparts. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one instrument.

6.6. Severability. If any clause or provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, then such clause or provision will be severed from this Agreement and the Agreement will be enforced to the fullest extent permitted by law in a manner that is consistent with the intentions of the parties hereto.

6.7. Notices. All notices shall be in writing and may be sent by first-class mail, nationally recognized overnight courier, facsimile, or personal service. Notices shall be addressed as provided below (or at such other address as the addressee shall have specified by notice actually received by the addressor):

If to the Buyer, addressed to:

Cedar Ridge Dairy, LLC
P.O. Box 105
Twin Falls, ID 83303

with a copy to:

Wright Brothers Law Office, PLLC
Attn: Charles Wright
P.O. Box 226
Twin Falls, ID 83303-0226

If to the Seller, addressed to:

Thomas Leno
4236 N. 1900 E.
Buhl, ID 83316

6.8. Business Days. A business day is herein defined as Monday through Friday, 8:00 a.m. to 5:00 p.m. MST. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code § 73-108. The time in which any act required under this Agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

6.9. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Idaho without regard to its conflict of law rules.

6.10. Litigation. Should any litigation be commenced between the parties concerning this Agreement or the rights and duties of the parties in relation thereto, the action shall be brought in Twin Falls County, Idaho. The prevailing party in any litigation shall be entitled to recover, in addition to such other relief as may be granted, reasonable attorney's fees and costs.

6.11. Exercise of Rights and Remedies. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

6.12. No Third-Party Rights. This Agreement and the covenants and agreements contained herein are solely for the benefit of the Buyer and the Seller. No other person or entity shall be entitled to enforce, make any claims under, or have any right pursuant to, the provisions of this Agreement.

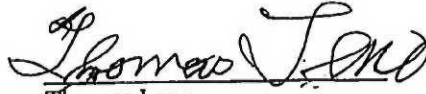
6.13. Preparation of Agreement. Each person signing this Agreement acknowledges that he has been encouraged to obtain independent legal counsel with respect to this Agreement and the transactions contemplated hereby. Each of the undersigned acknowledges and agrees that the Buyer has been represented by Wright Brothers Law Office, PLLC in the preparation of this Agreement and the documents entered into in connection herewith, and that the other parties hereto are not relying on such firm or its attorneys in any regard. Each party shall be solely responsible for paying the fees and expenses of his own respective counsel.

6.14. Time of Essence. The Buyer and the Seller agree that time is and shall be of the essence in each and every term and condition contained herein.

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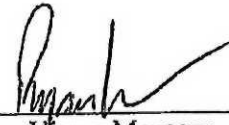
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

SELLER


Thomas Leno

BUYER

CEDAR RIDGE DAIRY, LLC

By: 
Ryan Visser, Manager