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Attorneys for The Valley Club, Inc.

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

In Re SRBA
 Case No. 39576

Subcase Nos. 37-00494, 37-00495, 37-00577BU, 37-00577BV, 37-00657B, 37-00833K, 37-02623

**AFFIDAVIT OF GERALD
 MARTENS, P.E., L.S.**

STATE OF IDAHO)
 : ss.
 County of Twin Falls)

Gerald Martens, being first duly sworn upon oath, deposes and says:

1. I am a principal in the firm of EHM Engineers, Inc., located at 601 North College Road, Suite 100, Twin Falls, Idaho 83301. I am a certified professional civil engineer and licensed surveyor in the State of Idaho, and I have been certified as a water right examiner by the Idaho Department of Water Resources. I am responsible for the design and construction of highway, bridge, airport, sewer, water and irrigation projects undertaken by our firm. I have supervised the design and construction of numerous surface and ground water diversion, delivery and distribution systems, including certain portions of the water system that provides water

supplies to what now is known as The Valley Club Golf Course (the "TVC Course") in Hailey, Idaho.

2. The TVC Course was originally developed by entities other than the current owner, The Valley Club, Inc.. My engineering services were provided to the Wood River Country Club Partners ("Partners"), which was developing the property as the Valley Ranch subdivision and golf course in the early to mid-1990s. The TVC Course water supply was obtained through acquisitions and transfers of several surface water irrigation rights from the Big Wood River (37-00577, 37-00494, 37-00495, and 37-0083K) to the Hiawatha Canal, and of a supplemental ground water right (37-02623). The surface water rights are pumped from the Hiawatha Canal into a pressurized pipeline and distributed through several ponds with interconnecting channels and the irrigation component is thereafter distributed to individual sprinkler heads using irrigation pumps and distribution system. The ground water right is pumped and commingled with the surface water in the distribution system when and to the extent that the surface water supply is reduced in priority by the watermaster.

3. The changes to the original water rights acquired for use on the TVC Course were accomplished through administrative transfers by the Idaho Department of Water Resources. Surface water rights 37-00577, 37-00494, 37-00495, and 37-0083K were transferred by Transfer No. 3742. The ground water right, 37-02623, was transferred by Transfer No. 3743. I assisted Partners in obtaining each of these transfers.

4. Transfers 3742 and 3743 were interrelated and proposed to change the place of use, point of diversion and purpose of use of the respective rights to permit irrigation of the TVC Course and provide aesthetic and recreational amenities (connecting stream channels and water hazards) and to mitigate the evaporative losses from ponds. Transfer 3742, which involved the surface water rights, was protested by the Big Wood Canal Company (the "Canal Company") through its manager, Mr. Dick Oneida. I was the key contact with Mr. Oneida on behalf of Partners in negotiating an agreement between the two parties resulting in the Canal Company's ultimate withdrawal of its protest of Transfer 3742.

5. I have read The Valley Club Inc.'s Motion to Dismiss Objections and supporting Affidavit of Michael C. Creamer ("Creamer Affidavit"), and the Response to Motion to Dismiss Objections and Request for Attorney Fees filed by the Canal Company ("Response"). Certain statements in the Response concerning the nature of the agreement between Partners and the Canal Company concerning Transfer 3742 are incorrect.

6. With respect to the statement in paragraph 2 of the Response, Mr. Oneida and I never discussed, and Partners and the Canal Company never agreed to, any amendment to the place of use, point of diversion or nature of use of the subject water rights, other than as those elements were specifically approved in Transfer 3742.

7. As reflected in Exhibit F to the Creamer Affidavit, Mr. Oneida and I did discuss the items described in my letter of August 22, 1990. This discussion took place in a meeting I had with Mr. Oneida on August 21, 1990. My understanding, as set out in my August 22nd letter, was that upon receiving this information from me in writing, the Canal Company would withdraw its protest to Transfer 3742.

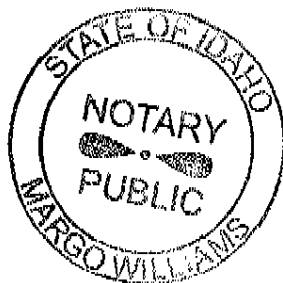
8. With respect to items 1a through 1c in my August 22nd letter, on April 22, 1991 I met with Hiawatha Canal manager Reid Newby and the District 37 Watermaster, Dale Mizer, to discuss the pump location, pipeline route and measuring devices. The flowmeter, totalizing meter and lockable flow rate adjustment devices were installed as requested by Mr. Oneida's protest withdrawal letter of August 27, 1990 and in a manner satisfactory to Mr. Newby and Mr. Mizer. I provided a copy of the plans for the diversion structure and these devices to the Canal Company on approximately the same date that I provide the plans to the Watermaster, Dale Mizer, which was on October 25, 1991.

9. With respect to item 2 in my August 22, 1990 letter, Mr. Oneida and I had further discussions about the disposition of TVC Course water that was not needed for irrigation in early May of 1991, intended to lead to a written agreement on this issue. To my knowledge, that agreement was never finalized or executed.

Dated this 28 day of July, 2008.


Gerald Martens

SUBSCRIBED AND SWORN to before me this 28th day of July, 2008.




Notary Public for Idaho
Residing at Kimberly
My Commission Expires: 9-1-12

CERTIFICATE OF SERVICE

I hereby certify that on the 31st day of July, 2008, a true and correct copy of the foregoing was served upon the following individual(s) by the means indicated:

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Ralph W. & Kandi L. Girton, River Rock
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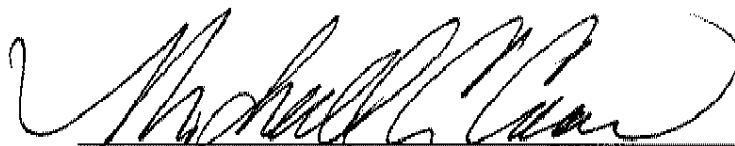
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 Michael C. Creamer

FAX

TO: '12082876700@venali.net'

FROM: Caralea Hopingardner

FAX: 12082876700

DATE: Thu, 31 Jul 2008 16:58:09 -0600

RE: The Valley Club's Reply to BWCC's Response to Motion to Dismiss Objections

MESSAGE

FAX COVER SHEET

To: Albert P. Barker, Barker Rosholt & Simpson, LLP
Fax No.: (208) 344-6034

To: Craig D. Hobdey
Fax No.: (208) 934-4420

To: James P. Speck, Speck & Aanestad
Fax No.: (208) 726-0752

To: Scott L. Campbell and Andrew J. Waldera, Moffatt Thomas Barrett Rook & Fields
Fax No.: (208) 385-5384

To: The Valley Club, Inc.
Fax No. (208) 727-1831

To: Director, Idaho Department of Water Resources
Fax No.: (208) 287-6700

From: Caralea Hopingardner, Legal Assistant

RE: Subcase Nos. 37-00494, 37-00495, 37-00577BU, 37-00577BV, 37-00657B, 37-00833K, 37-02623

Pages (including cover sheet): 15

Message: Attached are The Valley Club, Inc.'s Reply to Big Wood Canal Company's Response to Motion to Dismiss Objections and Request for Attorney Fees and Affidavit of Gerald Martens, P.E., L.S., which were fax filed with the SRBA today.

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