

RECEIVED

MAY 20 2014

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

Transfer No.

79384

Irrigation

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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APPLICATION FOR TRANSFER OF WATER RIGHT DEPT. OF WATER RESOURCES
PART 1 SOUTHERN REGION

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 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 0.49cfs/124.80afa Limit of 41.6 Acres at 4 af within PPU to Irrigation use.

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	0.49/124.8	Irrigation	4/1 to 11/01	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 0.49 cubic feet per second and/or 124.8 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 #
			SW	SW	8	11S	16E	Twin Falls	Ground Water	New Well

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	7				3.9									39.2			37.1	80.2
Total Acres (for irrigation use)																			80.2

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:

New well will be drilled and mainlines will be installed after transfer is approved.

- b. Who owns the property at the point(s) of diversion? Henry Calvin Haflinger Jr.

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: _____

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:
Acres currently irrigated will be dried up and no longer 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:
Salmon River Canal Co. LTD water rights include this place of use. The proposed 41.6 acres will be irrigated as be utilized as a primary ground water right.

- 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:

Current Owner:	DOROTHY LENO THOMAS LENO
Priority Date:	12/25/1970
Origin:	Water Right
Status:	Active
Basis:	Decreed

Tributary

GROUND WATER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Annual Volume</u>
IRRIGATION	04/01 to 11/01	1.21 CFS	307.5 AF
	<u>Total Diversion</u>	1.21 CFS	307.5 AF

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

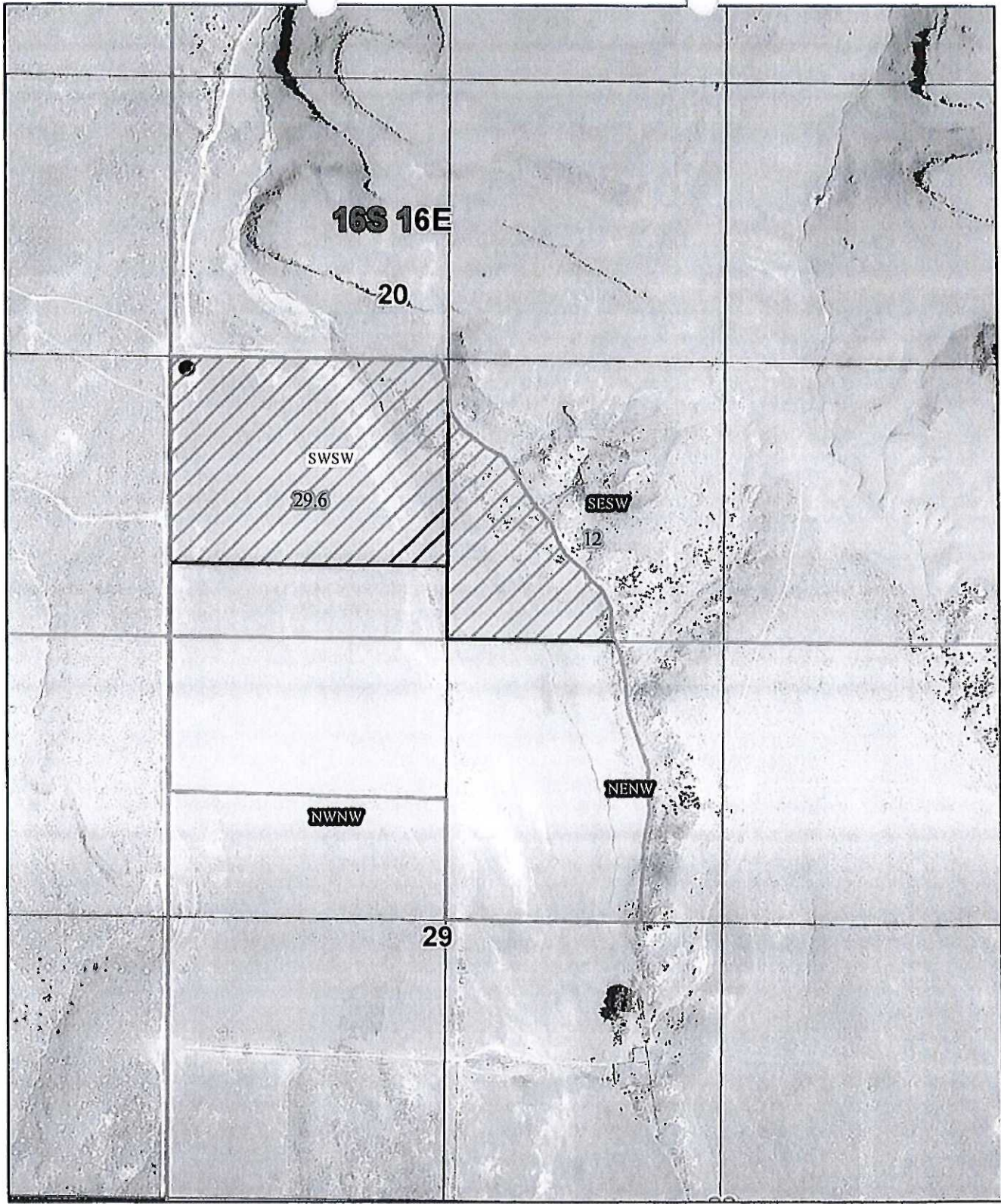
IRRIGATION Within TWIN FALLS County

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



0 250 500 1,000 Feet

**HAFLIGER - CEDAR RIDGE - LENO
47-17589 TRANSFERS TO MINI PIVOTS
NAIP 2013 AERIAL**

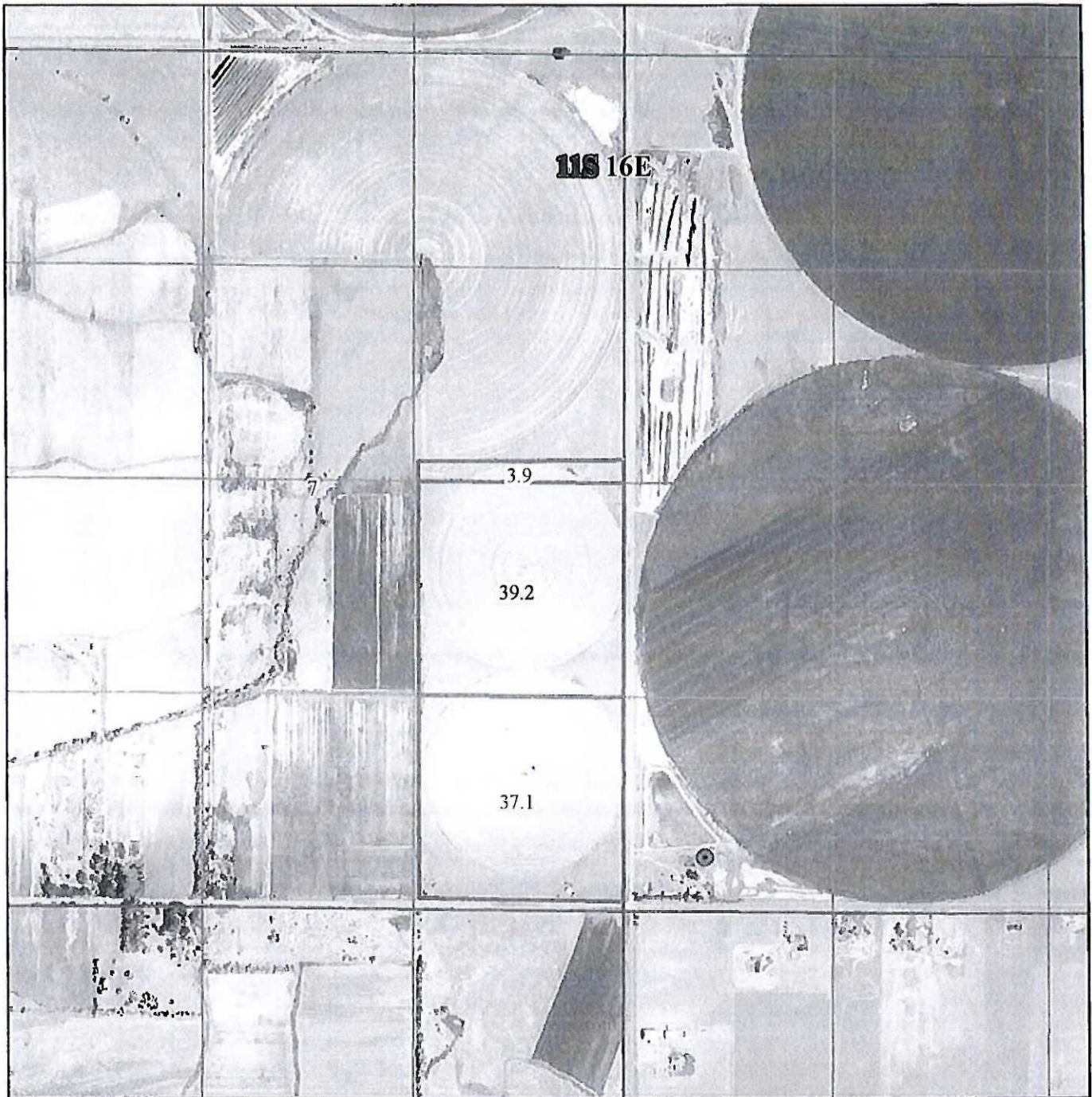
BROCKWAY ENGINEERING, PLLC.
ALR - Date: 5/5/2014

TRANSFER 79384

Legend

- 47-17589
- 47-17589_POU
- ▨ Transfer to Mini Pivots 41.6 Ac.
- ▭ township
- ▭ sections
- ▭ 1adesc





0 300 600 1,200 Feet

**HENRY C HAFLIGER JR
TRANSFER MINI PIVOTS IRRIGATION
NAIP 2013 AERIAL**

Legend

- Prop. Points of Diversion
- Sections
- Proposed POU
- QQ Lines
- twnshp





0 150 300 600 Feet

**HENRY C HAFLIGER JR
TRANSFER MINI PIVOTS -IRRIGATION
NAIP 2013 AERIAL**

TRANSFER 79384

ATTACHMENT #7B

Legend

- ⊙ Prop. Points of Diversion
- GW_POU_41.6 Ac.
- ▬ Proposed PPU
- ▬ twnshp
- ▬ Sections
- ▬ QQ Lines



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	
y =	62.42	
BTU/gal Diesel	138700	http://www.dol.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	Supplimental Acres @ 3.0 ft/acre	Supplimental 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*(50/(y * 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 (Supplimental acres*3.0 ft/acre)/(4 acre-feet)

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CONTRACT OF AGREEMENT

To Whom It May Concern,

Cedar Ridge Dairy LLC has agreed to purchase a portion of water right 47-17589 that will provide a discharge rate of 0.49 cubic feet per second, an annual volume of 124.6 acre feet and can irrigate 41.6 acres. This water will be beneficially used for irrigation purposes on a farm south of Filer, Idaho that is currently owned by Henry Calvin Hafliger Jr. The proposed place of use of the 41.6 acres is located at Township 11 South Range 16 East Section 7 SENE, NESE AND SESE.

The ownership of the 0.49 cfs, 124.6 acre feet and 41.6 acres of 47-17589 will remain in the name of Thomas and Dorothy Leno through the transfer process and implementation of the proposed transfer. The ownership of the 41.6 acre being purchased will be changed after the agreed upon payment has been received by Thomas and Dorothy Leno.

Thomas and Dorothy Leno:

Tom Leno

Name

owner

Title

Date: 5-7-14

Henry Calvin Hafliger Jr.

HC Hafliger Jr.

Name

Title

Date: 5-9-14

TRANSFER 79384

Williams, Meservy & Lothspeich, LLP
Attorneys at Law

153 East Main Street
Post Office Box 168
Jerome, Idaho 83338-0168



ROBERT E. WILLIAMS
JAMES C. MESERVY
JOHN B. LOTHSPICH
BRIAN J. WILLIAMS - ASSOCIATE
THEODORE R. LARSEN - ASSOCIATE
EUGENE D. FREDERICKSEN - RETIRED

TELEPHONE: (208) 324-2303
TELECOPIER: (208) 324-3135
E-MAIL: REWILLIAMS@CABLEONE.NET

May 28, 2014

RECEIVED
JUN 03 2014
DEPT. OF WATER RESOURCES
SOUTHERN REGION

Charles F. Wright
WRIGHT BROTHERS LAW OFFICE, PLLC
1166 Eastland Dr N, Ste A
PO Box 226
Twin Falls, ID 83301-0226

RE: Cedar Ridge Dairy, LLC/Thomas and Dorothy Leno

Dear Charlie:

This letter will confirm that my client, L & S Land Holdings, LLC, is prepared to sign a consent to the Application or Applications for Transfer of Water Right to be filed by Thomas and Dorothy Leno before the Idaho Department of Water Resources. The Applications are to be made under that certain Water Right Purchase and Sale Agreement dated as of May 14, 2014, by and among Thomas Leno, an unmarried man, as Seller and Golden Ridge Dairy, LLC, as Buyer. L & S Land Holdings, LLC, hereby consents to the filing of the Application(s) for Transfer subject to Cedar Ridge Dairy, LLC, committing that it is responsible for all application fees, costs, attorneys' fees, engineers' fees, and other costs or expenses associated with the Application for Transfer and that it will indemnify and hold harmless L & S Land Holdings, LLC, from all liability of any kind whatsoever which may arise from or in any way touch or concern the filing, processing and issuance of approval of the Application(s).

L & S Land Holdings, LLC, recognizes that it is currently the owner of an undivided one-half (1/2) interest in the real property which is to become the new place of use and point of diversion for portions of the Water Right now identified as No. 47-17589 in the Water Right Purchase and Sale Agreement previously referenced.

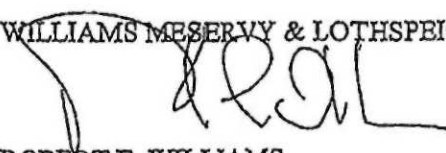
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May 28, 2014
Page 2

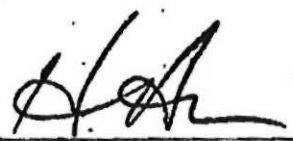
Please sign this letter on behalf of your client and return it to me signifying the agreement of Cedar Ridge Dairy, LLC, to the terms expressed in this letter.

Very truly yours,

WILLIAMS MESERVY & LOTHSPREICH, LLP


ROBERT E. WILLIAMS

Cedar Ridge Dairy, LLC, hereby agrees to the terms of the foregoing letter.


Henry Calvin Hafliger, Jr., Manager
of Cedar Ridge Dairy, LLC

REW/bsb
Encl.
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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)

1188 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:

NameAddressRyan Visser~~1000 East 2000 South, Wendouville, ID 83300~~41 Northridge way Jerome, ID
83338

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 Ryan VisserTyped Name: Ryan Visser

Signature _____

Typed Name: _____

Secretary of State use only

02/21/2012

cert_org_0a 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

TRANSFER 79384

W123874

TWIN FALLS COUNTY
Recorded for
TITLIFACT
4:25:13 pm 06-11-2008
2008-013008
No. Pages: 2 Feet: 3.600
KRISTINA GLASCOCK
County Clerk
Deputy: BILL VTFR

TWIN FALLS COUNTY
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No. Pages: 2 Feet: 3.600
KRISTINA GLASCOCK
County Clerk
Deputy: BILL VTFR

Case No. 58318SM

TitleFacts, Inc.
163 Fourth Avenue North
P.O. Box 486
Twin Falls, Idaho 83303

**** SPACE ABOVE FOR RECORDER ****

WARRANTY DEED

THIS IS BEING RE-RECORDED TO CORRECT GRANTOR'S NAME

FOR VALUE RECEIVED DESERT ROSE FARMS, LLP, an Idaho Limited Liability Partnership; and HENRY CALVIN HAFLIGER, JR. aka HANK HAFLIGER, a married man; and ANTOINETTE HELENE HAFLIGER aka TONI HAFLIGER, an unmarried woman, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto HENRY CALVIN HAFLIGER, JR., aka HANK HAFLIGER, a married man, as to an undivided one-half interest and AND ANTOINETTE HELENE HAFLIGER, aka TONI HAFLIGER, an unmarried woman as to an as to an undivided one-half interest, hereinafter called Grantee, whose address is:

2930 South 2300 East Ulenoille Idaho 83355, the following described promises in Twin Falls County, Idaho; to-wit:

PARCEL NO. 1

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 5: Lot 4 and a parcel of land located in the Northwest corner of Lot 3 more particularly described as follows:

BEGINNING at the Northwest corner of Lot 3;
THENCE South on the West boundary line of Lot 3 a distance of 347 feet;
THENCE East 60 feet;
THENCE North along a line parallel with the West boundary line of Lot 3 a distance of 347 feet to the North boundary line of Lot 3;
THENCE West along the North boundary line of Lot 3 to the POINT OF BEGINNING.

AND

Section 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$
SUBJECT TO Highway District right of way
EXCEPT 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°36' West 202.5 feet;
THENCE South 37°44' West 139.5 feet to the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$;
THENCE East 254 feet on the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ to the POINT OF BEGINNING.

PARCEL NO. 2

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 6: Lot 5 and the SE $\frac{1}{4}$ NW $\frac{1}{4}$; Lots 3 and 4
SUBJECT TO Highway District right of way.

EXCEPT a parcel of land located in Lots 3 and 4 being more particularly described as follows:
COMMENCING at the Northeast section corner of said Section 6;
THENCE West 3746.13 feet along the North boundary line of said Section 6;
THENCE South 2°04'34" West 25.02 feet to the REAL POINT OF BEGINNING;
THENCE continuing South 2°04'34" West 272.25 feet;
THENCE West 320.00 feet along a line parallel to the North boundary line of said Section 6;
THENCE North 2°04'34" East 272.25 feet;
THENCE East 320.00 feet along a line parallel to and 25.00 feet South of the North boundary line of said Section 6 to the REAL POINT OF BEGINNING.

PARCEL NO. 3

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 5: S $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
SUBJECT TO Highway District right of way.

PARCEL NO. 4

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 6:
Lot 1: SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
Lot 2: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
SUBJECT TO Highway District right of way.

PARCEL NO. 5

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

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MIV1
P161
Sec 7 Section 7: N $\frac{1}{4}$ N $\frac{1}{4}$ E $\frac{1}{4}$; SE $\frac{1}{4}$ N $\frac{1}{4}$ E $\frac{1}{4}$; E $\frac{1}{4}$ SE $\frac{1}{4}$
SUBJECT TO a 25.00-foot-wide roadway easement parallel with and adjoining the North, South, and East boundaries of the above-described parcel.
ALSO SUBJECT TO railroad right of way.

PARCEL NO. 6

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 8: W $\frac{1}{2}$; W $\frac{1}{2}$ E $\frac{1}{4}$

SUBJECT TO a 25.00-foot-wide roadway easement parallel with and adjoining the North, South, and East boundaries of the above-described parcel.

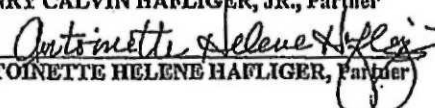
ALSO SUBJECT TO railroad right of way.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee and the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that they are free from all encumbrances except as described above; and that Grantor will warrant and defend the same from all lawful claims whatsoever.

Dated: June 5, 2008

DESERT ROSE FARMS, LLP

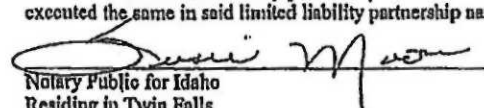
BY: 
HENRY CALVIN HAFLIGER, JR., Partner

BY: 
ANTOINETTE HELENE HAFLIGER, Partner

* * * * *

STATE OF IDAHO
County of Twin Falls

On this 5th day of June, 2008, before me, a Notary Public, personally appeared HENRY CALVIN HAFLIGER, JR., and ANTOINETTE HELENE HAFLIGER, known or identified to me to be the partners in DESERT ROSE FARMS, LLP, a limited liability partnership, and the partners who subscribed said limited liability partnership name to the foregoing instrument and acknowledged to me that they executed the same in said limited liability partnership name.


Notary Public for Idaho
Residing in Twin Falls
Commission Expires 11-28-2008



TWIN FALLS COUNTY

Recorded for:

WILLIAMS, MESERVY & LOTHSPIC

9:21:26 am

07-20-2010

2010-014427

No. Pages: 3

Fee: \$ 16.00

KRISTINA GLASCOCK

County Clerk

Deputy: DWRIGHT

RECEIVED JUL 02 2010

QUITCLAIM DEED

FOR VALUE RECEIVED, THE **LUIS M. BETTENCOURT** and **SHARON BETTENCOURT 2008 TRUST**, u/a/d March 5, 2008, **LUIS M. BETTENCOURT** and **SHARON BETTENCOURT**, Trustees, hereinafter called the "Grantor", hereby remises, releases, and forever quitclaims unto **L & S LAND HOLDINGS, LLC**, an Idaho limited liability company, whose address is 2930 South 2300 East, Wendell, Idaho 83355, hereinafter called the "Grantee", all its right, title and interest in the following described real property located in Twin Falls County, Idaho, to-wit:

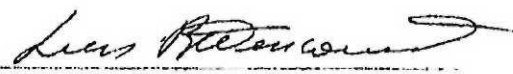
All the real property located in Twin Falls County described on **EXHIBIT A** attached hereto, together with all water rights appurtenant thereto.

TO HAVE AND TO HOLD the premises, with their appurtenances unto said Grantee, and the Grantee's heirs and assigns forever.

DATED this 8 day of July, 2010.

"GRANTOR"

THE **LUIS M. BETTENCOURT** and **SHARON BETTENCOURT 2008 TRUST**,
u/a/d March 5, 2008


LUIS M. BETTENCOURT, Trustee


SHARON BETTENCOURT, Trustee

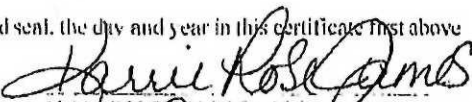
STATE OF IDAHO

County of Gooding

On this 8 day of July, 2010, before me, the undersigned, a Notary Public in and for said County and State, personally **LUIS M. BETTENCOURT** and **SHARON BETTENCOURT**, husband and wife, as Trustees of the **LUIS M. BETTENCOURT** and **SHARON BETTENCOURT 2008 TRUST**, u/a/d 3/5/2008, known to me to be such Trustees and the persons whose names are subscribed to the within and foregoing instrument, and who acknowledged to me that they executed the same on behalf of the Trust.

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




NOTARY PUBLIC for Idaho
Residing at: Gooding, ID 83320
Commission Expires: 07-17-2011

TRANSFER 79384

Exhibit A

LEGAL DESCRIPTION

PARCEL NO. 1

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 5: Lot 4 and a parcel of land located in the Northwest corner of Lot 3 more particularly described as follows:

BEGINNING at the Northwest corner of Lot 3;

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

THENCE East 60 feet;

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

THENCE West along the North boundary line of Lot 3 to the POINT OF BEGINNING.

AND

Section 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$

SUBJECT TO Highway District right of way

EXCEPT 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°36' West 202.5 feet;

THENCE South 37°44' West 139.5 feet to the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$;

THENCE East 254 feet on the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ to the POINT OF BEGINNING.

PARCEL NO. 2

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 6: Lot 5 and the SE $\frac{1}{4}$ NW $\frac{1}{4}$; Lots 3 and 4

SUBJECT TO Highway District right of way.

EXCEPT a parcel of land located in Lots 3 and 4 being more particularly described as follows:

COMMENCING at the Northeast section corner of said Section 6;

THENCE West 3746.13 feet along the North boundary line of said Section 6;

THENCE South 2°04'34" West 25.02 feet to the REAL POINT OF BEGINNING;

THENCE continuing South 2°04'34" West 272.25 feet;

THENCE West 320.00 feet along a line parallel to the North boundary line of said Section 6;

THENCE North 2°04'34" East 272.25 feet;

THENCE East 320.00 feet along a line parallel to and 25.00 feet South of the North boundary line of said Section 6 to the REAL POINT OF BEGINNING.

PARCEL NO. 3

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 5: S $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

SUBJECT TO Highway District right of way.

PARCEL NO. 4

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 6:

Lot 1: SE $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$

Lot 2: SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

SUBJECT TO Highway District right of way.

PARCEL NO. 5

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 7: N $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{4}$ SE $\frac{1}{4}$

SUBJECT TO a 25.00-foot-wide roadway easement parallel with and adjoining the North, South, and East boundaries of the above-described parcel.

ALSO SUBJECT TO railroad right of way.

PARCEL NO. 6

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 8: W $\frac{1}{2}$; W $\frac{1}{2}$ E $\frac{1}{2}$

SUBJECT TO a 25.00-foot-wide roadway easement parallel with and adjoining the North, South, and East boundaries of the above-described parcel.

ALSO SUBJECT TO railroad right of way.

TWIN FALLS COUNTY

Recorded for
TITLEFACT

Case No. 58318SM

4:25:14 PM 06-06 2008

2008-013009

TitleFact, Inc.
163 Fourth Avenue North
P.O. Box 486
Twin Falls, Idaho 83303

No. Pages: 2 Fees: \$ 6.00
KRISTINA CHANDLER
County Clerk
Deputy: BILLY STEPH

**** SPACE ABOVE FOR RECORDER ****

WARRANTY DEED

FOR VALUE RECEIVED ANTOINETTE HELENE HAFLIGER, aka TONI HAFLIGER, an unmarried woman as to an undivided 50% interest, hereinafter called the grantor, hereby grants, bargains, sells and conveys unto THE LUIS M. BETTENCOURT and SHARON BETTENCOURT 2008 TRUST, u/a/d March 5, 2008 as to an as to an undivided one-half interest hereinafter called grantee, whose address is:

2930 South 2300 East Wendell Idaho 83355, the following described premises, in Twin Falls County, Idaho, to-wit:

PARCEL NO. 1

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 5: Lot 4 and a parcel of land located in the Northwest corner of Lot 3 more particularly described as follows:

BEGINNING at the Northwest corner of Lot 3;
THENCE South on the West boundary line of Lot 3 a distance of 347 feet;
THENCE East 60 feet;
THENCE North along a line parallel with the West boundary line of Lot 3 a distance of 347 feet to the North boundary line of Lot 3;
THENCE West along the North boundary line of Lot 3 to the POINT OF BEGINNING.

AND

Section 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$

SUBJECT TO Highway District right of way

EXCEPT 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°36' West 202.5 feet;
THENCE South 37°44' West 139.5 feet to the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$;
THENCE East 254 feet on the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ to the POINT OF BEGINNING.

PARCEL NO. 2

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 6: Lot 5 and the SE $\frac{1}{4}$ NW $\frac{1}{4}$; Lots 3 and 4

SUBJECT TO Highway District right of way.

EXCEPT a parcel of land located in Lots 3 and 4 being more particularly described as follows:

COMMENCING at the Northeast section corner of said Section 6;
THENCE West 3746.13 feet along the North boundary line of said Section 6;
THENCE South 2°04'34" West 25.02 feet to the REAL POINT OF BEGINNING;
THENCE continuing South 2°04'34" West 272.25 feet;
THENCE West 320.00 feet along a line parallel to the North boundary line of said Section 6;
THENCE North 2°04'34" East 272.25 feet;
THENCE East 320.00 feet along a line parallel to and 25.00 feet South of the North boundary line of said Section 6 to the REAL POINT OF BEGINNING.

PARCEL NO. 3

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 5: S $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

SUBJECT TO Highway District right of way.

PARCEL NO. 4

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 6:

Lot 1: SE $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{4}$ SE $\frac{1}{4}$

Lot 2: SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

SUBJECT TO Highway District right of way.

PARCEL NO. 5

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 7: N $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{4}$ SE $\frac{1}{4}$

TRANSFER 79384

SUBJECT TO a 25.00-foot-wide roadway easement parallel with and adjoining the North, South, and East boundaries of the above-described parcel.
ALSO SUBJECT TO railroad right of way.

PARCEL NO. 6

Township 11 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho

Section 8: W¼; W½E¼

SUBJECT TO a 25.00-foot-wide roadway easement parallel with and adjoining the North, South, and East boundaries of the above-described parcel.

ALSO SUBJECT TO railroad right of way.

SUBJECT TO: Mortgage given by Antoinette Helene Hafliger, aka Toni Hafliger; Henry Calvin Hafliger, Jr., aka Hank Hafliger; and Desert Rose Farms, LLP, an Idaho Limited Liability Partnership, to Hartford Accident and Indemnity Company, a Connecticut corporation, dated September 20, 2007, recorded September 25, 2007, as Instrument No. 2007-023735, records of Twin Falls County, Idaho, which the Grantor herein assumes and agrees to continue to pay according to the terms and conditions thereof.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee and the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that are free from all encumbrances except as described above and that Grantor will warrant and defend the same from all lawful claims whatsoever.

Dated: June 5, 2008

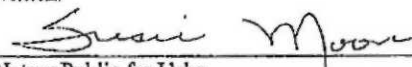

ANTOINETTE HELENE HAFLIGER

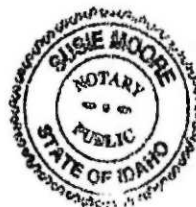
* * * * *

STATE OF IDAHO
County of Twin Falls

On this 5th day of June, 2003, before me, a Notary Public in and for said State, personally appeared ANTOINETTE HELENE HAFLIGER, aka TONI HAFLIGER, an unmarried woman as to an undivided 50% interest, known or identified to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.


Notary Public for Idaho
Residing at Twin Falls
Commission expires: 11-28-2008



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.

PERC-0 (REV) 8/08

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

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, 11.0 acres of irrigation water located at Township 16 South Range 16 East Section 20 SESW, Boise Meridian pertaining to Water Rights No. 47-2118 and 47-2048. The Stockwater portion of 47-2118 and 47-2048 will not be relinquished to the State of Idaho.

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

WATER RIGHT PURCHASE AND SALE AGREEMENT

This WATER RIGHT PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of this 16 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.

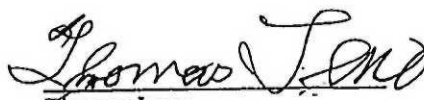
6.13. Preparation of Agreement. Each person signing this Agreement acknowledges that he has been encouraged to obtain independent legal counsel with respect to this Agreement and the transactions contemplated hereby. Each of the undersigned acknowledges and agrees that the Buyer has been represented 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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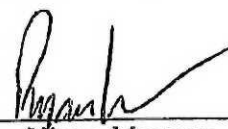
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

SELLER


Thomas Leno

BUYER

CEDAR RIDGE DAIRY, LLC

By: 
Ryan Visser, Manager