

KARL

Case # 39576

Subcase # 36-16315

RECEIVED

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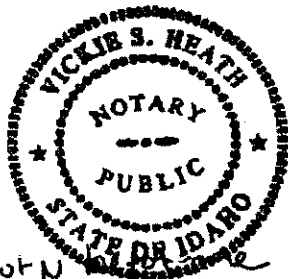
Department of Water Resources

In January 1971 I bought 480 acs in Gooding County from the Morgan Bros. The waste water was part of the water rights that went with the ranch.

In 1981 I sold the property East of the County road to John Sandy. I held out the water rights to the property west of the County road.

I was told that the water rights ^{came} from the 25 Feb. 1914 agreement. It had been used all the time the Morgan Bros owned the property and I used it while I owned the property.

The property in question is: SE 1/4 of the SW 1/4 Sec 5 T8S R.14 E10M



Subscribed & Sworn
This 20th day of Oct. 2005

Vickie S. Heath, Notary

For IDAHO

Residing at Riggins

Com. Expires 8-15-2011

William C. Buxton

William C. Buxton

Hc 69 Box 170A

Riggins, ID 83549

208-628-3876

20 Oct 05

October 21, 2005

SNAKE River Basin Adjudication

To Whom it May Concern

Concerning the Memorandum of Agreement between Mountain & Valley Properties, L.P., and John A. Sandy and Robin J. Sandy husband and wife seller and North Snake Ground Water District I John A. Sandy was managing partner of Mountain and Valley Properties, L.P.

Sincerely

John A. Sandy

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is made and entered into this 12 day of March, 2003, between MOUNTAIN AND VALLEY PROPERTIES, L.P., an Idaho Limited Partnership, and JOHN A. SANDY and ROBIN SANDY, husband and wife, as their interests may appear, jointly referred to hereinafter as "Seller", and NORTH SNAKE GROUND WATER DISTRICT, a Ground Water District existing under the provisions of Idaho Code §42-5201 et seq., hereinafter referred to as "Buyer".

RECITALS

- A. Seller owns real property located in Gooding County, Idaho. The land is located in the Southeast Quarter and part of the Southwest Quarter of Section 5, Township 8 south, Range 14 EBM, Gooding County, Idaho.
- B. Included in the real property owned by the parties is a tract of approximately 179 acres, the exact boundaries of which will be determined by a subsequent survey to be paid for by Buyer, which survey is currently in process. Seller desires to sell and Buyer desires to purchase the surveyed tract.
- C. Located on the real property to be purchased is a 1979 Skyline double-wide manufactured home, VIN: 02960326A and D2960326BM, as more particularly described on the Certificate of Title copied and attached hereto as **Exhibit A**.
- D. Also located on the real property, and underneath a portion of the real property, are a center pivot irrigation system, fencing materials, portable mainline pipe, other sprinkler pipe, miscellaneous farm machinery and implements, additional miscellaneous personal property and a quantity of buried mainline pipe and above ground mainline pipe.
- E. The parties wish to agree upon terms and conditions whereby, upon the completion of the survey previously referred to, separate transactions will be entered into between the Buyer and JOHN A. SANDY and ROBIN J. SANDY with respect to the portion of the real property and manufactured home owned by them. (See Exhibit B attached hereto and by this reference made a part hereof as if set forth in full regarding sale of manufactured home.) owned by them, and with MOUNTAIN AND VALLEY PROPERTIES, L.P., an Idaho limited partnership, for the real property

Instrument # 200221
GOODING, GOODING, IDAHO
2003-04-16 12:27:27 No. of Pages: 25
Recorded for : GOODING TITLE
HELEN EDWARDS
Ex-Officio Recorder Deputy *Renny Watson* Fee: 75.00

IT IS, THEREFORE, AGREED in consideration of these Recitals and the promises and covenants hereafter contained as follows:

1. **Sale.** Seller will sell to Buyer and Buyer will purchase from the Seller approximately 179 acres of real property located within the Southeast Quarter and part of the Southwest Quarter of Section 5, Township 8 South, Range 14 EBM, Gooding County, Idaho, together with the manufactured home described on Exhibit A attached hereto. The exact legal description of the real property will be obtained by survey presently being undertaken by Buyer at its sole cost and expense. The survey will be guided by the stakes and flags now in place on the real property. The survey will also identify the boundaries of the real property to be retained by JOHN A. SANDY and ROBIN J. SANDY, and will also identify the real property to be transferred from each of the Sellers.

2. **Purchase Price.** The total purchase price for the real property and manufactured home shall be Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00). The purchase price shall be apportioned between the Sellers, as per their separate agreement. The apportionment shall apply to the down payment and the subsequent payments hereinafter described.

Buyer will pay, or has paid, Five Thousand and No/100 Dollars (\$5,000.00) earnest money in the form of a check to Gooding Title & Escrow. The earnest money will be credited to the down payment at closing. If the transaction contemplated herein fails to close because of the fault of the Buyer, the earnest money shall be forfeited to Sellers. If the transaction contemplated herein fails to close because of the fault of Sellers, the earnest money shall be returned to Buyer.

The purchase price for the real property and manufactured home shall be paid as follows:

- A. Twenty Thousand Eight Hundred Thirty-Three and 33/100 Dollars (\$20,833.33) at closing.
- B. The balance of the purchase price, to-wit: Two Hundred Twenty-Nine Thousand One Hundred Sixty-Six and 67/100 Dollars (\$229,166.67 shall accrue interest at five percent (5%) per annum from the date of closing and shall be paid in annual installments of

Twenty-Seven Thousand Five Hundred Eighty-Nine and 12/100 Dollars (\$27,589.12) inclusive of interest, commencing with the 31st day of March, 2004, and continuing the 31st day of March each year thereafter until the 31st day of March, 2013, at which time all remaining principal and interest due under the Note shall be fully due and payable.

C. The terms of the deferred portion of the purchase price shall be reduced to Promissory Notes secured by first money mortgages. The Notes may be prepaid without penalty.

3. **Closing.** Closing of the transactions described in this Agreement shall take place at Gooding Title & Escrow, Gooding, Idaho, on or about the 17th day of March, 2003. Property taxes shall be prorated as of the date of closing.
4. **Documents At Closing.** Seller shall execute and deliver to Buyer at closing Warranty Deeds (one from each Seller for the real property owned by that Seller) and a Certificate of Title for the manufactured home subject to no liens or encumbrances. (See Exhibit B). Buyer will execute and deliver to Sellers, Notes for the remaining portion of the purchase price attributable to each Sellers as described above, and Mortgages. Seller will also sign Satisfactions of Mortgage to be kept in the escrow.
5. **Escrow.** The original promissory notes, this Agreement, copies of the Deeds, Certificates of Title, and certificate of insurance in force shall be placed in escrow with Gooding Title & Escrow, Gooding, Idaho. Gooding Title & Escrow shall be constituted the agent of the parties for purposes of receiving payments from the Buyer, transmitting the same to the Sellers, and receipting to the parties for each such transaction. The parties hereto shall pay all initial and ongoing costs of said escrow in equal shares. Sellers shall execute Satisfactions of Mortgages to be placed in escrow and recorded upon full payment of the Promissory Notes.
6. **Title Insurance.** Sellers shall, at the time of closing, furnish a policy of title insurance in a responsible title insurance company, insuring the title of said property in the sum of Two Hundred Thirty-Three Thousand and no/100 Dollars (\$233,000.00), showing a marketable title to said premises to be vested in the Seller, subject only to existing easements and rights of way, taxes for the current years and future years, and such

other encumbrances as may be agreed to by Buyer in writing prior to closing. The cost of the title insurance shall be equally divided between the parties. Seller shall upon the execution of this Agreement immediately obtain a commitment for such title insurance and deliver a copy to the Buyer. Buyer shall notify Seller in writing, prior to closing of any exceptions shown on the commitment which must be removed by the Seller at or prior to closing. If the objected to exceptions cannot be removed by Seller, this Agreement shall be null and void.

7. **Ground Water Rights.** The sale of the real property includes a portion of Water Right No. 36-7337L now appurtenant to the real property. Forty-six hundredths cfs or 23 miner's inches of the water rights shall remain in the ownership of the Sellers. (Sellers shall, between them, have a separate agreement as to which entity holds how many water rights). **[In the event Seller cannot transfer either the place of use or point of diversion (as described below) of the 23 inches of groundwater, Buyer will provide to Seller up to 23 inches of wastewater and Buyer shall be entitled the entire groundwater right.]** The remaining .26 cfs or 13 miner's inches of the water right shall be conveyed and transferred to Buyer as part of this transaction. The parties shall execute a SRBA Change of Ownership form at the closing of this transaction, and cause it to be properly filed.
8. **Current Well and Appurtenances.** The point of diversion for the water right above-described as now used is located on real property which is being acquired by Buyer under this transaction. The ownership of the present well and associated pump and motor involved with the water right is also being acquired by Buyer as part of this transaction. Seller shall make every reasonable effort to divert the water retained by Seller to a point of diversion on real property owned by the Seller. Seller shall be allowed to pump water from the existing well for the 2003 irrigation season. Seller shall be allowed to pump water from the existing well for the 2004 irrigation season only if Seller's rights therein have not been transferred. Seller shall expend every effort to see that all Seller's rights in the water are transferred no later than the 2005 irrigation season. During each irrigation season that Seller uses the water from the well, Seller shall be responsible to pay for all costs of electricity for the pump and motor and shall bear the costs of maintenance and repair of well, pump and motor at

the present point of diversion.

9. **Place of Use for Wastewater Right.** The parties recognize that the Buyer intends to use the real property acquired by it for ground water mitigation and related purposes. All wastewater, and any rights thereto shall be transferred to Buyer upon the closing of this sale, including those rights described on Exhibit C, attached hereto.
10. **Dikes.** There are three (3) dikes, used as a water control device, two (2) of which are erected on the real property acquired by Buyer and one (1) of which is erected on property retained by Sellers. Buyer accepts the entire obligation for the maintenance and repair of all three dikes and agrees to hold harmless and indemnify Sellers, their heirs, successors and assigns, from all liability which may arise because of the failure to adequately maintain and repair the dikes. Incidental to this duty, Buyer will assume all obligations and duties with respect to the repair and maintenance to the dikes as previously held by the North Side Canal Company, Ltd. under an agreement dated November 26, 1997 between JOHN SANDY and ROBIN SANDY, husband and wife, and North Side Canal Company, Ltd., a copy of which is attached hereto as **Exhibit C.**
11. **Dike Removal.** It is understood that a portion of the dikes located on the real property as above described may at some subsequent date be removed by Buyer. If, in the process of the removal of the dike, the mainline irrigation pipe belonging to Sellers is disconnected or moved aside to allow for the removal of the dike, Buyer agrees that it shall bear the sole cost and expense to reconnect the mainline for the benefit of the Seller.
12. **Survey.** The survey presently being conducted on the real property to determine the exact dimensions of the real property to be sold hereunder shall be at the exclusive cost of the Buyer.
13. **Retained Ownership of Personal Property.** Seller has various miscellaneous personal property located on the property being acquired by Buyer, including pivot irrigation system, miscellaneous fencing materials, decorative rock, portable mainline, sprinkler pipe, and miscellaneous farm machinery. There is also approximately thirteen hundred (1,300) feet of buried mainline pipe and approximately thirteen hundred (1300) feet of above ground welded mainline pipe. Seller shall have one (1)

year from the date of closing of this sale to remove the above-described property and any other personal property (except the manufactured home if purchased). Any personal property remaining on the real property sold to Buyer, after one (1) year from the date of closing, may be disposed of as Buyer determines to be appropriate. An exception from the one (1) year requirement will be that Sellers may keep the above ground welded mainline in place if Seller cannot complete the ground water transfer within one (1) as described in paragraph 7 above.

14. **Easements.** The parties shall grant each other easements as follows:

- A. Buyer will grant a perimeter easement to JOHN A. SANDY and ROBIN J. SANDY for ingress and egress to the real property retained by them. Buyer will procure the legal description for this easement.
- B. JOHN A. SANDY and ROBIN J. SANDY will grant to Buyer an easement over, across and under a portion of their real property for the purpose of constructing, maintaining and repairing a buried pipeline for the conveyance of irrigation water. Buyer will procure the legal description for this easement.
- C. JOHN A. SANDY and ROBIN J. SANDY will grant to Buyer an additional easement over real property retained by JOHN A. SANDY and ROBIN J. SANDY for the purpose of operating and maintaining irrigation head gates, and maintaining and repairing dikes. This easement shall require Buyer to use the least obtrusive means for access to the easement, and otherwise assure the Grantor (Sandy) that only the portion of the servient estate actually needed to accomplish the purposes of the easement will be utilized. Furthermore, Buyer will use best management practices and coordinate with Sandy at such times as Buyer shall find it necessary to utilize the easement. Buyer will use best management practices to return any property damaged by such ingress and egress to its original state prior to such crossing.

Each of the easements shall be considered appurtenant to the real property which they benefit and burden, and shall be binding upon the heirs, successors and assigns of the parties. The easements will be reduced to an easement agreement when the legal descriptions are available which shall be executed by the parties and recorded in the records of Gooding County, Idaho.

15. **Hunting Rights.** Seller, JOHN A. SANDY, will retain a personal license for hunting on the real property sold during each calendar year. Hunting will be for ducks, geese, pheasant and other upland birds. Upon notification to Buyer for hunting access by JOHN A. SANDY, he and guests he will be allowed access to the real property to hunt, for eight (8) days during each calendar year. JOHN A. SANDY, must be personally present on the real property to exercise the license to hunt. The license to hunt shall terminate upon the death of JOHN A. SANDY provided that Buyer will allow JOHN A. SANDY to transfer a two (2) day per calendar year license to a third party purchaser (and guests) of the real property retained by JOHN A. SANDY and ROBIN J. SANDY. Likewise, Buyer hereby agrees to use the property for hunting only eight (8) days each hunting season.
16. **Fill Dirt.** Buyer grants Seller, JOHN A. SANDY, the right to remove fill dirt from locations on the real property to be purchased by Buyer, the exact locations which will be designated by the Buyer. JOHN A. SANDY shall remove the dirt within one (1) year from the closing of the transactions described in this Agreement, at his sole cost and expense, such right is not contingent upon Sandy retaining ownership of the retained property and such right may be transferred to a purchaser of the real property retained by SANDY. The amount of fill dirt shall be limited to One Thousand cubic yards.
17. **Further Documents.** The parties agree to execute such other, further and additional documents as may be required to carry into effect the terms and conditions of this Agreement.
18. **Survival of Representations, Warranties and Covenants.** All representations, warranties and covenants contained in this Agreement shall survive closing.
19. **Attorney's Fees on Default.** If default be made by either party hereto in keeping or performing any of the covenants, conditions or agreements herein agreed to be kept by them, and the other party is required to employ an attorney to enforce any of the covenants, conditions or agreements herein contained, then and in such event, the party in default agrees to pay, in addition to all other sums herein agreed to be paid

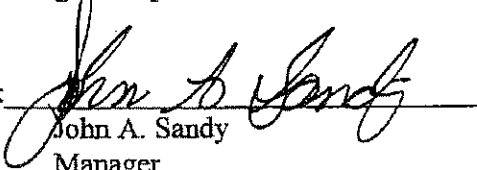
by them, a reasonable attorney's fee, together with any costs and disbursements that may be incurred in enforcing this Agreement.

20. **Time Being the Essence.** It is understood and agreed by and between the parties hereto that time is, and shall be, of the essence of each and every term and condition of this Agreement.
21. **Binding Effect.** This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators and assigns.
22. **Prohibition of Assignment.** Buyer shall not, without the express written consent of the Seller first having been obtained, sell, assign, transfer, contract, convey or encumber the above described real property or mobile home to any third party.
23. **Reserved Easement.** Sellers will reserve an easement for access to the existing irrigation pump, motor and well for purposes of operation, maintenance and repair of the irrigation system, until such time as Sellers relocate the point of diversion for the above described water right to his own real property, at which time the reserved easement shall terminate.
24. **Maintenance of Pond; Dike Maintenance.** A portion of an existing pond is located on real property to be retained by JOHN A. SANDY and ROBIN J. SANDY. Buyer agrees to maintain the water level in this pond as close to the historic high water mark as is reasonably possible under the circumstances existing at any time during the irrigation season. Buyer intends to, and shall continue to, deliver wastewater to property owned by other parties traditionally irrigated from the above referenced pond. Buyer shall make every effort to leave the pond full at the end of each irrigation season.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names, the day and year in this Agreement first above written.

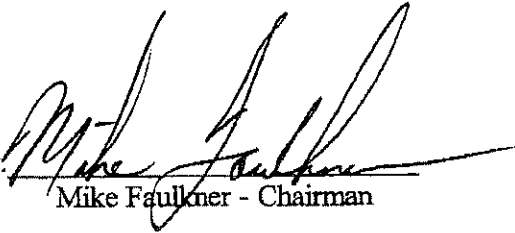
Mountain and Valley Properties,
An Idaho Limited Partnership
By Habitat Holding, L.L.C.
Its sole general partner

By:

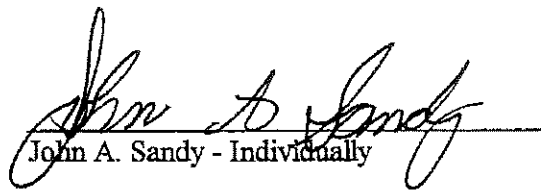

John A. Sandy
Manager

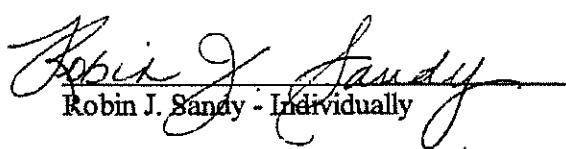
NORTH SNAKE GROUND WATER
DISTRICT

By:


Mike Faulkner - Chairman

BUYER


John A. Sandy - Individually


Robin J. Sandy - Individually

SELLER

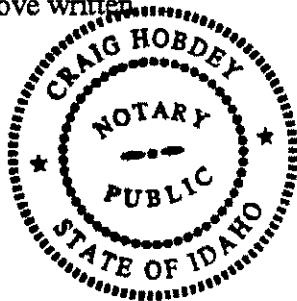
STATE OF IDAHO)

) ss

County of Gooding)

On this 12 day of March, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOHN A. SANDY, Manager of HABITAT HOLDINGS, L.L.C. general partner of MOUNTAIN AND VALLEY PROPERTIES, L.P., known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same on behalf of said company.

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




NOTARY PUBLIC FOR IDAHO

Residing at: Gooding

Commission Expires: 10-24-06

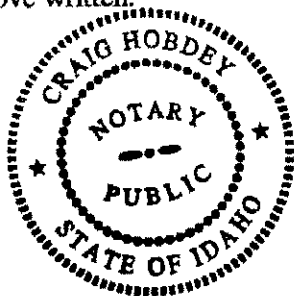
MEMORANDUM OF AGREEMENT (SANDY TO NSGWD)

9 of 10

STATE OF IDAHO)
) ss
County of Gooding)

On this 12th day of March, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOHN A. SANDY known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same.

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

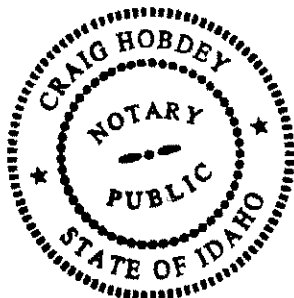


Craig Hobdey
NOTARY PUBLIC FOR IDAHO
Residing at : Gooding
Commission Expires: 10-24-06

STATE OF IDAHO)
) ss
County of Gooding)

On this 12th day of March, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Mike Faulkner, the Chairman of NORTH SNAKE GROUND WATER DISTRICT, known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same on behalf of said Ground Water District.

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

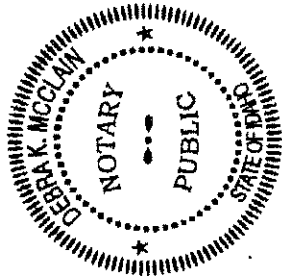


Craig Hobdey
NOTARY PUBLIC FOR IDAHO
Residing at : Gooding
Commission Expires: 10-24-06

STATE OF IDAHO)
) ss
County of Ada)

On this day of March, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ROBIN J. SANDY, known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that she executed the same.

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



Deborah K. McClain
NOTARY PUBLIC FOR IDAHO
Residing at : Coos Bay
Commission Expires: 10-02-08

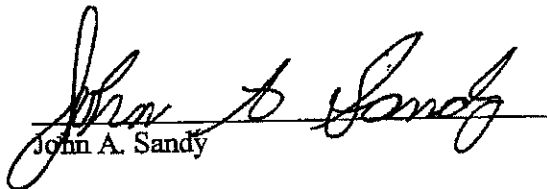
Exhibit A

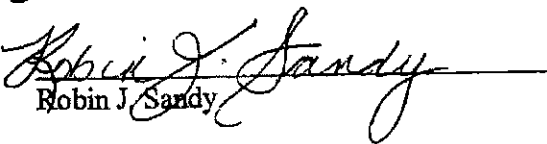
IDAHO													
CERTIFICATE OF TITLE													
1st VEHICLE IDENTIFICATION NUMBER 02960326A				YEAR 1979		MAKE SKYL		BODY HS		MODEL TL		DESCRIPTION MBL HM	
2nd VEHICLE IDENTIFICATION NUMBER 02960326BM				DOOMETER READING EXEMPT				DATE					
TITLE NUMBER C281034		PRINT DATE 10/04/2001		WEIGHT		LENGTH 64		WIDTH 24		HULL		HORSEPOWER: PROPULSION	
OWNER'S NAME AND ADDRESS SILVER, LORA S PO BOX 71 HAGERMAN, ID 83332						OTHER PERTINENT DATA							
* DUPLICATE TITLE *													
Assignment of Title Federal and state law requires that you state the mileage when transferring ownership of a motor vehicle. Failure to complete or providing a false statement may result in fines and/or imprisonment.													
DOOMETER READING - Reading is correct unless indicated otherwise. (NO TENTHS) DATE: ☐ In Error of Mechanical Limit ☐ Stopped ☐ Not Actual - Warning! Odometer Discrepancy ☐ Not Elapsed						5 PURCHASER'S PRINTED NAME(S)							
DATE SOLD: _____						6 ADDRESS: _____							
3 SELLER'S REPRESENTATIVE'S PRINTED NAME(S) _____						7 CITY _____ STATE _____ ZIP _____							
4 I hereby certify that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby certify that the odometer reading is the actual mileage of the vehicle at the time of sale. SELLER'S REPRESENTATIVE'S SIGNATURE: _____ A X B X FIRST LIEN NONE						8 I am aware that if I apply for title in Idaho, I must do so within 30 days of purchase or a \$25.00 late fee may be assessed. PURCHASER'S REPRESENTATIVE'S SIGNATURE: _____ A X B X PURCHASER'S REPRESENTATIVE'S SIGNATURE (for representative's printed name): _____							
RECORDED 10/04/2001						Lienholder Section							
						SECOND LIEN							
SIGNATURE RELEASING LIEN _____ DATE _____						10 SIGNATURE RELEASING LIEN _____ DATE _____							
11 NEW LIENHOLDER'S NAME _____						12 ADDRESS _____							
13 CITY _____ STATE _____ ZIP _____						13 CITY _____ STATE _____ ZIP _____							

Exhibit B

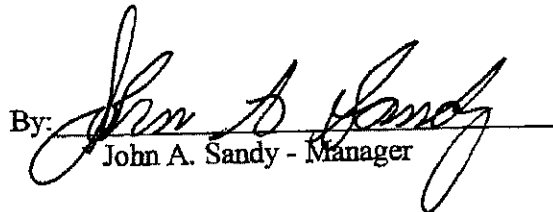
EXHIBIT B
Addendum to Memorandum of Agreement
Between Mountain and Valley Properties, L.P.;
John A. Sandy and Robin Sandy, husband and wife as Sellers; and
North Snake Ground Water District as Buyers

At the signing of the Memorandum of Agreement the double wide manufactured home referred to in the Agreement is not owned by either of the Sellers. Sellers (or either of them) will purchase the manufactured home from the owner and present, to Buyers, a clear title within fourteen (14) days of date of the closing of this sale. In the event Seller(s) do not or cannot produce a clear title in Buyer's name the total purchase price shall be reduced by Seventeen Thousand (\$17,000.00). Sellers agree to pay the costs of the preparation of new Promissory Notes and Mortgages that will reflect the reduction of purchase price to Two Hundred Thirty-Three Thousand Dollars (\$233,000.00). Said reduction will reduce the principal amount owing, after the down payment, and will therefore reduce each annual payment and the balloon payment. Failure to provide clear title to the manufactured home, will in essence, act as if the original sale price was Two Hundred Thirty-Three Thousand Dollars (\$233,000.00) rather than Two Hundred Fifty Thousand Dollars (\$250,000.00).


John A. Sandy


Robin J. Sandy

Mountain and Valley Properties, L.P.

By: 
John A. Sandy - Manager

North Snake Ground Water District

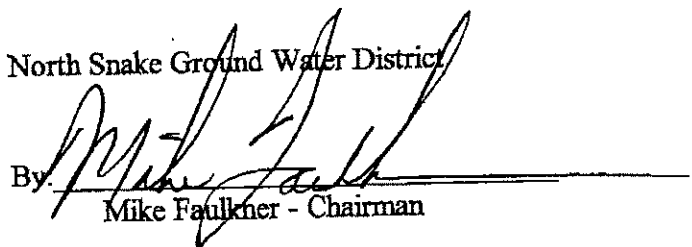
By: 
Mike Faulkner - Chairman

EXHIBIT B (SANDY TO NSGWD)

Exhibit C

RECEIVED DEC 1 1997

AGREEMENT

This Agreement, made and entered into this 26 day of November, 1997, by and between John Sandy and Robin Sandy, husband and wife, ("Sandy"), and NORTH SIDE CANAL COMPANY ("NSCC"), and Idaho corporation.

WHEREAS, NSCC wishes to construct sediment ponds and route W-26 Lateral water through said ponds on Sandy's property in the SE¼, §5, T. 8S, R. 14E. B.M., Gooding County, Idaho; and

WHEREAS, Sandy is agreeable to construction of the sediment ponds; and

WHEREAS, NSCC agrees to some maintenance responsibilities for said ponds after their installation; and

WHEREAS, the parties wish to delineate their agreement in writing;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. SANDY'S PERMISSION. Sandy hereby grants permission to NSCC to construct and operate a NSCC's Lateral Ditch W-26 and sediment ponds on the property of Sandy, as shown on Exhibit A hereto, in the SE¼, §5, T. 8S, R. 14E. B.M., Gooding County, Idaho, and to divert W-26 Lateral water through said ponds and back into the W-26 Lateral for delivery below said ponds or discharge into the Snake River. The exact location of the dams and ponds shall be as mutually agreed.

2. CONSTRUCTION AND MAINTENANCE. NSCC agrees to construct the sediment ponds and keep the same in good functioning order, including fencing. NSCC agrees to hereafter maintain the sediment ponds and will dredge the ponds as needed, during the non-irrigation season to the extent possible. Sandy shall have the right to use the dredged dirt; provided that if Sandy elects not to claim the dredged dirt, NSCC shall remove the same within 60 days after requested by Sandy to remove the same. In the event that there is a future failure of a sediment pond, NSCC shall rectify the problem as soon as possible following observation by NSCC, or notice either oral or written by Sandy. In such event, NSCC shall use best efforts to restore the operation of said sediment pond or ponds so they are functional. Sandy reserves the right to undertake emergency procedures for repair, operation and maintenance of said ponds in the event damage could occur to private property before NSCC can correct the situation.

3. TERM AND TERMINATION OF AGREEMENT. The parties agree that this Agreement shall be for a period of twenty-five (25) years beginning on the date of execution hereof unless termination is mutually agreed by the parties. This Agreement may also be extended by mutual agreement. At the end of the term or upon a mutually agreed termination

of this Agreement, the parties agree that NSCC shall retain the right to all easements necessary for the operation and maintenance of the W-26 Lateral including the conveyance of the full flow of water from all sources therein. Upon termination, if Sandy wants the property involved in the ponds restored to its former state, NSCC shall remove dams and restore the property to its first and former state in a reasonable time at no cost to Sandy.

4. EXISTING EASEMENT. It is acknowledged that NSCC has an easement (Exhibit B hereto) for the W-26 Lateral through Sandy's property. Nothing herein shall be construed as a relinquishment of NSCC's rights for the full flow of and conveyance of water from any and all sources through said Lateral. Nothing herein shall prevent NSCC's agents' and employees' right of ingress and egress over Sandy's land for the purpose of maintaining or operating the Lateral and the ponds, as said Lateral and ponds are depicted on Exhibit A hereto. NSCC shall have no right to use the property involved in the sediment ponds upon abandonment or cessation of use of the ponds, except for the portions thereof necessary for the operation of Lateral W-26.

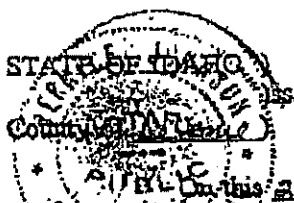
5. FUTURE TRANSFER OF SANDY SHARES. While NSCC recognized Sandy's Rights to use NSCC waste water on their property subject to the terms of that certain agreement of February 25, 1914, (Exhibit B) between the predecessors of the parties, it is also agreed that Sandy shall be allowed to transfer any of its shares of NSCC Stock to acres which can be served with water from the sediment ponds to be constructed under this Agreement, subject to the NSCC rules regarding transfers as those rules may exist on the date the transfer proposal is made. Sandy shall be permitted to install pumping stations at various locations on the ponds or laterals to divert his water entitlements, whether or not a transfer is sought; provided such pumping stations shall be constructed and maintained at the expense of Sandy, in accordance with NSCC's Rules and Regulations. Sandy shall also provide for measuring devices as required. NSCC agrees to install a new headgate on the lateral, at NSCC expense so that diversions other than Sandy's can be made and measured.

6. CLEAN WATER ACT COMPLIANCE. The parties agree that it is not their intent to create a wetland or riparian zone as a result of the ponds construction and operation and will consult if it appears that either a Clean Water Act Section 401 or 404 permit will be required. The ponds shall be operated only during the irrigation season by NSCC, but NSCC does not object to maintaining water in the ponds in the non-irrigation season to the extent it does not interfere with NSCC's operation and maintenance.

7. INDEMNIFICATION. NSCC agrees to hold harmless and indemnify Sandy as against any claim or claims of any third party who could be or in any way is injured or damaged by reason of a claim or claims arising out of the construction, operation, maintenance, or failure of the ponds, authorized pursuant to this Agreement, including damages from flooding or crop loss claims, except for damages that result from the operations of Sandy or any of Sandy's successors and assigns in the event Sandy's property is subdivided.

8. WAIVER. Sandy waives any claim against NSCC that could arise by reason of NSCC's negotiation construction, operation or maintenance of the ponds.

AGREEMENT - 2



On this 22 day of December, 1997, before me, a Notary Public, in and for said County and State, personally appeared Russell W. Collier, known or identified to me to be the Authorized Agent, of the NORTH SIDE CANAL COMPANY, the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

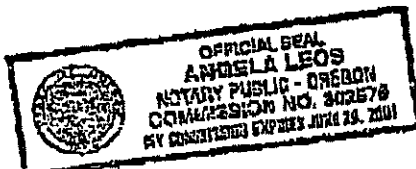
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]
NOTARY PUBLIC FOR IDAHO
Residing at: Des Moines, IA
My commission expires: 7-16-2003

Oregon
STATE OF ~~IDAHO~~
County of McClure

On the 20th day of November, 1997, before me, a Notary Public, in and for said County and State, personally appeared, John Sandy & Robin Sandy, known or identified to me to be the individual whose name is subscribed to the within instrument, and acknowledged to me that _____ 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.



Angela Leos
NOTARY PUBLIC FOR ~~IDAHO~~ Oregon
Residing at: Natario OR 97144
My commission expires: June 28, 2001

10129702.1AR

AGREEMENT - 4

175016

STATE OF IDAHO COUNTY OF GOODING
Filed for record at the request of North Side Canal
20 min, past 9 o'clock A.M. this 10th
of April 1998 1500
Penny Archuleta Deputy

9. BINDING UPON SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate the day and year first above written.

NORTH SIDE CANAL COMPANY

By: Russell Woolley
Authorized Representative

SANDY

By: John Sandy
John Sandy

By: Robin Sandy
Robin Sandy

T. 8 S. 91.7 R. 14 E. B. M.
Gooding County

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**ATTACHMENT #1 TO MEMORANDUM OF AGREEMENT DATED MARCH 12, 2003
JOHN A SANDY AND ROBIN SANDY AND
MOUNTAIN AND VALLEY PROPERTIES, L.P., SELLER
NORTH SNAKE GROUND WATER DISTRICT, BUYER**

LEGAL DESCRIPTION OF PROPERTY CONVEYED TO BUYER

Parcel No. 1

Township 8 South, Range 14 East, Boise Meridian, Gooding County, Idaho

Section 5: Part of the S½ described as follows:

Beginning at the Southeast corner of said Section 5;
Thence South 89°55'56" West along the South boundary of the SE¼ a distance of 663.29 feet to the Southwest corner of the E½SE¼SE¼ of Section 5;
Thence North 00°01'24" East along the West boundary of the E½SE¼SE¼ of Section 5 a distance of 1319.18 feet to the Northwest corner of the E½SE¼SE¼ of Section 5;
Thence South 89°49'50" West along the South boundary of the N½SE¼ of Section 5 a distance of 1977.28 feet to the Southwest corner of the NW¼SE¼ of Section 5;
Thence South 00°34'19" West along the East boundary of the SE¼SW¼ of Section 5 a distance of 400.00 feet;
Thence South 89°49'50" West a distance of 500.00 feet;
Thence North 00°34'19" East parallel with the East boundary of the SE¼SW¼ of Section 5 a distance of 400.00 feet;
Thence North 43°56'01" East a distance of 367.94 feet;
Thence South 80°19'20" East a distance of 15.85 feet;
Thence North 82°08'33" East a distance of 150.80 feet;
Thence North 23°19'31" East a distance of 135.68 feet;
Thence North 61°53'25" East a distance of 266.85 feet;
Thence North 11°29'01" East a distance of 114.72 feet;
Thence North 78°18'30" West a distance of 464.21 feet;
Thence North 10°30'50" East a distance of 455.43 feet;
Thence North 54°42'58" East a distance of 186.40 feet to a point on the West boundary of the SE¼ of Section 5;
Thence North 00°34'19" East along the West boundary of the SE¼ of Section 5 a distance of 21.98 feet to the Northwest corner of the SE¼ of Section 5;
Thence North 89°43'38" East along the North boundary of the SE¼ of Section 5 a distance of 2619.60 feet to the Northeast corner of the SE¼ of Section 5;
Thence South 00°09'32" East along the East boundary of the SE¼ of Section 5 a distance of 2640.72 feet to the Point of Beginning.

SUBJECT TO: A 25.00 foot wide County Road Easement along the most Easterly and most Southerly boundaries.

Parcel No. 2

Township 8 South, Range 14 East of the Boise Meridian, Gooding County, Idaho

Sections 5: A parcel of land in the South one-half being more particularly described as follows:

COMMENCING at the Southeast corner of Section 5, from which the South One Quarter (1/4) corner of said Section 5 bears South 89°55'65" West, 2,653.16 feet;
THENCE South 89°55'56" West along the South boundary of the Southeast Quarter of Section 5 for a distance of 663.29 feet to the Southeast corner of the West one half of the Southeast Quarter of the Southeast Quarter of Section 5 and being the TRUE POINT OF BEGINNING;
THENCE continuing South 89°55'56" West along the South boundary of the Southeast Quarter of Section 5

for a distance of 1,960.43 feet to a point on the centerline of an existing paved County road, said point being on the arc of a curve right;

THENCE Northwesterly along the centerline of the County road on the arc of the curve right for a distance of 151.95 feet to the point of tangency, said arc having a radius of 400.00 feet and a chord bearing and distance of North 60°54'56" West, 151.03 feet;

THENCE North 50°01'59" West along the centerline of the County road for a distance of 268.24 feet;

THENCE leaving the centerline of the County road on a bearing of North 39°58'01" East a distance of 399.47 feet;

THENCE North 50°29'14" West for a distance of 569.45 feet;

THENCE North 45°17'50" West for a distance of 129.67 feet;

THENCE North 22°59'23" West for a distance of 323.17 feet;

THENCE North 15°42'47" East for a distance of 187.21 feet;

THENCE North 70°11'07" East for a distance of 165.72 feet;

THENCE North 70°44'50" East for a distance of 175.39 feet ;

THENCE South 80°19'20" East for a distance of 107.00 feet;

THENCE South 43°56'0" West for a distance of 367.94 feet;

THENCE South 00°34'19" West for a distance of 400.00 feet;

THENCE North 89°49'50" East for a distance of 500.00 feet to a point on the East boundary of the Southeast Quarter of the Southwest Quarter of Section 5;

THENCE North 00°34'19" East along the East boundary of the Southeast Quarter of the Southwest Quarter of Section 5 for a distance of 400.00 feet to the Northwest corner of the Southwest Quarter of the Southeast Quarter of Section 5;

THENCE North 89°49'50" East along the North boundary of the South half of the Southeast Quarter of Section 5 for a distance of 1,977.28 feet to the Northeast corner of the West one half of the Southeast Quarter of the Southeast Quarter of Section 5;

THENCE South 00°01'25" West along the East boundary of the West one half of the Southeast Quarter of the Southeast Quarter of Section 5 for a distance of 1,319.18 feet to the TRUE POINT OF BEGINNING.

SUBJECT TO:

1. A 25.0 foot wide County road easement along the most Southwesterly boundary of the before described parcel.

2. A 20.0 foot wide easement for the use and maintenance of an existing irrigation ditch, said easement being centered on the following described line:

COMMENCING at a point of the South boundary of the Southwest Quarter Southeast Quarter of Section 5 that is located South 89°55'56" West 1, 833.14 feet from the Southeast corner of Section 5 and being the TRUE POINT OF BEGINNING:

THENCE North 23°30'03" West, 14.33 feet;

THENCE North 55°32'38" West, 68.16 feet;

THENCE North 39°06'30" West, 155.61 feet;

THENCE North 38°18'05" West, 53.86 feet;

THENCE North 52°28'52" West, 147.37 feet;

THENCE North 43°21'20" West, 54.69 feet;

THENCE South 80°10'35" West, 71.31 feet;

THENCE South 73°43'05" West, 67.34 feet;

THENCE South 57°25'39" West, 100.65 feet;

THENCE South 69°39'59" West, 72.71 feet;

THENCE South 76°42'26" West, 136.04 feet;

THENCE North 87°17'41" West, 87.83 feet;

THENCE North 65°11'45" West, 137.21 feet;

THENCE North 80°17'28" West, 116.97 feet to a point on the Westerly boundary of the before described parcel and being the TERMINUS POINT of said easement.

3. A 20.0 foot wide access easement for the purpose of ingress and egress, said easement being adjacent to and on the East side of the following described line:

COMMENCING at the Southwest corner of the before described parcel;

THENCE North 39°58'01" East for a distance of 25.0 feet to a point on the Northerly easement boundary of the existing county road and being the TRUE POINT OF BEGINNING:

THENCE continuing North 39°58'01" East for a distance of 374.47 feet;

THENCE North 50°29'14" West for a distance of 569.45 feet;

THENCE North 45°17'50" West for a distance of 129.67 feet;

THENCE North 22°59'23" West for a distance of 323.17 feet;
THENCE North 15°42'47" East for a distance of 187.21 feet;
THENCE North 70°11'07" East for a distance of 165.72 feet;
THENCE North 70°44'50" East for a distance of 175.39 feet to the TERMINUS POINT of said easement.

Parcel No. 3

Township 10 South, Range 14 East of the Boise Meridian, Gooding County, Idaho

Section 8: That part of the Northeast Quarter being more particularly described as follows:

COMMENCING at the Northeast corner of said Section 8, from which the North one quarter (1/4) of Section 8 bears South 89°55'56" West 2,653.16 feet;
THENCE South 89°55'56" West along the South boundary of the Northeast Quarter of Section 8 for a distance of 1,326.58 feet to the Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 8 and being the TRUE POINT OF BEGINNING;
THENCE South 61°03'20" West for a distance of 482.62 feet to a point on the centerline of an existing County Road, said point being on the arc of curve left;
THENCE Northwesterly along the centerline of the County road and on the arc of the curve left for a distance of 91.71 feet, said arc having a radius of 320.80 feet and a chord bearing and distance of North 67°53'12" West, 90.87 feet;
THENCE North 76°01'43" West along the centerline of the county road for a distance of 785.49 feet to the point of curvature of a curve right;
THENCE Northwesterly along the centerline of the County Road and on the arc of the curve right for a distance of 29.53 feet to a point on the North boundary of the Northeast Quarter of Section 8, said arc having a radius of 400.00 feet and a chord bearing and distance of North 73°54'48" West, 29.53 feet;
THENCE North 89°55'56" East along the North boundary of the Northeast Quarter of Section 8 for a distance of 1,297.14 feet to the TRUE POINT OF BEGINNING.

SUBJECT TO:

1. A 25.0 foot wide County Road Easement along the Southwesterly boundary of the before described parcel.
2. A 20.0 foot wide easement for the use and maintenance of an existing irrigation ditch, said easement being centered on the following described line:

COMMENCING at a point that is located South 61°03'20" West, 350.62 feet from the Northeast corner of the before described parcel and being the TRUE POINT OF BEGINNING;
THENCE North 50°12'25" West, 38.97 feet;
THENCE North 78°39'40" West, 39.07 feet;
THENCE North 65°28'24" West, 98.94 feet;
THENCE North 23°30'03" West, 104.02 feet to a point on the North boundary of the Northeast Quarter of Section 8 and being the TERMINUS POINT of said easement.

**ATTACHMENT #2 TO MEMORANDUM OF AGREEMENT DATED MARCH 12, 2003
JOHN A SANDY AND ROBIN SANDY AND
MOUNTAIN AND VALLEY PROPERTIES, L.P., SELLER
NORTH SNAKE GROUND WATER DISTRICT, BUYER**

LEGAL DESCRIPTION OF PROPERTY RETAINED BY SELLER

Township 8 South, Range 14 East of the Boise Meridian, Gooding County, Idaho

Section 5: A parcel of land located in the South one-half (S1/2) being more particularly described as follows:

COMMENCING at the South one-quarter (S1/4) corner of said Section 5, from which the Southeast corner of Section 5 bears North 89°55'56" East, 2,633.16 feet;

THENCE North 00°34'19" East along the East boundary of the Southwest Quarter of said Section 5 for a distance of 10.97 feet to a point on the centerline of an existing County road, said pint being on the arc of a curve right;

THENCE northwesterly along the centerline of the County road and on the arc of the curve right for a distance of 120.64 feet to the point of tangency, said arc having a radius of 400.00 feet and a chord bearing and distance of North 58°40'24" West, 120.18 feet;

THENCE North 50°01'59" West along the centerline of the County road for a distance of 268.24 feet to the TRUE POINT OF BEGINNING;

THENCE continuing North 50°01'59" West along the centerline of the County road for a distance of 1,845.62 feet;

THENCE North 69°06'01" East for a distance of 407.74 feet;

THENCE South 79°09'24" East for a distance of 326.36 feet;

THENCE North 54°39'48" East for distance of 410.36 feet;

THENCE North 57°44'13" East for a distance of 564.36 feet;

THENCE South 78°18'30" East for distance of 464.21 feet;

THENCE South 11°29'01" West for a distance of 114.72 feet;

THENCE South 61°53'25" West for a distance of 266.85 feet;

THENCE South 23°19'31" West for a distance of 135.68 feet;

THENCE South 82°08'33" West for a distance of 150.80 feet;

THENCE North 80°19'20" West for a distance of 122.85 feet;

THENCE South 70°44'50" West for a distance of 175.39 feet;

THENCE South 70°11'07" West for a distance of 165.72 feet;

THENCE South 15°42'47" West for a distance of 187.21 feet;

THENCE South 22°59'23" East for a distance of 323.17 feet;

THENCE South 45°17'50" East for a distance of 129.67 feet;

THENCE South 50°29'14" East for a distance of 569.45 feet;

THENCE South 39°58'01" West for a distance of 399.47 feet to the TRUE POINT OF BEGINNING.