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Hydraulics

Hydrology

Water Resources

WA
RECEIVED

AUG 23 2010

**DEPARTMENT OF
WATER RESOURCES**

August 19, 2010

Monica Van Bussum
Idaho Department of Water Resources
322 E. Front St.
P.O. Box 83720
Boise, ID 83720

Re: Water Supply Bank Applications for Jentzsch-Kearl Farms

Dear Ms. Van Bussum,

Jentzsch-Kearl Farms submitted applications to lease portions of several water rights to the Idaho Water Supply Bank in December of 2008. A response letter from the Idaho Water Supply Bank was received stating that the applications have been received but had not been processed or approved, no other correspondence has been received concerning the submitted lease applications. Since December 2008, farm management practices have changed on farms owned and leased by Jentzsch-Kearl Farms; therefore, amendments have been made to update WSB applications previously submitted in December of 2008. Also, additional lease applications are being submitted for water rights not previously offered to the WSB.

Attached are fifteen (15) water supply bank applications for property owned and or leased by Jentzsch-Kearl Farms. All applications seek to place excess irrigation water into the water supply bank for an indefinite amount of time. Also included in this application are the lease agreements between Jentzsch-Kearl Farms and J&C Baker Family Limited Partnership and Gary Garner, as well as a limited power of attorney document.

The Home and Shop, Harris and Linear farms have been combined into one permissible place of use. The Water Supply Bank lease application for water right 36-15170A has been amended to increase the previously submitted amounts to 0.11 cfs and 55.6 afa and 41.1 acres. A new lease application is also attached for water right 36-16554 for 0.34/68 CFS/AFA and 17 acres. This farm is owned by Jentzsch-Kearl Farms.

The Section 2 farm has as a lease application that was previously submitted to the Water Supply Bank for water right 36-16553, that application is now being amended and re-submitted. The lease application for 36-16553 has

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208•736•8543

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been amended to decrease the previously offered amounts to 0.26 cfs, 52 afa and 12.6 acres. This farm is owned by Jentzsch-Kearl Farms.

Two new lease applications for water rights appurtenant to the farm at Acequia are being submitted to the Idaho Water Supply Bank. An application for 0.3 cfs, 7.6 afa and 1.9 acres of water right 36-16550 is proposed to be leased to the WSB. Additionally, 0.04 cfs, 7.2 afa and 1.8 acres are proposed to be leased to the WSB from water right 36-16556. This farm is owned by Jentzsch-Kearl Farms.

Water right 36-7216 appurtenant to the Brandon Farm owned by Rodney Jentzsch is being offered for lease to the WSB for the amount of 0.41 cfs on 20.3 acres. This WSB application is a new application not previously submitted in 2008.

The Section 26, and 35 farm has a previously submitted lease application for water right 36-2122A. In an August 6th 2010 letter, Aaron Marshall indicated the 36-2122A lease application submitted in 2008 was not able to be processed because of “stacking” of other water rights within the place of use defined under 36-2122A, which would require additional applications to be submitted. During a subsequent telephone call with Mr. Marshall the following day, we determined that IDWR had an error in its GIS database, which lead to the wrongful rejection of the 2008 lease application for 36-2122A. In light of this error, we ask that the included amended WSB lease application for 36-2122A be re-reviewed as soon as possible. The amended lease application for 36-2122A increases the amount of water offered to the WSB to 1.15 cfs, 329.5 afa and 82 acres. This farm is owned by Jentzsch-Kearl Farms.

Portions of three water rights appurtenant to the Good Night & Bear Trap farms were submitted to the WSB in 2008. The application for 36-2565B is being amended to reduce the amount of water offered to the WSB to 0.15 cfs, 45.2 afa and 11.3 acres. This farm is also owned by the J&C Baker Family Limited Partnership and is leased by Jentzsch-Kearl Farms (see attached lease agreement).

Dan’s farm has one new water right lease application which offers to lease 0.09 cfs and 8.3 acres of water right 36-13065A to the WSB. This farm is also owned by the J&C Baker Family Limited Partnership and is leased by Jentzsch-Kearl Farms (see attached lease agreement).

The Gibson farm has one new lease application for water right 36-8595 which offers to lease a 0.14 cfs and 7.2 acre portion to the WSB. This farm is owned by Joe Kearl of Jentzsch-Kearl Farms.

The Black Canyon Bliss Farm owned in part by Rodney Jentzsch has three new WSB lease applications. Water rights 37-739, 37-7216 and 37-21721 are combined and limited to 92 acres. Water right 37-739 proposes to offer 0.35 cfs and 15.9 acres to the WSB, water right 37-21721 proposes to offer 0.49 cfs, and 15.9 acres to the WSB and water right 37-37-7216 proposes to offer 0.44 cfs, 65.8 afa and 15.9 acres to the WSB.

The Baker Bell farm has a new lease application which offers 0.12 cfs, 24.4 afa and 6.1 acres of water right 36-7699 to the Water Supply Bank. This farm is currently under contract for a long term lease agreement with Jentzsch-Kearl Farms. The application is signed by D. James Baker.

The Garner Farm's existing WSB lease application for a portion of water right 36-2381A has been amended to increase the amount offered to 0.35 cfs and 23.5 acres. This farm is owned by Gary Garner and is leased by Jentzsch-Kearl Farms (see attached lease agreement).

All of the attached WSB applications identify an "indefinite" lease period. Jentzsch-Kearl Farms expects to remove the leased water from the Idaho Water Supply Bank when lands become available for irrigation and or when the water can be transferred to the new location for permanent irrigation use.

Also attached is a limited power of attorney document allowing the attached applications to be submitted to the WSB on behalf of Jentzsch-Kearl Farms. Please copy our office on all correspondence regarding these water supply bank applications. Thank you for your assistance on this matter and if you have questions or comments, please don't hesitate to call.

Regards,

A handwritten signature in black ink, appearing to read "Zach Latham", with a long horizontal flourish extending to the right.

Zach Latham, M.S., Hydrologist

Enc: (15) Water Bank Lease Applications
(2) Jentzsch-Kearl Farms Lease Agreements
(1) Limited Power of Attorney Document
(1) Idaho Secretary of State Certificate of Assumed Business Name

Cc: Bryan Jentzsch- Jentzsch Kearl Farms

CANCELLATION, CONTINUATION, OR AMENDMENT OF CERTIFICATE OF ASSUMED BUSINESS NAME

(Please type or print legibly)

To the SECRETARY OF STATE, STATE OF IDAHO

99 JUL -8 AM 8:42

FILED

Pursuant to Section 53-507 and 53-508, Idaho Code, the undersigned gives notice of the action(s) indicated below:

STATE OF IDAHO

1. The assumed business name is: Jentzsch-Kearl Farms
2. The assumed business name was filed with the Secretary of State's Office on 6-11-1999 as file number D26785.
3. ☐ Cancellation. The persons who filed the certificate no longer claim an interest in the above assumed business name and cancel the certificate in its entirety.
4. ☐ Continuation. The persons who filed the certificate continue use of the above assumed business name for another 5 years (may be filed up to 6 months prior to the lapse date).
5. ☒ The assumed business name is amended to: Jentzsch-Kearl Farms
6. ☐ The true names and business addresses of the entity or individuals doing business under the assumed business name are amended as follow:

Add:	Delete:	Name:	Address:
☐	☐	_____	_____
☐	☐	_____	_____
☐	☐	_____	_____

7. ☐ The type of business is amended to read:

☐ Retail Trade	☐ Manufacturing	☐ Transportation and Public Utilities
☐ Wholesale Trade	☐ Agriculture	☐ Finance, Insurance, and Real Estate
☐ Services	☐ Construction	☐ Mining
8. ☐ The name and address to which future correspondence should be addressed is changed to read:

9. Name and address for this acknowledgment copy is:

Jentzsch-Kearl Farms480 E 1500 NReupert, ID 83350Signature: Rodney JentzschPrinted Name: Rodney JentzschCapacity: General Partner, Jentzsch-Kearl Farms

(see instruction # 4 on back of form)

IDAHO SECRETARY OF STATE
Secretary of State use only07/08/1999 09:00
CK: 6629 CT: 116716 BH: 232193

1 @ 10.00 = 10.00 ASSUM AMEN # 2

D 26785

LIMITED POWER OF ATTORNEYRECEIVED
DEC 29 2008

KNOWN ALL MEN BY THESE PRESENT:

BY:.....

I, Rodney Jentzsch representing Jentzsch Kearl Farms, hereby nominate and appoint Brockway Engineering (Zach Latham) as my attorney-in-fact with full authority to act for and on my behalf to undertake any and all acts or matters pertaining to water right transfers before the Idaho Department of Water Resources for the following water right transactions:

All portions of all water rights and canal company shares transactions pertaining to property owned or leased by Jentzsch Kearl Farms.

in Minidoka, Gooding, Blaine, Lincon County, Idaho. Additionally, I hereby ratify and confirm any and all such acts on matters as contemplated herein.

My agent is hereby authorized to sign, seal and deliver, as my act in deed, those said instruments of writing that may be necessary or proper to carry into execution and effect the applications, and transfers above-mentioned. Further, I hereby declare that each and every application, transfer, agreement, receipt, or payment which shall be by my said agent given, made or done for the aforesaid purposes shall be as good, valid, and effectual as if they had been signed, sealed, and delivered by me in my own proper person; and I hereby undertake at all times to ratify whatsoever my said agent shall lawfully do or cause to be done in or concerning the said premises by virtue of these present. This Limited Power of Attorney will become void upon approval, denial or withdrawal of the above referenced applications.

Dated this 23rd day of Dec. 2008.

Rodney Jentzsch

Signature

Signature

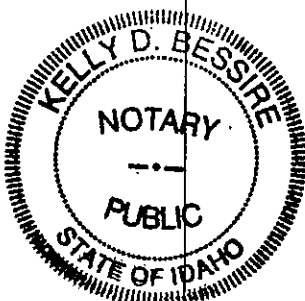
State of Idaho

County of Minidoka

ss.

On this 23rd Day of December, 2008, before me, a Notary Public in and for said County and State, personally appeared Rodney Jentzsch, known or identified to me to be the individual whose name and subscription to the within instrument, and acknowledged to me that he executed the same.

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

S
E
A
L

Kelly D. Bessire

Notary Public

In and for said State and County

11-07-2014

My Commission Expires

Farm Lease

This lease is entered into this 1st day of March 2007 between J&C Baker Family Limited Partnership of 533 E 240 Ln N, Rupert, Idaho 83350, and Jentzsch-Kearl Farms, of 480 E. 1500 N., Rupert Idaho, 83350, Lessee.

PROPERTY DESCRIPTION: Lessor leases to Lessee the following property;

Garro E	128.9 Acres	500 E 1100 N Rupert, Id
Garro W	282.7 Acres	450 E Hwy 24 Rupert, Id
Goodnite	262.4 Acres	1000 E 1200 N Rupert, Id
Beartrap	250.8 Acres	1100 E 1200 N Rupert, Id
Dans	<u>223.7 Acres</u>	200 E 1500 N Rupert, Id
Total	1148.5 Acres	

TIME COVERED: This lease will cover the 2007-2011 crop years.

This lease supersedes previous lease dated 21 December 2000

RENTAL RATE: The rental rate is for 1148.5 acres at \$170 per acre. The payments will be paid in two equal payments with the first being on or before the 15 of April for \$97,622.5 and the second being on or before the 15 of December for \$97,622.5 for a total of \$195,245 of each crop year. In the event the acres are less based on our GPS mapping according to actual planted and irrigated acres, the rent will be adjusted accordingly. In addition this lease may be canceled if there is no water to irrigate the crop. If there are any acres that are unsuitable for a potato crop (i.e. sub water areas, excessive rock areas, etc) these acres will be deducted from the rented acres.

LESSOR RESPONSIBILITIES: Provide insurance if desired for all irrigation equipment. Pay for major repairs more than \$500 per incident on all irrigation equipment including pivots, and pump stations. Pay property taxes pay A&B construction cost. Lessor will permit Lessee to assign or sublease all or any portion of the premises to their partners, provided that the Lessee shall remain liable for the rental and further provided that sub-lessee shall comply with all of the terms of this Farm Lease.

LESSEE RESPONSIBILITIES: Pay for minor repairs less than \$500 on irrigation equipment. Repair any irrigation equipment as the result of Lessee's neglect. Pay irrigation power cost and A&B water (Excluding construction cost).

GOVERNMENT PAYMENTS Lessee shall be entitled to receive any and all government program payments or proceeds. Upon termination of the contract the same number of proceeds or payment acre entitlements shall be returned to the lessor.

By J&C Limited Partnership
 J&C Baker Family Limited

Lessee
Paul Jentzsch
 Jentzsch-Kearl Farms

FARM LEASE

THIS AGREEMENT made and entered into this 31st day of August 2007
by and between Gary Garner of 1450 N and 375 E, Rupert, Idaho, 83350
herein after referred to as "Lessor" and JENTZSCH-KEARL FARMS, a
partnership, of 20511 F Street Rupert, ID 83350, hereinafter referred to as
"Lessee".

WITNESSETH:

That Lessor, for and in consideration of the covenants and agreements
hereinafter mentioned to be kept and performed by Lessee, does, by these
presents, hereby lease, rent and demise to Lessee the following described
lands, hereinafter called "Lease Premises", situated in Minidoka County,
Idaho, to-wit:

Approximately 275 acres, consisting of 2 pivots and no corners on
1450 N and 375 E.

Together with all sprinkler equipment, pump station, pivots, hereto
and right to irrigate said Leased Premises from water received from

the Private. The sprinkler equipment presently owned by Lessor will be available for Lessee's use and that said equipment will be in working condition and shall be returned to Lessor at the end of the lease term in substantially the same condition, ordinary wear and tear excepted.

The term of this lease shall be for the 2008-2013 farm season and shall commence with the execution of this lease agreement and shall expire upon harvest of the crops in the fall of 2013. In the event the crops are harvested prior to December 1, 2013 the Lessor may come on the premises to do fall work.

IT IS FURTHER AGREED AS FOLLOWS:

1. Lessee shall furnish all labor, seed, fertilizer, equipment and other materials for the planting, seeding cultivating, tending, irrigation, care, harvesting and delivery of said crops at Lessee's own cost and expense, except as herein otherwise provided.
2. Except s otherwise set forth herein, the consideration to the lessor for the granting of this Lease is the sum of \$200.00 per irrigable acre per hear under the pivots to be paid by the Lessee to the

Lessor in two (2) installment; the first installment to be paid by April 15th in the amount of \$27,500, and the second payment to be paid on or before November 15 in the amount of \$27,500 for a total of \$55,000.00. The Lessee has provided the Lessor with a \$10,000 security deposit upon signing of the previous lease. The deposit will be taken out of the final years rent if the Lessor or Lessee decides not to renew the contract. If the Lessee does not comply with the term of the lease he forfeits the deposit. Any payment not made in a timely manner shall bear interest at the rate of 12% per annum from the due date of such payment. In addition, Lessee shall pay power and water for the operation of the pumps used.

3. All labor performed and all materials supplied by the Lessee on the Leased Premises for any purpose during the term of this lease, unless otherwise specifically provided herein, shall conclusively be deemed to have been done and furnished Lessee on Lessee's own behalf and at Lessee's own instance and expense, unless parties hereto have agreed in writing with respect to the particular items of such labor and materials in advance of the performance or

furnishing of the same that Lessor shall compensate Lessee for such Labor or materials.

4. The Lessee further covenants and agrees as follows:

(a) To farm the Leased Premises and the whole thereof throughout the lease term in keeping with the best practices of husbandry and not to allow or suffer any damages or waste thereto.

(b) Lessee may assign or sublease all or any portion of the premises to its daughter entities or partners, provided that the lease shall remain liable for the rental and further provided that sub-lease shall comply with all of the terms of this Farm Lease.

(c) All crops, including straw shall belong to the Lessee.

(d) To pay for irrigation equipment items which cost \$500.00 or less per item for parts and labor. Lessor shall pay for irrigation items which cost more than \$500.00 per item for parts and labor. Any irrigation repair expenses caused by the neglect or abuse by the Lessee shall be paid by the Lessee.

5. In the event of a disagreement between the parties, then such disagreement shall be solved by Lessor selecting an arbitrator, the Lessee selecting an arbitrator and the two arbitrators so selected to

select a third arbitrator. The decision of a majority of the arbitrators shall be binding on the parties. The cost of arbitration shall be borne by the nonprevailing party as determined by the decision of the arbitrators.

6. All of the covenants of this lease to be kept and performed by the Lessee shall be deemed to be conditions of this lease. Time is of the essence hereof, and in the event the Lessee shall fail, omit or neglect to plant the crops agreed upon or to properly cultivate the Leased Premises or to diligently proceed to keep such land free of weeds or to otherwise farm the Same as hereinbefore provided and such failure, omission, neglect or default shall continue for a period of ten (10) days after written notice by Lessor to Lessee to cure said default, then the Lessor shall have the right immediately at any time thereafter while such neglect or default shall continue, to enter upon the Leased Premises and to employ such person or persons and equipment as may be necessary to properly perform such work and to charge the expenses thereby incurred to Lessee, including the reasonable value of Lessor's personal services, out of Lessee's share of the crop.

It is understood and agreed that the various rights, powers, options, elections and remedies of Lessor, contained in this instrument shall be cumulative and that no one of them shall be exclusive of any other rights or priorities allowed by law subject to the parties to arbitration as set forth above.

7. The covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.
8. Lessee shall be entitled to receive all proceeds or government payments from the USDA Production Flexibility Contract. Upon termination of the contract the same number of proceeds or payment acre entitlements shall be returned to the Lessor.
9. In the event of water shortage the Lessor agrees to forgo all rent revenue and reimburse all rent paid up-to-date for the year of the shortage.

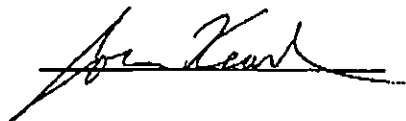
IN WITNESS WHEREOF the parties have executed this lease.

Lessor

Lessee

A handwritten signature in cursive script, appearing to read "Gary Garner", is written over a horizontal line.

Gary Garner

A handwritten signature in cursive script, appearing to read "Joe Kearn", is written over a horizontal line.

Jentzsch-Kearn Farms

By Owner

Partnership

Joe Kearn