

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

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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.

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
43-13209	Yes ☐		Yes ☐		Yes ☐
43-13206	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: Stanley Lloyd
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Peter J. Grush
Name of each new owner as listed on the conveyance document

Sylvia T. Grush
New owner continued ☐ Name connector ☐ and ☐ or ☒ and/or

2025 S Hwy 81
Mailing address

Malta ID 83342
City State ZIP

208-645-2361 pbars@qtcnet.net
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: 3/31/2010

6. 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):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

7. Signature: [Signature] Title, if applicable _____ Date 2/28/13
Signature of new owner/claimant

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

For IDWR Office Use Only:

Received by AM Date 3-1-2013 Receipt No. 5033091 Receipt Amt. \$50-

Approved by _____ Processed by _____ Date _____

LEASE WITH EXCLUSIVE OPTION TO PURCHASE

This lease agreement was made and entered into on the 15th day of December, 1999, between STAN LLOYD and JEANETTE LLOYD, as Trustees of the Stan and Jeanette Lloyd Living Trust, of Malta, Idaho, herein referred to as "Lessor", and PETER J. GRUSH and SYLVIA GRUSH, husband and wife, herein after referred to as "Lessee".

RECITALS

The parties recite and declare:

- A. Lessor is the owner of the premises described on Exhibit "A" attached hereto and made a part hereof, and desires to lease such to Lessee for agricultural proposes.
- B. Lessee desires to lease the premises for agricultural purposes.
- C. The parties desire to enter a lease agreement defining their rights, duties and liabilities relating to the premises.

In consideration of the mutual covenants contained in this lease agreement, the parties agree as follows:

SECTION ONE
SUBJECT AND PURPOSE

Lessor owns the property located in the County of Cassia, State of Idaho, and more particularly described on Exhibit "A" attached hereto and made a part hereof, together with the property on which the well is situated, described on Exhibit "B", attached hereto and made a part hereof.

SECTION TWO
TERM AND RENT

- A. That the Lessor does hereby lease said real property unto the Lessee for the term beginning December 15, 1999, and ending on February 10, 2010, with Lessee receiving possession at the time the \$4,000.00 option payment set forth herein is paid in full.
- B. That the rental to be paid therefor shall be the sum of One Thousand Nine Hundred Fifty and No/100 Dollars (\$1,950.00) per month with said rental being due and payable in full on the 10th day of each and every month during the term of this lease beginning February 10, 2000.
- C. All rents shall be paid through Land Title & Escrow, Inc., Burley, Idaho office with all fees to be equally divided between the parties.

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D. Time is of the essence of this lease and the Option to Purchase granted below.

SECTION THREE ADDITIONAL RENTS

All taxes, charges, costs and expenses that Lessee assumes or agrees to pay under this lease agreement, together with all interest and penalties that may accrue thereon in the event of failure of Lessee to pay those items, and all other damages, costs, expenses, and sums that Lessor may suffer or incur, or that may become due, by reason of any default of Lessee or failure by Lessee to comply with the terms and conditions of this lease agreement shall be deemed to be additional rent, and, in the event of non-payment, Lessor shall have all rights and remedies as provided in this lease agreement for failure to pay rent.

SECTION FOUR ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Subject to the limitation that no substantial portion of the improvements on the demised premises shall be demolished or removed by Lessee without the prior, express, and written consent of Lessor. Lessee may at any time during the term, subject to the conditions set forth below and at their own expense, make alterations, additions, or improvements in and to the demised premises. In no event shall Lessee be considered the agent of Lessor with respect to the providing of any labor or materials on the premises. Lessee shall pay promptly for any labor or materials provided upon the premises and shall take all steps necessary to prevent the filing of any lien against the premises. All alterations or improvements built, constructed, or placed on the premises by Lessee including the deep well pump, motor and related accessories, irrigation pivot, pipeline, electrical box, and all related parts and equipment, except the Linear irrigation system, shall unless otherwise provided by written agreement between the parties, be the property of Lessor and shall remain on the premises at the expiration or termination of this lease. It is understood that the Linear irrigation system that irrigates property besides the subject property shall at all time remain the property of the Lessee. Notwithstanding the foregoing it is understood and agreed that Lessee shall have the right to remove any and all fences from the premises. In the event Lessor desires to keep the materials from the fence, Lessor shall remove the fence and keep the materials. In the event Lessor has not removed the fence by February 1, 2000, Lessee shall be entitled to remove the fence and keep the materials. In that event Lessor's right to the materials shall be forfeited.

SECTION FIVE REPAIRS

Lessee shall, at all times during the terms of this lease agreement and at its own cost and expense, repair, replace, and maintain in a good, safe, and substantial condition any improvements on the demised premises, and shall use all reasonable precautions to prevent waste, damage, or injury to

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the demised premises.

SECTION SIX TAXES

Lessee shall pay all real property taxes beginning with January 1, 2000.

SECTION SEVEN UTILITIES AND EXPENSES

A. All applications and connections for necessary utility services on the demised premises from and after the day Lessee takes possession, shall be made in the name of Lessee or his sub-lessees only. Lessor hereby authorizes Raft River Rural Electric to transfer the utilities into the name of the Lessee. Lessee and/or his sub-lessees shall be solely liable for utility charges as they become due, including, but not limited to, those for sewer, water, gas, electricity, and telephone services.

B. All expenses associated with and a part of the operation of any business or rental activity shall be the sole responsibility of Lessee from and after the date Lessee takes possession of the property.

SECTION EIGHT WATER RIGHTS

A. The parties anticipate that Lessee will not be irrigating all of the property covered by this lease. Lessee shall have the right to transfer the place of use of 45 inches of such water to other property of Lessee: provided (1) Lessee pays to Lessor the sum of \$500.00 for each acre of water transferred, which payment shall be made prior to the time the water rights are transferred, (2) Lessee pays all costs associated with accomplishing such transfer, (3) at the time of execution of this lease, Lessee shall execute and deliver to Lessor's attorney the paperwork necessary to change the place of use of such water rights back to the leased property, in the event this lease is terminated for any reason and the Option to Purchase is not exercised.

B. Said payment for the water shall be in addition to the monthly rental payment. In the event Lessee's Option to Purchase is exercised, such payment shall be applied upon the purchase price. In the event Lessee does not exercise the Option to Purchase, Lessor shall refund such payment, at such time that a transfer of the water rights back to Lessor's property is completed, reduced by any cost or expense incurred by Lessor in re-transferring the water rights. In no event will Lessor be responsible to account for any interest on the water transfer funds paid to Lessor by Lessee.

C. So long as this lease is in effect, Lessee shall at its cost take all actions necessary to protect and retain all water rights that are appurtenant to the leased property.

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D. Lessee accepts the well and pump in their "as is" condition.

SECTION NINE MARKET LOSS ASSISTANCE

It is understood and agreed that any Market Loss Assistance payments made by the government as a result of limited planting shall be paid to and retained by Lessee.

SECTION TEN IRRIGATION EQUIPMENT

Lessee will be responsible at its cost to install and maintain any irrigation equipment on the property, including the well, pump, panel, pipe, irrigation pivot and all related parts and equipment, during the term of this lease. In the event the lease is terminated for any reason and Lessee does not exercise the Option to Purchase granted below, the well, pump, motor, underground mainline and the pivot system, including all parts and components, except the linear irrigation equipment, shall remain on the lease premises unless Lessor gives written instruction to Lessee to remove the pivot or any other equipment. All irrigation equipment except the linear irrigation equipment shall be left on the leased property in good condition and good working order.

Lessee shall not encumber the pivot with any liens or security interest except an original purchase money lien, and shall not thereafter modify or extend the term of such purchase money lien. Lessee shall pay promptly all sums owed for any obligation secured by any portion of the irrigation system.

If this lease is terminated prior to Lessee exercising the Option to Purchase, Lessor shall have the option to make any remaining payments owed for the irrigation equipment, and to retain possession and ownership of the irrigation equipment. If Lessor elects not to pay the existing debt for the irrigation equipment, then Lessee shall remove all irrigation equipment encumbered by any security interest, except the underground mainline, which shall remain on the leased property in any event.

SECTION ELEVEN ACCESS TO HIGHWAY 81

In the event access off of and onto Highway 81 is ever limited in the future, Lessor and Lessee agree to cooperate to ensure that Lessee and Lessor and their heirs and assigns have access to Highway 81.

SECTION TWELVE EASEMENTS

In the event Lessee exercises the Option to purchase, Lessor shall provide Lessee with a permanent easement for an underground pipeline to transport water from the well to the property. Such

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easement shall be located, in Lessor's reasonable discretion, so that it minimizes interference with the use and value of Lessor's property.

SECTION THIRTEEN UNLAWFUL OR DANGEROUS ACTIVITY

Lessee shall neither use nor occupy the demised premises or any part of the demised premises for any unlawful, disreputable, or ultra hazardous purpose nor operate or conduct their business in a manner constituting a nuisance of any kind. Lessee shall immediately, on discovery of any unlawful, disreputable, or ultra hazardous use, take action to halt such activity. Further, there shall be no dairy lagoons, barns, manure piles, or accumulation of manure, waste, or trash on the leased premises.

On the one-half acre parcel west of the Highway, Lessee shall not construct any buildings other than a shelter for the well and pump, if desired. Lessee shall not store or allow the presence of any vehicles, equipment, machinery, pipe, junk, produce, supplies, rubbish, or odorous or hazardous chemicals or substances on the one-half acre.

SECTION FOURTEEN INDEMNITY

Lessee shall indemnify Lessor against any and all expenses, liabilities and claims of every kind, including reasonable attorney fees, by or on behalf of any person or entity arising out of either (1) a failure by Lessee to perform any of the terms or conditions of this lease agreement, (2) any injury or damage happening on or about the demised premises, (3) failure to comply with the law of any governmental authority, or (4) any mechanic's lien or security interest filed against the demised premises or materials, or alterations of building or improvements on the demised premises.

SECTION FIFTEEN BREACH OR DEFAULT

Each of the following events shall constitute a default or breach of this agreement by Lessee:

A. If Lessee shall fail to pay Lessor any rent or additional rent when the rent shall become due and shall not make the payment within ten (10) days after notice thereof by the Lessor to Lessee.

B. If Lessee shall fail to perform or comply with any of the conditions of this lease agreement and if the nonperformance shall continue for a period of thirty (30) days after notice of nonperformance given by Lessor to Lessee.

C. In the event the Lessee shall fail in any agreement of this lease herein contained, then the Lessor

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may terminate this lease and may re-enter said premises and care for and harvest all crops and market the same, deducting therefrom all amounts due the Lessor for rentals, his work, labor and expenses, and the surplus, if any, to the Lessee and the lease shall be deemed to be forfeited. Provided, however, before such forfeiture and other rights specified herein shall be effective, the Lessor must give Lessee written notice of the nature of the default, and if such default is corrected within the time provided herein, after Lessee is served with said notice, then the lease will remain in effect as through never breached, and if not corrected within said time period, the Lessor shall be entitled to immediate possession of the premises above-described. Service of notice of default may be accomplished by those means allowed by law for the service of process or by sending said notice of default by registered mail to the Lessee at Lessee's address at the time of sending said notice. Service of notice shall be deemed complete at the time the notice is placed in the United States mail, return receipt requested.

SECTION SIXTEEN EXCLUSIVITY

The foregoing rights and remedies are not intended to be exclusive, but are in addition to all rights and remedies Lessor would otherwise have by law.

SECTION SEVENTEEN ASSIGNMENT AND SUBLEASING

Lessee may assign this lease or sublet the property to another party, provided that Lessor has first agreed in writing to such assignment or sublease. Such agreement by Lessor shall not be unreasonably withheld. A consent by Lessor to one assignment or sublease shall not be deemed to be a consent to any subsequent assignment or sublease. Any assignment or sublease without Lessor's prior written consent shall be void and shall, at Lessor's option, terminate this lease without further notice. Any assignment or sublease shall not relieve Lessee from liability for payment of rent or other sums herein provided or from the obligation to keep and be bound by the terms, conditions, and covenants of this lease.

SECTION EIGHTEEN REMOVAL OF OLD EQUIPMENT AND UNUSED ITEMS

Lessor agrees to remove the used equipment and all other unused items from the premises no later than February 1, 2000. In the event said items are not removed and the area cleaned up by said date, Lessee shall have the right to have the items removed and the area cleaned up and Lessor shall be responsible to pay for the expense incurred.

SECTION NINETEEN INSPECTION BY LESSOR

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Lessor shall have the privilege of inspecting the demised premises during the duration of the lease agreement at all reasonable times with twenty-four (24) hours prior notice.

SECTION TWENTY ADDRESSES

The addresses of the respective parties to which notice is to be given in accord with this lease and/or option to purchase are as follows:

Peter and Sylvia Grush
2025 South Highway 81
Malta, Idaho 83342

Stan and Jeanette Lloyd
Trustees of the Stan and Jeannette
Lloyd Living Trust
HC-61, Box 1510
Elba, Idaho 83326

SECTION TWENTY-ONE BINDING EFFECT

All of the terms and conditions of this lease agreement shall inure to the benefit of and be binding upon the respective heirs, executors, and assigns of Lessor and Lessee.

SECTION TWENTY-TWO ATTORNEY FEES

In the event that any action is filed in relation to this lease agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

OPTION TO PURCHASE

The Lessor does hereby give and grant to the Lessee the exclusive option to purchase the said leased premises herein above described, upon the following terms and conditions:

(1) That Lessee shall be granted the exclusive option to purchase said leased premises by tendering the amount of Four Thousand and No/100 Dollars (\$4,000.00) to Lessor on or before December 15, 1999.

(2) Provided that Lessee is not in default of any terms of this lease, including but not limited to payment of all monthly installments through and including January 10, 2010, Lessee may exercise the option by giving written notice to Lessor of such election between the dates of January 15, 2010 and February 10, 2010.

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(3) The purchase price for the property shall be the sum of Eighty Four Thousand Eight Hundred and No/100 Dollars (\$84,800.00) lawful money of the United States, payable in full at the time of closing. Closing shall occur within sixty (60) days after the time Lessee gives Lessor notice of his intent to exercise the option.

(4) It is understood that the property contains 260.5 acres and 249 inches of water. Prior to closing Lessor shall obtain a survey from a licensed surveyor at the expense of the Lessor to survey the property. In the event the survey reveals a discrepancy in the actual number of acres being transferred, the option price shall be adjusted accordingly at the rate of \$800.00 per acre.

(5) Closing will be held at Land Title & Escrow in Burley, Idaho. Lessor shall pay the cost of title insurance, and the cost of a survey. All other closing costs will be paid fifty percent (50%) by Lessor and fifty percent (50%) by Lessee.

(6) Unless otherwise agreed in writing. Lessor shall transfer title to the property by Warranty Deed in the form attached hereto as Exhibit "A".

(7) The sale shall include 249 acres of water, and Lessor shall retain 15 acres of the existing water rights. For those shares Lessor retains, he shall be responsible for changing the point of diversion to the property he is retaining, and drilling a well on his property. Lessor warrants that all adjudication work is in process and the proofs have been as of the date of this lease.

(8) No lease payments made by Lessee shall be applied to the purchase price. In the event this lease is terminated for any reason or in the event Lessee does not exercise this Option to Purchase, Lessor shall retain all lease payments made by Lessee.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date and year first above written.

DATED this 15th day of December, 1999.

"LESSOR"

STAN AND JEANETTE LLOYD LIVING TRUST

By: Stan Lloyd
Stan Lloyd - Trustee

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By: Jeanette Lloyd
Jeanette Lloyd - Trustee



"LESSEE"

Peter J. Grush
Peter J. Grush

Sylvia Grush
Sylvia Grush

STATE OF IDAHO)
SS.
County of Cassia)

On this 15th day of Dec, 1999, before me the undersigned, a Notary Public in and for said State, PETER J. GRUSH and SYLVIA GRUSH, husband and wife, known or identified to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that they executed the same.

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

Jacob Hill
NOTARY PUBLIC FOR IDAHO
Residing at: Burley, ID
My Commission Expires: 4/18/2002

STATE OF IDAHO)
SS.
County of Cassia)

On this 15th day of December, 1999, before me the undersigned, a Notary Public in and for said State, personally appeared, Stan Lloyd and Jeanette Lloyd, husband and wife, the Trustees of the Stan and Jeanette Lloyd Living Trusts, known or identified to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that executed the same as Trustees of the Stan and Jeanette Lloyd Living Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal

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OPTION TO PURCHASE - 9

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EXHIBIT "A"

The East Half of the Northwest Quarter of the Southwest Quarter, and Lots 1, 2, and 3, EXCEPTING all of that portion West of and including Highway 81, in the West Half of Section 18, Township 14 South, Range 27 East Boise Meridian, Cassia County, Idaho.

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EXHIBIT "B"

A strip of land containing approximately one half acre that is 334 feet long and 80 feet wide, surrounding the well and pipeline, and running in a Northeasterly direction to and abutting Highway 81 in Lot 4 in the West half of Section 28, Township 14 South, Range 27 East of the Boise Meridian, Cassia County Idaho.

Together with an easement thirty (30) feet wide immediately East of and parallel to State Highway 81 running from the existing culvert under State Highway 81 near the well, North to Lot 3 as shown on the attachment attached hereto and made a part of this exhibit.

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