

United States Department of the Interior
Bureau of Reclamation

COPY
RECEIVED

Water Rental and Forbearance Agreement
with
TLK Farms, Inc. *KLP*

JUN 25 2004

DEPARTMENT OF WATER RESOURCES

Reclamation Agreement No. **1425-04-WL-10-0003**

This Agreement is entered into pursuant to the Reclamation Act of 1902, as amended and supplemented, for the purpose of meeting commitments of the Bureau of Reclamation (Reclamation) under the Biological Opinions on the Operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam. This Agreement is by and between the United States of America, acting by and through the Department of the Interior, Bureau of Reclamation, represented by the officer executing this instrument on its behalf and TLK Farms, hereafter known as the Lessor.

RECITALS

- A. WHEREAS, Reclamation has commitments under Biological Opinions on the operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam to provide flow augmentation for delivery at Lower Granite Dam.
- B. WHEREAS, The Idaho Legislature authorized Reclamation to annually rent up to 427,000 acre-feet of storage water per year during the years 2002-2004 under the provisions of Idaho Code § 42-1763B.
- C. WHEREAS, In 2003, there was insufficient storage water available for rental by Reclamation to meet the 427,000 acre-feet rental target. Therefore, Reclamation conducted a pilot leasing program under which water right holders submitted proposals to idle land and place their water rights in the State Water Supply Bank, thereby increasing water flow downstream to Lower Granite Dam. Rules governing the Idaho State Water Supply Bank, IDAPA 37.02.03, provide that rentals shall be approved only for use in Idaho unless there is compliance with the provisions of Idaho Code § 42-401(3). In order to avoid the complexities of Reclamation seeking approval for out-of-state use, the water was rented by the Idaho Power Company and used for hydropower generation in Idaho with the result that additional water flowed to Lower Granite Dam for flow augmentation.
- D. WHEREAS, Similar to 2003, it is expected that insufficient storage water will be available this year for rental by Reclamation. Therefore, Reclamation is conducting another similar pilot program (Program). Under this Program, water right holders will forego irrigation of land and place their water right into the Idaho State Water Supply Bank. As a practical way of ensuring that Reclamation receives additional water, over and above the water flows that would otherwise be available, a qualification was added requiring that the land to which the water right is appurtenant was either irrigated last year or was in Reclamation's 2003

program explained in Recital C above. Again, it is intended for Idaho Power to rent the water from the State Water Supply Bank.

- E. Reclamation advertised a request for proposals to the public. In response, the Lessor submitted a proposal for participation in the Program. The proposal shows that the Lessor has a right to use water for irrigation purposes and absent this Program was intending to irrigate with the water proposed for the Program. Therefore, placing the Lessor's water in the Water Bank during 2004 will result in additional water in the Snake River at Lower Granite Dam, Oregon. This additional water will be counted towards Reclamation's obligation to provide 427,000 acre-feet of water at Lower Granite Dam.

AGREEMENT

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the parties agree as follows:

I. **Land Accepted into the Program**

- A. The total number of acres accepted into the Program is 573.4 acres. The land, hereinafter referred to as the Land, accepted into the Program is identified as "LL" on the map(s) included in Attachment A. This is the maximum number of acres eligible for payment under this Agreement. Reclamation recognizes the following conditions may exist: 1) additional acres may have been proposed in the Lessor's application, 2) the Lessor may have a right to irrigate additional acres, 3) the Lessor may intend to irrigate additional acres in 2004 and is willing to idle those acres, and 4) the Lessor may submit an application to the State Water Supply Bank to lease water rights appurtenant to acres other than the acres identified in this Agreement. Notwithstanding any of the conditions stated above or any other conditions, under this "willing seller, willing buyer" Agreement, the number of acres covered by the Agreement is limited to the number and location stated in this section I.A. of the Agreement.
- B. If it is determined after the execution of this Agreement that certain acres are not eligible for the Program because of a mistake, error, or misrepresentation in the Lessor's application, the land covered under this Program will be reduced accordingly.
- C. The Land may not be irrigated from any source, regardless of whether there is another valid water right appurtenant to the Land. Water authorized to be diverted under water rights, or portions of water rights, leased to the Water Supply Bank may not be applied to lands that are not identified in this Agreement. The Lessor may not water the Land for any reason; for example, testing equipment, irrigating a cover crop, or dust abatement.
- D. IDWR intends to monitor the Lessor's idled lands. The monitoring will include field visits, and the collection and analysis of satellite data and related pump and flow measurements collected at IDWR's discretion. The Lessor agrees to allow the collection of data and access for field visits.

II. Water Rights Appurtenant to the Leased Land

- A. The Lessor agrees that this Agreement shall be submitted to the Idaho State Water Supply Bank as an application to lease water to the bank, and that the Lessor is offering the water rights described in Attachment A to the bank by signing this Agreement. The Lessor agrees that any additional information or requirement IDWR may require to process or accept the application shall be furnished promptly to IDWR, including but not limited to, the submission of a separate application form if required. Failure to comply with IDWR requests for information or other requirements is cause for termination of this agreement.
- B. All rentals of the Lessor's water rights out of the water bank shall be subject to Reclamation's approval.
- C. With respect to the water rights covered by this Agreement, the Lessor warrants that the Lessor has the right, title, and interest necessary to enter into this Agreement; and that there are no agreements, leases, licenses, liens or encumbrances which would prohibit the Lessor from placing the Lessor's water rights into the Idaho State Water Bank; and that to the extent necessary, the Lessor has obtained any consent or approval necessary to authorize the execution of this contract.
- D. The Lessor shall immediately notify Reclamation if there are any changes in ownership, or any encumbrances or liens placed upon, any of the real property or water rights covered by this contract during the term of the Agreement.

III. Payment

- A. By signing this Agreement the Lessor offers to the Idaho State Water Supply Bank the water rights described above for a total lease price of \$ 80,276.00. This amount is based on \$ 140.00 per acre of land idled. The Lessor understands that the amount the Lessor will receive from the Idaho State Water Supply Bank is 90% of the total lease price. Ten percent will be retained by IDWR for administrative costs of operating the Water Supply Bank, pursuant to the Water Supply Bank Rules.
- B. Payment as shown in section III.A above is based upon a dollar amount per acre of land idled, regardless of the diversion rate or maximum diversion volume allowed under the water right, the historical diversion rate or consumptive use under the water right, or the diversion rate or diversion volume approved for lease by IDWR.
- C. Pursuant to the Water Supply Bank Rules, IDAPA 37.02.03, after the water rights are leased, payment is to be made by the Water Supply Bank to the Lessor. Lessor agrees to accept the following intended plan for payment by IDWR: One half of the estimated payment will be made on or about July 30, 2004, and the remainder will be paid after the irrigation season ends and final verification of program compliance is complete. Reclamation will enter into a separate contract with IDWR to make payment to the Water Supply Bank for this purpose.

IV. **Term, Termination of Agreement and Remedies**

- A. The Agreement shall become effective on the date of the last signature hereto and shall extend through December 31, 2004.
- B. At Reclamation's discretion, this Agreement may be terminated upon:
- (1) Failure of the Lessor to abide by the terms and conditions of this Agreement;
 - (2) Refusal of the Lessor to allow Reclamation or IDWR access to the Land to monitor compliance with the Agreement;
 - (3) Application of water by the Lessor to the Land during the period of this Agreement, except in emergency situations where the application of water is required for public safety reasons;
 - (4) Discovery of fraudulent information submitted in the Lessor's Application.
- C. If this Agreement is terminated for any other reason prior to its ending date, the Lessor shall reimburse Reclamation for a prorated portion of the amount stated in Section III.A of this Agreement, as determined by Reclamation.

V. **Miscellaneous**

- A. The Landowner or Lessor is responsible for all taxes, assessments, soil conservation measures such as weed and erosion control and other obligations related to any of the Land covered by this Agreement.
- B. The Landowner will indemnify and hold harmless Reclamation from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death, or property damage of any nature caused by the Landowner or any person, firm or corporation acting on the Landowner's behalf related to or arising out this Agreement.

C. **Water Right Ownership**

This Agreement shall not be used as evidence of ownership of water rights in the Snake River Basin Adjudication.

D. **Officials Not to Benefit**

No member of or delegate to Congress or the Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom, but this restriction shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

E. **Covenant Against Contingent Fees**

The Lessor warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees and bona fide commercial agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, Reclamation shall have the right to revoke this Agreement without liability or in its discretion to require the Lessor to pay the full amount of such commission, percentage, brokerage, or contingency fee to the United States.

Signatures

Print name(s): TLK Farms, Inc. - Terry L. Ketterling

Mailing address: 475 E. 16th N., Mtn. Home, Id 83647

Phone: _____

Signed Terry L. Ketterling for TLK Farms Inc

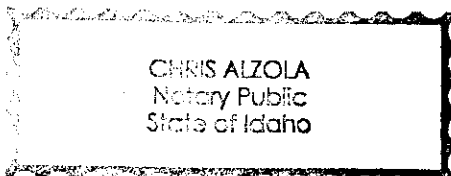
Signed _____

Title: Pres

Date: 4-19-04

On this 19th day of April, 2004, before me the undersigned Notary Public in and for said county and state, personally appeared Terry L. Ketterling, known to me to be the person whose name is subscribed to within instrument and acknowledged to me that he/~~she~~ 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 written.



Chris Alzola
Notary Public in and for Idaho
Residing at: Mountain Home
Commission Expires: 5-21-05

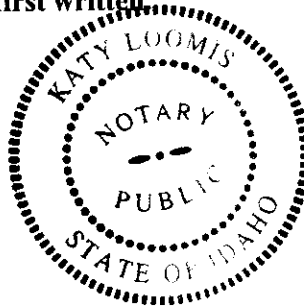
For the Bureau of Reclamation

Signature: Kenneth R. Pedde
Regional Director, Pacific Northwest Region

Date: 4/22/04

On this 22nd day of April, 2004, before me the undersigned Notary Public in and for said county and state, personally appeared Kenneth R. Pedde, known to me to be the person whose name is subscribed to within instrument and acknowledged to me that he/she 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 written.



Katy Loomis
Notary Public in and for Idaho
Residing at; Ada County, Idaho
Commission Expires: 10/17/2009

02-2379

[illegible]

573.4

Applicant initials LLK Applicant initials _____ Applicant initials _____

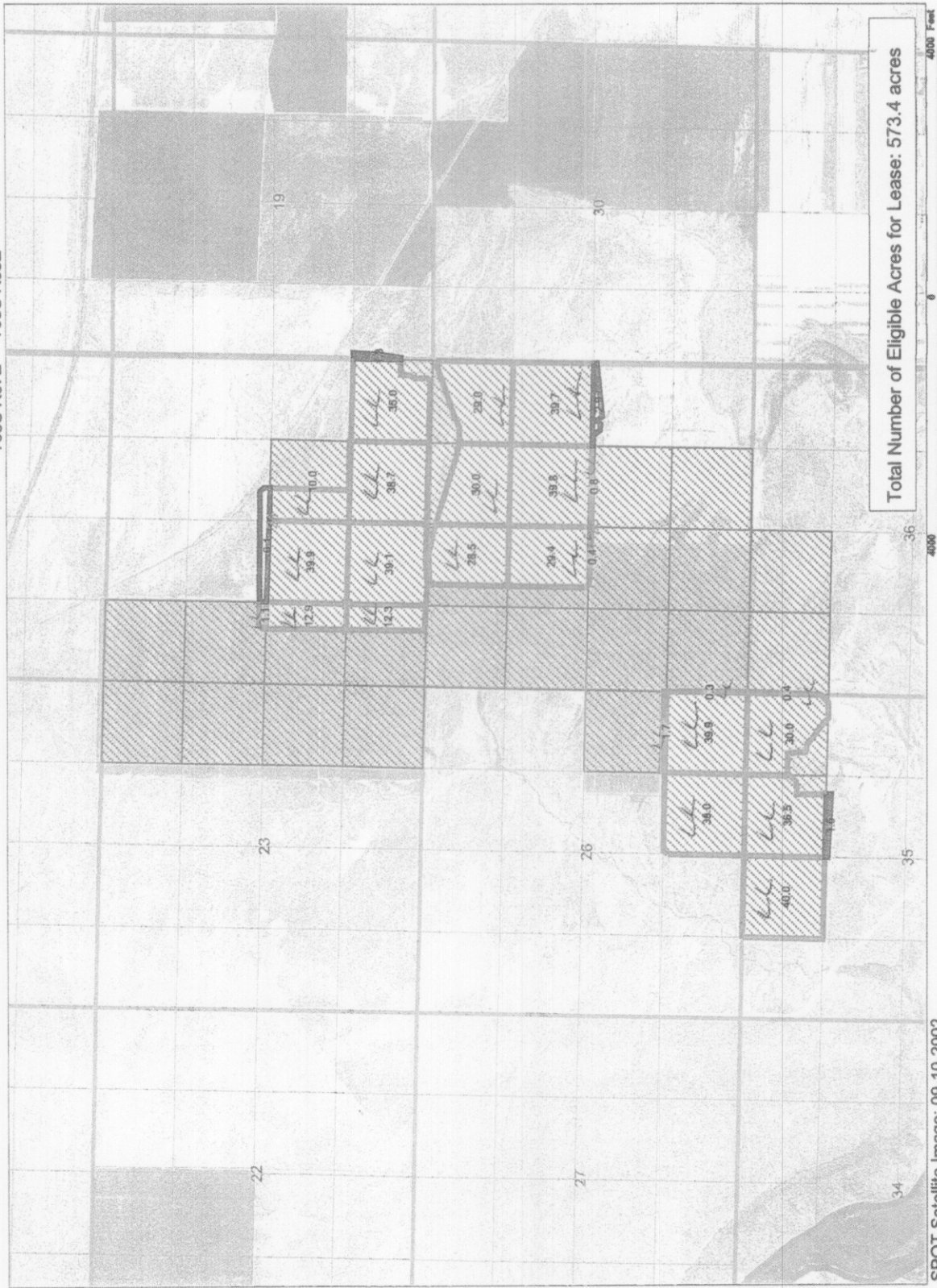


Prepared by: M. Williams
Idaho Department of Water Resources
3001 E. River Road, Suite 100
Boise, ID 83706
(208) 327-7800

Water right boundaries identify the quarter quarters within the Snake River Basin. The number of acres authorized, but do not represent the number of acres authorized.

- ☐ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Water Right 2-2379
- ☐ Township/Range
- ☐ Section
- ☐ Quarter/Quarter

T05S R07E T05S R08E



Total Number of Eligible Acres for Lease: 573.4 acres

SPOT Satellite Image: 09-10-2002

TLK Farms, Inc. **2004 Snake River Pilot Leasing Program** **Rental of Water from the Water Supply Bank**

Prepared: February 18, 2004

Leasing Authority for TLK Farms Inc 4.19.04

Date

Applicant Signature

4.21.04

Date

USBOR Signature

APPLICATION FOR PROPOSAL FOR SNAKE RIVER PILOT LEASING PROGRAM 2004

A. GENERAL

- A1. Applicant name(s): TLK Farms Inc (Terry L. Ketterling)
- A2. Proposed price per acre: \$ 139 per acre. Note that you will only receive 90% of that rate.
- A3. Number of acres you propose to idle: 606 acres

B. INFORMATION ABOUT THE APPLICANT

- B1. Type of applicant:
☐ Single individual
☐ Joint owners
☐ Partnership
☒ Corporation
☐ Limited liability co.
☐ Irrigation district
☐ Other
- B2. Taxpayer identification number, if applicable: _____
- B3. Mailing Address: 475 E 16th N Mountain Home Id. 83647
- B4. Daytime Phone Number: 208-582-2099 Additional cell phone number: 208-599-1010 Fax: 208-587-5930
- B5. E-mail Address: tlket@starband.net
- B6. Do you
☐ own the land that is to be idled?
☒ lease the land that is to be idled?
☐ neither, you only hold the water rights, e.g. irrigation district, canal company.
- B7. If you lease the land that is to be idled, complete the following:
a. Provide a copy of your entire lease.
b. Does your lease provide for authorization to put water into the water bank?
☐ Yes, on page ____ of my lease.
☒ No, but I have separate authorization, which is enclosed.
c. Name and address of the lessor landowner: Snake River Ranch, LTD
0326 Hwy 133 Ste 210 Carbondale, CO 81623

C. INFORMATION ABOUT THE LAND THAT WILL BE IDLED

- C1. Does each tract of land you are proposing meet the eligibility criteria? ☒ Yes ☐ No
- C2. Were any of the proposed lands leased to the Idaho State Water Supply Bank under a 2003 contract with Reclamation? ☐ Yes ☒ No
- C3. Is a cover crop planned for the idled land? ☐ No ☒ Yes, my cover crop will be: oats or wheat
- C4. Have you completed and enclosed the attached grid? (See application instructions.) ☒ Yes
- C5. Have you attached an acceptable map with the proposed acres identified? (See application instructions.) ☒ Yes
- C6. Have you enclosed acceptable evidence of irrigation of the proposed lands during the 2003 irrigation season? (See instructions) ☒ Yes

D. INFORMATION FOR EACH WATER RIGHT INCLUDED IN YOUR PROPOSAL

If you are proposing to lease more than one water right, copy this section and fill out a separate page for each water right.

- D1. Water Right Number: 2-2379
- D2. What is the basis of the water right? ☐ permit ☒ license ☐ decree
- D3. Have you attached a copy of the permit, license, or decree? ☒ Yes
- D4. Has a claim been made for the water right in the Snake River Basin Adjudication (SRBA)? ☒ Yes Attach a copy of this SRBA claim.
- D5. Priority date of the water right: 9/3/1965
- D6. (a) What is the total number of acres described in the place of use for irrigation under this water right? 1280 acres
(b) Does this right have a permissible place of use? ☒ Yes ☐ No
- D7. Is the number of acres authorized for irrigation under this right limited within the place of use in a single irrigation season?
☐ Yes, it is limited to _____ acres.
☒ No
- D8. Are any other water rights appurtenant to the proposed lands that are not included in this proposal?
☐ Yes, the other water rights are: _____
☒ No
- D9. How many acres authorized under this water right were irrigated during the 2003 season? 606 acres
- D10. Were any acres under this water right leased to the Idaho Water Supply Bank under a 2003 Contract with Reclamation?
☒ Yes, 614.1 acres. - only 575.6 acres leased
☐ No
- D11. Do you propose to enter only a portion of the water right into the Program? ☒ Yes ☐ No
- D12. If so, how many acres authorized under this water right will still be irrigated during the 2004 irrigation season if your proposal is accepted into the Program? 665.9 acres

E. INFORMATION ABOUT OVERALL IRRIGATION PRACTICES

Answer E1 & E2 if you are a landholder, i.e. you own or lease land that was or will be irrigated, or you are a part owner of an entity that owns or leases land that was or will be irrigated.

- E1. (a) If you are a landholder, how many acres did you irrigate in 2003, at any location from any water rights from, or tributary to, the Snake River? 59.58 acres
- (b) If you were a part owner of one or more entities that leased or owned land, how many acres did each entity irrigate in 2003, at any location from any water rights from, or tributary to, the Snake River? _____ acres
- E2. (a) How many acres do you intend to irrigate in 2004, at any location from any and all water sources from, or tributary to, the Snake River if your proposed acres are accepted? 452 acres
- (b) If you are a part owner of one or more entities that holds land and intends to irrigate in 2004, at any location from any and all water sources from, or tributary to, the Snake River if your proposed acres are accepted? _____ acres

Answer E3 if you are completing this application on behalf of an irrigation district or canal company or similar entity.

- E3. Submit the following information for each landholder who is proposing to idle land under this application:

Landholder #1

- (a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

E3 (cont.) Make copies of this page if you need additional space.

Landholder #2

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

Landholder #3

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

Landholder #4

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

Landholder #5

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

SIGNATURES

By signing below, you certify that the information included in this proposal is accurate and true to the best of your knowledge.

NOTE: To support your proposal, you may be asked to provide additional information. We will notify the applicant shown above if additional information is necessary.



Applicant's Signature

Candy R. Barr

Printed Name



Applicant's Signature

Terry L. Ketterling

Printed Name

1-13-04



Date

Office held (if entity)

1-13-04

Pres

Date

Office held (if entity)

Date

Office held (if entity)

Date

Office held (if entity)

Date

Office held (if entity)

IDAHO DEPARTMENT OF WATER RESOURCES

Adjudication Claim Report 2-2379

WATER RIGHT NUMBER: 2-2379

<u>Owner Type</u>	<u>Name and Address</u>
Original Owner	THE TRAVELERS INSURANCE CO
	, ID
Original Owner	JEANETTE C RICE
	, ID
Original Owner	ROBERT C RHEAD 800 W CHINDEN MERIDIAN, ID 83642
Original Owner	SARAH I RHEAD 800 W CHINDEN MERIDIAN, ID 83642
Attorney	GIVENS PURSLEY LLP C/O JEFFREY C FEREDAY 277 N 6TH ST #200 PO BOX 2720 BOISE, ID 83701-2720 (208)388-1200
Original Owner	MARLENE C RHEAD 800 W CHINDEN MERIDIAN, ID 83642
Original Owner	CLAUDE E RHEAD 800 W CHINDEN MERIDIAN, ID 83642
Current Owner	SNAKE RIVER RANCH LTD C/O LANDSING CORPORATION GEN PARTNER 800 EL CAMINO REAL MENLO PARK, CA 94025 (415)321-7100
Original Owner	DONALD J RICE
	, ID
Attorney	JAMES D HANSEN GIVENS MC DEVITT PURSLEY WEBB AND BUSER PO BOX 2720 BOISE, ID 83701 (208)342-6571
Original Owner	ROBERT C RICE
	, ID
Original Owner	DONALDA N RICE
	, ID

IDAHO DEPARTMENT OF WATER RESOURCES

Adjudication Claim Report 2-2379

Priority Date: 09/03/1965

Basis: License

Status: Active

Source

SNAKE RIVER

Tributary

COLUMBIA RIVER

Beneficial Use

IRRIGATION

From To

3/15 to 11/15

Diversion Rate

23.670 CFS

Annual Volume

6,400.00 AF

Total Diversion:

23.670 CFS

6,400.00 AF

Location of Point(s) of Diversion

SNAKE RIVER

L4 (NW1/4NW1/4NW1/4)

Sec. 1,

Twp 06S,

Rge 07E, B.M.

ELMORE County

Place of Use

IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S	07E	23	40.0			40.0									40.0			40.0	160.0
05S	07E	24					40.0	40.0			40.0	40.0	40.0	40.0		10.0	40.0	35.0	325.0
05S	07E	25	29.0	30.0	40.0	40.0	39.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0		40.0	40.0		538.0
05S	07E	26													40.0		38.0	40.0	118.0
05S	07E	35	30.0	39.0			40.0												109.0
05S	07E	36					10.0	20.0											30.0

Total Acres: 1280

Conditions of Approval:

- 016 See remarks for additional conditions of approval.

Remarks:Comments:

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report 2-2379

Dates and Other Information:

Claim Received Date: 12/4/1989
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
State or Federal: S
Owner Name Connector:
Water District Number:
Generic Max Rate Per Acre:
Generic Max Volume Per Acre:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Carey Act Number:
Mitigation Plan: False

Combined Use Limits:

REAL PROPERTY

The real property located in Elmore County, Idaho, and particularly described in Exhibit A that is attached hereto and by this reference made a part hereof.

PERSONAL PROPERTY

The personal property located in Elmore County, Idaho, and particularly described in Exhibit B that is attached hereto and by this reference made a part hereof.

1. **TERM.** The initial term of this lease shall commence on January 1, 1996, and shall end on December 31, 1998, unless sooner terminated as provided herein. If the lessee has not completed harvesting of the crops grown on the leased premises by December 31, 1998, or any other year of this lease after notice of termination as provided herein, then the term of this shall be extended to the date that harvest is completed, except the winter wheat crop. In the event lessee has planted a winter wheat crop that is growing on the demises premises at the end of the term of this lease, owner shall pay to lessee all of lessee's out-of-pocket expenses for planting and fertilizing said crop.

2. **OPTION TO RENEW.** If at the expiration of the initial three-year term of this lease, lessee shall have fully performed all of the terms and conditions of this lease, lessee shall have the option to extend or renew this

lease for an additional three-year term commencing January 1, 1999. Lessee shall give owner written notice prior to June 30, 1998, of his election to extend and renew this lease for an additional three-year period. If a new rental rate cannot be agreed upon by owner and lessee by August 31, 1998, for the additional three-year term, then this option to renew shall be null and void and owner shall have the right to lease the demised premises to any other party.

3. RENT. The lessee shall pay to the owner as rent for said premises the sum of Ninety-Seven Thousand Five Hundred Dollars (\$97,500.00) per year for each year of this lease as follows:

- (a) The sum of \$12,500 on December 31, 1995, 1996, and 1997, unless this lease is sooner terminated as provided herein.
- (b) The sum of \$42,500.00 on or before April 1, 1996, 1997, and 1998, unless this lease is sooner terminated as provided herein.
- (c) The sum of \$42,500.00 on or before October 31, 1996, 1997, and 1998, unless this lease is sooner terminated as provided herein.

4. RIGHT TO TERMINATE. The lessee shall have the option to terminate this lease at the end of any calendar year of the lease, if the irrigation main line becomes

unusable, by so notifying the owner in writing on or before September 1 of the year in which the lessee desires to terminate this lease.

5. RIGHT OF NOTICE. In the event owner decides to sell the demised premises, it shall first provide written notice to lessee of its intent to sell the property and the price and terms on which it intends to offer the property. Lessee shall have thirty days after receipt of the written notice from owner within which to make a written offer to purchase the property. If owner does not accept lessee's offer to purchase the property, then lessee may offer the property for sale to third parties. Any such sale by owner, except to lessee, shall be subject to this lease and any extensions or renewals hereof.

6. RIGHT OF FIRST REFUSAL. In the event the owner should receive a bona fide offer to purchase the leased premises during the term of this lease or any extension or renewal thereof, and the offer to purchase is satisfactory and acceptable to the owner, then the lessee shall have the right and privilege to purchase the premises at the same price and on the same terms of the offer so made. This right shall be extended to lessee by the owner giving written notice of the offer to the lessee by registered or certified mail, return receipt requested, to the lessee's

address as provided above, which notice shall require the lessee to accept the offer in writing within fifteen (15) days after the mailing of said notice to lessee. If the lessee elects to meet such offer, he shall give the owner written notice thereof and closing of the sale shall be according to the offer, whereupon the owner shall convey to lessee fee simple marketable title to the premises. The failure of the lessee to accept the offer to purchase within the fifteen days shall nullify and void the privilege to lessee, and the owner shall be at liberty to sell the premises to any other person, firm or corporation. Any such sale by owner, except to lessee, shall be subject to this lease and any extensions or renewals hereof. This right of first refusal shall be in addition to the right of notice provided for in Paragraph 5 above. ⁽⁶¹⁰³⁾ This right of first refusal is not in effect if Lessee has been given notice under Paragraph 5 and Owner is actively marketing the property subsequent to such notice.

7. **NECESSARY REPAIRS OR REPLACEMENTS.** It is understood by the parties that the following repairs need to be made prior to the 1996 farming season in order for the leased premises to be farmable.

- (a) Pull and repair the river pump not pulled and repaired in the last three years.

It shall be the responsibility of the owner to make the above repairs or provide replacements at its own cost. It is understood that owner may not be able to make the above

repairs or provide necessary replacements because of a lack of funds and adequate time within which to make the repairs. If the above repairs or replacements are not completed by owner by March 1, 1996, then lessee will make the necessary repairs or provide necessary replacements and bill the owner for the same. If the owner does not pay lessee for said repairs and replacements within fifteen days of billing by lessee, lessee may deduct the cost of such repairs and replacements from the next lease payment or payments due from lessee to owner.

8. USE, MAINTENANCE AND REPAIR OF IRRIGATION EQUIPMENT. The owner shall supply the irrigation equipment described in "Exhibit B" and by this reference made a part hereof. The lessee acknowledges there is sufficient irrigation equipment to irrigate the leased premises. The lessee shall provide drip oil for all electric motors and shall check all of said motors and pumps at least two times each day and shall maintain a proper oil supply in said pumps. The owner shall maintain all irrigation equipment at its own expense, provided however, that lessee shall repair or replace all irrigation equipment damaged or lost by him, his employees or agents. If any necessary repairs or replacements to the main irrigation system are not made by the owner within 24 hours after the need for such repairs or

replacements become known to it, then in that event, the lessee shall have the right to make the necessary repairs or replacements, and the cost and expense thereof shall be borne by the owner and the owner shall immediately reimburse the lessee for any expenses paid by the lessee in making any such repairs or replacements. However, it is expressly understood and agreed that any repairs or replacements to the main irrigation system necessitated by the negligent acts of the lessee, his agents, servants or employees shall be made promptly by the lessee at his own expense, and in the event of his failure to do so within 24 hours after the need for the repairs or replacements, the lessee shall immediately reimburse the owner for any expenses paid or incurred by the owner making such repairs or replacements. In the event that the lessee shall make any payments, perform any acts, or cause any acts to be performed for or on behalf of the owner that the owner should have performed pursuant to this lease, then the lessee may deduct the cost thereof or the reasonable value thereof together with interest from the date paid at the rate of 12 per cent per annum from rent when next due. Lessee shall prepare and submit to owner on or before June 30 and November 30 of each year of this lease an itemization of all costs and expenses made for repairs and replacements for which lessee seeks

FARM LEASE - 7

JRP:ST/KETTERLING:LEA

reimbursement from owner. If lessee uses his own employees to perform any labor necessary to make the repairs and replacements, owner shall reimburse lessee the actual hourly wage paid to each of lessee's employees to make said repairs and replacements, plus eighteen per cent (18%) of said amount. Lessee shall notify owner of this option when taken and shall give a full accounting of all amounts paid or of the reasonable value of the acts so paid or performed. Lessee shall make no repairs or replacements of a non-emergency nature on owner's behalf without the prior written approval of owner, which approval shall not be unreasonably withheld.

9. **LABOR AND EQUIPMENT.** Except as provided herein, the lessee agrees to furnish at his own expense all labor, machinery, equipment and implements necessary to till, farm and cultivate the demised premises and to harvest the crops produced thereon, all of which shall be done in a good and farmer-like manner and according to usual course of husbandry.

10. **TAXES.** The owner shall pay all ad valorem taxes levied and assessed against the leased premises and property during the term of this lease.

11. **ELECTRICAL POWER.** The lessee shall pay all electrical power bills for pumping water for irrigation purposes on the leased premises.

12. GOVERNMENT WHEAT PROGRAM. Lessee shall have the right to participate in the federal government's wheat program as the operator for each year of this lease. Lessee shall be entitled to receive all government payments for the wheat program for each year of this lease.

13. LIABILITY INSURANCE. Lessee shall cause to be written and keep in full force and effect a policy or policies of insurance in the form generally known as public liability, insuring the lessee and owner against any and all claims and demands made by any persons or property received in connection with or arising out of the operations on the leased premises or for any injury or property damage off of the premises caused by lessee, or lessee's sublessees, agents and instrumentalities of lessee or lessee's sublessees, or for any other risk insured against by such policies, each class of which such policies shall have been written within limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for bodily injury, or otherwise, plus Five Hundred Thousand Dollars (\$500,000.00) damages to property. All such policies of the lessee shall name the lessee and the owner, as their respective interests may appear, as the persons insured by such policies; and the original or a copy thereof of each such policy or policies shall be delivered

by the lessee to the owner promptly upon the writing of such policies, together with adequate evidence of the fact that the premiums are paid in full force and effect.

14. CARE OF PREMISES. The lessee agrees to take reasonable precautions to guard against the growth or introduction of noxious weeds on the leased premises. The lessee agrees to take reasonable precautions to guard against erosion and washing of the land during irrigation. Any damage to the leased premises or property caused by the fault or negligence of the lessee, his agents or employees shall be repaired by the lessee at lessee's expense within ten days after the damage is inflicted.

15. COMPLIANCE WITH LAWS, RULES AND REGULATIONS. Lessee agrees to observe and comply with all rules, regulations and laws now in effect, or which may hereafter be enacted by federal, state, county, municipal or any other agencies or authorities having jurisdiction over the premises. Lessee agrees not to commit any waste, or to suffer any waste to be committed upon the premises during the term hereof. Lessee shall comply with all local, state and federal laws, ordinances, rules and regulations that pertain to any aspect of the agricultural business on the premises including, without limitation, all laws, ordinances, rules and regulations pertaining to the above or

below ground storage, use, transport, sale, spillage, abandonment or disposal of agricultural chemicals, liquid fuels, petroleum products, solid wastes, hazardous wastes or toxic, flammable or hazardous materials of any kind, and shall defend, indemnify and hold owner harmless with respect to any claim related thereto.

16. NO LIENS. Lessee shall not permit or cause the imposition of any lien, financing statement or encumbrance, regardless of cause or reason, on the leased premises or any improvements thereon.

17. HOLD HARMLESS. The lessee agrees to indemnify and save harmless the owner from all liability of every kind or nature whatsoever and to every person or entity whomsoever, arising from any act or omission of the lessee or his employees, servants, agents or representatives in the course of, or in any way related to, the farming operations and work to be conducted by the lessee under this agreement. The lessee agrees to defend the owner in any claim or action prosecuted against the owner with respect to any such liability and the lessee agrees to bear the cost and expense of such defense, including all attorney fees.

18. SUBLEASE OF IRRIGATION PIPE. It is understood that the lessee may use some of his own handlines on the leased premises. If lessee uses his own handlines of the

leased premises, he shall provide the owner with a list of the lessee's handlines he is using on the premises. The lessee may sublease any of the irrigation pipe leased from the owner not needed by lessee in his farming operation, with the prior consent of the owner, which consent will not be unreasonably withheld. Any such sublease of irrigation pipe shall be in writing with a description of the pipe. The payments received for the rental of the irrigation pipe not needed by the lessee because of the use of lessee's own irrigation pipe shall belong to the lessee. The payments received for the rental of the other irrigation pipe not needed by the lessee shall first be used to repair the irrigation pipe and the irrigation main line, as necessary. Any money remaining after the repair of the irrigation pipe and irrigation main line, shall be paid 10% to lessee and the balance placed in a reserve fund to be used for future major irrigation system repairs. Lessee shall account to owner for all rent received for the irrigation pipe and all money spent on the repair of said pipe. All such irrigation pipe so subleased by lessee shall be returned to owner's winter storage site at the end of the farming season, or properly stored in the field near the farm where the pipe has been or will be leased.

19. **RIGHT OF FREE ENTRY.** The owner or owner's agents shall have the right of free entry upon the leased premises at any time during the term hereof 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 purpose incidental to this lease.

20. **ENVIRONMENTAL DAMAGE NOT CAUSED BY LESSEE.** Owner shall indemnify and hold lessee harmless from any and all costs, damages or liability of any kind for any environmental damage or clean up under federal, state or local laws, not caused by lessee, his agents or employees.

21. **DEFAULT.** If default or breach be made by any party to this lease, then the non-defaulting party shall have all of the rights and remedies available at law or in equity, and all such rights shall be cumulative.

22. **SEVERABILITY.** In case any one or more of the provisions contained in this lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this lease shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.

23. GOVERNING LAW. This agreement shall be governed by the laws, including conflicts of law, of the State of Idaho as an agreement between residents of the State of Idaho and to be performed within the State of Idaho.

24. GRAMMATICAL USAGE. In construing this agreement, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so requires.

25. HEADINGS. The headings contained in this agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

26. ENTIRE AGREEMENT. This agreement embodies the entire agreement between the parties hereto and there shall be no oral agreements existing between the parties relative to the subject matter hereof. This agreement may only be amended by written document executed by all of the parties hereto.

27. SURVIVAL OF TERMS. The indemnities, representations and warranties of the parties contained herein shall survive the expiration or other termination of this lease and shall remain in full force and effect thereafter.

28. ASSIGNMENT. This lease shall be binding upon the respective heirs, successors and assigns of the parties.

Except as herein provided lessee shall not assign or sublet all or any part of his interest in the leased premises under this lease without the owner's prior written consent, which consent shall not be unreasonable withheld.

29. ABANDONMENT. Lessee will not vacate, abandon, surrender or cease to farm the leased premises during the term of this lease. If lessee does so, in addition to the other remedies given to owner, the owner shall have the right to take possession of and treat as abandoned any property left on the premises by lessee, but only after thirty days' written notice to lessee to remove said property.

30. SURRENDER. Upon the termination or earlier expiration of this lease, lessee will surrender the leased premises in the same or better condition as received, ordinary wear and tear expected. Lessee, at his expense, will repair any damage to the premises arising from the removal of any crops, improvements or personal property owned by lessee. Lessee will indemnify owner against any loss or liability resulting from lessee's delay in surrendering the premises, including without limitation, the claim of any succeeding tenant based upon lessee's delay.

31. REPORTS. Lessee shall provide owner with semi-annual written status reports concerning the leased premises

including, but not limited to, expenses of operation and expected future expenses. Lessee shall also immediately notify owner of any material changes or occurrences on or to the premises or personal property located on the premises.

32. CROPS TO BE PLANTED. Lessee shall follow good farming practices in his crop rotation and will use the same type of crop rotation on the leased premises as if the same were owned by lessee. Lessee shall not follow beets on beets or potatoes on potatoes. Lessee shall grow some alfalfa and wheat on the leased premises. Lessee shall submit to owner an itemization of the crops he proposes to plant on the demised premises prior to April 1 of each farming season for approval by owner, which approval shall not be unreasonably withheld. Lessee shall provide owner a yield report of crops grown on the premises by November 30 of each year of this lease.

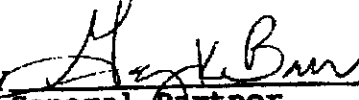
33. ATTORNEY'S FEES. In the event it becomes necessary for either of the parties hereto to place this lease in the hands of an attorney for enforcement of their rights hereunder after default of the other party, or to bring suit for enforcement of their rights hereunder after such default, then the defaulting party agrees in such case to pay a reasonable attorney's fee incurred by the other party, in addition to the other damages allowed by law.

34. COVENANT. The owner hereby covenants that the lessee performing the terms and conditions hereof shall peacefully and quietly have, hold and enjoy the said leased premises and property during the term hereof.

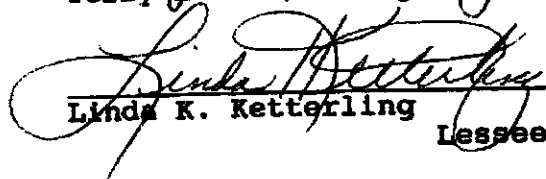
35. HEIRS AND ASSIGNS. The terms and conditions hereof shall extend to and be binding upon the heirs, administrators, executors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said parties have hereunto set their hands the day and year in this agreement first above written.

SNAKE RIVER RANCH, LTD.,
a California limited
partnership,

By 
General Partner Owner,


Terry L. Ketterling


Linda K. Ketterling Lessees.

STATE OF COLORADO

COUNTY OF Sanford

ss.

On this 15th day of November, 1995, before me, the undersigned, a Notary Public in and for said state, personally appeared GARY K. BARR, known to me to be one of the partners of the partnership known as SNAKE RIVER RANCH, LTD., a California limited partnership, and the partner who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

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

Elizabeth M. Gauger
Notary Public for Colorado
Residing at Carbondale, Colorado

My Commission Expires: 6-1-97

STATE OF IDAHO,

COUNTY OF ELMORE,

ss.

On this 17th day of November, 1995, before me, the undersigned, a Notary Public in and for said state, personally appeared TERRY L. KETTERLING and LINDA K. KETTERLING, husband and wife, known to me to be the persons whose names are subscribed to the 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 in this certificate first above written.

Jay R. Truax
Notary Public for Idaho,
Residing at Mountain Home, ID

FARM LEASE - 18

JEP:ST\KETTERLING:LEA

EXHIBIT A

Township Five South, Range Seven East, Boise Meridian, Elmore County, Idaho:

Section Twenty-three: The East Half of the East — Half.

Section Twenty-four: The South Half of the Southeast Quarter; the Southwest Quarter, the West Half of the Northwest Quarter.

Section Twenty-five: The Northeast Quarter, the West Half of the Southeast Quarter, the West Half.

Section Twenty-six: The Northeast Quarter of the Southeast Quarter, the South Half of the Southeast Quarter.

Section Thirty-five: The North Half of the Northeast Quarter, the Northeast Quarter of the Northwest Quarter.

TOGETHER with an easement for irrigation facilities across State of Idaho Land (Easement S 2884, as amended) described as the Westerly Forty (40) feet of Section Thirty-six, Township Five South, Range Seven East, Boise Meridian.

TOGETHER with a right-of-way grant for pump site, inlet canal and irrigation facilities (S1-01G775, as Amended) across U.S. lands.

AND TOGETHER with all water rights, ditch and canal rights appurtenant to said property, including all easements required and used in connection therewith, and TOGETHER with all irrigation equipment and fixtures for the irrigation of said land, including but not limited to the personal property hereinafter described, and TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, but subject to patent reservations and recorded easements.

EXHIBIT B

- (1) Irrigation water system and other improvements to the Premises which include pumps and motors, buried delivery system, solid set and hand line sprinklers, together with miscellaneous other irrigation equipment used in connection with the irrigation of the farm.
- (2) All buried main lines, with attachments.
- (3) Three metal grain silos, with approximately 60,000 total bushel capacity.

It is understood by the parties that lessee will not be using the potato storage building, the shop building or the scale and scale house, and that the same are not a part of said lease.

FARM LEASE AMENDMENT

This is an amendment to that lease dated November 17th November, 1995 between Snake River Ranch, LTD., a California limited partnership (Owner) and TLK Farms, Inc., a Idaho Corporation.(Lessee) The following terms and conditions are added or modified:

Paragraph 1 – TERM The new term shall begin January 1, 1999 and end December 31, 2001.

Paragraph 3 – RENT – The lessee shall pay to the owner as rent for said premises the sum of Ninety one thousand two hundred and fifty dollars (\$91,250) per year for each year of this lease as follows:

- a. The sum of \$6,250 on December 31, 1999, 2000 and 2001 unless this lease is sooner terminated as provided herein.
- b. The sum of \$42,500 on or before April 1, 1999, 2000 and 2001 unless this lease is sooner terminated as provided herein.
- c. The sum of \$42,500 on or before October 31, 1999, 2000 and 2001 unless this lease is sooner terminated as provided herein.

Paragraph 7a ADDITIONAL REPAIRS OR REPLACEMENTS – It is understood by the parties that the following repairs and replacements need to be made prior to the 1999 farming season in order for the leased premises to be farmable:

- a. Pull and repair two river pumps not pulled or repaired in the past two years.
- b. Replace portions of the Irrigation system as is outlined on Exhibit C and Drawing A. Such repairs to cost a maximum of \$85,000 and generally be as outlined on the attached exhibits. Lessee to supervise such work.

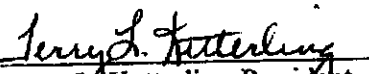
It shall be the responsibility of the owner to make the above repairs or provide replacements at its own cost. It is understood that owner will not be able to fund the necessary repairs and replacements until it has completed a refinancing of the property. Lessee may make the necessary repair and replacements and bill the owner for the same. Until owner has reimbursed Lessee for such repairs and replacements Lessee may deduct the cost of such repairs and replacement from the next lease payment or payments due from Lessee to owner until Lessee has been repaid in full.

All other terms and conditions of the Farm Lease shall remain in effect.

Snake River Ranch, Ltd.,
A California limited partnership

By  Owner

TLK Farms, Inc,
A Idaho Corporation


Terry L Ketterling-President
Lessees

Date _____ March, 1999

EXHIBIT C
REQUIRED IRRIGATION SYTEM REPLACEMENTS 1999

Section	Size	Length	Cost/ft	Excavation/ft	Risers	Included	Total Cost
A		6	1320	0.76	0.91	8.8	1 \$ 2,262
B		8	660	1.32	1.03	4.4	1 \$ 1,580
C		10	660	2.07	1.15	4.4	1 \$ 2,154
D		12	1320	2.98	1.27	8.8	1 \$ 5,668
G		12	1320	2.98	1.27	8.8	1 \$ 5,668
H		10	1320	2.07	1.15	8.8	1 \$ 4,308
L		15	1320	4.64	1.45	8.8	1 \$ 8,096
M		12	660	2.98	1.27	4.4	1 \$ 2,834
N		10	1320	2.07	1.15	8.8	1 \$ 4,308
L1		18	1500	7.64	1.63	0	1 \$ 13,905
R1		18	1320	7.64	1.63	0	1 \$ 12,236
R		12	1320	2.98	1.27	8.8	1 \$ 5,668
S		10	1320	2.07	1.15	8.8	1 \$ 4,308
R2		12	1320	2.98	1.27	8.8	1 \$ 5,668
TOTAL		16680					\$ 78,662

Section goes from letter to next letter.

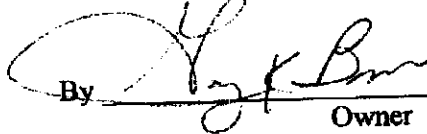
FARM LEASE AMENDMENT #2

This is an amendment to that lease dated November 17th November, 1995 between Snake River Ranch, LTD., a California limited partnership (Owner) and TLK Farms, Inc., a Idaho Corporation.(Lessee) and a Farm Lease Amendment dated March,1999. The following terms and conditions are added or modified:

Paragraph 1 – TERM The new term shall begin January 1, 2002 and end December 31, 2004.

All other terms and conditions of the Farm Lease as amended in 1999 shall remain in effect.

Snake River Ranch, Ltd.,
A California limited partnership

By  Owner

TLK Farms, Inc,
A Idaho Corporation


Terry L Ketterling-President
Lessees

Date : 16th of May, 2002

FARM LEASE AMENDMENT #2

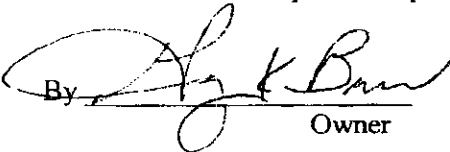
RECEIVED MAY 28 2002

This is an amendment to that lease dated November 17th November, 1995 between Snake River Ranch, LTD., a California limited partnership (Owner) and TLK Farms, Inc., a Idaho Corporation.(Lessee) and a Farm Lease Amendment dated March,1999. The following terms and conditions are added or modified:

Paragraph 1 – TERM The new term shall begin January 1, 2002 and end December 31, 2004.

All other terms and conditions of the Farm Lease as amended in 1999 shall remain in effect.

Snake River Ranch, Ltd.,
A California limited partnership

By  Owner

TLK Farms, Inc,
A Idaho Corporation


Terry L. Ketterling-President
Lessees

Date : 16th of May, 2002

Mr. Terry Ketterling
President
TLK Farms, Inc.
Mountain Home, Idaho 83647

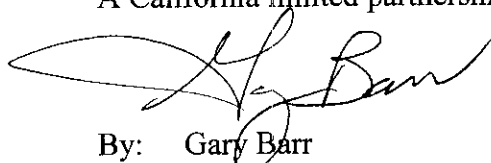
January 12, 2004

Dear Mr. Ketterling;

Snake River Ranch Ltd., a California limited partnership owns a ranch of approximately 1280 acres located on the Snake River in Elmore County, Idaho. As part of that ranch holding we own certain water rights allowing us to draw irrigation water from the Snake River.

Currently TLK Farms, Inc. is the lessee of the property pursuant to a lease dated November 17th, 1995 and amended as of 16th day of May, 2002. We are providing you written permission to put all or a part of the water under our water rights for 2004 into the Idaho State Water Supply Bank.

Snake River Ranch Ltd.
A California limited partnership

A handwritten signature in black ink, appearing to read "Gary Barr", is written over the printed name.

By: Gary Barr
Managing General Partner

EXHIBIT A

Township Five South, Range Seven East, Boise Meridian, Elmore County, Idaho:

Section Twenty-three: The East Half of the East — Half.

Section Twenty-four: The South Half of the Southeast Quarter; the Southwest Quarter, the West Half of the Northwest Quarter.

Section Twenty-five: The Northeast Quarter, the West Half of the Southeast Quarter, the West Half.

Section Twenty-six: The Northeast Quarter of the Southeast Quarter, the South Half of the Southeast Quarter.

Section Thirty-five: The North Half of the Northeast Quarter, the Northeast Quarter of the Northwest Quarter.

TOGETHER with an easement for irrigation facilities across State of Idaho Land (Easement \$ 2884, as amended) described as the Westerly Forty (40) feet of Section Thirty-six, Township Five South, Range Seven East, Boise Meridian.

TOGETHER with a right-of-way grant for pump site, inlet canal and irrigation facilities (\$1-01G775, as Amended) across U.S. lands.

AND TOGETHER with all water rights, ditch and canal rights appurtenant to said property, including all easements required and used in connection therewith, and TOGETHER with all irrigation equipment and fixtures for the irrigation of said land, including but not limited to the personal property hereinafter described, and TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, but subject to patent reservations and recorded easements.

AJ0749NP
No. A02-02379

IDAHO DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM PROFILE REPORT
(REGIONAL)

DATE: 12/16/99
PAGE: 1

OWNER: NAME & ADDRESS
C SHAKE RIVER RANCH LTD
C/O LANDSING CORPORATION
GEN PARTNER
800 EL CANTINO REAL
MENLO PARK CA 94025
(415) 321-7100

PRIORITY DATE: 09/03/1965
WATER USE: IRRIGATION
USE PERIOD FROM TO: 03-15 11-15
DIVERSION RATE: 23.670 CFS
DIVERSION VOLUME: 6600.00 AFA
TOTAL DIVERSION: 23.670 CFS 6600.00 AFA

Stage: LICENSE
ELMORE COUNTY

Tributary to: COLUMBIA RIVER

Water Source: SHAKE RIVER

Point(s) of Diversion: 106S R07E S01 Lot04 (MINIMUM)

Place of use Legal Description for: IRRIGATION

Y	R	S	NAME	SUME	SEWE	LT	AC	LT	AC	LT	AC	LT	AC	LT	AC	LT	AC	SUM
			NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME	NAME
05S	07E	23	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	160.0
05S	07E	24	29	30	40	40	40	40	40	40	40	40	40	40	40	40	40	325.0
05S	07E	25	39	40	40	40	40	40	40	40	40	40	40	40	40	40	40	538.0
05S	07E	26	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	118.0
05S	07E	35	30	39	40	40	40	40	40	40	40	40	40	40	40	40	40	109.0
05S	07E	36	10	20	40	40	40	40	40	40	40	40	40	40	40	40	40	30.0
TOTAL ACRES																		1260.0

POU County: ELMORE

Other Rights: NONE

Conditions of Approval:
016 - See remarks for additional conditions of approval.

Dates: Exam Made Date: Verified Date: 04/26/1987 Objection Filed Date:

Misc: Water District Number: Field Inspection Flag: Presumption Flag:

AJ0749NP
No. A02-10053

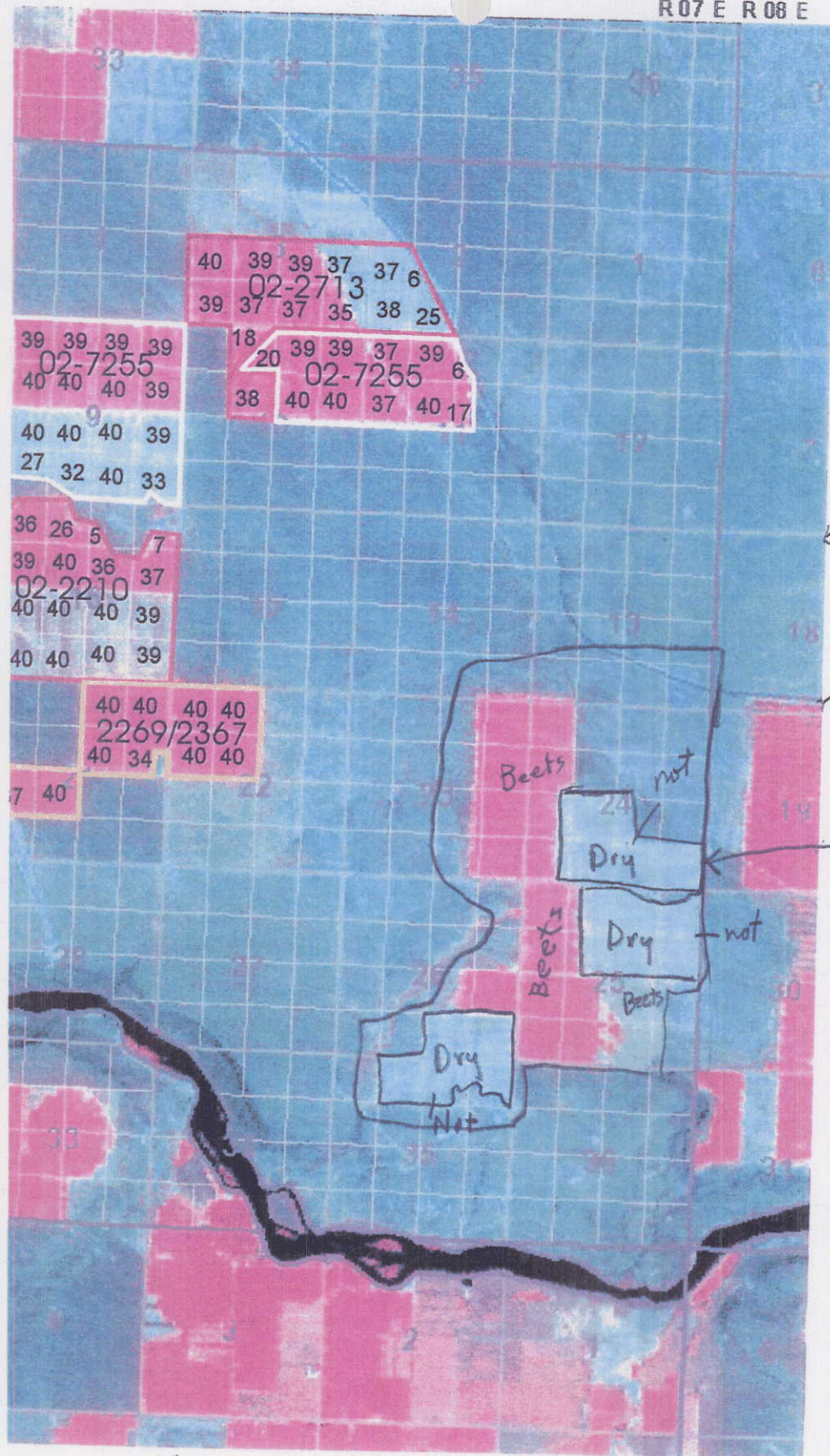
IDAHO DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM PROFILE REPORT
(REGIONAL)

DATE: 12/16/99
PAGE: 2

Remarks: GEN CLAIMANT HAS LEASE PERMIT FROM BLM
Dates: Exam Made Date: Verified Date: Objection filed Date:
Misc: Water District Number: Field Inspection Flag: Presumption Flag:

Water Rights

R07 E R08 E



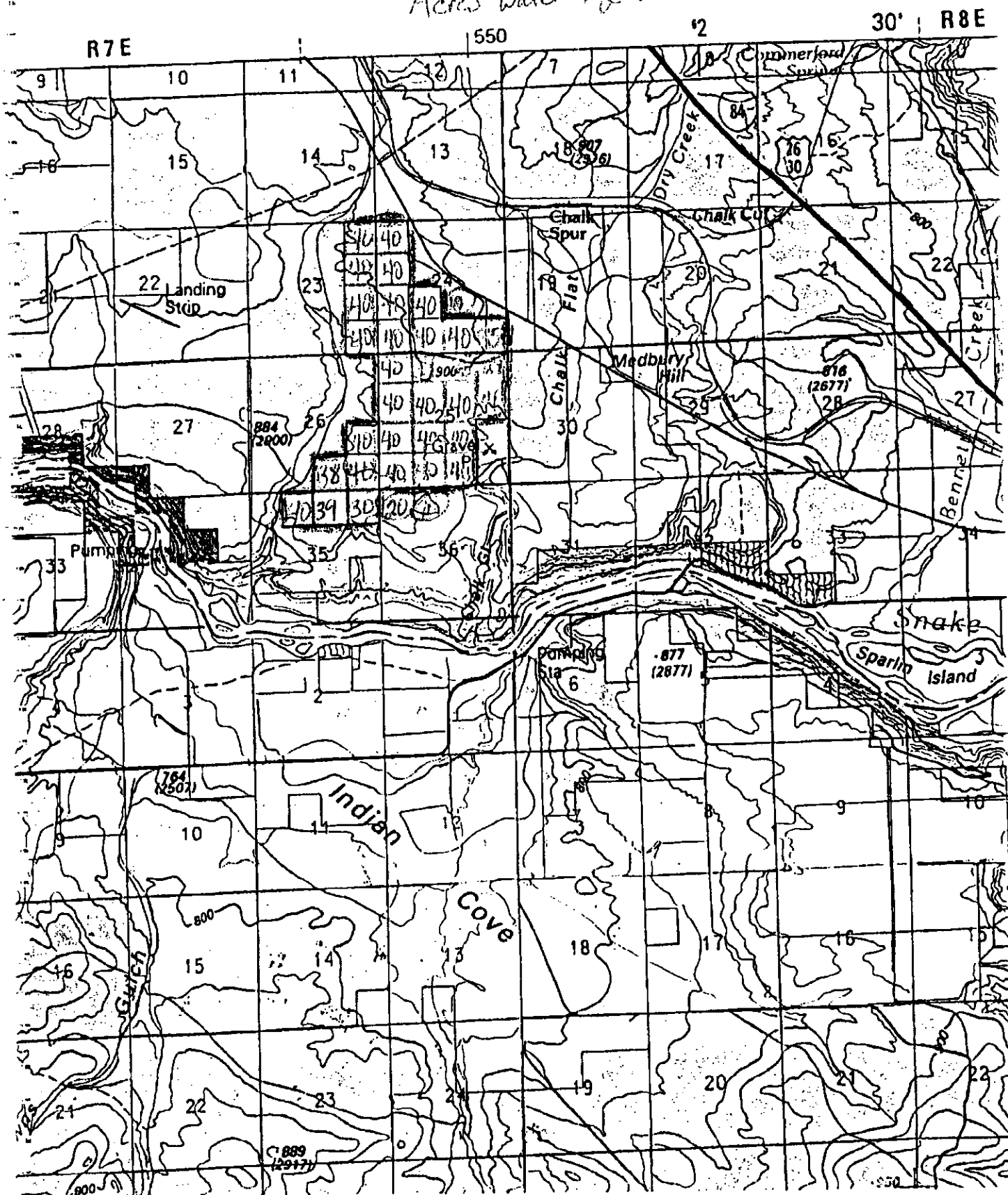
Snake River Panel
TLK Farms Inc



any

DRAFT

Across water right in each qntr - qntr



FARM LEASE

PARTIES:

SNAKE RIVER RANCH, LTD.,
a California Limited
Partnership,

Owner,

and

TERRY L. KETTERLING and
LINDA K. KETTERLING,
husband and wife,

Lessees.

LEASE, made this 17th day of November, 1995, between
SNAKE RIVER RANCH, LTD., a California limited partnership,
whose address is P.O. Box 130, Carbondale, Colorado 81623,
hereinafter designated as the "Owner", and TERRY L.
KETTERLING and LINDA K. KETTERLING, husband and wife, of 475
East 16th North, Mountain Home, Idaho 83647, hereinafter
designated in the singular and by masculine gender as the
"Lessee".

WITNESSETH: That for and in consideration of the
covenants and agreements herein mentioned to be kept and
performed by lessee, the owner does hereby lease, let and
demise unto the lessee the following described real and
personal property located in Elmore County, Idaho, upon the
following terms and conditions, said property being
described as follows:

290167

FARM LEASE - 1
JRF:ST/KETTERLING:LEA

SUBJECT:

CASH FARM LEASE

ELMORE COUNTY, IDAHO ss
Request of

Dall, Fredly + Ward
Time 4:35 PM
Date November 17, 1995
Book _____ Page _____
DOLORES ROBINSON
Recorder
By Mark A. Becker



Questions? Contact us at:
P.O. Box 30, Boise, ID 83721
Or call us at 388-2323 (Treasure Valley)
or (800) 488-6151
For faster service please call
Tuesday through Friday, 7:30 a.m. to 6:30 p.m.

www.idahopower.com

Customer Name: TLK FARMS INC

Account Number: 6770102129

Billing Date: 01/13/2003

Print Date: 01/15/2003

Next Read Date: 02/07/2003

Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

950HP

Meter Number	Service Period From	Service Period To	Number of Days	Reading Type	Meter Readings Previous	Meter Readings Current	Meter Constant	kWh Used
035B4221904	12/10/02	01/09/03	30	Special	1718	1718	1600	0

12/10/2002 - 01/09/2003 30 days \$0.00

Customer Charge, per meter per month \$2.50

Current Charges - Electric Service..... \$2.50

Agricultural Rate Schedule I24SB

Adjustments

Irrigation Credit Refund - Annually \$4,088.85
Irrigation Usage Tax Rebate \$322.99 CR
Federal Columbia River Benefit Supplied by BPA \$2,581.62 CR
Irrigation Property Tax Rebate \$1,186.74 CR

Current Adjustments \$2.50 CR

Average Daily Use Comparison

This Month	This Year	This Month	Last Year *
Days =	30	Days =	30
kWh Billed =	0	kWh Billed =	0
kWh per Day =	0.0	kWh per Day =	0.0

CR = Credit
kWh = Kilowatt-hour
kW = Kilowatt
BLC = Basic Load Capacity
G = Generation
* Available after 12 months of service at this location.



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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 02/11/2003
Print Date: 02/13/2003

Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

Next Read Date: 03/11/04

Account Activity

Meter Number	Service Period From	To	Number of Days	Reading Type	Meter Readings Previous	Current	Meter Constant	kV	Use
035B4221904	01/09/03	02/07/03	29	Estimated	1718	1718	1600	0	0

01/09/2003 - 02/07/2003 29 days \$0.00

Agricultural
Rate Schedule
I24SB

Customer Charge, per meter per month \$2.50

Current Charges - Electric Service..... \$2.50

Average
Daily Use
Comparison

This Month This Year: 29 Days = 0 kWh Billed = 0.0 kWh per Day =
This Month Last Year: * 30 Days = 0 kWh Billed = 0.0 kWh per Day =

CR = Credit BLC = Basic Load Capacity
kWh = Kilowatt-hour G = Generation
kW = Kilowatt
* Available after 12 months of service at this location.

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For faster service, Tuesday through

Budget Pay

Please Note: Any unpaid balances will be assessed electronically for payment. Checks remaining unpaid.

If you are a resident month, usage and call amount, it's

Account Balance
Current Charges
Balance Forward
Payments - Thank You

Previous Balance



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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 03/13/2003
Print Date: 03/18/2003

Page: 2

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Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

Next Read Date: 03/26/2003

950HP

Meter Number	Service Period From	To	Number of Days	Reading Type	Meter Readings Previous	Current	Meter Constant	kWh Used
035B4221904	02/07/03	03/11/03	32	Estimated	1718	1718	1600	0

02/07/2003 - 03/11/2003 32 days \$0.00

**Agricultural
Rate Schedule
I24SB**

Customer Charge, per meter per month \$2.50

Current Charges - Electric Service..... \$2.50

**Average
Daily Use
Comparison**

This Month This Year:	This Month Last Year: *
Days = 32	Days = 32
kWh Billed = 0	kWh Billed = 0
kWh per Day = 0.0	kWh per Day = 0.0

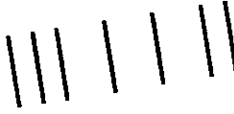
CR = Credit	BLC = Basic Load Capacity
kWh = Kilowatt-hour	G = Generation
kW = Kilowatt	
* Available after 12 months of service at this location.	

Previous Balance.....
Payments - Thank You.....
Balance Forward.....
Current Charges.....

Account Balance.....
Please Note: Any unpaid balances will be assessed a
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Service Center.

Green Power





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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 03/28/2003
Print Date: 04/01/2003

Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

Next Read Date: 04/25/2003

950HP

Meter Number	Service Period From To	Number of Days	Reading Type	Meter Readings Previous	Meter Constant	kWh Used
035B4221904	03/11/03 03/26/03	15	Special	1718	1600	0

Bill Normalized from 15 days to 30 days \$0.00

Customer Charge, per meter per month \$1.25

This rate has a minimum customer charge of \$2.50 \$1.25

Current Charges - Electric Service..... \$2.50

Average
Daily Use
Comparison

This Month This Year:	This Month Last Year: *
Days = 15	Days = 32
kWh Billed = 0	kWh Billed = 0
kWh per Day = 0.0	kWh per Day = 0.0

CR = Credit	BLC = Basic Load Capacity
kWh = Kilowatt-hour	G = Generation
kW = Kilowatt	
* Available after 12 months of service at this location.	

Account Activity
Pay Balance
Current
Please Note: Any electronically

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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 04/29/2003
Print Date: 04/30/2003

Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

Next Read Date: 05/27/2003

950H

Meter Number	Service Period From	To	Number of Days	Reading Type	Meter Readings Previous	Current	Meter Constant	kWh Use
035B4221904	03/26/03	04/25/03	30	Regular	1718	1726	1600	1280

Billing kW	BLC
704	0

Agricultural Rate Schedule I24SB

03/26/2003 - 04/25/2003 30 days \$0.00
Customer Charge, per meter per month \$2.50
Demand Charge 704 kW @ \$0.00 per kW \$0.00
Energy Charge 12,800 kWh @ \$0.049587 per kWh \$634.71
Conservation Program Funding Charge \$3.85

Current Charges - Electric Service.....\$641.06

Average Daily Use Comparison

This Month This Year:	This Month Last Year: *
Days = 30	Days = 29
kWh Billed = 12800	kWh Billed = 32000
kWh per Day = 426.6	kWh per Day = 11034.4

CR = Credit
kWh = Kilowatt-hour
kW = Kilowatt
* Available after 12 months of service at this location.

Page: 2
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Previous Balance.....
Payments - Thank You.....
Balance Forward.....
Current Charges.....

Account Activity

Account Balance.....
Please Note: Any unpaid balances will be assessed electronically for payment. Checks remain good until paid.

No more paper bill:
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Electronic Bill Payment and Presentment



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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 05/29/2003
Print Date: 05/30/2003

Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

Next Read Date: 06/25/2003

Meter Number	Service Period From To	Number of Days	Reading Type	Meter Readings Previous Current	Meter Constant	kWh Us
035B4221904	04/25/03 05/27/03	32	Regular	1726 1811	1600	13600

Billing kW	BLC
464	0

Agricultural Rate Schedule I24SB

Prorated 04/26/03 - 05/15/03 20 days - 4,225.83 \$0.00
Customer Charge, per meter per month \$1.56
This rate has a minimum customer charge of \$1.56 \$0.00
Demand Charge 464 kW @ \$0.00 per kW \$0.00
Energy Charge 136,000 kWh @ \$0.049587 per kWh \$4,214.89
Conservation Program Funding Charge \$9.38
Prorated 05/16/03 - 05/27/03 12 days - 2,522.45 \$0.00
Customer Charge, per meter per month \$0.94
Demand Charge 464 kW @ \$0.00 per kW \$0.00
Energy Charge 136,000 kWh @ \$0.049331 per kWh \$2,515.88
Conservation Program Funding Charge \$5.63

Current Charges - Electric Service.....\$6,748.28

Average Daily Use Comparison

This Month This Year:	This Month Last Year: *
Days = 32	Days = 32
kWh Billed = 136000	kWh Billed = 372800
kWh per Day = 4250.0	kWh per Day = 11650.0

CR = Credit
kWh = Kilowatt-hour
kW = Kilowatt
BLC = Basic Load Capacity
G = Generation
* Available after 12 months of service at this location.

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Previous Balance.....
Payments - Thank You.....
Balance Forward.....
Current Charges.....
Account Balance.....
Account Balance will be assessed a
Please Note: Any unpaid balances will be assessed a
electronically for payment. Checks remaining unpaid

You now can use the
payment arrange
balances, or find o

24 Hour Information

Account Name: TLK FARMS INC
 Account Number: 6770102129
 Billing Date: 06/27/2003
 Print Date: 07/01/2003

Service Agreement No: 9725496172
 Service Location: 06S07E0209/HAMMETT, ID

Meter Number	Service Period From	To	Number of Days	Reading Type	Meter Readings Previous	Current	Meter Constant	kWh Used
035B4221904	05/27/03	06/25/03	29	Regular	1811	2025	1600	342400

950HP

Agricultural Rate Schedule I24SB

05/27/2003 - 06/25/2003 29 days
 Customer Charge, per meter per month \$0.00
 Demand Charge 640 kW @ \$3.58 per kW \$10.07
 Energy Charge 342,400 kWh @ \$0.041575 per kWh \$2,291.20
 Conservation Program Funding Charge \$14,235.28
Current Charges - Electric Service..... \$15.00

Average Daily Use Comparison

This Month This Year:	This Month Last Year *
Days = 29	Days = 32
kWh Billed = 342400	kWh Billed = 372800
kWh per Day = 11806.9	kWh per Day = 11650.0

CR = Credit
 kWh = Kilowatt-hour
 kW = Kilowatt
 * Available after 12 months of service at this location.

BLC = Basic Load Capacity
 G = Generation



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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 07/29/2003
Print Date: 07/30/2003

Next Read Date: 08/25/2003

Service Agreement No: 9725496172
Service Location: 06S07E0209/HAMMETT, ID

950HP

Meter Number	Service Period From To	Number of Days	Reading Type	Meter Readings Previous Current	Meter Constant	kWh Used
035B4221904	06/25/03 07/25/03	30	Regular	2025 2357	1600	531200

Billing kW 768	BLC 0
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Agricultural Rate Schedule I24SB

06/25/2003 - 07/25/2003 30 days \$0.00
Customer Charge, per meter per month \$10.07
Demand Charge 768 kW @ \$3.58 per kW \$2,749.44
Energy Charge 531,200 kWh @ \$0.041575 per kWh \$22,084.64
Conservation Program Funding Charge \$15.00

Current Charges - Electric Service.....\$24,859.15

Average Daily Use Comparison

This Month This Year:	This Month Last Year: *
Days = 30	Days = 30
kWh Billed = 531200	kWh Billed = 547200
kWh per Day = 17706.6	kWh per Day = 18240.0

CR = Credit	BLC = Basic Load Capacity
kWh = Kilowatt-hour	G = Generation
kW = Kilowatt	
* Available after 12 months of service at this location.	

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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 08/27/2003
Print Date: 08/28/2003

Next Read Date: 09/24/2003
950HP

Service Agreement No: 9725496172
Service Location: 06507E0209/HAMMETT, ID

Meter Number	Service Period From	To	Number of Days	Reading Type	Meter Readings Previous	Current	Meter Constant	kWh Used
035B4221904	07/25/03	08/25/03	31	Regular	2357	2702	1600	552000

Billing kW	BLC
752	0

07/25/2003 - 08/25/2003 31 days \$0.00
Customer Charge, per meter per month \$10.07
Demand Charge 752 kW @ \$3.58 per kW \$2,692.16
Energy Charge 552,000 kWh @ \$0.041575 per kWh \$22,949.40
Conservation Program Funding Charge \$15.00

Agricultural
Rate Schedule
I24SB

Current Charges - Electric Service.....\$25,666.63

This Month This Year:	This Month Last Year: *
Days = 31	Days = 32
kWh Billed = 552000	kWh Billed = 636800
kWh per Day = 17806.4	kWh per Day = 19900.0

Average
Daily Use
Comparison

CR = Credit
kWh = Kilowatt-hour
kW = Kilowatt
* Available after 12 months of service at this location.
BLC = Basic Load Capacity
G = Generation

Please Pay:
\$7,926.36

..... \$0.00
\$7,926.36
7,926.36
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Customer Name: TLK FARMS INC
 Account Number: 6770102129
 Billing Date: 09/26/2003
 Print Date: 09/27/2003

Next Read Date: 10/24/2003
 950HP

Service Agreement No: 9725496172
 Service Location: 06S07E0209/HAMMETT, ID

Meter Number	Service Period From To	Number of Days	Reading Type	Meter Readings Previous Current	Meter Constant	kWh Used
035B4221904	08/25/03 09/24/03	30	Regular	2702 2974	1600	435200

Billing kW 768	BLC 0
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Agricultural Rate Schedule I24SB

08/25/2003 - 09/24/2003 30 days \$0.00
 Customer Charge, per meter per month \$10.07
 Demand Charge 768 kW @ \$3.58 per kW \$2,749.44
 Energy Charge 435,200 kWh @ \$0.041575 per kWh \$18,093.44
 Conservation Program Funding Charge \$15.00

Current Charges - Electric Service..... \$20,867.95

Average Daily Use Comparison

This Month	This Year	This Month Last Year *
Days = 30	Days = 30	Days = 30
kWh Billed = 435200	kWh Billed = 632000	kWh Billed = 632000
kWh per Day = 14506.6	kWh per Day = 21066.6	kWh per Day = 21066.6

CR = Credit
 kWh = Kilowatt-hour
 kW = Kilowatt
 * Available after 12 months of service at this location.

BLC = Basic Load Capacity
 G = Generation



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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 10/28/2003
Print Date: 10/29/2003

Page: 2 of



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Tuesday thro

Service Agreement No: 9725496172
Service Location: 06S07E0209/HAMMETT, ID 950HP
Next Read Date: 11/25/2003

Meter Number	Service Period From To	Number of Days	Reading Type	Meter Readings Previous Current	Meter Constant	kWh Used
035B4221904	09/24/03 10/24/03	30	Verified	2974 3029	1600	88000

Billing kW	BLC
768	0

09/24/2003 - 10/24/2003 30 days \$0.00
Customer Charge, per meter per month \$2.50
Demand Charge 768 kW @ \$0.00 per kW \$0.00
Energy Charge 88,000 kWh @ \$0.049331 per kWh \$4,341.13
Conservation Program Funding Charge \$15.00

Agricultural
Rate Schedule
I24SB

Account Activity
Previous Payments
Balance I
Current C
Account

Please Note: Any unpaid balances electronically for payment. Checks

Current Charges - Electric Service.....\$4,358.63

CR = Credit	BLC = Basic Load Capacity
kWh = Kilowatt-hour	G = Generation
kW = Kilowatt	
* Available after 12 months of service at this location.	

This Month This Year:	This Month Last Year: *
Days = 30	Days = 29
kWh Billed = 88000	kWh Billed = 0
kWh per Day = 2933.3	kWh per Day = 0.0

Average
Daily Use
Comparison



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Customer Name: TLK FARMS INC
Account Number: 6770102129
Billing Date: 11/28/2003
Print Date: 11/30/2003

Page: 2 of 2

Service Agreement No: 9725496172

Service Location: 06S07E0209/HAMMETT, ID

Next Read Date: 12/24/2003

950HP

Meter Number	Service Period From To	Number of Days	Reading Type	Meter Readings Previous Current	Meter Constant	kWh Used
035B4221904	10/24/03 11/25/03	32	Regular	3029 3029	1600	0

Agricultural
Rate Schedule
I24SB

10/24/2003 - 11/25/2003 32 days

Customer Charge, per meter per month \$0.00
..... \$2.50

Current Charges - Electric Service..... \$2.50

Average
Daily Use
Comparison

This Month This Year:	This Month Last Year: *
Days = 32	Days = 32
kWh Billed = 0	kWh Billed = 0
kWh per Day = 0.0	kWh per Day = 0.0

CR = Credit	BLC = Basic Load Capacity
kWh = Kilowatt-hour	G = Generation
kW = Kilowatt	
* Available after 12 months of service at this location	



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Account
Activity

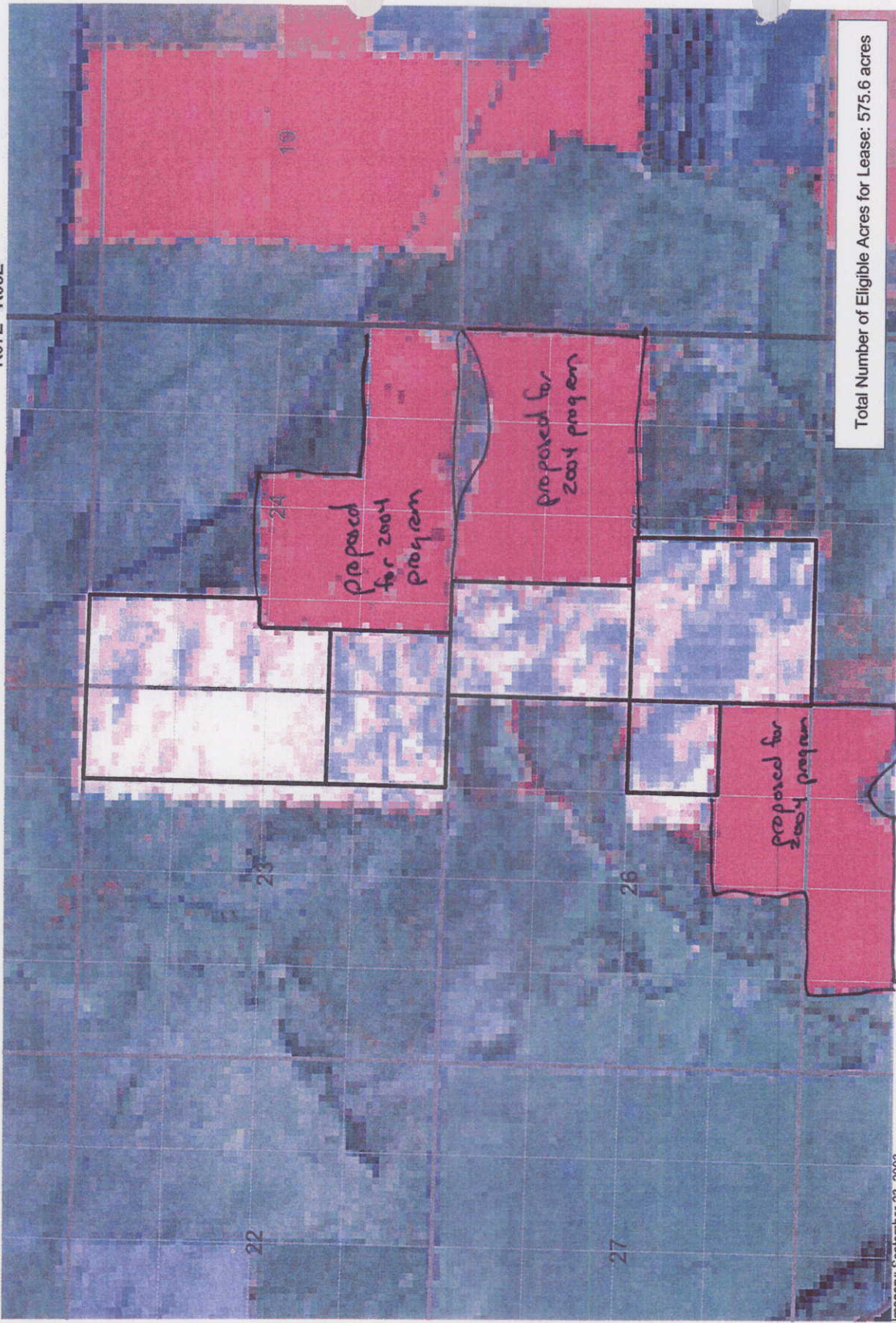
Please Note: Any unpaid balan.
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voluntary contri
during the winter
mark the appropriat

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R07E R08E



imagery: September 23, 2003



TLK Farms, Inc.

2003 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank

Prepared: December 2, 2003