

United State Department of the Interior
Bureau of Reclamation

Water Rental and Forbearance Agreement

With TLK Farms, Inc.
(Lessor's name)

Reclamation agreement number # 1425-03MA-10-3430

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 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 2002, there was insufficient storage water available for rental by Reclamation to meet the 427,000 acre-feet rental target. Therefore, Reclamation worked with the Idaho Department of Water Resources (IDWR) under Memorandum of Agreement No. 1425-02-MA-10-3460 to have certain water right holders 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 2002, it is expected that insufficient storage water will be available this year for rental by Reclamation. Therefore, Reclamation has initiated a similar pilot Snake River Leasing Program (Program), although this year it was advertised to the public and a request for proposals was sent to eligible water right holders. 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 2002 program explained in Recital C above. Again, it is intended for Idaho Power to rent the water from the State Water Supply Bank.
- E. 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 2003 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 575.4 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 2003 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 and IDWR 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.

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 \$ ~~86,340~~^{86,340.00}. This amount is based on \$ ~~150~~^{150.00} 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 1, 2003, 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, 2003.
- 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: Terry L Ketterling

Mailing address: 475 E 16th N

Mtn Home ID 83647

Phone: 208-599-1010

Signed Terry L Ketterling

Title: Pres.

Date: 3/20/03

For the Bureau of Reclamation

Signature: Kenneth R. Peddic

Acting for Regional Director, Pacific Northwest Region

Date: 3/24/02

02-2379

[illegible]

Applicant initials LLK Applicant initials _____ Applicant initials _____



T05S

R07E R08E



Prepared by: M. Wilkins
Indiana Department of Water Resources
1301 North Orchard Street
Boone, IN 47006
(317) 322-1900

Water right boundaries identify the aquifer, quantity within the licensed or permitted place of use, but do not represent the number of acres authorized.

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

Imagery: July 26, 2002

Total Number of Eligible Acres for Lease: 575.6 acres

6000 Feet

3000

0

3000

COPY

Jerry L. Patterson
Applicant Signature

03/20/03
Date

Pat Hage
USBOR Signature

3/20/03
Date

TLK Farms, Inc.

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

Prepared: March 6, 2003

**UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Pacific Northwest Region
Boise, Idaho**

JAN 24 2003

**Snake River Pilot Leasing Program
Proposal Instructions
January 7, 2003**

The Bureau of Reclamation (Reclamation) announces a Pilot Leasing Program (Program). The Program is being initiated to lease water for Reclamation's Commitments under the 1991 Biological Opinion to increase flows at Lower Granite Dam. Reclamation is soliciting proposals from qualified applicants who are willing to place their Snake River water right, or a portion of their water right, into the Idaho State Water Bank and forego irrigation of land that uses surface water from the Snake River. Willing applicants who meet the Program requirements are invited to submit a proposal for Reclamation's consideration. Reclamation reserves the right to not proceed with the program; however, presently it is Reclamation's intent to pay for a minimum of 6,500 acres that are idled. Reclamation may pay for more acres depending on the water forecast and appropriations.

Geographic Area of Consideration: Proposals will be accepted from qualified applicants with water rights below Milner Dam who use water from the Snake River.

How to Submit a Proposal: The attached form (or a copy) must be used to submit a proposal to Reclamation. If you have any questions, please contact Ruth Page at 208-378-5382.

Proposal Submission and Deadline: Completed and signed proposals must be received in writing using the attached form or copy by 4:30 p.m. MST January 24, 2003. Proposals must be submitted by means of mail, overnight courier, or hand delivery to:

Bureau of Reclamation
Pacific Northwest Regional Office
Attention: Snake River Leasing Program – PN-3110
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

For your convenience, you may affix this label on your return envelope.

ELIGIBILITY CRITERIA FOR THE SNAKE RIVER PILOT LEASING PROGRAM

1. DO YOU HAVE AN ELIGIBLE WATER RIGHT?

- a. Your Idaho State water right must be based on a permit, license, or decree. Statutory claims and any water rights with a pending transfer affecting the proposed lands will not be accepted into this year's pilot leasing program.
- b. To be eligible, you must have filed a claim in the Snake River Basin Adjudication (SRBA) and IDWR must have a record of the claim. Because of the short time frame for administering the program, SRBA claims based on beneficial use will not be accepted for this pilot leasing program. Pending accomplished transfers or expansion claims will not be accepted.
- c. Your water right must have the Snake River listed as the direct source. For this pilot leasing program, tributary water and groundwater will not be accepted.
- d. The priority date of the water right must be 12/29/76 or earlier. Those water rights predate the appropriation of an instream flow right and are unlikely to be curtailed if drought conditions reduce Snake River flows.
- e. The water right must include irrigation as an authorized purpose of use.

2. WERE YOU PLANNING ON IRRIGATING IN 2003?

Because the intent is to provide for wet water in the Snake River, Reclamation is interested in water that, absent being selected for this program, would have been used to irrigate land in 2003. Therefore, for practicality in administration of this pilot leasing program, only the following two types of land are acceptable:

- 1) Land that was irrigated in 2002 (you may be required to supply power records, diversion rate and volume information from previous irrigation seasons), or
- 2) Land that was eligible and rented to the Idaho State Water Bank in 2002 pursuant to Reclamation Memorandum of Understanding with IDWR (MOA #1425-02-MA-10-2460).

3. DO YOU HAVE ACCEPTABLE BLOCKS OF LAND?

A significant amount of time is required in the evaluation of field eligibility. Administrators of the program will use information including aerial photography, satellite imagery, and records provided by the applicant in this evaluation. Consequently, thorough documentation, as well as straight forward field shapes, will aid in the accurate determination of eligibility and in monitoring compliance. Evaluation of field eligibility is solely subject to administrative discretion.

The following conditions apply to the eligibility of land:

1. You must intend to dry up a minimum of 40 contiguous acres, all under a single water right.
2. You may include more than one parcel of land (40-acre minimum for each parcel) in the same bid.
3. You may submit more than one bid, if each bid covers a different parcel of land (40-acre minimum for each parcel).

Large, simple-shaped fields are preferable for administration purposes. See below for examples of acceptable field types:

ELIGIBLE FIELDS
(filled area is eligible)

Center Pivot with or without corners



Center Pivot with or without end guns

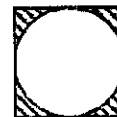


Whole fields

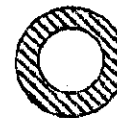


INELIGIBLE FIELDS
(hatched area is ineligible)

Center Pivot corners only



End gun circles only



Narrow portions of whole fields or borders or strips of land with widths less than 500 feet



CONDITIONS THAT WILL APPLY IF YOU ARE SELECTED

A. You will be required to idle your land.

If selected, you will be required to lease your water right to the Idaho State Water Bank, and you will not be allowed to irrigate your land for the entire period of use of your water right for the year 2003. You will not be allowed to irrigate your idled land from any alternative ground water or surface water source. You will not be able to water your land for any reason; for example, testing equipment, irrigating a cover crop, or dust abatement.

B. Your land will be subject to monitoring.

The Idaho Department of Water Resources (IDWR) will monitor your idled lands. This will include field visits, collection of satellite data, and related pump or flow measurements. You will be required to allow access to your idled lands at all times. You will be required to supply power records, diversion rate, and volume information from previous irrigation seasons upon request by Reclamation.

C. You will be required to lease your water to the Idaho State Water Bank.

If selected, you will be required to place your water right, or a portion thereof, into the Idaho State Water Bank. You will be required to comply with all State laws, regulations, and policies of the Idaho State Water Bank.

Additional information may be requested to verify your eligibility, compliance, and benefit to Reclamation such as power records, crop mix data, estimated diversion volume, documented system delivery efficiency or other information to quantify diversion and current or historic water use.

D. You will be paid for each acre idled.

In your proposal you will include the price you are willing to accept for each acre idled. The maximum price accepted will be \$150 per acre. Ten percent of the price Reclamation pays will be applied toward IDWR's water bank administration costs. Therefore, you will only receive 90% of the rate that you offer in your proposal. One half of the estimated payment will be made on or about July 1, 2003, and the remainder will be paid after the irrigation season ends and final verification of program compliance is complete.

E. Selection Process and Agreement with Reclamation.

The price you submit will most likely be the major factor that determines if Reclamation selects your proposal. However, Reclamation may consider other factors, such as: among two similar applications, the earliest priority date would have preference. Unequal environmental and economic impacts could favor one application over another. Land that would be particularly hard to administer would be less favored. Selection of proposals will

be based upon their merits and will be at Reclamation's sole discretion. Proposal(s) will not be accepted if not in compliance with all applicable State and Federal laws.

Upon selection of a proposal by Reclamation, the selected participants will be presented with an agreement that must be signed in order to participate in the Program. A proposal is subject to rejection by Reclamation at any time if agreement terms cannot be made acceptable to Reclamation. No participants will receive any compensation for participating in the proposal process. All compensation will be in accordance with a fully executed agreement which is acceptable to Reclamation.

The United States will not be responsible for any damages related to or caused by lands idled under this Program or any activities arising under or out of the Program.

Program participants shall indemnify and hold harmless the United States, its officers, agents, and employees from and against any and all claims, demands, losses, damages, causes of action, suits and liabilities of every kind for injury to or death of a person or for loss of or damage to any property resulting from any act or omission of the participant, its employees, agents, or contractors related to or arising out of the Program.

PROPOSAL FOR THE SNAKE RIVER PILOT LEASING PROGRAM**Applicant Information**

1. Name(s): Snake River Ranch Ltd
Terry L. Ketterling - TLK Farms Inc

2. Mailing Address: 475 E 16th N
Mountain Home ID 83647
3. Daytime Phone Number: 208-599-1010
4. Fax: 208-587-7060
5. E-mail Address: TLKET7@earthlink.net
6. Do you own all of the land you propose for the program?
___ yes ☒ no
7. If not, do you lease the land you do not own? ☒ yes ___ no
 - a) If yes, attach documentation showing that you have a valid lease for the land.
 - b) Name and address of the land owner:
Snake River Ranch Ltd 0326 Hwy 133 Ste 210
Condonale CO 81423
 - c) Do you have the landowner's permission to lease the water into the Idaho State Water Bank? ☒ yes ___ no
 - d) If yes, attach documentation showing permission.
8. Proposed price per acre: \$ 150 per acre. Note that you will only receive 90% of that rate.

Information about the water right

9. Water Right Number: A02-02379

10. What is the basis of the water right?

_____ permit
X license
_____ decree

11. Have you attached a copy of the permit, license, or decree? X yes

12. Have you made a claim for the water right in the Snake River Basin Adjudication (SRBA)?
X yes. Attach a copy of this SRBA claim.

13. Priority date: 09/03/65

14. Number of acres authorized for irrigation under this water right: 1280 acres

15. Is the number of acres authorized for irrigation limited within a total place of use in a single
irrigation season? X yes ___ no

16. How many acres authorized under this water right were irrigated during the 2002 season?

614.1 acres

17. Were any of the proposed lands leased to the Idaho State Water Bank under Memorandum
of Agreement #1425-02-MA-10-3460 between IDWR and Reclamation? ___ yes X no

18. How many acres authorized under this water right will be irrigated during the 2003
irrigation season if your application is accepted into the Program? 606.1 acres

19. Do you propose to enter only a portion of the water right into the Program?

X yes ___ no

20. Are any other water rights appurtenant to the proposed lands?

___ yes, please list the water rights: _____

X no

Information about the land that will be idled

21. Number of acres you are proposing for the Program: 614 acres

22. Is each tract of land you are proposing composed of 40 contiguous acres?

X yes ___ no

23. Have you attached an acceptable map with the acres identified (see application instructions for types that are acceptable) with proposed lands and fields identified? X yes
24. Have you enclosed the attached grid? (See #24 on the application instructions for an explanation of what must be identified.) X yes
25. Have you attached documentation of use during the year 2002? (See application instructions.) X yes
26. Do you plan on a cover crop on the land? X yes ___ no

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.

Terry L. Ketterling
Applicant's Signature

Date: 01/24/03

Terry L. Ketterling
Printed Name

Applicant's Signature

Date: _____

Printed Name

Applicant's Signature

Date: _____

Printed Name

Applicant's Signature

Date: _____

Printed Name

FROM : TLK FARMS

PHONE NO. : 2085677060

Jan. 24 2003 01:50PM P3

23. Have you attached an acceptable map with the acres identified (see application instructions for types that are acceptable) with proposed lands and fields identified? X yes
24. Have you enclosed the attached grid? (See #24 on the application instructions for an explanation of what must be identified.) X yes
25. Have you attached documentation of use during the year 2002? (See application instructions.) X yes
26. Do you plan on a cover crop on the land? X yes ___ no

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.

Terry L. Ketterling Date: 01/24/03
Applicant's Signature

Terry L. Ketterling
Printed Name

Gary K. Barr Date: 1-24-03
Applicant's Signature

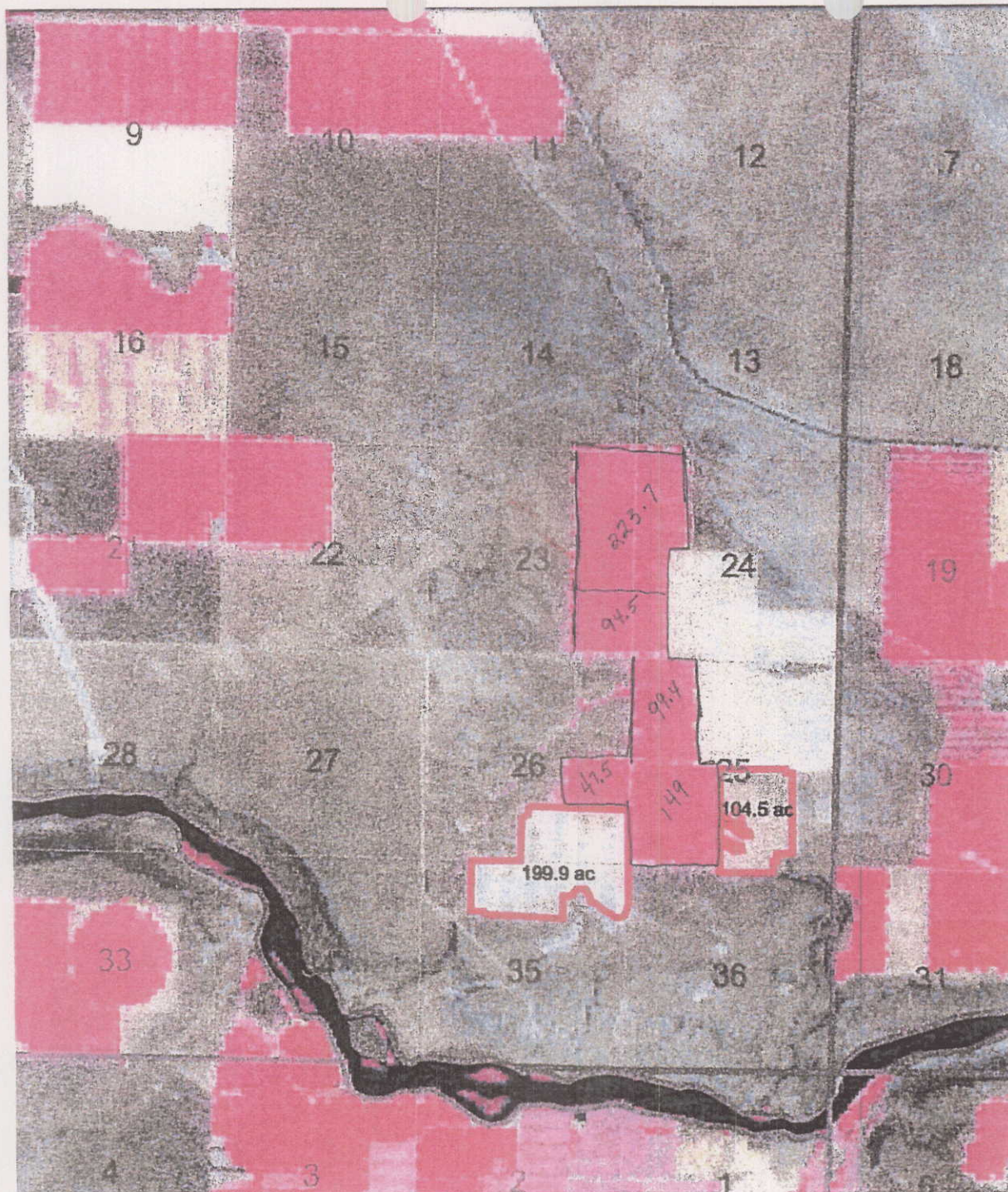
Gary K. Barr
Printed Name

Applicant's Signature Date: _____

Printed Name

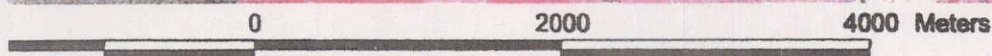
Applicant's Signature Date: _____

Printed Name



See Legals
Attached

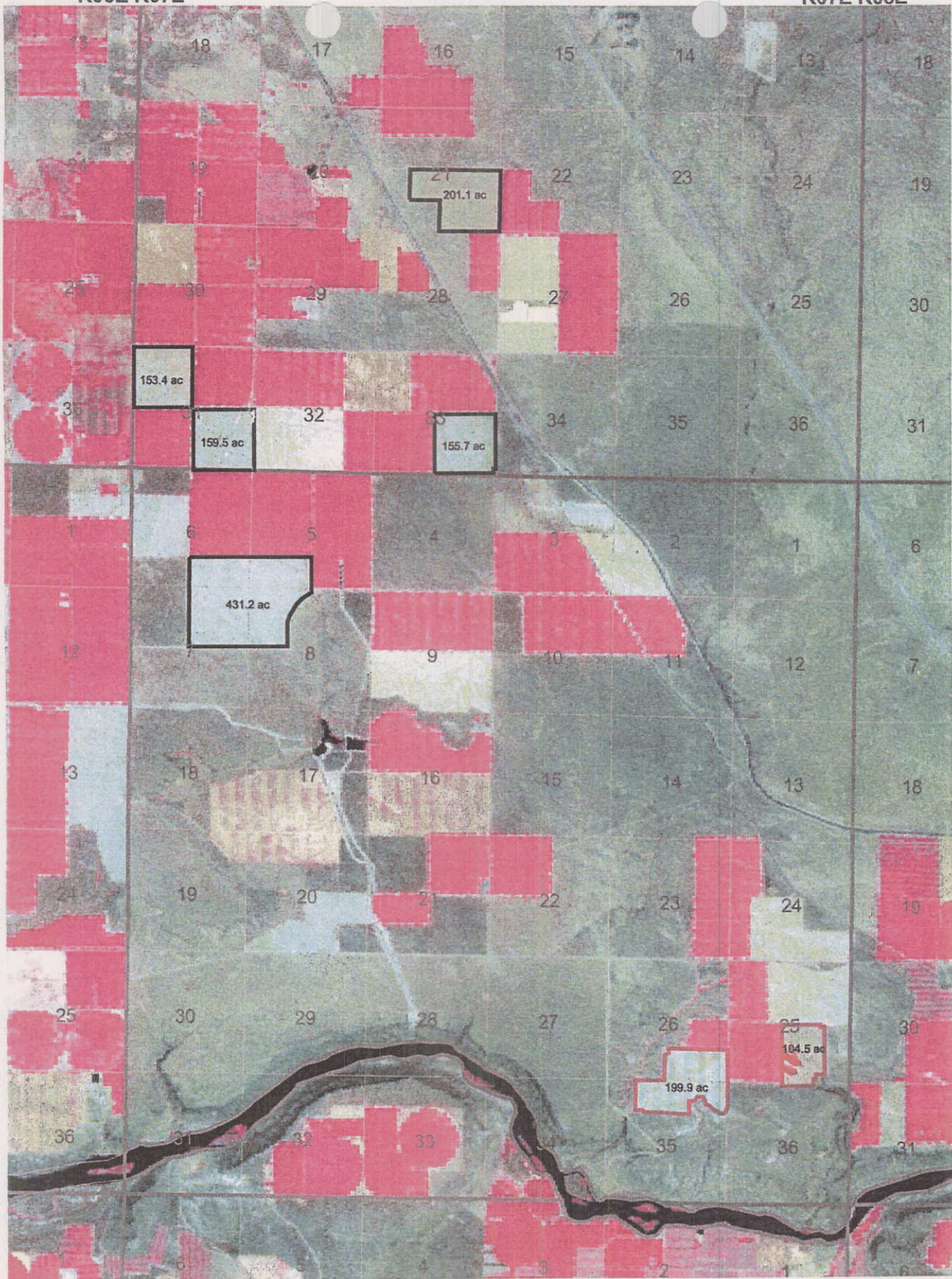
T05S
T06S



-  ELIGIBLE
-  INELIGIBLE
-  Township/Range Lines
-  Section Lines

R06E R07E

R07E R08E

T04S
T05ST05S
T06S

Imagery: July 26, 2002

2000 0 2000 4000 Meters

- ELIGIBLE
- INELIGIBLE
- Township/Range Lines
- Section Lines

Clover Hollow LLC

Payment No.1 Acreage Estimates for Rental of Water from
High-lift Pumps from the Snake River to the Water Supply Rank



Prepared by:
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83709

FSA-578(02-01-91)

REPORT OF ACREAGE

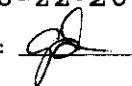
PROGRAM YEAR 2002

FARM NUMBER: 302

FARM AND TRACT DETAIL LISTING

DATE: 06-22-2002

Operator Name and Address ID
 TLK FARMS INC 8973
 475 E 16TH N
 MOUNTAIN HOME, ID 83647-1716

*Snake River Ranch*Original: 

Revision: _____

Cropland: 1,318.6

Farmland: 1,400.0

Tract Number	Field Num ID	Irr Prc	Crop	Var/ Type	Int Use	Lnd Use	Reported Acreage	Determined Acreage	O/ M	Crop Stat	Prod Share	Prod ID
412	1	Ir	SBEET		Proces		223.70			I	.2500 .2500 .5000	7102 1585 8973
	2	Ir	SBEET		Proces		94.50			I	.2500 .2500 .5000	7102 1585 8973
	3	Ir	OATS	SPR	Forage		204.00			I	.2500 .2500 .5000	7102 1585 8973
	4	Ir	SBEET		Proces		99.40			I	.2500 .2500 .5000	7102 1585 8973
	5	Ir	OATS	SPR	Forage		206.10			I	.2500 .2500 .5000	7102 1585 8973
	6	Ir	SBEET		Proces		47.50			I	.2500 .2500 .5000	7102 1585 8973
	7	Ir	SBEET		Proces		149.00			I	.2500 .2500 .5000	7102 1585 8973
	8	Ni	ALFAL		Forage		97.80			I	.2500 .2500 .5000	7102 1585 8973
	9	Ni	OATS	SPR	Forage		196.60			I	.2500 .2500 .5000	7102 1585 8973

Crop Type	Prac	IU	Non-Irrig	Irrigated	Crop Type	Prac	IU	Non-Irrig	Irrigated	Crop Type	Prac	IU	Non-Irrig	Irrigated
ALFAL	N	FG	97.8		OATS	SPR	B	FG	196.6	SBEET	I	PR		614.1

Photo Number/Legal Description: W24HI, W25HI R7E T5S SEC 23, 24, 26, 25, 35

Cropland:	1,318.6	Reported:	1,318.6	Difference:	.0	Reported D.S.R:	.0
-----------	---------	-----------	---------	-------------	----	-----------------	----

T412
302

2002
5S 7E

1 HEL
223.7

3 HEL
204.0

26

6 HEL
47.5

7 HEL
7.490

8 HEL
97.8

25

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:

FARM LEASE - 1

JRF:ST\KETTERLING:LEA

290167

ELMORE COUNTY, IDAHO ss
Request of

Hall, Friedley + L. Ford
Time 4:35 PM
Date November 17, 1995
Book _____ Page _____
DOLORES ROBISON
Recorder
By *Merla L. Becker*

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

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 lability 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.

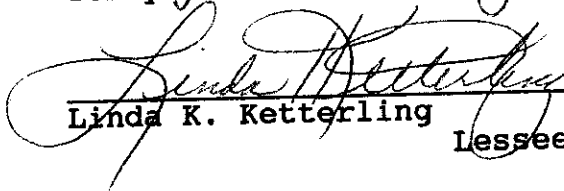
SNAKE RIVER RANCH, LTD.,
a California limited
partnership,

By


General Partner

Owner,


Terry L. Ketterling


Linda K. Ketterling

Lessees.

STATE OF COLORADO)
COUNTY OF Barfield) 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: 6-4-97

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. Truitt
Notary Public for Idaho,
Residing at Mountain Home, ID

FARM LEASE - 18

JRF: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 \$ 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.

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.

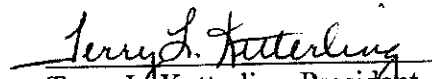
It shall be the responsibility of the owner to make the above repairs or provide replacements at its own cost. It is understood that owner will not be able to fund the necessary repairs and replacements until it has completed a refinancing of the property. Lessee may make the necessary repair and replacements 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

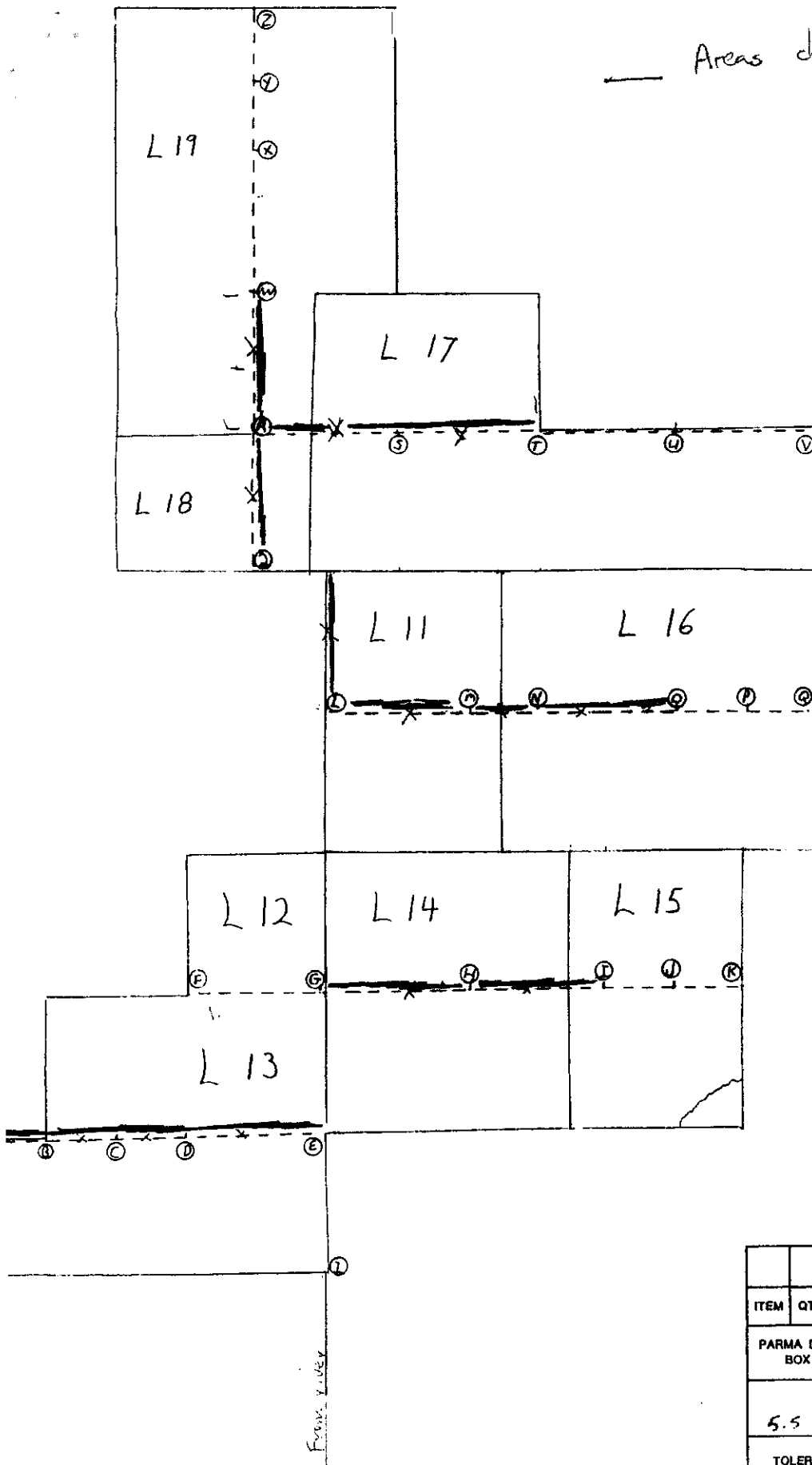
Date _____ March, 1999

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.

Areas done in 99



A-B	1320' 6"
B-C	660' 8"
C-D	660' 10"
D-E	1320' 12"
E-F	1320' 6"
F-G	1320' 12"
G-H	1320' 10"
H-I	660' 8"
I-J	660' 6"
J-K	1320' 15"
K-L	660' 12"
L-M	1320' 10"
M-N	660' 8"
N-O	660' 6"
O-P	1320' 12"
P-Q	1320' 10"
Q-R	1320' 8"
R-S	1320' 6"
S-T	1320' 12"
T-U	1320' 10"
U-V	1320' 8"
V-W	1320' 6"
W-X	1320' 12"
X-Y	1320' 10"
Y-Z	660' 8"
Z-A	660' 6"
A-B	1320' 18"
B-C	1320' 30" 9600 GPM
C-D	1320' 30" 8130 GPM
D-E	2640' 24" 5970 GPM
E-F	1500' 18" 3675 GPM

ITEM	QTY.	SIZE	PART NO.	DESCRIPTION
PARMA DIVISION BOX 248				
				PARMA, IDAHO 83660
5.5 ft/s				
TOLERANCES UNLESS OTHERWISE SPECIFIED			DRAWN	
			CHECKED	
			APPROVED	
NEXT ASSEMBLY				SCALE 1"=1200'
DRAWING NO.				REV.

OK

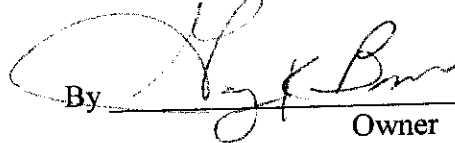
FARM LEASE AMENDMENT #2

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

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.