

01/03

WA
Before the Idaho Water Resource Board

RECEIVED

MAR 31 2009

DEPARTMENT OF
WATER RESOURCES

APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

Applicant Jay B Brown Phone 208-590-1744
Address 6379 SW Division Rd
City Mountain Home State Id Zip Code 83647

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Ground water water Rights 61-2188
tributary to + water Right 61-7151.
2. Maximum volume of water 400 AF.
3. Maximum rate of diversion 2.0 cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Irrigation
2. Location of point of diversion 1/4 1/4, Section 11,
Township 04S, Range 05E, B.M. Elmore County.
3. Season of use: From 4-1 to 10-31.
4. Description of diverting works:
Pump HP 500 Lift 400 Pump type Turbine.
Canal name, if appropriate _____.
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by
40-acre tract, section, township and range.
100 Acres in 04S 05E sec. 10, sec 11, sec 14
as described by water right 61-11974

b. If water is not for irrigation, describe the nature of the intended use and the place of use.

6. Describe any other water rights used for the same purposes as rental water sought under this application.

7. Who owns the property at the point of diversion?

THK Farms

8. Who owns the property at the place of use?

THK Farms

9. Are you seeking a rental for more than one (1) year? no (yes or no)

If yes, for how many years? _____

10. Remarks: Lease on Property is
year to year, but will be renewed
in 2010

3-30-09
 Date


 Signature of Applicant

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

Action recommended _____

MAR 31 2009

DEPARTMENT OF
WATER RESOURCES

FARM LEASE

THIS LEASE, dated this 19th day of March, 2009, is between Jay B. Brown ("Lessee") and TLK Farms (the "Lessor").

WITNESSETH:

Section 1. Premises and Term. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property (hereinafter referred to as the "Premises") as described on Exhibit A attached hereto.

Included with the Premises is the irrigation system in place at the time of the execution of this Lease. This system includes one irrigation well with pump equipment and handlines located on the Premises.

TO HAVE AND TO HOLD the described Premises with all of the rights, privileges, and appurtenances thereunto belonging and appertaining for the term of one (1) year commencing on January 1, 2009, and terminating on December 31, 2009 (the "Term").

Section 2. Rent. Lessee covenants and agrees to pay cash rent, without abatement, offset, deduction or credit of any kind except as specifically provided in this Lease, in the total amount of ten thousand dollars (\$10,000.00). The Rent shall be paid in its entirety on June 1, 2009.

Section 3. Farmland Under Irrigation. According to records obtained by Lessee from the Idaho Department of Water Resources, the Premises have irrigation water rights for 212 acres. If such information is incorrect, Lessee may transfer additional water rights to the Premises during the Term of this Lease. The transferred water right is owned by Lessee and shall remain the property right of the Lessee throughout the Term of the Lease. At the expiration or termination of this Lease, Lessee shall retain ownership of the Lessee's water right that he transferred to the Premises.

Section 4. Lessee's Duties. In addition to other duties provided herein:

4.1 Lessee agrees to provide all labor for the agricultural operations, including all supervision and management of the irrigation systems, all field work, rock picking, planting, and harvesting.

4.2 Lessee shall provide pump oil and maintain the irrigation systems on a daily basis.

4.3 Lessee shall provide all inputs, except those set forth in Section 5 herein, necessary to carry out the farming operation on the Premises.

4.4 At the termination of this Lease, Lessee shall return the Premises to the Lessor in as good of condition as it was in at the commencement of this Lease normal wear and tear

excepted.

4.5 Lessee shall be liable for all damages caused by its negligence or intentional act or the negligence or intentional acts of its agents or employees.

Section 5. Lessor's Duties. In addition to the other duties provided herein:

5.1 Lessor agrees to pay all ad valorem taxes levied and assessed against the Premises during the term of this Lease.

5.2 Lessor shall pay for maintenance and repairs to the irrigation system that are not the result of negligence or an intentional act of the Lessee or its agents or employees.

Section 6. Assignment and Subletting. Lessee shall not sell, assign, transfer in any manner, lease, mortgage or pledge, or sublease this Lease or any part thereof without the prior written consent of Lessor.

Section 7. Right of Free Entry. Lessor or his agent shall have the right of free entry upon the Premises at any time during the Term of this Lease for the purpose of examining the Premises to determine whether or not the terms and conditions of this Lease are being fulfilled and for any other purposes in connection with terms and provisions of this Lease.

Section 8. Government Payments. Lessee shall be entitled to receive payments from the federal government pursuant to the programs under the FSA or ASCS.

Section 9. Fertilizers and Chemicals. Lessee shall provide fertilizers, herbicides, insecticides, products for rodent or weed control, or other chemicals his own expense. Lessee shall take adequate measures to provide weed control on the Premises.

Section 10. Maintenance of Records. Lessee shall keep a written record in connection with the farming operation on the Premises showing the type and amount of fumigant, chemicals and fertilizer used on the Premises.

Section 11. Husbandry and Planting. Lessee shall grow, till, cultivate and harvest the crop planted on the Premises in a good and skillful manner according to recognized proper husbandry methods.

Section 12. Compliance with Governmental Orders. During the term of this Lease, Lessee shall promptly observe and comply with all present and future laws, rules, requirements, orders, ordinances, and regulations of the state of Idaho and of the United States of America, and of any other governmental authority or agency. Lessee shall indemnify and hold harmless Lessor against all claims, damages, expenses (including reasonable attorney fees), and penalties arising out of failure to comply and execute as herein provided, and from failure to keep the Premises in safe condition.

Section 13. Notices. Notices, demands, and communications hereunder shall be validly and sufficiently served, given, or made only if in writing and mailed by U.S. Mail, postage prepaid, addressed as follows:

Lessee: Jay Brown
6379 SW Division Road
Mountain Home, ID 83647

Lessee: TLK Farms
475 E. 16th N.
Mtn. Home, Idaho 83647

Either party may designate, by notice in writing, a new address, to which any such notice, demand, or communication shall thereafter be so addressed and mailed.

Section 14. Acceptance of Premises. Lessee represents that the Premises, the title thereto, any subsurface conditions thereof, and the present uses and nonuses thereof, have been examined by Lessee, and that Lessee will accept the same in the condition or state in which they or any of them now are or may be at the beginning of the Term hereby demised, without representation or warranty, express or implied in fact or by law, by Lessor and without recourse to Lessor, as to the nature, condition, or usability thereof or as to the use or uses to which the Premises or any part thereof may be put.

Section 15. Liens Prohibited. The Lessee shall pay or cause to be paid all costs and expenses for the work done by it or caused to be done by it on the Premises, and the Lessee shall keep the Premises free and clear of all liens of whatever kind or nature including, but not limited to, labor and material liens. The Lessee shall indemnify, save and hold the Lessor and the Premises harmless against any liability, loss, damage, cost, attorney fees, and all other expenses on account of any prohibited lien.

Section 16. No Recording. Neither party shall record this Lease or any memorandum hereof, it being agreed that the Lessee's possession of the Premises shall be adequate notice of the Lessee's interest herein.

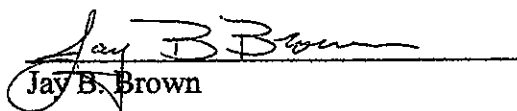
Section 17. Headings. The headings, titles, and captions used in this Lease are for convenience only and are not part of this Lease.

Section 18. Entire Agreement. This Lease contains the entire agreement between the parties as of this date concerning the subject matter hereof and supersedes any and all prior agreements, oral or written, between the parties concerning the subject matter hereof. All amendments or additions to this Lease shall be in writing signed by the parties hereto.

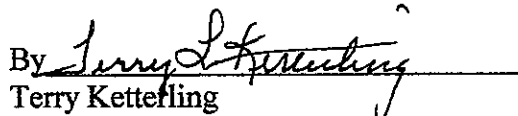
Section 19. Attorney Fees. In the event legal action is initiated to enforce any term of this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees and costs.

Section 20. Succession. The respective rights and obligations hereunder shall inure to and be binding upon the parties hereto and their respective heirs, successors, personal representatives, administrators, and assigns.

IN WITNESS WHEREOF, The parties hereto have set their names as of the day and year first appearing above.


Jay B. Brown

TLK Farms

By 
Terry Ketterling

3-30-09
Jay Brown
6379 SW Division
Mtn Home Id
83647

Aaron:

Please waive any rental
fee since I am renting my
own water from ~~the~~ The water
Dank. I know there is a fee
that IDWR will charge. I
have enclosed a copy of the
lease agreement w/ TLK Farms
If you have any questions
Please call me @ 590-1744

Thanks

Jay Brown