

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 37-2638
Date Received: 10/27/1988
Receipt No: C003378
Received By:

**NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s)

REDSTONE PARTNERS LP Phone: (208) 726-5191
1188 EAGLE VISTA CT
RENO NV 89511

2. Date of Priority: 08/01/1960

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot			County	Type
01N	19E	17	NW	SW	NW	BLAINE	

5. Description of diverting works:

WELL, 20" CASING, 200' DEEP, 50 HP PUMP, SUMP W/2 RELIFT PUMPS.

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	4/01	11/01	4.01	

7. Total Quantity Appropriated is:
4.01 C.F.S.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres		
01N	19E	17	SW	NE	IRRIGATION	23		
			SW	NW	IRRIGATION	35		
			SE	NW	IRRIGATION	40		
			NE	SW	IRRIGATION	39		
			NW	SW	IRRIGATION	35		
			SW	SW	IRRIGATION	40		
			SE	SW	IRRIGATION	35		
			NE	SE	IRRIGATION	13		
			NW	SE	IRRIGATION	40		
			SW	SE	IRRIGATION	40		
			SE	SE	IRRIGATION	20		
			Section Acres					360
			01N	19E	20	NE	NW	IRRIGATION
NW	NW	IRRIGATION				40		
Section Acres						68		
Total Acres					428			

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

Place of use is claimed pursuant to an accomplished transfer under I C 42-1425
Claim amended 5-24-2005 kkc

15. Basis of Claim: License



State of Idaho

DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls ID 83301-3380

Phone: (208) 736-3033 FAX: (208) 736-3037

SOUTHERN REGION

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

May 25, 2005

JAMES P SPECK
SPECK & AANESTAD
PO BOX 987
KETCHUM ID 83340

RE: SRBA Notice of Claim 37-21463
Amendment of Claim 37-2638
Redstone Partners L.P.

Dear Jim:

We are in receipt of the original filings involved in the NMS Leasing/Redstone Partners transaction. The new enlargement claim has been data entered and is numbered 37-21463. Claim 37-2638 has been amended as requested. Ownership of both claims has been updated to reflect Redstone Partners as the current owner using previously submitted documentation. Copies of both claims are enclosed for your records. Also enclosed please find your receipt for the new claim as well as conformed copies of the filings.

Please check the claims over carefully and contact me if there are any corrections. Feel free to call should you have any further questions.

Sincerely,

Trish Fawcett
Technical Records Specialist

Enclosures

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

CIVIL CASE NUMBER: 39356

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

Ident Number A37-02638

Date Received _____

Receipt Number _____

ORIGINAL IN RED

AMENDED
NOTICE OF CLAIM
TO A
WATER RIGHT
ACQUIRED UNDER STATE LAW

RECEIVED
MAY 23 2005
Department of Water Resources
Southern Region

1. Name of Claimant(s): NMS Leasing, Inc.
Phone: 1-808-538-4737
Mailing Address: c/o Ms. Kim Yoshimoto
Bank of Hawaii
130 Merchant St.
Honolulu, HI 96802

2. Date of Priority: August 1, 1960

3. Source of water supply (a) groundwater
which is tributary to (b)

4. a. Location of point of diversion is:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>¼</u>	<u>¼</u>	<u>¼</u>	<u>Lot</u>	<u>County</u>
1N	19E	17	NW	SW	NW		Blaine

Additional points of diversion if any:

5. Description of existing diversion works: Well, 20" casing. 200 ft. deep. 50 HP pump. Sump w/ 2 relift pumps.

6. Water is claimed for following purposes:

<u>Purpose</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
Irrigation	April 1	November 1	4.01 cfs

7. Total Quantity Claimed: 4.01 cfs

8. Total consumptive use claimed is ____ **acre feet per annum.**

9. Non-irrigation uses:

10. Place of use:

			<u>NE</u>				<u>NW</u>				<u>SW</u>				<u>SE</u>				
<u>TWP</u>	<u>RGE</u>	<u>SEC</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>TOTALS</u>
1N	19E	17			23				35	40	39	35	40	35	13	40	40	20	360.0
1N	19E	20					28	40											68.0
TOTALS																			428.0

11. Place of use is located in Blaine County.

12. Do you own the property listed above as place of use? Yes.

13. Describe any other water rights used at the same place and for the same purposes as described above?
37-481, 37-482A, 37-483, 37-665C, 37-666A, 37-667E.

14. Remarks: Place of use is claimed pursuant to an accomplished transfer under I.C. § 42-1425.

MAP OF PROJECT

(Show clearly the point of diversion, place of use, section number, township and range number)

Scale: 2 inches equals 1 mile

SEE ATTACHMENT 1

15. **Basis of Claim:** License

IDWR Water Right Number: 37-02638

Court:

Case Number:

Decree Date:

Plaintiff v. Defendant:

16. **Signature(s)**

(a) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b) I/We do not wish to receive and pay a small annual fee for monthly copies of the docket sheet. Number of attachments - 1

[For organizations] I do solemnly swear or affirm that I am the president of NMS Leasing, Inc., that I have signed the foregoing document in the space below in such capacity on behalf of the corporation and that the statements contained in the foregoing document are true and correct.

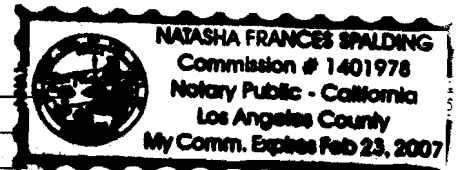
Signature of Claimant(s) Carey Spalding Date May 16, 2005
president
NMS Leasing, Inc.

State of California
) ss.

County of Los Angeles

Subscribed and sworn before me this 16 day of May, 2005

Notary Public for California
Residing at Los Angeles
Commission Expires Feb. 23, 2007



Last Name: NMS Leasing, Inc.

AmendedNoticeOfClaim.37.2638.wpd

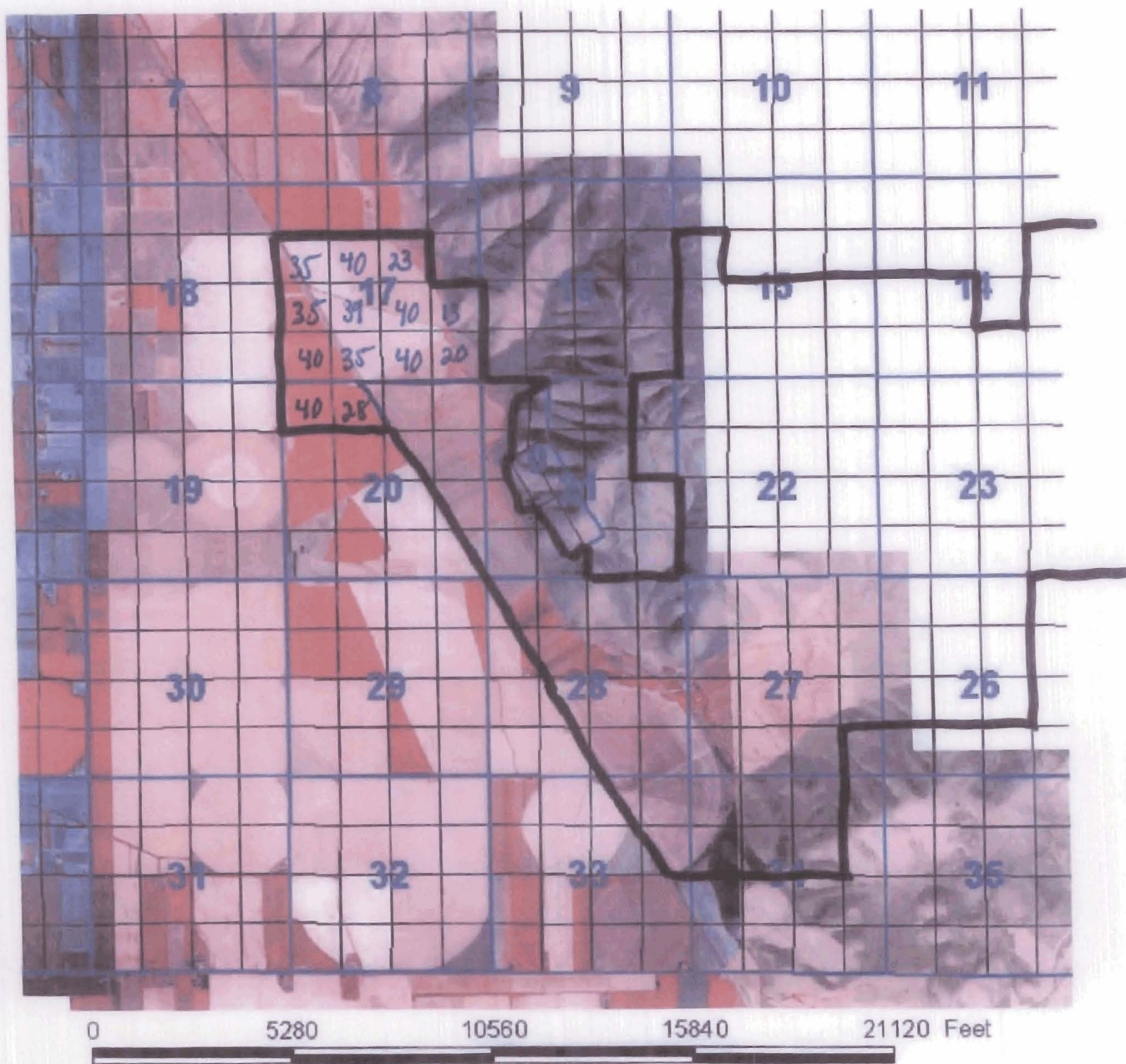
Ident No. A37-02638

7/13/04

17. Notice of Appearance:

Last Name: NMS Leasing, Inc.
AmendedNoticeOfClaim.37.2638.wpd

Ident No. A37-02638
7/13/04



TWP 01N, RNG 19E

PREPARED BY V HANCOCK
IDWR
12-19-2003



SECTION LINES



QUARTER/QUARTER LINES [40 AC]

A37-02438

ATTACHMENT 1

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

CIVIL CASE NUMBER: 39356

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

Ident Number A37-02638

Date Received _____

Receipt Number _____

AMENDED
NOTICE OF CLAIM
TO A
WATER RIGHT
ACQUIRED UNDER STATE LAW

RECEIVED

MAY 23 2005

Department of Water Resources
Southern Region

1. Name of Claimant(s): NMS Leasing, Inc.
Phone: 1-808-538-4737
Mailing Address: c/o Ms. Kim Yoshimoto
Bank of Hawaii
130 Merchant St.
Honolulu, HI 96802

2. Date of Priority: August 1, 1960

3. Source of water supply (a) groundwater
which is tributary to (b)

4. a. Location of point of diversion is:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/4</u>	<u>1/4</u>	<u>1/4</u>	<u>Lot</u>	<u>County</u>
1N	19E	17	NW	SW	NW		Blaine

Additional points of diversion if any:

5. Description of existing diversion works: Well, 20" casing. 200 ft. deep. 50 HP pump. Sump w/ 2 relief pumps.

6. Water is claimed for following purposes:

<u>Purpose</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
Irrigation	April 1	November 1	4.01 cfs

7. Total Quantity Claimed: 4.01 cfs

8. Total consumptive use claimed is ____ acre feet per annum.

9. Non-irrigation uses:

10. Place of use:

<u>TWP</u>	<u>RGE</u>	<u>SEC</u>	<u>NE</u>				<u>NW</u>				<u>SW</u>				<u>SE</u>				<u>TOTALS</u>
			<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	
1N	19E	17			23				35	40	39	35	40	35	13	40	40	20	360.0
1N	19E	20					28	40											68.0
TOTALS																			428.0

11. Place of use is located in Blaine County.

12. Do you own the property listed above as place of use? Yes.

13. Describe any other water rights used at the same place and for the same purposes as described above?
37-481, 37-482A, 37-483, 37-665C, 37-666A, 37-667E.

14. Remarks: Place of use is claimed pursuant to an accomplished transfer under I.C. § 42-1425.

Last Name: NMS Leasing, Inc.

AmendedNoticeOfClaim.37.2638.wpd

Ident No. A37-02638

7/13/04

MAP OF PROJECT

(Show clearly the point of diversion, place of use, section number, township and range number)

Scale: 2 inches equals 1 mile

SEE ATTACHMENT 1

15. Basis of Claim: License

IDWR Water Right Number: 37-02638

Court:

Case Number:

Decree Date:

Plaintiff v. Defendant:

16. Signature(s)

(a) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b) I/We do not wish to receive and pay a small annual fee for monthly copies of the docket sheet. Number of attachments - 1

[For organizations] I do solemnly swear or affirm that I am the President of NMS Leasing, Inc., that I have signed the foregoing document in the space below in such capacity on behalf of the corporation and that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s)

Cary Spuler
President
NMS Leasing, Inc.

Date

7/26/04

State of California)
) ss.
County of Los Angeles

Subscribed and sworn before me this 26th day of July, 2004.

Notary Public for California
Residing at Los Angeles
Commission Expires 9.28.2004



Last Name: NMS Leasing, Inc.

Amended Notice Of Claim.37.2638.wpd

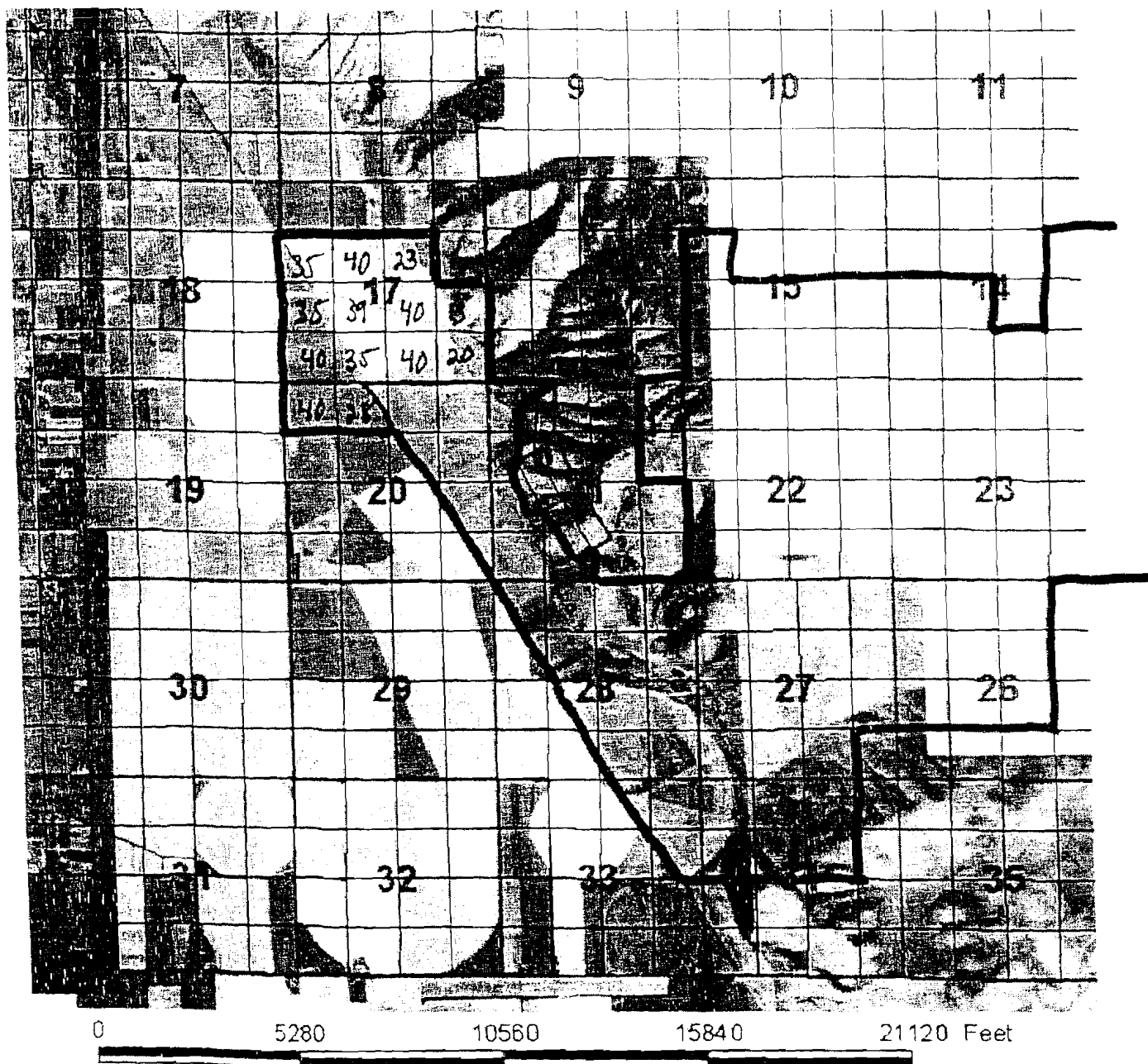
Ident No. A37-02638

7/13/04

17. Notice of Appearance:

Last Name: NMS Leasing, Inc.
AmendedNoticeOfClaim.37.2638.wpd

Ident No. A37-02638
7/13/04



TWP 01N, RNG 19E

PREPARED BY V HANCOCK
IDWR
12-19-2003

A37-02638

ATTACHMENT 1

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 37-2638
Date Received: 10/27/1988
Receipt No: C003378
Received By:

**NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s)

REDSTONE PARTNERS LP Phone: (208) 726-5191
1188 EAGLE VISTA CT
RENO NV 89511

2. Date of Priority: 08/01/1960

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot			County	Type
01N	19E	17	NW	SW	NW	BLAINE	

5. Description of diverting works:

WELL, 20" CASING, 200' DEEP, 50 HP PUMP, SUMP W/2 RELIFT PUMPS.

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	4/01	11/01	4.01	

7. Total Quantity Appropriated is:
4.01 C.F.S.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4 Lot		Use	Acres
01N	19E	20	NE	NE	IRRIGATION	40

37-2638 02/18/2005

			NW	NE	IRRIGATION	37
			SW	NE	IRRIGATION	16
			SE	NE	IRRIGATION	40
			NE	SE	IRRIGATION	34
			SE	SE	IRRIGATION	10
					Section Acres	177
01N	19E	21	NW	NW	IRRIGATION	12
			SW	NW	IRRIGATION	15
			NW	SW	IRRIGATION	29
			SW	SW	IRRIGATION	39
			SE	SW	IRRIGATION	37
					Section Acres	132
01N	19E	28	SW	NE	IRRIGATION	29
			NE	NW	IRRIGATION	20
			NW	NW	IRRIGATION	27
			SW	NW	IRRIGATION	6
			SE	NW	IRRIGATION	37
					Section Acres	119
					Total Acres	428

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

15. Basis of Claim: License



State of Idaho

DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls ID 83301-3380

Phone: (208) 736-3033 FAX: (208) 736-3037

SOUTHERN REGION

March 31, 2005

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

JAMES P SPECK
SPECK & AANESTAD
PO BOX 987
KETCHUM ID 83340

Re: SRBA Claim(s) 37-481B, 37-482B, 37-483B, 37-665K, 37-667N,
37-2625A, 37-2625B, 37-2638B, 37-2700
Redstone Partners L.P.

Dear Jim:

Pursuant to the change in ownership request that has been submitted to the Department, we have changed the record of current ownership as requested. Please find the enclosed copies of the computer records of the claims noting the change in claimant. Review these records and if there is an error, or you have any questions, please give me a call.

I am also enclosing voided check number 33425, which was replaced with check 33452. As we discussed, I am returning the copies of an amendment to claim 37-2638 and a new claim filing based on an enlargement of claim 37-2625A. When you locate the originals, please submit them along with the proper filing fee. Again, give me a call should you have any questions.

Sincerely,

Trish Fawcett
Technical Records Specialist

Enclosures

cc: Redstone Partners L.P.

RECEIVED

SEP 17 2004

Department of Water Resources
Southern Region

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided, if the change in ownership is limited to a portion of water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
_____	<u>37-481B</u>	_____	_____	<u>37-2625A</u>	_____
_____	<u>37-482B</u>	_____	_____	<u>37-2700</u>	_____
_____	<u>37-483B</u>	_____	_____	<u>37-2638B</u>	_____
_____	<u>37-665K</u>	_____	<u>37-12193</u>	_____	_____
_____	<u>37-667N</u>	_____	<u>37-12194</u>	_____	_____

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See Instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions): **PLAT OF PROPERTY** or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) are for ten or more acres of irrigation, you must submit USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) NMS Leasing, Inc.
P.O. Box 460, Hailey, ID 83333
4. New Owner/Claimant(s) Redstone Partners, L.P.
 Name Connector (Check one): ☐ and, ☐ or ☐ and/or
- New Mailing Address 1188 Eagle Vista Ct.
- City, State and Zip Code Reno, Nevada 89511
- New Telephone Number (208) 726-5191
5. Date you acquired the property July 28, 2004

6. **IF THE CHANGE IN OWNERSHIP AFFECTS THE ENTIRE WATER RIGHTS FOR EACH WATER RIGHT OR ADJUDICATION CLAIM NUMBER LISTED IN ITEM 1, THEN SKIP THIS ITEM AND GO TO ITEM 7.** If the change of ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (Cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc.)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (Cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc.)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New owner(s) or Claimant(s)
(include title if applicable)
- Redstone Partners, L.P.
By: Steve Beevers
Steve Beevers, Manager of SDB Ventures, Its General Partner

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use only

Received by [Signature] Date 10/7/04 Fee 50.00
 Received by [Signature] Date 10/7/04 Receipt No. 3027107
 Processed by _____ AJ Date _____ WR _____ Date _____

RECEIVED

OCT 07 2004

Department of Water Resources
Southern Region

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT is made and entered into as of the date of the last signature hereto, by and among REDSTONE PARTNERS L.P., a Nevada limited partnership (hereinafter referred to as "Buyer"), and NMS LEASING, INC. and COVE RANCH, INC., (hereinafter collectively referred to as "Seller").

RECITALS

A. Buyer has entered into an Agreement to purchase from Seller certain real property and appurtenant water rights commonly known as The Cove Ranch. Buyer has requested Seller to amend its claim filed *In Re: The General Adjudication of Rights to the Use of Water From the Snake River Basin Water System*, Twin Falls District Court Case No. 3956 (the "SRBA") for water right No. A37-02638 and to file a new claim in the SBRA for an enlargement in use of water right no. A37-2625A.

B. Buyer's counsel has prepared said amended claim and new claim based upon his own investigation and not in reliance upon any representations of Seller.

C. Seller is willing to sign and file such claims provided Buyer indemnifies Seller with respect to such actions on the terms and conditions set forth below.

TERMS AND CONDITIONS

1. INCORPORATION OF RECITALS. The Recitals set forth above are an integral part of this Agreement and are fully incorporated herein by this reference.

2. INDEMNIFICATION. Buyer shall indemnify, defend, protect and hold Seller free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorney's fees) arising from or caused in whole or in part, directly or indirectly, by the filing in the SRBA of an amended claim for water right no. A37-02638 and a new claim for an enlargement in use of water right no. A37-26225A.

3. SELLER DISCLAIMER. Seller does not warrant or represent that said amended claim or new claim shall be adjudicated as valid in whole or in part and Seller has no obligation to pursue or defend said amended claim or new claim.

4. GENERAL PROVISIONS.

a. Necessary Acts. Each party agrees to perform any further acts and execute any documents that may be reasonably necessary to effect the purpose of this Agreement.

b. Attorney Fees. In the event either party hereto retains an attorney for the purpose of enforcing any right or duty arising out of this Agreement, the non-prevailing party in such dispute shall pay to the prevailing party the latter's reasonable attorneys fees, whether or not litigation is actually instituted.

c. Governing Law. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Idaho applicable to agreements made and performed in that State.

d. Captions to Paragraphs. The captions to the paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, diminish, explain, or in any manner affect the meaning of such paragraphs.

e. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, administrators, successors, and assigns of the parties hereto.

f. Survival of Covenants. All covenants and conditions in this Agreement are intended to survive the delivery and acceptance of any warranty deeds for the Cove Ranch.

g. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

"BUYER"

REDSTONE PARTNERS L.P.
By: SDB Ventures, a Nevada limited liability
company
Its General Partner

Date: 7-28-2004

By: Steve Beevers
Steve Beevers, Manager

"SELLER:

NMS LEASING, INC.

Date: _____

By: _____
Cary Spalding
Its President

COVE RANCH, INC.

Date: _____

By: _____
Cary Spalding
Its President

F:\WPDATA\CORP\COVE\indemnification agreement.wpd

NMS LEASING, INC.

By: Todd Hoch
Todd Hoch
Its Secretary/Treasurer

COVE RANCH, INC.

By: Todd Hoch
Todd Hoch
Its Secretary/Treasurer

"BUYER"

REDSTONE PARTNERS L.P.

By: SDB Ventures, a Nevada limited liability
company

Its General Partner

Date: _____

By: _____
Steve Beevers, Manager

"SELLER:

NMS LEASING, INC.

Date: 7/25/04

By: Cary Spalding
Cary Spalding
Its President

COVE RANCH, INC.

Date: 7/25/04

By: Cary Spalding
Cary Spalding
Its President

F:\WPDATA\CORP\COVE\indemnification agreement.wpd

LEGAL DESCRIPTION OF COVE RANCH

1

A parcel of land lying within Sections 13, 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34

Township 1 North, Range 19 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a 5/8" Rebar marking the N 1/16 (North One-Sixteenth) corner common to said Sections 17 and 18, which lies South 00°49' East 1310.8 feet from a 5/8" Rebar marking the Northwest corner of said Section 17, said point being the REAL POINT OF BEGINNING;

thence North 89°36' East 2631.3 feet along the southerly boundary of Griffin Ranch Subdivision, Instrument No. 385534 as Recorded with the Blaine County Recorder's Office, Hailey, Idaho to a 5/8" Rebar marking the CN 1/16 (Center North One-Sixteenth) of said Section 17;

thence North 1°09' West 5.8 feet along the boundary of said Griffin Ranch Subdivision Boundary to a 5/8" Rebar marking the Southwest corner of U.S. Government Lot 2 of said Section 17;

thence North 89°28' East 1315.1 feet along the boundary of said Griffin Ranch Subdivision to the Southeast corner of U.S. Government Lot 2 of said Section 17;

thence South 00°55' East 1319.2 feet to the Southwest corner of U.S. Government Lot 3 of said Section 17;

thence North 89°36' East 1334.1 feet to the W 1/4 (West One-Quarter) corner of said Section 16;

thence South 00°37' East 2621.0 feet to the Southwest corner of said Section 16;

thence North 88°44' East 1356.9 feet to the W 1/16 (West One-Sixteenth) corner common to said Sections 16 and 21;

thence South 00°48' East 323.0 feet along the boundary common to U.S. Government Lots 3 and 8 of said Section 21 to its intersection with the Northerly boundary of the Hidden Treasure No. 2 Extension Lode of said Section 21;

thence South 61°02' West 627.1 feet along the boundary common to U.S. Government Lot 8 of said Section 21 and the northerly boundaries of Hidden Treasure No. 1 Extension Lode and Hidden Treasure No. 2 Extension Lode to the Northwest corner of Hidden Treasure No. 1 Extension Lode of said section 21;

thence South 03°05' West 1478.2 feet to the Northwest corner of Hidden Treasure No. 1 Lode of said Section 21;

thence North 27°12' West 47.8 feet to the Northeast corner of the Ione Lode of said Section 21;

thence South 78°58' West 263.7 feet to the Northwest corner of the said Ione Lode;

thence South 41°29' East 371.8 feet to the westerly corner of the said Ione Lode;

thence South 14°16' East 1100.6 feet to the Southwest corner of said Ione Lode;

thence North 77°47' East 526.5 feet to the Southeast corner of said Ione Lode;

thence South 29°19' East 47.3 feet to the Southwest corner of said Hidden Treasure No. 1 Lode;

thence South 30°59' East 1492.6 feet to the Southwest corner of the Idaho Central No. 1 Lode of said Section 21;

thence North 60°28' East 503.5 feet to the intersection with the East boundary of the SW 1/4 (Southwest One-Quarter) of said Section 21;

thence South 01°21' East 850.0 feet, more or less, to the S 1/4 (South One-Quarter) corner of said Section 21;

thence South 89°50' East 2405.8 feet to the Southeast corner of said Section 21;

thence North 00°01' West 2664.6 feet to the E 1/4 (East One-Quarter) corner of said Section 21;

thence North 89°42' West 1270.9 feet to the CE 1/16 (Center East One-Sixteenth) corner of said Section 21;

thence North 00°07' West 2664.6 feet to the E 1/16 (East One-Sixteenth) corner common to said Sections 21 and 16;

thence South 89°47' East 1277.7 feet to the Northeast corner of said Section 21;

thence North 00°01' West 3962.7 feet to the North 1/16 (North One-Sixteenth) corner common to said Sections 15 and 16;

thence North 89°55' East 1320.1 feet to the NW 1/16 (Northwest One-Sixteenth) corner of said Section 15;

thence South 00°02' East 1319.1 feet to the CW 1/16 (Center West One-Sixteenth) corner of said Section 15;

thence South 90°00' East 3959.4 feet to the East 1/4 (East One-Quarter) corner of said Section 15;

thence South 90°00' East 2639.6 feet to the C 1/4 (Center One-Quarter) corner of said Section 14;

thence South 00°01' East 1319.1 feet to the CS 1/16 (Center South One-Sixteenth) corner of said Section 14;

thence North 89°52' East 1320.2 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 14;

thence North 00°00' East 2641.8 feet to the NE 1/16 (Northeast One-Sixteenth) corner of said Section 14;

thence South 89°52' East 1320.1 feet to the N 1/16 (North One-Sixteenth) corner common to said Sections 13 and 14;

thence South 00°01' East 3957.3 feet to the Southwest corner of Section 13;

thence North 89°48' West 1320.4 feet to the E 1/16 (East One-Sixteenth) common to said Sections 14 and 23;

thence South 00°01' East 1319.1 feet to the NE 1/16 (Northeast One-Sixteenth) corner of said
Section 23;

thence South 89°53' East 1315.1 feet to the North 1/16 corner common to said Sections 23 and 24;

thence South 89°53' East 1315.1 feet to the NW 1/16 (Northwest One-Sixteenth) corner of said Section 24;

thence South 00°11' East 2638.2 feet to the SW 1/16 (Southwest One-Sixteenth) corner of said Section 24;

thence North 89°49' West 1317.5 feet to the S 1/16 (South One-Sixteenth) corner common to said Sections 24 and 23;

thence South 00°01' East 1319.1 feet to the Southeast corner of said Section 23;

thence North 89°47' West 1318.3 feet to the E 1/16 (East One-Sixteenth) corner common to said Sections 23 and 26;

thence South 00°50' East 3973.0 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 26;

thence North 89°55' West 3857.8 feet to the S 1/16 (South One-Sixteenth) corner common to said Sections 26 and 27;

thence North 89°55' West 1285.9 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 27;

thence South 00°17' East 1331.6 feet to the East 1/16 (East One-Sixteenth) corner common to said Sections 27 and 34;

thence South 00°17' East 2663.2 feet to the CE 1/16 (Center East One-Sixteenth) corner of said Section 34;

thence North 89°44' West 3885.9 feet to the W 1/4 (West One-Quarter) corner of said Section 34;

thence South 89°46' West 536.7 feet along the South boundary of the NE 1/4 (Northeast One-Quarter) of said Section 33 to its intersection with the former Railroad right-of-way, lying 100 feet from centerline;

thence North 31°10' West 9304.8 feet along the Railroad right-of-way to its intersection with the West boundary of said Section 21;

thence South 00°37' East 98.3 feet along the Railroad right-of-way to the ITD brass cap marking the corner common to Sections 20, 21, 28, and 29, lying 50 feet from centerline;

thence North 31°09' West 6108.6 feet along the former Railroad right-of-way to its intersection with the boundary common to said Sections 17 and 20;

thence North 89°39' East 58.2 feet along said Section line to a point lying 100 feet from the former Railroad centerline;

thence North 31°09' West 4455.5 feet along the Railroad right-of-way to its intersection with the said Griffin Ranch Subdivision boundary;

thence North 00°49' West 96.4 feet along said Griffin Ranch Subdivision boundary to the REAL POINT OF BEGINNING.

A parcel of land lying within Sections 13, 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34

Township 1 North, Range 19 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a 5/8" Rebar marking the N 1/16 (North One-Sixteenth) common to said Sections 17 and 18, which lies South 00°49' East 1310.8 feet from a 5/8" Rebar marking the Northwest corner of said Section 17, thence South 00°49' East 492.4 feet along the West boundary of said Section 17 to its intersection with the Railroad right-of-way and the REAL POINT OF BEGINNING;

thence South 00°49' East 818.4 feet to the W 1/4 (West One Quarter) of said Section 17;

thence South 00°50' East 2612.4 feet to the Southwest corner of said Section 17;

thence South 00°48' East 1298.0 feet to the N 1/16 (North One Sixteenth) corner common to said Sections 20 and 19;

thence South 89°59' East 2623.7 feet to the CN 1/16 (Center North One- Sixteenth) corner common to said Section 20;

thence North 01°02' West 386.1 feet to the intersection with the Rail Road right- of-way, lying 50 feet from centerline;

thence North 31°09' West 1081.3 feet, more or less, along said Rail Road right -of - way to a point on the boundary of said Sections 17 and 20;

thence South 89°39' West 58.2 feet along said Section line to a point lying 100 feet from centerline;

thence North 31°09' West 3994.5 feet along the Rail Road right-of-way to the REAL POINT OF BEGINNING.

U.S. Government Lot 1, Section 19, Township 1 North, Range 20 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a Brass Cap marking the Section corner common to said Sections 22,23,27, and 26, which lies North 00°39' West 2640.1 feet from a Brass Cap marking the West 1/4 (West One Quarter) corner common to Sections 26 and 27, thence North 63°10' East 11,711.2 feet to the REAL POINT OF BEGINNING;

thence North 90°00' East 1249.6 feet;

thence South 00°00' East 1320.0 feet

thence South 89°58' West 1256.5 feet

thence North 00°18' West 1320.7 feet to the REAL POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTIONS LYING WITHIN THE RAILROAD RIGHT-OF-WAY.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

RECEIVED

OCT 07 2004

Department of Water Resources
Southern Region

COPY

(space above line for Recorder's use)

QUITCLAIM DEED

FOR VALUE RECEIVED, NMS Leasing, Inc., an Idaho corporation and Cove Ranch, Inc., an Idaho corporation, hereinafter collectively referred to as "Grantor," do hereby convey, release, remise, and forever quitclaim unto Redstone Partners L.P., a Nevada Limited Partnership, of 1188 Eagle Vista Ct, Reno, NV, (89511), hereinafter referred to as "Grantee," any and all interest Grantor may have in the following described premises, situated in Blaine County, Idaho, to wit:

Any and all water rights appurtenant to the following described premises in Blaine County, Idaho, to wit:(see attached legal description attached as Exhibit "A" and made a part hereof), which may include, but are not limited to, the following: those water rights claimed in the SRBA as 37-481B, 37-482B, 37-483B, 37-665K, 37-667N, 37-2625A, 37-2625B, 37-2638B, 37-2700 and for the enlargement of 37-2625A pursuant to I.C. § 42-1426, and those water rights decreed in the SRBA as 37-12193 and 37-12194.

Located on property shown on Exhibit "A" attached hereto and made a part hereof.

This instrument may be executed in counterparts, and as executed shall constitute on agreement, binding on all parties, even though all the parties do not sign the original or the same counterpart.

IN WITNESS WHEREOF, The Grantor, pursuant to resolutions of such Grantor's Board of Directors has caused their corporate names to be hereunto subscribed by their Presidents and Secretary/Treasurers.

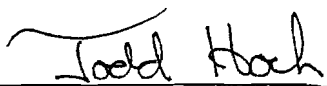
GRANTOR:

NMS Leasing, Inc., an Idaho corporation

DATED this _____ day of July, 2004.

Cary Spalding, President

DATED this _____ day of July, 2004.



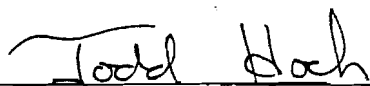
Todd Hoch, Secretary/ Treasurer

Cove Ranch, Inc., an Idaho corporation

DATED this _____ day of July, 2004.

Cary Spalding, President

DATED this _____ day of July, 2004.



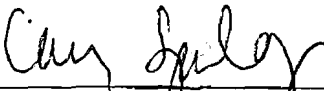
Todd Hoch, Secretary/ Treasurer

IN WITNESS WHEREOF, The Grantor, pursuant to resolutions of such Grantor's Board of Directors has caused their corporate names to be hereunto subscribed by their Presidents and Secretary/Treasurers.

GRANTOR:

NMS Leasing, Inc., an Idaho corporation

DATED this 26 day of July, 2004.

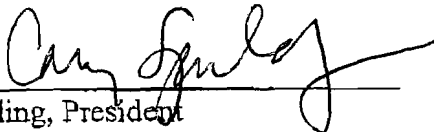

Cary Spalding, President

DATED this 26th day of July, 2004.

Todd Hoch, Secretary/ Treasurer

Cove Ranch, Inc., an Idaho corporation

DATED this 26 day of July, 2004.


Cary Spalding, President

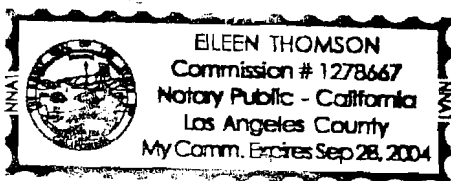
DATED this _____ day of July, 2004.

Todd Hoch, Secretary/ Treasurer

STATE OF California)
County of Los Angeles)

On this 26th day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Cary Spalding, President of NMS Leasing, Inc. known to me to be the President of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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

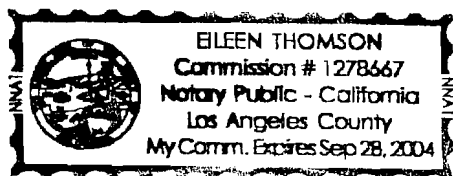


Eileen Thomson
Notary Public for California
Residing at: Los Angeles
My Commission Expires: 9.28.2004

STATE OF California)
County of Los Angeles)

On this 26th day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Cary Spalding, President of Cove Ranch, Inc. known to me to be the President of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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



Eileen Thomson
Notary Public for California
Residing at: Los Angeles
My Commission Expires: 9.28.2004

STATE OF Hawaii)
) ss
County of Honolulu)

On this 23rd day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Todd Hoch, Secretary/ Treasurer of NMS Leasing, Inc. known to me to be the Secretary/ Treasurer of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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

LS

Emelda C Basilio EMELDA C. BASILIO
Notary Public for State of Hawaii
Residing at: Honolulu, Hawaii
My Commission Expires: AUG 05 2005

STATE OF Hawaii)
) ss
County of Honolulu)

On this 23rd day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Todd Hoch, Secretary/ Treasurer of Cove Ranch, Inc. known to me to be the Secretary/ Treasurer of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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

LS

Emelda C Basilio EMELDA C. BASILIO
Notary Public for ~~Hawaii~~ State of Hawaii
Residing at: Honolulu, Hawaii
My Commission Expires: AUG 05 2005

FAWPDATA\REAL\Cove Ranch\QUITCLAIM

QUITCLAIM DEED - 4

CF

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A37-02638
Date Received: 10/27/1988
Receipt No: C003378
Received By: _____

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: NMS LEASING, INC. 208-338-2036
Address: C/O FIRST SECURITY BANK
Corrected in Data base ~~K~~ P.O. BOX 2618
ATTN: STEVE ALLEN, TRUST DEPT.
BOISE, ID 83701

2. Date of Priority: AUG 01, 1960

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
01N	19E	17	NW	SW	NW		BLAINE

5. Description of diverting works:
WELL, 20" CASING, 200' DEEP, 50 HP PUMP, SUMP W/2 RELIFT PUMPS.

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
IRRIGATION	04/01	11/01	4.010		

7. Total Quantity Appropriated is:
4.010 C.F.S. (and/or) A.F.A.

8. Total consumptive use is 1070.0 Acre Feet Per Annum.

9. Non-irrigation uses:

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
01N	19E	20	NE	NE		IRR	40.0
			NW	NE		IRR	37.0

A37-02638

Page 1

Date: 11/27/89

MICROFILMED
FEB 23 1993

10. Place of Use: Continued

Township	Range	Section	1/4	of	1/4	Lot	Use	Acres
01N	19E	20	SW		NE		IRR	16.0
			SE		NE		IRR	40.0
			NE		SE		IRR	34.0
			SE		SE		IRR	10.0
			Section Acres					177.0
		21	NW		NW		IRR	12.0
			SW		NW		IRR	15.0
			NW		SW		IRR	29.0
			SW		SW		IRR	39.0
			SE		SW		IRR	37.0
			Section Acres					132.0
		28	SW		NE		IRR	29.0
			NE		NW		IRR	20.0
			NW		NW		IRR	27.0
			SW		NW		IRR	6.0
			SE		NW		IRR	37.0
			Section Acres					119.0
			Total Acres					428.0

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:

37-00481/00482A/00483/00665C/00666A/00667E/02700

14. Remarks:

15. Basis of Claim: LICENSE

Water Right Number: 28910

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: _____

For Organizations:

I do solemnly swear or affirm that I am _____ of
_____, Title
_____, that I have signed the foregoing
Organization
document in the space below as _____ of
_____, Title
_____ and that the statements contained in the
Organization
foregoing document are true and correct.

Signature of Authorized Agent

Title and Organization

Date

State of Idaho)
County of _____) SS.

Subscribed and sworn (or affirmed) before me this _____ day
of _____ 19 _____

Notary Public

Seal

Residing at _____

My Commission Expires _____

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39356
Ident Number A37-02638
Date Received 10-27-88
Receipt Number C003378

RECEIVED

OCT 27 1988

Department of Water Resources
Southern Region Office

NOTICE OF CLAIM
TO A
WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name of Claimant(s): NMS Leasing, Inc.
Phone: (208) 338-2036
Mailing Address: c/o First Security Bank Trust Department
P.O. Box 2618
Boise, ID 83701
attn: Mr. Steve Allen, Trust Officer

2. Date of Priority: August 1, 1960

3. Source of water supply (a) Groundwater
which is tributary to (b)

4. a. Location of point of diversion is:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/4</u>	<u>1/4</u>	<u>1/4</u>	<u>Lot</u>	<u>County</u>
1N	19E	17	NW	SW	NW		Blaine

Additional points of diversion if any: None.

- b. If instream flow, beginning point:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/4</u>	<u>1/4</u>	<u>1/4</u>	<u>Lot</u>	<u>County</u>
-----------------	--------------	----------------	------------	------------	------------	------------	---------------

Ending point:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/4</u>	<u>1/4</u>	<u>1/4</u>	<u>Lot</u>	<u>County</u>
-----------------	--------------	----------------	------------	------------	------------	------------	---------------

COPY
MICROFILMED
FEB 23 1993

5. Description of existing diversion works: Approximately 200 foot deep well, 20 inch casing, 50 HP pump. Water pumped into concrete sump; then pumped into mainline by 2 re-lift pumps.

6. Water is claimed for following purposes:

<u>Purpose</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
Irrigation	April 1	November 1	4.01 cfs

7. Total Quantity Claimed: 4.01 cfs

8. Total consumptive use claimed is 1070 acre feet per annum.

9. Non-irrigation uses: None.

10. Place of use:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/4</u>	<u>1/4</u>	<u>Use</u>	<u>Irrig. Acres</u>
1N	19E	20	NE	NE	I	40
1N	19E	20	NW	NE	I	37
1N	19E	20	SW	NE	I	16
1N	19E	20	SE	NE	I	40
1N	19E	20	NE	SE	I	34
1N	19E	20	SE	SE	I	10
1N	19E	21	NW	NW	I	12
1N	19E	21	SW	NW	I	15
1N	19E	21	NW	SW	I	29
1N	19E	21	SW	SW	I	39
1N	19E	21	SE	SW	I	37
1N	19E	28	SW	NE	I	29
1N	19E	28	NE	NW	I	20
1N	19E	28	NW	NW	I	27
1N	19E	28	SW	NW	I	6
1N	19E	28	SE	NW	I	37

Total number of irrigated acres: 428

11. Place of use is located in Blaine County.

12. Do you own the property listed above as place of use? Yes.

13. Describe any other water rights used at the same place and for the same purposes as described above? 37-0481, 37-0482A, 37-0483, 37-0665C, 37-0666A, 37-0667E, 37-2700.

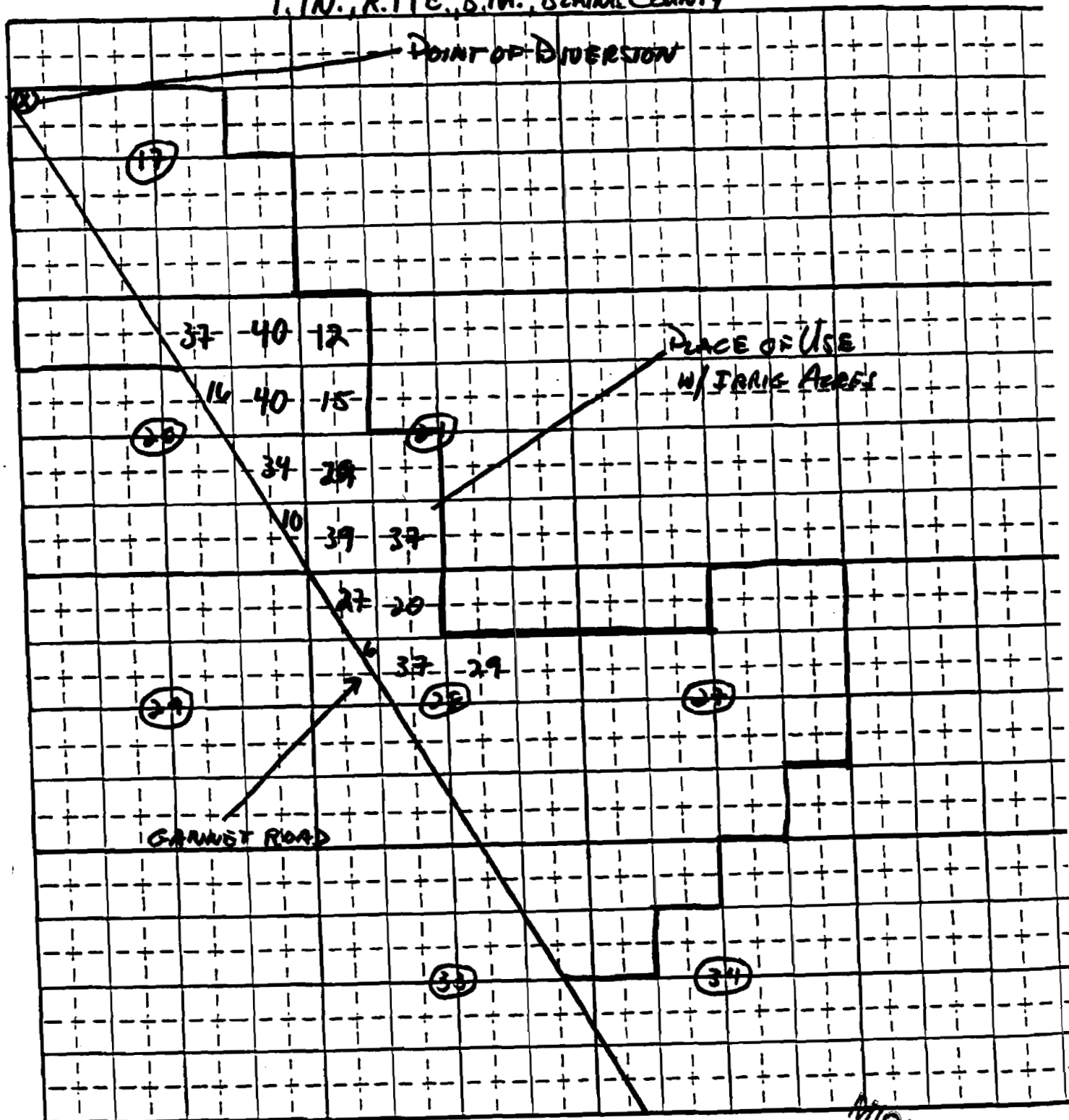
Last Name: NMS Leasing Ident No. _____

MICROFILMED
FEB 23 1993

Map of Project show clearly the point of diversion, place of use, section number, township, and range number.

Scale: 2 inches equals 1 mile

T. 1 N., R. 19 E., B. M., BLAINE COUNTY



Last Name

NMS LEASING

Ident No.

COPY

MICROFILMED
FEB 23 1982

Copies White State, Yellow & Orange

14. Remarks:

15. Basis of Claim: License

IDWR Water Right Number: 37-2638

Court:

Case Number:

Decree Date:

Plaintiff v. Defendant:

16. Signature(s)

(a) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b) I/We do not wish to receive and pay a small annual fee for monthly copies of the docket sheet. Number of attachments 0

[For Organizations] I do solemnly swear or affirm that I am Sec. Treas of NMS Leasing, Inc., that I have signed the foregoing document in the space below as Sec. Treas of NMS Leasing, Inc. and that the statements contained in the foregoing document are true and correct.

Signature of Authorized Agent

James P. Speck, Esq.
James P. Speck, his attorney-in-fact

Title of Organization

NMS Leasing, Inc.

Date

10/25/88

State of Idaho)

) ss.

County of Bonne)

Subscribed and sworn before me this 25th day of October, 1988.

Notary Public

Residing at

Commission Expires

Ruby M. B. B. B.
Sun Valley
1/17/93

17. Notice of Appearance:

Notice is hereby given that I, James P. Speck, will be acting as attorney at law of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above should be mailed to the address listed below.

Signature:

James P. Speck
James P. Speck
Hogue, Speck & Aanstad
P.O. Box 987
Ketchum, ID 83340

Date:

10/25/88

Last Name: NMS Leasing
a:\coverch7.clm

Ident No.:

COPY
MICROFILMED
FEB 23 1993

02/02/2007

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 37-2638

NAME AND ADDRESS: REDSTONE PARTNERS LP
1188 EAGLE VISTA CT
RENO NV 89511

SOURCE: GROUND WATER

TRIBUTARY:

If the surface water rights appurtenant to the place of use is sold, transferred, leased or used on any other place of use, this right to divert ground water shall not be used without an approved transfer pursuant to Section 42-222, Idaho Code, or approval of the Department if a transfer is not required.

The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the lands authorized to be irrigated under this right. The right holder shall limit the diversion of ground water under this right to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.

QUANTITY: 4.010 CFS
1,498.000 AFY

The rights listed below are limited to a total combined diversion rate of 21.85 cfs.
Combined Right Nos.: 37-2625A, 37-2638, 37-2700 and 37-21463.

PRIORITY DATE: 08/01/1960

POINT OF DIVERSION:

T01N R19E S17 NWSWN Within BLAINE County

T01N R19E S20 NENENW Within BLAINE County

T01N R19E S28 SWSSENW Within BLAINE County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
IRRIGATION	04/15 10/31	4.010 CFS 1,498.00 AFY

PLACE OF USE: IRRIGATION in BLAINE County

T01N R19E S17	SWNE	38.00	T01N R19E S17	SWNW	34.00
T01N R19E S17	SENE	40.00	T01N R19E S17	NESW	40.00
T01N R19E S17	NWSW	34.00	T01N R19E S17	SWSW	40.00
T01N R19E S17	SESW	35.00	T01N R19E S17	NESE	11.00
T01N R19E S17	NWSE	40.00	T01N R19E S17	SWSE	40.00
T01N R19E S17	SESE	22.00	T01N R19E S20	NENE	39.00
T01N R19E S20	NWNE	39.00	T01N R19E S20	SWNE	19.00
T01N R19E S20	SENE	40.00	T01N R19E S20	NENW	37.00
T01N R19E S20	NWNW	40.00	T01N R19E S20	NESE	35.00
T01N R19E S20	NWSE	1.30	T01N R19E S20	SESE	13.00
T01N R19E S21	NWNW	10.00	T01N R19E S21	SWNW	9.00
T01N R19E S21	NWSW	24.00	T01N R19E S21	SWSW	36.00
T01N R19E S21	SESW	1.20	T01N R19E S27	NENE	11.00
T01N R19E S27	NWNE	9.00	T01N R19E S27	SWNE	40.00

02/02/2007

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

T01N R19E S27	SENE	11.00	T01N R19E S27	SWNW	13.00
T01N R19E S27	SENW	30.00	T01N R19E S27	NESW	40.00
T01N R19E S27	NWSW	38.00	T01N R19E S27	SWSW	40.00
T01N R19E S27	SESW	30.00	T01N R19E S27	NESE	3.80
T01N R19E S27	NWSE	36.00	T01N R19E S27	SWSE	4.00
T01N R19E S28	SWNE	14.00	T01N R19E S28	SENE	4.00
T01N R19E S28	NENW	13.00	T01N R19E S28	NWNW	29.00
T01N R19E S28	SWNW	6.40	T01N R19E S28	SENW	37.00
T01N R19E S28	NESW	22.00	T01N R19E S28	NWSW	2.20
T01N R19E S28	NESE	39.00	T01N R19E S28	NWSE	39.00
T01N R19E S28	SWSE	36.00	T01N R19E S28	SESE	40.00
T01N R19E S33	NENE	40.00	T01N R19E S33	NWNE	14.00
T01N R19E S33	SENE	30.00	T01N R19E S34	NENW	0.20
T01N R19E S34	NWNW	31.00	T01N R19E S34	SWNW	15.00

1435.1 ACRES TOTAL

Right Nos. 37-2638 and 2700 are limited to the irrigation of a combined total of 842.1 acres in a single irrigation season.

Right Nos. 37-2625A, 37-2638, 37-2700 and 37-21463 are limited to the irrigation of a combined total of 1435.1 acres in a single irrigation season.

Right Nos. 37-481B, 37-482G, 37-483B, 37-665K, 37-666J, 37-667N, 37-2625A, 37-2638, 37-2700, 37-21463 and 37-22155 are limited to the irrigation of a combined total of 1435.1 acres in a single irrigation season.

This right is limited to the irrigation of 428 acres within the place of use described above in a single irrigation season.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

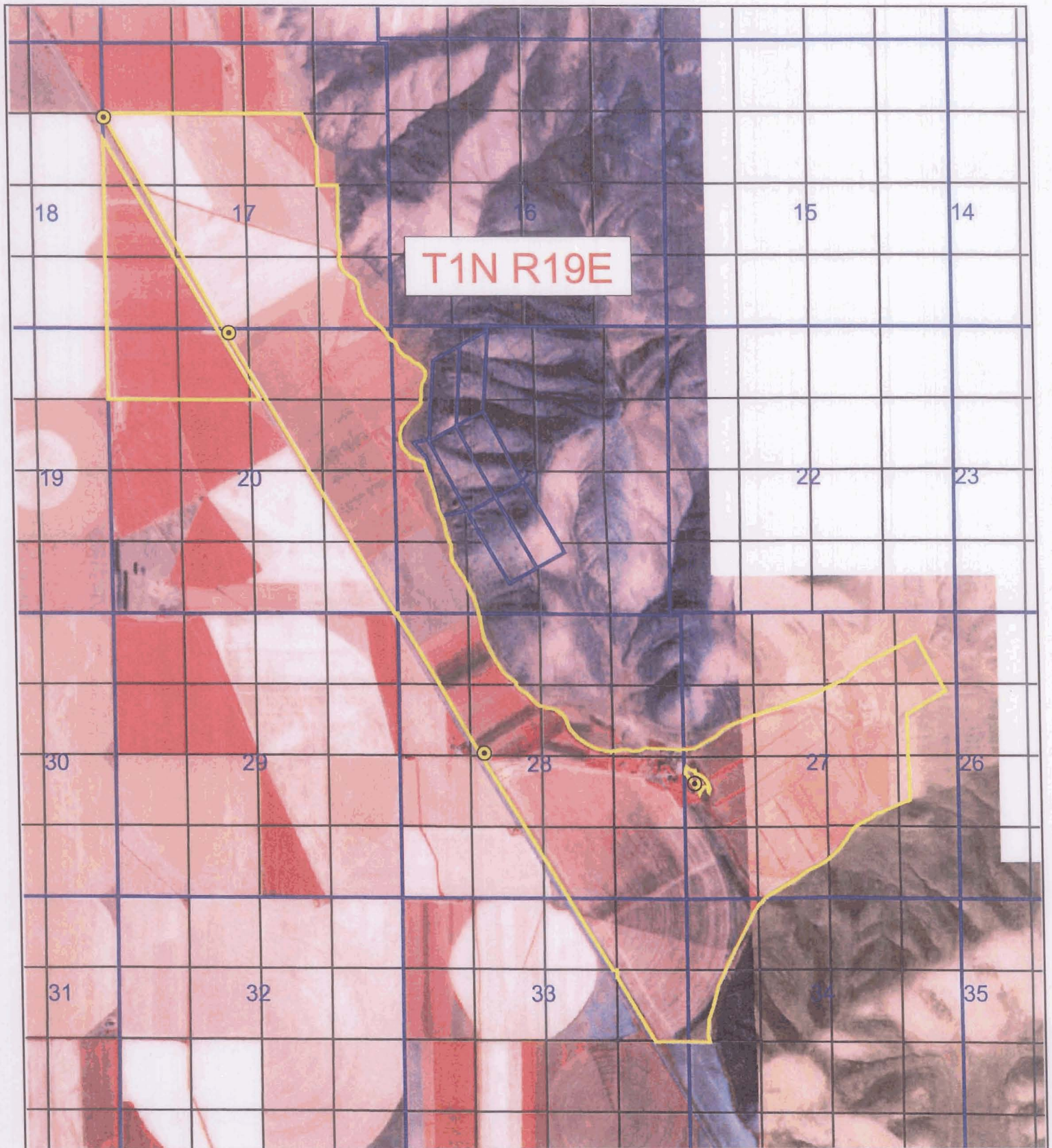
This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.

Right includes accomplished change in point of diversion pursuant to Section 42-1425, Idaho Code.

37-2625A, 37-2638, 37-2700 & 37-21463



-  Section Lines
-  Quarter/Quarter Lines
-  Place of Use
-  Point(s) of Diversion

3000 0 3000 Feet



GIS PLACE OF USE PRESENTATION
PHOTOGRAPHY: 1987 or 1988 NAPP
DATA ENTRY: 1/3/2007
DOUGLAS JONES

CLAIM NUMBERS 37-2638

DATE _____

AGENT _____

TRANSFER NUMBER _____

HOMESTEAD ENTRY NO. _____

CLAIMED ACRE TOTAL _____

GEOGRAPHIC INFO ACRES _____

				NE				NW				SW				SE				
	TNS	RNG	SEC	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
CLAIM			17			23				35	40	39	35	40	35	13	40	40	20	360
GIS						23				33	40	40	34	40	35	11	40	40	22	358
RECOM																				
CLAIM			20					28	40											68
GIS					0.6			33	40											73.6
RECOM																				
CLAIM																				
GIS																				
RECOM																				
CLAIM																				
GIS																				
RECOM																				

B37-POU.SHP

SHAPE NOS.

Claim 428

GIS 431.6

$$Q = 4.0 \text{ cfs}; Vol = 1498 \text{ afa } (3.5 \times 428)$$

B37-POD.SHP

$$POU = 428 \text{ w/in POU}$$

NOS. DESCRIPTION

± Found ac in Lic POU 1215
Enlg 207.5

DBF TABLES UPDATED

1422.5

B37-DBPOU.DBF

B37-DBPOD.DBF

JPEG LAYOUT

State of Idaho

License and Certificate of Water Right

Water License No. G-28910

Amount 4.01 c.f.s.

Water District No.

Priority August 1, 1960

THIS IS TO CERTIFY that K. F. HELLYER

of Gannett, Idaho, made application for a permit to appropriate the public waters of the State of Idaho, dated August 1, 1960; that Permit No. G-28910 was issued under said application; that Certificate of Completion of works, with a carrying capacity of 4.01 second feet, was issued thereunder on October 20, 1965, showing that said works were completed on the 17th day of November, 1964; and that on the 17th day of November, 1964, K. F. Hellyer

of Gannett, State of Idaho, made proof to the satisfaction of the State Reclamation Engineer of Idaho, of the right to use the waters of a well, a tributary of subterranean flow, for the purpose of supplemental irrigation, under Use Permit No. G-28940 of the Department of Reclamation and that said right to the use of said waters has been perfected in accordance with the laws of Idaho, and is hereby confirmed by the State Reclamation Engineer of Idaho and entered of record in Volume

13 of Licenses at page 8331, on the 20 day of October, 1965;

The right hereby confirmed dates from August 1, 1960;

The Point of Diversion is located

In the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 17, Tp. 1 N, R. 19 E, B. M. Blaine County

That the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually needed and beneficially used for said purposes, and shall not exceed 4.01 cubic feet per second.

Description and location of use:

Twp.	Range	Sec.	Forty-acre Tract	No. Acres Described in Permit	No. Acres Actually Irrigated
1 N	19 E	20	NE $\frac{1}{4}$ NE $\frac{1}{4}$	40	40
			NW $\frac{1}{4}$ NE $\frac{1}{4}$	40	37
			SW $\frac{1}{4}$ NE $\frac{1}{4}$	20	16
			SE $\frac{1}{4}$ NE $\frac{1}{4}$	40	40
			NE $\frac{1}{4}$ SE $\frac{1}{4}$	30	34
			SE $\frac{1}{4}$ SE $\frac{1}{4}$	15	10
		21	NW $\frac{1}{4}$ NW $\frac{1}{4}$	8	12
			SW $\frac{1}{4}$ NW $\frac{1}{4}$	12	15
			NW $\frac{1}{4}$ SW $\frac{1}{4}$	30	29
			SW $\frac{1}{4}$ SW $\frac{1}{4}$	40	39
			SE $\frac{1}{4}$ SW $\frac{1}{4}$	20	37
		28	SW $\frac{1}{4}$ NE $\frac{1}{4}$	40	29
			NE $\frac{1}{4}$ NW $\frac{1}{4}$	25	20
			NW $\frac{1}{4}$ NW $\frac{1}{4}$	25	27
			SW $\frac{1}{4}$ NW $\frac{1}{4}$	5	6
			SE $\frac{1}{4}$ NW $\frac{1}{4}$	35	37

Total number of Acres to be irrigated: 428

The right to the use of the water aforesaid hereby confirmed is restricted to the lands or place of use herein described, as provided by the laws of Idaho.

WITNESS the seal and signature of the State Reclamation Engineer, affixed at Boise, Idaho, this

20th day of October, 1965.

s/ RALPH W. THOMAS

Deputy State Reclamation Engineer.

(SEAL)

37 2638

STATE OF IDAHO
DEPARTMENT OF RECLAMATION
BOISE, IDAHO
REPORT OF ENGINEER

Permit No. G-28910This proof is for Completion of Works & Beneficial Use In Water District No. _____1. Name of applicant K. F. Hellyer2. Source of water supply: Subterranean3. Location of point of diversion: Is in the SW 1/4 NW 1/4 of Section 17T. 1 N R. 19 EBM County of Blaine4. Describe works as they exist, giving dimensions and capacities of same: U.S. Hall shaft Motor

50 HP San. # 1253050
Pump Western No. 20 Plate

5. Water is used for: Supplemental irrigation

6. State whether or not water has been turned into works of diversion: _____

7. List legal subdivisions of lands to be irrigated. If proof is for beneficial use, give exact number of acres under cultivation in each forty-acre tract. (Describe manner and place of use if other than irrigation):

NE 1/4, E 1/2 SE 1/4 Sec. 20., W 1/2 NW 1/4, SW 1/4 Sec. 21., W 1/2 NE 1/4, NW 1/4 Sec. 28 all in Twp. 1 N.,

Rge. 19 E.B.M.

(450 acres)

(Submit map on attached plat, showing location and details of above description.)

8. What large stream would the water here appropriated finally reach? _____

Remarks: Mr. George Hellyer

X = 12" , A = 21" , C = 10 1/2 ID

M = 12.5% = 90.375

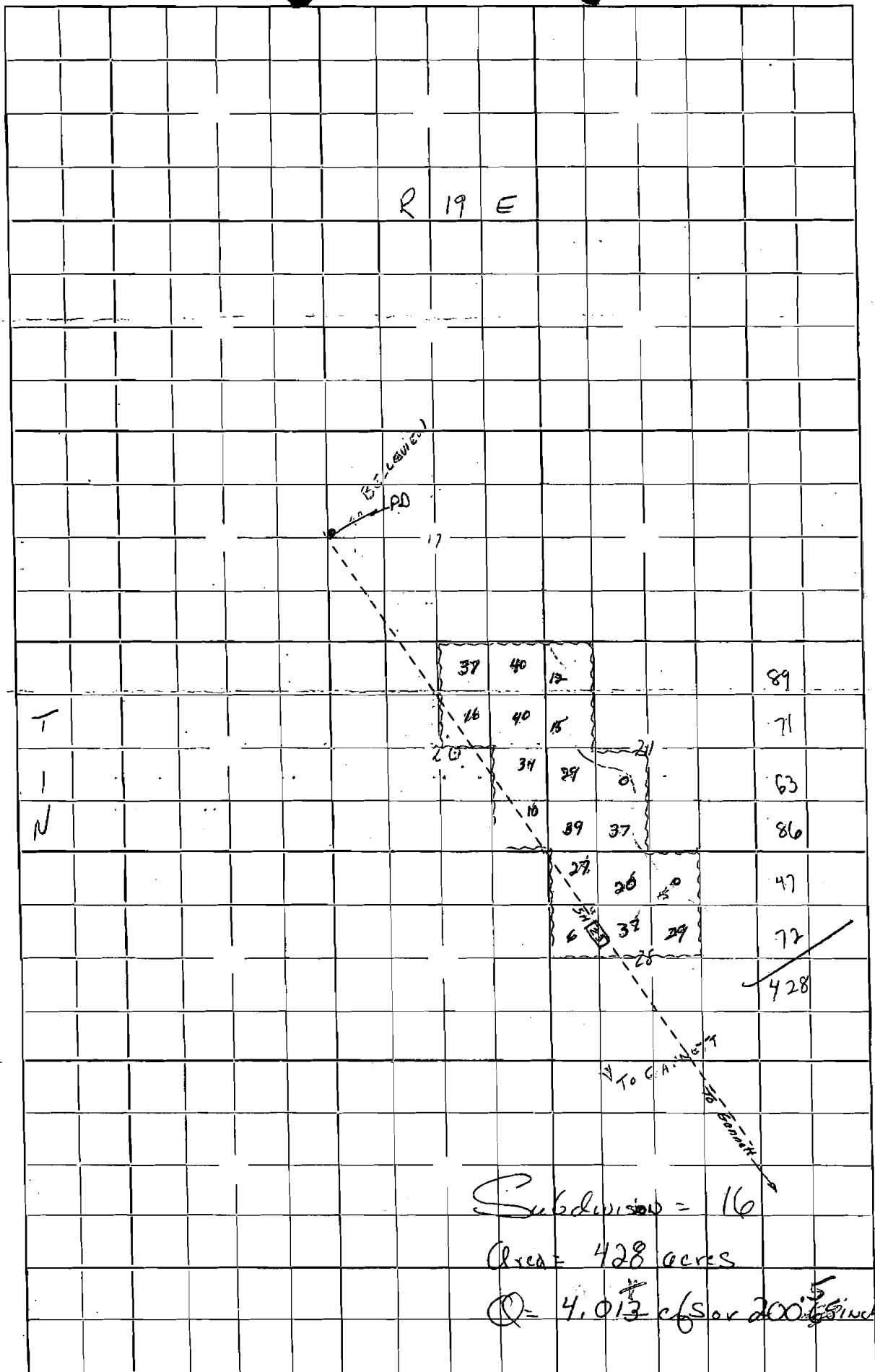
11 @ 21" = 2073

10 @ 21" = 1715.5 + 90.375 = 1805.875 GPM ÷ 9 = 200.65 inches

361.5 x .25% = 90.375

This examination was made on the _____ day of Sept, 19 65(Signed) Donald W. McElroy

Examiner.



APPLICATION FOR PERMIT To Appropriate the Subterranean Waters of The State of Idaho

Application No. G- 36896
Permit No. G- 28910
District No.

1. Name of Applicant: E. T. Waller

Postoffice address: P.O. Box 164, Sun Valley, County: Elmore

State: Idaho

2. Quantity of water claimed:

(a) Rate of withdrawal in cubic feet per second 8 or Idaho
Miners' inches 400 or gallons per minute

(b) Annual withdrawal in acre feet per annum

3. Source of water supply: Drilled well

4. Location of point of diversion or well is in the SE 1/4 of the SW 1/4 of Section 17

Twp. 3 N., Rge. 19 E., B.M., County of Elmore

5. Water is to be used for: Supplemental irrigation

6. If for municipal, industrial or recreational purposes, give:

(a) Point of use of water is in the 1/4 of the 1/4 of Section 17, Twp. 3 N., Rge. 19 E., B.M.

(b) Waste water or sewage effluent is to be returned to a point in the 1/4 of the 1/4 of Section 17, Twp. 3 N., Rge. 19 E., B.M.

7. Kind of works: Drilled cased well - turbine pump

8. Estimated cost of works: \$ 10,000.00

9. (a) Is reservoir to be used? No

(b) Capacity of reservoir:

10. The time required for the completion of such work and complete application of the water to the proposed use is 5 years.

11. If applicant is a corporation, give:

I. (a) Date and place of incorporation:

(b) Amount of capital stock: \$

(c) Amount paid in: \$

(d) Names and addresses of directors:

II. The financial resources of the applicant are (a) Cash onhand: \$

(b) Treasury stock:

(c) Bonds to be issued:

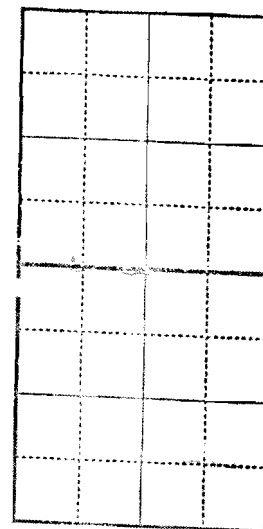
(d) Other resources:

12. The land to be irrigated is described in the following tabulation:

13. Existing water rights and/or valid permits appurtenant to the lands to be irrigated are: 3.3" 1-1-20; 543.1" 1-1-20; 103" 10-21-10; 55" 1-10-26; 117" 1-17-21; 340" 1-1-20

(a) 1,000 (cubic feet per second, inches or gallons per minute) of the water herein applied for is to be supplemental to the existing water rights.

(b) (cubic feet per second, inches or gallons per minute) is for new lands.



5. GOVERNING LAW. This Special Power of Attorney is executed and delivered in the State of Idaho and the laws of the State of Idaho shall govern all questions as to the validity of this power and as to the construction of its provisions.

6. COUNTERPARTS. This Special Power of Attorney may be executed in counterparts. Each executed counterpart of this Special Power of Attorney shall have the force and effect of this original.

IN WITNESS WHEREOF, the Corporation has executed this Special Power of Attorney this 20 day of OCTOBER, 1988.

NMS LEASING, INC.

By: Thomas J. Macdonald
Thomas J. Macdonald
Secretary - Treasurer

STATE OF HAWAII }
City & County of Honolulu } ss.

On this 20 day of October, 1988, before me, the undersigned notary public in and for said state, personally appeared Thomas J. Macdonald known to me to be the secretary - treasurer of the corporation whose name is subscribed to the within Special Power of Attorney, and acknowledged to me that said corporation executed the same.

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

Linda Shaw
Notary Public for
Residing at: Honolulu, Hawaii
Notary Public, First Judicial Circuit
State of Hawaii
My commission expires 7/4/92

Water Right Number - 37-02638

Adj. Flag Translation: Standard Water Right Number

Old (D) Number - 28910

- - - - - Last Name - - - - - + + - First Name - - + + - - - - - Address - - - - - +

*** C - CURRENT OWNER ***

HELLYER

K. F.

1 - HIGHWAY 68

2 -

3 -

City- GANNETT

State- ID Zip- 83329

Phone -

+ - - Priority Date - - + + - - - Region - - - + + - - - Stage - - - + + - - - Status - - - +
08/01/1960 17 L - LICENSE+ - - - - - Source - - - - - + + - - - - - Tributary - - - - - +
GROUNDWATER+ - - - - - Point of Diversion - - - - - +
Twn Rng Sec Tract Lot RFlg County Stream Index (Blank if no Index Code)

01N 19E 17 SW NW (13) BLAINE

+ - - - - - Water Use - - - - - +
Code Description Period From Period To Diversion Rate Diversion Volume

01 - IRRIGATION

4.010

+ - Total Div. Rate - + + - Total Div. Volume - + + - Total Div. Capacity - + + - Total Consumptive Use - + + - KW Usage - +
4.010+ - - - - - Place of Use - - - - - +
Twn Rng Sec Tract Lot Acres Code Description County

01N	19E	20	NE NE		40.0	01	IRRIGATION	(13) BLAINE
01N	19E	20	NW NE		37.0	01	IRRIGATION	(13) BLAINE
01N	19E	20	SW NE		16.0	01	IRRIGATION	(13) BLAINE
01N	19E	20	SE NE		40.0	01	IRRIGATION	(13) BLAINE
01N	19E	20	NE SE		34.0	01	IRRIGATION	(13) BLAINE
01N	19E	20	SE SE		10.0	01	IRRIGATION	(13) BLAINE
01N	19E	21	NW NW		12.0	01	IRRIGATION	(13) BLAINE
01N	19E	21	SW NW		15.0	01	IRRIGATION	(13) BLAINE
01N	19E	21	NW SW		29.0	01	IRRIGATION	(13) BLAINE
01N	19E	21	SW SW		39.0	01	IRRIGATION	(13) BLAINE
01N	19E	21	SE SW		37.0	01	IRRIGATION	(13) BLAINE
01N	19E	28	SW NE		29.0	01	IRRIGATION	(13) BLAINE
01N	19E	28	NE NW		20.0	01	IRRIGATION	(13) BLAINE
01N	19E	28	NW NW		27.0	01	IRRIGATION	(13) BLAINE
01N	19E	28	SW NW		6.0	01	IRRIGATION	(13) BLAINE
01N	19E	28	SE NW		37.0	01	IRRIGATION	(13) BLAINE

Total Acres: 428.0

Diversion Means -

MICROFILMED
FEB 23 1993

Water right number - 37-02638 Adj. flag translation: Standard Water Right Number

- - - Non-Irrigation Use -

- - - Other Rights for Same Use -

- - - - - Remarks - - - - -
No Remarks found.

- - - - - Conditions of Approval - - - - -
No Conditions of Approval found.

+ - - - - Decree Plaintiff - - - + + - - - - Decree Defendant - - - + + - Decree Date - +
00/00/0000

+ - - Microfilm Rolls -

+ - - Audit Fields - 05/06/85 05/28/88 CONVERT

+ - - - - - Water Rights Dates and Flags Area - - - - - +

Proof Due Date	- 00/00/0000	Field Exam Made	- 00/00/0000	Field Exam Fee	-
Approved/Denied	- 00/00/0000	Protested Date	- 00/00/0000	Swan Falls	-
Proof Made Date	- 00/00/0000	Hearing Date	- 00/00/0000	Temporary Right	- P
Start Work Date	- 00/00/0000	Verified Date	- 05/06/1985	DLE/Carey Act	-
Order Show Cause	- 00/00/0000	Receipt Number	-	Water District	-
Licensed Date	- 05/15/1979	Appl Received	- 00/00/0000	Transfer/Amended	-
Decree Date	- 00/00/0000				

MICROFILMED
FEB 23 1993

10/27/1988

SRBA CLAIMS RECEIVING CHECKLIST

CLAIMANT'S NAME NMS Leasing CLAIM IDENT. NO. A37-02638

DATE RECEIVED 10-27-88 CK # 8664 AMOUNT \$ 2167 (13)

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is the name and address complete with zip code? | ☒ | ☐ |
| 2. Is a priority date entered? | ☒ | ☐ |

Is the water use exempt from the Permit requirements, or if it is not exempt, has a Permit been approved or a License issued?

A Permit is required: (1) for groundwater developed after March 25, 1963 (except single family domestic and stockwater wells using less than 13,000 gpd), or (2) for surface water developed after May 20, 1971 (except for instream stockwater). USE CARE IF CLAIM IS RETURNED. REFER TO ADJUDICATION MEMOS # 1 (ADJ. CLAIMS/APPLICATIONS) AND # 9 (REJECTION OF CLAIMS). EXPLAIN IN COMMENTS.

- | | | |
|--|---|--------------------------|
| 3. (a) Is a source entered? | ☒ | ☐ |
| (b) Is a tributary to entered? (if required) | N/A ☒ | ☐ |

- | | | |
|---|-------------------------------------|--------------------------|
| 4. Is the legal description of the p.d. sufficient? | ☒ | ☐ |
|---|-------------------------------------|--------------------------|

- | | | |
|---|-------------------------------------|--------------------------|
| 5. Is there a description of the diverting works? | ☒ | ☐ |
|---|-------------------------------------|--------------------------|

- | | | |
|---|-------------------------------------|--------------------------|
| 6. Are the water uses appropriate for the form? The short form is limited to domestic and stockwater uses with direct diversion. All claims that include storage or instream stockwater must use long form. | ☒ | ☐ |
|---|-------------------------------------|--------------------------|

Is the period of use included? ☒

Is a quantity claimed for each use? ☒

- | | | |
|---|-------------------------------------|--------------------------|
| 7. Is a total quantity claimed entered? | ☒ | ☐ |
|---|-------------------------------------|--------------------------|

- | | | |
|--|---|--------------------------|
| 8. If required is a consumptive use entered? | N/A ☒ | ☐ |
|--|---|--------------------------|

Is the consumptive use correct? ☒ N/A

- | | | |
|--|-------------------------------------|--------------------------|
| 9. Are the non-irrigation uses listed properly? If this claim is on the short form, and more than one domestic use is listed, single ownership must be stated. If not under single ownership, see Adjudication Memo # 4. | ☒ | ☐ |
|--|-------------------------------------|--------------------------|

- | | | |
|--|-------------------------------------|--------------------------|
| 10. Is (are) the place(s) of use and purpose(s) indicated? | ☒ | ☐ |
|--|-------------------------------------|--------------------------|

- | | | |
|---------------------------------------|-------------------------------------|--------------------------|
| 11. Is (are) the county(ies) entered? | ☒ | ☐ |
|---------------------------------------|-------------------------------------|--------------------------|

- | | | |
|---------------------------------------|-------------------------------------|--------------------------|
| 12. Is the ownership of p.u. checked? | ☒ | ☐ |
|---------------------------------------|-------------------------------------|--------------------------|

- | | | |
|--|-------------------------------------|--------------------------|
| 13. Are other water rights listed or "none" indicated? | ☒ | ☐ |
|--|-------------------------------------|--------------------------|

- | | | |
|---|-------------------------------------|--------------------------|
| 14. If required, are remarks correct? (If the claimant does not own the place of use, authority for filing the claim must be explained in the remarks.) | ☒ | ☐ |
|---|-------------------------------------|--------------------------|

- | | | |
|--|-------------------------------------|--------------------------|
| 15. Is the basis of the claim indicated? | ☒ | ☐ |
|--|-------------------------------------|--------------------------|

- | | | |
|---|-------------------------------------|--------------------------|
| 16. Is the claim signed by the claimant, and is the signature appropriate? (If an individual is the claimant, has that individual signed the claim, or if an organization is the claimant, is the organization signature block complete?) | ☒ | ☐ |
|---|-------------------------------------|--------------------------|

Has the claim been signed, sealed, and dated by a notary? ☒

Was this claim filed on time, or was an extension granted? ☒

Is the fee enclosed correct? ☒ Exempt

If this claim is based on an existing water right, has the identification number been entered? ☒ N/A

Should this claim be receipted and data entered? ☒

Claim checked by:

Comments:

MICROFILMED
FEB 23 1993