

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

RECEIVED
SEP 11 2014
DEPT OF WATER RESOURCES
SOUTHERN REGION

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, see #6 of the instructions.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
47-14286	Yes ☐	Yes ☐	47-2048	Yes ☐	Yes ☐
47-14287	Yes ☐	Yes ☐	47-17589	Yes ☐	Yes ☐
47-14288	Yes ☐	Yes ☐	47-14285	Yes ☐	Yes ☐
47-7287	Yes ☐	Yes ☐		Yes ☐	Yes ☐
47-2118	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Thomas Leno (aka Thomas G.A. Leno)
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Y-3 II
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or
- | | | | |
|---------------------|----------------------------------|-----------|--------------|
| <u>PO Box 5405</u> | <u>Boise</u> | <u>ID</u> | <u>83705</u> |
| Mailing address | City | State | ZIP |
| <u>208-342-8901</u> | <u>kitclark@yankemachine.com</u> | | |
| Telephone | Email | | |
4. If the water rights and/or adjudication claims were split, how did the division occur?
☒ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: July 30, 2014
6. If the water right is leased to the Water Supply Bank changing ownership of a water right will reassign to the new owner any Water Supply Bank leases associated with the water right. Payment of revenue generated from any rental of a leased water right requires a completed IRS Form W-9 for payment to be issued to an owner. A new owner for a water right under lease shall supply a W-9. Water rights with multiple owners must specify a designated lessor, using a completed Lessor Designation form. Beginning in the calendar year following an acknowledged change in water right ownership, compensation for any rental will go to the new owner(s).
7. This form must be signed and submitted with the following **REQUIRED** items:
☒ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
☐ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
☒ Filing fee (see instructions for further explanation):
 o \$25 per *undivided* water right.
 o \$100 per *split* water right.
 o No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9. Y-3 II, an Idaho general partnership

8. Signature: Linda L. Yanke General Partner Date: 9/10/14
 Signature of new owner/claimant Title, if applicable

Signature: _____ Title, if applicable Date _____
 Signature of new owner/claimant

For IDWR Office Use Only:

Received by DM Date 9-11-2014 Receipt No. 5034291 Receipt Amt. \$200 -
 Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐
 Name on W-9 _____ Approved by _____ Processed by _____ Date _____

SUPPORT DATA

IN FILE # 47-2048

66023D1

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

TWIN FALLS COUNTY
RECORDED FOR:
TITLEFACT, INC.
01:52:20 PM 07-30-2014
2014012630
NO. PAGES 3 FEE: \$16.00
KRISTINA GLASCOCK
COUNTY CLERK
DEPUTY: DJW
Electronically Recorded by Simplifile

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

ELECTRONICALLY RECORDED - DO NOT
REMOVE THE COUNTY STAMPED FIRST
PAGE AS IT IS NOW INCORPORATED AS
PART OF THE ORIGINAL DOCUMENT.

WARRANTY DEED

FOR VALUABLE CONSIDERATION in hand paid, the receipt of which is hereby acknowledged, effective this 30th day of JULY, 2014, THOMAS G. A. LENO, an unmarried man, the GRANTOR, does by these presents hereby grant, bargain, sell, CONVEY AND WARRANT unto Y-3 II, an Idaho general partnership, having a mailing address of 4414 S. Gekeler Lane, Boise, Idaho 83716, the GRANTEE, that certain tract, lot, piece, and parcel of land (hereinafter referred to as the "PREMISES") situated in the County of Twin Falls, State of Idaho, which is more particularly described as follows:

See Exhibit "A" which is attached hereto and by this reference incorporated herein.

GRANTOR does hereby covenant to and with said GRANTEE, that GRANTOR is the owner in fee simple of said PREMISES; that said PREMISES are free and clear from all encumbrances, EXCEPT those to which this conveyance is expressly made subject and those made, suffered or done by GRANTEE; and that GRANTOR will forever warrant and defend the quiet and peaceable possession of said PREMISES by GRANTEE, its heirs successors and assigns against all lawful claims whatsoever.

SUBJECT TO:

1. All reservations, covenants, conditions, restrictions, dedications, easements, rights of way and agreements as appear of record or by use upon the PREMISES.
2. General taxes and assessments for the current year which constitute a lien but which are not yet due and payable.

TOGETHER, with all appurtenant water rights, with the exception, however, to reductions or limitations to those water rights as have been proposed in water right transfer applications relating to Water Right No. 47-17589 (which incorporate related proposed modifications to Water Right No. 47-7287, Water Right No. 47-2118, Water Right No. 47-2048, and Water Right No. 47-14285), but only to the extent (and no greater than) such reductions or limitations to those water rights were proposed and set forth by Grantor through partial transfers of, or modifications to, those water rights within applications on file with the Idaho Department of Water Resources on May 20, 2014 for the following pending water right transfer applications; and then only to the extent authorized by the Idaho Department of Water Resources: water right transfer applications numbered 79357, 79380 and 79384.

WARRANTY DEED

66023D1

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

ID	2014012130	County	TF
Date	7-30-2014	Time	1:52 PM
simplifile		www.simplifile.com 800.460.5657	

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

WARRANTY DEED

FOR VALUABLE CONSIDERATION in hand paid, the receipt of which is hereby acknowledged, effective this 30th day of July, 2014, **THOMAS G. A. LENO, an unmarried man**, the **GRANTOR**, does by these presents hereby grant, bargain, sell, CONVEY AND WARRANT unto **Y-3 II, an Idaho general partnership**, having a mailing address of 4414 S. Gekeler Lane, Boise, Idaho 83716, the **GRANTEE**, that certain tract, lot, piece, and parcel of land (hereinafter referred as the "PREMISES") situated in the County of Twin Falls, State of Idaho, which is more particularly described as follows:

See Exhibit "A" which is attached hereto and by this reference incorporated herein.

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SUBJECT TO:

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WARRANTY DEED

AND IN ADDITION TO THE WATER RIGHTS AS REFERENCED ABOVE, ALSO TOGETHER, with all and singular, all other tenements, hereditaments, and appurtenances thereto belonging, or in anywise appertaining and the reversion and the reversions, remainder and remainders, rents, issues, and profits thereof.

TO HAVE AND TO HOLD the said PREMISES, with its appurtenances unto the said GRANTEE'S heirs and assigns forever.

IN WITNESS WHEREOF, this WARRANTY DEED has been duly executed by the GRANTOR, the day, month and year herein first above written.

GRANTOR:

Thomas G. A. Leno,
an unmarried man

Thomas G. A. Leno
Thomas G. A. Leno

Date: 7-30-14

STATE OF IDAHO)
COUNTY OF TWIN FALLS)

On the 30TH day of July, 2014, before me, the undersigned Notary Public for the state of Idaho, personally appeared **THOMAS G. A. LENO**, whom executed the foregoing document, known to me or identified to me to be the person whose name is subscribed to the foregoing, and acknowledged to me that he executed the same.

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



Desiree A. Leno
NOTARY PUBLIC, STATE OF IDAHO

My commission expires: 1-18-2017

Exhibit "A"

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

Section 20: S1/2SW1/4

Section 29: NW1/4, S1/2NE1/4, N1/2SW1/4, N1/2SE1/4

SUBJECT TO Highway District right of way.

66023D1

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

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COUNTY CLERK
DEPUTY: DJW
Electronically Recorded

RECORDED - DO NOT
REMOVE THE COUNTY STAMPED FIF
PAGE AS IT IS NOW INCORPORATED
PART OF THE ORIGINAL DOCUMENT

PERSONAL REPRESENTATIVE'S DEED

FOR VALUE RECEIVED THE ESTATE OF DOROTHY MAE LENO, also shown of record as DOROTHY LENO, deceased, hereinafter called the GRANTOR, by and through THOMAS GLEN LENO, PERSONAL REPRESENTATIVE, hereby grants, bargains, sells and conveys unto Y-3 II, an Idaho general partnership, hereinafter called GRANTEE, whose address is: 4414 S. Gekeler Lane, Boise, Idaho 83716, that certain tract, lot, piece, and parcel of land (hereinafter referred as the "PREMISES"), situated in Twin Falls County, Idaho, which is more particularly described as follows:

See Exhibit "A" which is attached hereto and by this reference incorporated herein.

GRANTOR does hereby covenant to and with said GRANTEE, that GRANTOR is the owner in fee simple of said PREMISES; that said PREMISES are free and clear from all encumbrances, EXCEPT those to which this conveyance is expressly made subject and those made, suffered or done by GRANTEE; and that GRANTOR will forever warrant and defend the quiet and peaceable possession of said PREMISES by GRANTEE, its heirs successors and assigns against all lawful claims whatsoever.

SUBJECT TO:

1. All reservations, covenants, conditions, restrictions, dedications, easements, rights of way and agreements as appear of record or by use upon the PREMISES.
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AND IN ADDITION TO THE WATER RIGHTS AS REFERENCED ABOVE, ALSO TOGETHER, with all and singular, all other tenements, hereditaments, and appurtenances thereto belonging, or in anywise appertaining and the reversion and the reversions, remainder and remainders, rents, issues, and profits thereof.

TO HAVE AND TO HOLD the said PREMISES, with its appurtenances unto the said GRANTEE'S heirs and assigns forever.

GRANTOR: THE ESTATE OF DOROTHY LENO, deceased

BY: Thomas Glen Leno
THOMAS GLEN LENO, Personal Representative

Dated: July 29, 2014

STATE OF IDAHO
COUNTY OF TWIN FALLS

On this 30th day of July, 2014, before me, a Notary Public in and for said State, personally appeared THOMAS GLEN LENO, known or identified to me to be the Personal Representative of the ESTATE OF DOROTHY MAE LENO, also shown of record as DOROTHY LENO, deceased, and whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as said Personal Representative.

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



Deseree A. Peterson
NOTARY PUBLIC, STATE OF IDAHO
My commission expires: 1-18-2017

PERSONAL REPRESENTATIVE'S DEED

66023D1

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

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

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TO HAVE AND TO HOLD the said PREMISES, with its appurtenances unto the said GRANTEE'S heirs and assigns forever.

GRANTOR: THE ESTATE OF DOROTHY LENO, deceased

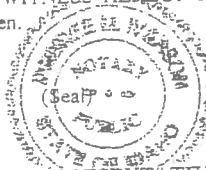
BY: Thomas Glen Leno
THOMAS GLEN LENO, Personal Representative

Dated: July 29, 2014

STATE OF IDAHO)
COUNTY OF Twin Falls)

On this 30th day of July, 2014, before me, a Notary Public in and for said State, personally appeared THOMAS GLEN LENO, known or identified to me to be the Personal Representative of the ESTATE OF DOROTHY MAE LENO, also shown of record as DOROTHY LENO, deceased, and whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as said Personal Representative.

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



Dee-see Her
NOTARY PUBLIC, STATE OF IDAHO

My commission expires: 1-18-2017

PERSONAL REPRESENTATIVE'S DEED

Exhibit "A"

Township 16 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 20: S1/2SW1/4
Section 29: NW1/4, S1/2NE1/4, N1/2SW1/4, N1/2SE1/4

SUBJECT TO Highway District right of way.

COMMERCIAL/INVESTMENT REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT, BEFORE SIGNING, READ THE ENTIRE DOCUMENT, INCLUDING THE GENERAL PRINTED PROVISIONS AND ATTACHMENTS. IF YOU HAVE ANY QUESTIONS BEFORE SIGNING, CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT.

DATE: July 23, 2014

1. **BUYER:** Y-3 II, an Idaho general partnership, (hereinafter called "Buyer") agrees to purchase and the undersigned Seller agrees to sell the following described real estate (the "Property") according to this Commercial/Investment Real Estate Purchase and Sale Agreement ("Agreement").
2. **PROPERTY ADDRESS AND LEGAL DESCRIPTION:** The property commonly known as Mule Creek Ranch which is located in the County of Twin Falls, Idaho and legally described as: See Exhibit "A" which is attached hereto and by this reference incorporated herein.
3. **PRICE/TERMS:** The total Purchase Price is [REDACTED] No/100 Dollars (\$ [REDACTED]) which shall be paid as follows:
 - A. An earnest money deposit ("Earnest Money") in the amount of [REDACTED] and No/100 Dollars (\$ [REDACTED]) as a down payment.
 - B. The balance of the purchase price in the amount of [REDACTED] and No/100 Dollars (\$ [REDACTED]) shall be paid in cash or its equivalent at closing.
4. **EARNEST MONEY:**

Buyer shall deliver its Earnest Money in the amount of [REDACTED] and No/100 Dollars (\$ [REDACTED]), in the form of: ☐ Cash ☒ Check ☐ Cashier's Check ☐ Note for deposit into the trust account of Title Fact, 163 4th Ave North, Twin Falls, Idaho 83301, Attention: Desiree Iverson, within two business days after delivery of Seller's acceptance of this Agreement.
5. **INCLUDED ITEMS:** A. All structures and any attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm windows, storm doors, window coverings, water heating apparatus and fixtures, attached fireplace equipment, ventilating, cooling and heating systems, built-in and "drop-in" ranges (but excepting all other ranges), and fuel tanks. B. All exterior trees, plants or shrubbery. C. All existing/remaining appurtenant water rights, ditches and ditch rights available for use on or in connection with the Property as of the date this Agreement is executed by Buyer, and all irrigation, domestic, and stockwater related fixtures, equipment, and delivery systems, including but not limited to, all pumps, pipes, sprinkler lines and troughs, except as any of the same are specifically identified in this Agreement as being excluded from the sale. D. The assignment of any and all leasehold or permit interests Seller has in the Bureau of Land Management (BLM) allotment located adjacent to the Property which is known as the South Mule Creek Allotment.
6. **EXCLUDED ITEMS:** A. All irrigation wheel lines. B. The engine/generator that powers the pump located within the irrigation well (the engine/generator but not the pump) authorized by Water Right No. 47-17589 that is located in the SW1/4SW1/4, S29, T16S, R16E, B.M., Twin Falls County. C. A portion of the water rights held under Water Right No. 47-17589. To the extent permitted by the Idaho Department of Water Resources, Seller may withhold from the Property sale and may transfer to third party a portion the rights now in place under Water Right No. 47-17589. Such exclusion shall be limited to a transfer which reduces the acreage that can be irrigated under Water Right No. 47-17589 by no more than 93.2 acres (from 102.5 acres to 9.3 acres). It is specifically noted, however, that if the proposed transfer of such water rights from Water Right No. 47-17589 will result in a net reduction of the total authorized water usage available on the Property, in an amount which is greater (for any water right which is appurtenant to the Property) than is as stated in the letter of March 18, 2014 authored by Greg Sullivan of Brockway Engineering P.L.L.C. (which is attached hereto and by this reference incorporated herein as Exhibit "B"), such water right transfer(s) shall be deemed an impermissible breach of this Agreement.

Note: All personal property items excluded from the sale must be removed from the property by 5:00 p.m. MST on December 31, 2014 and the removal of the same must be done after receiving prior access authorization from Buyer, which may not be unreasonably denied. It is agreed, however, that denial of access is deemed to be reasonable if

Buyer and Seller acknowledge receipt of copy of this page, which constitutes page 1 of 6

Buyer's Initials (SLY) Seller's Initials (TH)

REAL ESTATE PURCHASE AND SALE AGREEMENT

conducting Seller's desired activity on the dates requested would pose a significant fire or other safety hazard or otherwise negatively interfere with Buyer's cattle operations. Any personal property items excluded from this sale and not removed by the Seller from the property by 5:00 p.m. MST on December 31, 2014 will thereafter be retained by the Buyer, and Seller will have no further claim of ownership to such personal property items.

7. ADDITIONAL TERMS, CONDITIONS, AND/OR CONTINGENCIES: The closing of this transaction is contingent upon written satisfaction or waiver of the following conditions:

A. A due diligence period extending from the first business day after Seller delivers a signed copy of this Agreement to Buyer until 5:00 p.m. MDT on Monday July 28, 2014. During due diligence period Buyer shall have the opportunity to confirm that it is satisfied with all issues it deems relevant to acquisition of the Property for its intended purpose.

B. Seller shall have the right (and owe no fee for the same to Buyer) to graze up to fifty (50) head of cattle and up to a total of up to three (3) horses (whether his or his son's horses) on the Property or any portion of the BLM's South Mule Creek Allotment from the Closing through and until 5:00 p.m. MDT on October 15, 2014. It is noted, however, that Buyer shall not be deemed responsible for such cattle or horses and Buyer assumes all risk of loss and liability in leaving his cattle and his or his son's horses on the Property or on the BLM's South Mule Creek Allotment after Closing.

C. Buyer will have until the end of the due diligence period to satisfy or waive all conditions and/or contingencies.

8. TITLE COMPANY/CLOSING AGENT: a) The parties agree that Title Fact, 163 4th Ave North, Twin Falls, Idaho 83301 (the "Title Company") shall provide any required Title Policy and preliminary report of commitment. b) The Closing Agent for this transaction shall be Desiree Iverson at Title Fact, 163 4th Ave North, Twin Falls, Idaho 83301; Telephone: 208-733-3821; Email: closing@titlefact.com.

9. TITLE INSURANCE: Seller shall pay the premium for the issuance of a standard Owner's or Purchaser's Title Insurance Policy in favor of Buyer. The Title Company shall provide all parties to this Agreement with a preliminary Title Report on or before 5:00 p.m. MDT on Thursday July 24, 2014. Buyer shall have until 5:00 p.m. MDT on Monday July 28, 2014 to object in writing to the condition of the title as set forth in the report. In the event Buyer makes written objection to the title, Seller shall have until 4:00 p.m. MDT on July 30, 2014 (or such extended period agreed to by the Buyer and Seller) to cure any defects of title or provide affirmative Title Insurance coverage. Buyer may elect, as its sole remedy, to either terminate this Agreement or cure the defects at Buyer's expense, or proceed to Closing, taking title subject to such defects. If Buyer does not so object, Buyer shall be deemed to have accepted the condition of the title. In the event Buyer elects to terminate the Agreement due to unsatisfactory title conditions, Buyer shall be entitled to the return of all refundable deposits made by him but that such return of deposits shall not constitute a waiver of other remedies available to Buyer. The Title Company shall deliver the final Title Insurance Policy to Buyer as soon as possible after Closing.

10. CLOSING COSTS: Notwithstanding anything to the contrary contained herein, the Closing costs shall be paid as follows:

A. By Seller:

- i. Title Insurance examination and premium.
- ii. Expenses of placing title in proper condition.
- iii. One half (1/2) the Escrow fees.

B. By Buyer:

- i. Recording fees.
- ii. One-half (1/2) the Escrow fees.
- iii. Preparation of Warranty Deed.

11. CLOSING DATE: On or before the Closing Date, Buyer and Seller shall deposit with the Closing Agent all funds and instruments necessary to complete the sale. Unless mutually agreed to by Buyer and Seller, the Closing Date shall be no later than 5:00 p.m. MDT on July 30, 2014 (or such extended period agreed to by the Buyer and Seller). "Closing Date" means the date on which all documents are either recorded or accepted by an escrow/collection agency and the sale proceeds are available to Seller.

Buyer and Seller acknowledge receipt of copy of this page, which constitutes page 2 of 6

Buyer's Initials (RLY) () Seller's Initials (TL) ()

REAL ESTATE PURCHASE AND SALE AGREEMENT

12. **POSSESSION/PRORATION:** Buyer shall be entitled to possession of the Property on the Closing Date (subject to Seller's right to run cattle and horses on the Property and the BLM's South Mule Creek Allotment, as noted herein). Taxes and water assessments (using the last available assessment as a basis), rents, insurance premiums, interest and reserve on liens, encumbrances or obligations assumed and utilities shall be prorated as of the Closing Date.
13. **DEFAULT:** If Buyer defaults in the performance of this Agreement, Seller has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right or remedy to which Seller may be entitled. If Seller elects to proceed under option (1), Seller shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by Seller and Buyer related to the transaction, including, without limitation, the costs of title insurance, escrow fees, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money to Seller. Seller and Buyer specifically acknowledge and agree that if Seller elects to accept the Earnest Money as liquidated damages, such shall be Seller's sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If Seller elects to proceed under option (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by Seller and Buyer related to the transaction, including, without limitation, the costs of title insurance, escrow fees, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter. If Seller defaults, having approved said sale and fails to consummate the same as herein agreed, Buyer's Earnest Money deposit shall be returned to him/her and Seller shall pay for the costs of title insurance, escrow fees, credit report fees, inspection fees and attorney's fees, if any. This shall not be considered as a waiver by Buyer of any other lawful right or remedy to which Buyer may be entitled.
14. **ATTORNEY'S FEES:** If either party initiates or defends any arbitration or legal action or proceedings, which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.
15. **EARNEST MONEY DISPUTE/INTERPLEADER:** Notwithstanding any termination of this Agreement, Buyer and Seller agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or Closing Agent, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or Closing Agent shall not be required to take any action but may await any proceeding, or at Broker's or Closing Agent's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.
16. **TITLE CONVEYANCE:** Title of Seller is to be conveyed by a general warranty deed, and is to be marketable and insurable except for rights reserved in federal patents, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, rights of way and easements established or of record and any other liens, encumbrances or defects approved by Buyer.
17. **RISK OF LOSS:** Should the Property be materially damaged by fire or other cause prior to Closing, unless Buyer has taken possession prior to Closing by Agreement, this Agreement shall be voidable at the option of Buyer.
18. **CONDITION OF PROPERTY AT CLOSING:** Other than the express right to receive the Property with all existing appurtenant water rights, subject only to the proposed transaction referenced in Exhibit "B" and the assignment of any and all leasehold or permit interests Seller has in the BLM's South Mule Creek Allotment. Buyer agrees to purchase the Property in as is condition, where is, with all faults. Buyer will assume all obligations with respect to the Property. Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted, and loss by casualty. Buyer accepts the Property in its "AS IS" condition.
19. **INSPECTION:** Buyer hereby acknowledges further that Buyer has not received or relied upon any statements or representations by the Seller, which are not herein expressed. Buyer has entered into this Agreement relying upon information and knowledge obtained from Buyer's own investigation or personal inspection of the Property.
20. **ADDITIONAL PROVISIONS:** Additional provisions of this Agreement, if any, are attached hereto by an Addendum consisting of N/A page(s).

Buyer and Seller acknowledge receipt of copy of this page, which constitutes page 3 of 6

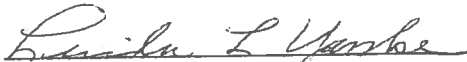
Buyer's Initials (RLH) Seller's Initials (TL)

REAL ESTATE PURCHASE AND SALE AGREEMENT

21. **ENTIRE AGREEMENT:** This Agreement, including any Addendums or exhibits, constitutes the entire Agreement between the parties and no warranties, including any warranty of habitability, Agreements or representations have been made or shall be binding upon either party unless herein set forth.
22. **TIME:** Time is of the essence in this Agreement.
23. **ACCEPTANCE:** Buyer's offer is made subject to the delivery of Seller's acceptance of this Agreement on or before 5pm MDT on July 25, 2014. If Seller does not deliver his acceptance of this Agreement within the time specified, any Earnest Money paid by Buyer shall be refunded to Buyer on demand.
24. **REAL ESTATE COMMISSION:** Buyer and Seller acknowledge and agree that no person or entity has acted as a real estate broker or agent for either party to this transaction and that no real estate commission shall be due to be paid by either Buyer or Seller at the closing of this transaction.
25. **BUSINESS DAY:** "Business day" means any calendar day that is not a Saturday, Sunday, federal holiday, or Idaho state holiday.
26. **EXHIBITS:** Exhibit "A" – Legal Description of the Property and Exhibit "B" - March 18, 2014 letter from Greg Sullivan, M.S., Engineer of Brockway Engineering are attached hereto.
27. **BUYER'S SIGNATURE.**
☐ **BUYER'S SIGNATURE SUBJECT TO ATTACHED BUYER'S ADDENDUM (S):** N/A (Specify number of Buyer Addendum(s) attached.)

BUYER: Y-3 II

Signature:



By: Linda L. Yanke, General Partner

Date 7/24/14 Time 12:00 noon

BUYER'S ADDRESS:

4414 S. Gekeler Lane
Boise, Idaho 83716

Buyer's Contact Representatives:

Gregory R. Lansberry, greglansberry@yankemachine.com, telephone: 208-342-8901.

Or

Christopher "Kit" W. Clark, kitclark@yankemachine.com, telephone: 208-342-8901.

Buyer and Seller acknowledge receipt of copy of this page, which constitutes page 4 of 6

Buyer's Initials (LY) () Seller's Initials (TL) ()

REAL ESTATE PURCHASE AND SALE AGREEMENT

28. SELLER'S SIGNATURE.

On this date, I hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the Seller. I further acknowledge receipt of a true copy of this Agreement signed by both parties.

SELLER: Thomas Glen Adam Leno, a single man

Signature: Tom Leno

Date 7/23/14 Time 2:00 PM

Address _____

Phone: _____

City _____ State _____ Zip _____

Email: _____

Seller's Contact Representative:

Name: _____ Phone: _____ Email: _____

Buyer and Seller acknowledge receipt of copy of this page, which constitutes page 5 of 6

Buyer's Initials (LL) (_____) Seller's Initials (Th) (_____) (_____)

REAL ESTATE PURCHASE AND SALE AGREEMENT

Exhibit "A"

South Half of the Southwest Quarter (S1/2SW1/4) of Section Twenty (20), Township Sixteen (16) South, Range Sixteen (16), East of the Boise Meridian.

Northwest Quarter (NW1/4), South Half of the Northeast Quarter (S1/2NE1/4), North Half of the Southwest Quarter (N1/2SW1/4), North Half of the Southeast Quarter (N1/2SE1/4), Section Twenty-nine (29), Township Sixteen (16) South, Range Sixteen (16), East of the Boise Meridian.

Buyer and Seller acknowledge receipt of copy of this page, which constitutes page 6 of 6

Buyer's Initials (LLG) Seller's Initials (TL)

REAL ESTATE PURCHASE AND SALE AGREEMENT



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

March 18, 2014

Gregg Hall
3649 North 2300 East
Filer, ID 83328

Re: Mule Creek Ranch Water Rights

Dear Mr. Hall:

I have reviewed the water right owned by the Leno family and have concluded my review. I have attached an aerial map identifying the current locations of the water rights and the authorized points of diversions for the water rights.

Currently there are 102.5 acres of ground water (47-17589) that overlap with surface water rights 47-7287, 47-2118, 47-2048 and 47-14285. Of the 102.5 acres of ground water, 93.2 acres is considered primary and 9.3 acres are considered supplemental to the Idaho Department of Water Resource (IDWR). This means that the 93.2 acres can be transferred off to a property as the sole water providing water right. The 9.3 acres is supplemental to the surface water rights provided water from Mule Creek. Meaning that the surface water rights from Mule Creek must be used first until there is insufficient water to irrigate with and then the 9.3 acres of ground water can then be used. The 9.3 acres of supplemental water must remain stacked with Mule Creek water or an equivalent surface water right. IDWR staff indicated that transferring off the 9.3 acres of supplemental water to a new location will likely not be approvable.

Water right 47-7287 is a surface water right from Mule Creek. The beneficial uses of 47-7287 are Irrigation Storage and Irrigation from Storage. Currently there are 102.5 acres authorized under 47-7287 which are stacked with the 102.5 acres of ground water from 47-17589. The allowed acres that can be irrigated by this water right would have to be reduced by 93.2 acres if ground water right 47-17589 is transferred off. The irrigation storage and irrigation from storage beneficial uses will be protected due to the remaining 9.3 acres under this right.

Water right 47-2118 and 47-2048 are stacked together and limited to 20.0 acres of irrigation and provide stock water. The irrigation portion of these two water rights will be reduced to 9.3 acres when the 93.2 acres of 47-17589 are transferred off. A 10.7 acre portion of these two water rights will be

CHARLES E.
BROCKWAY,
PH.D., P.E.

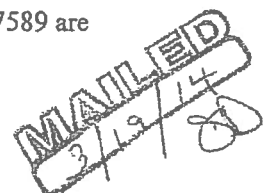
CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506





BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

relinquished back to the State of Idaho. The stock water portions of these water rights will not be relinquished back to the State of Idaho.

Water right 47-14285 is a surface water right from Mule Creek and is authorized for 169.5 acres. The 169.5 acres are stacked with the 102.5 acres of ground water under 47-17589. When the 93.2 acres of 47-17589 are transferred off, a 93.2 acre portion of 47-14285 will have to be relinquished back to the State of Idaho. The remaining 76.3 acres will be available for irrigation under 47-14285.

In summary, there will 76.3 acres that will be able to be irrigated from Mule Creek from water rights 47-7287, 47-2118, 47-2048 and 47-14285. Stock water will be provided by 47-2118 and 47-2048. Irrigation storage for the pond will be covered by 47-7287.

A transfer would be recommended after the property is purchased to update the remaining water rights with future irrigation and stockwater plans.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc:

Enc: Aerial Map of Water Right Locations and PODs, Spreadsheet Analysis of Current Water Rights

CHARLES E.
BROCKWAY,
Ph.D., P.E.

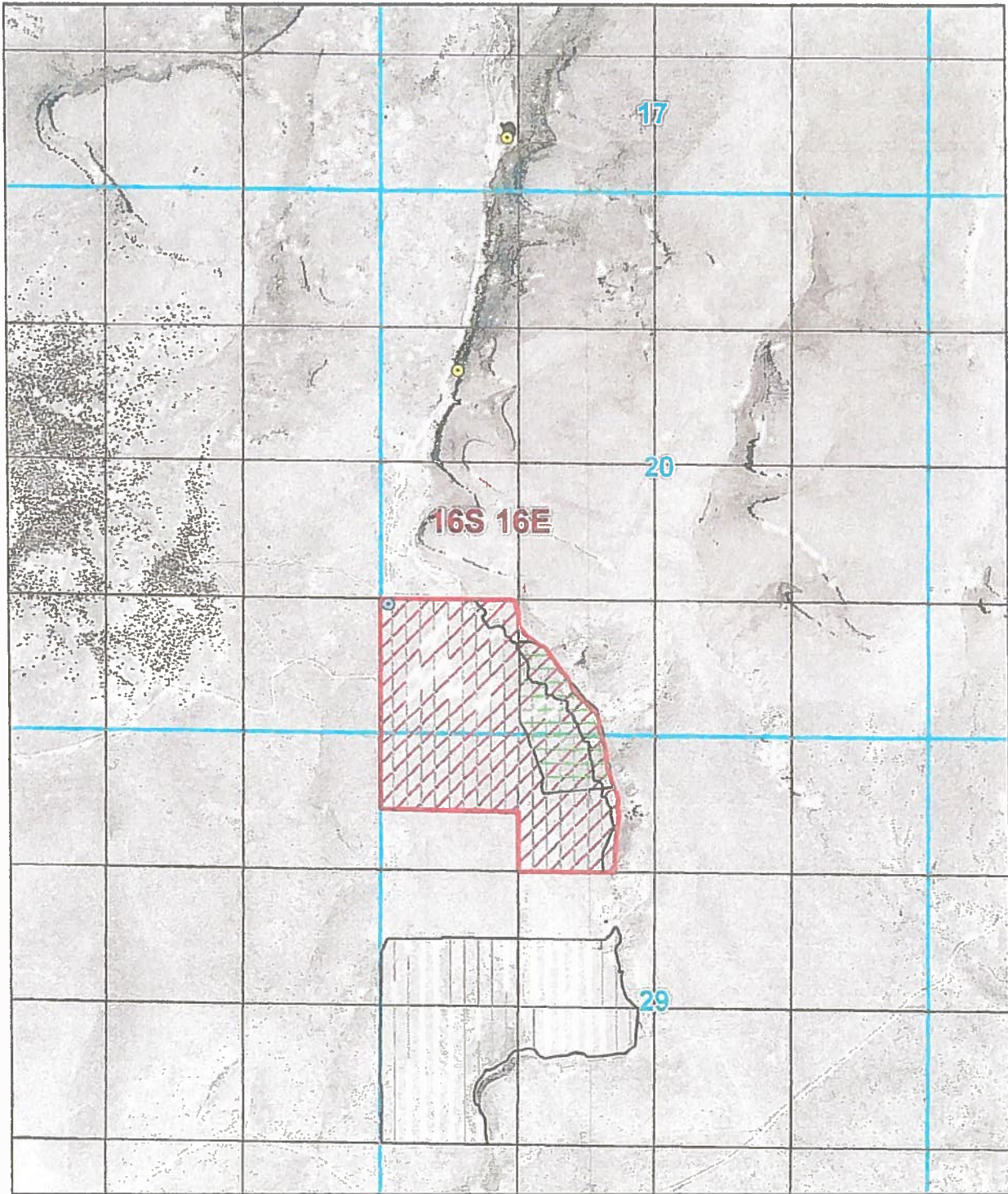
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WASHINGTON
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TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506



0 500 1,000 2,000 Feet

GREGG HALL MULE CREEK WATER RIGHTS NAIP 2013 AERIAL

Legend

WRPOD		47-17589_POU
47, 2118,		47-14285_WR_POU
47, 2048,		47, 7106, 47-7287
47, 7106,		47, 2118, 47-2048
47, 7287,		townshp
47, 14285,		first
47-17589		ladesc



**WATER RIGHTS ANALYSIS
BROCKWAY ENGINEERING, PLLC.**

This water rights volume should remain unchanged

Total Acre Amount