

MEMORANDUM

DATE: June 10, 2010

TO: 22-7032

FROM: Jonie Barg Technical Records Specialist

RE: Change of Ownership for Water Right number 22-7032

On December 31, 2009 our department received a Notice of Change in Water Right Ownership for water right 22-7032 from Guy and Keith Erikson into Richard Smith Farms Profit Sharing Plan.

On December 31, 2009 we received a fax with a full chain of title as follows:

Deed Type	Instrument #	Names
Warranty Deed	336471	Guy & Leola Erikson and Keith and Cora Erikson to Rave Construction Inc
Corporation Deed	336472	Rave Construction to Smith Hosac LLC
Warranty Deed	348404	Smith Hosac LLC to Robert and Sally Smith (Does not apply)
Warranty Deed	350682	Smith Hosac LLC to Richard and Jill Smith
Quitclaim Deed	353259	Smith Hosac LLC to Richard Smith Farms

There were some questions about legal ownership and who the water rights should be vested in. As you can see in the list above there is a whole in the chain. Warranty Deed number 350682 and Quitclaim Deed 353259 both cover the same legal description and are both from the same entity, with 350682 being a Warranty Deed and 353259 being a Quitclaim Deed there was concern about the legal ownership. The taxlot data shows Richard and Jill Smith as the owners.

On January 14, 2010 our department contacted Brad with Richard Smith Farms and advised him that we would need some clarification and/or an additional Deed from Richard and Jill Smith.

March 25, 2010 Brad from Richard Smith Farms contacted our department with concerns about why the ownership change had not been completed.

On March 26, 2010 the department again discussed the issues as mentioned above with Brad. Brad indicated he would follow up on the missing deed. If he could get the missing deed he would contact our department to see what our next step would be.

June 10, 2010 I contacted Scott with First American Title Co. he indicated the missing deed is not part of the chain of title. He indicated Richard Smith's accountant had requested the Quitclaim Deed be submitted. Scott also indicated that Mr. Smith was advised that this would cause a cloud in the chain.

June 10, 2010 I contacted Brad with Richard Smith Farms, he indicated he had contacted the title company also and he was aware of the issue. He said Mr. Richard Smith would like the water rights put into his and his wife's name individually to read the same as Warranty Deed instrument number 350682 with the mailing address as PO Box 8, Rexburg ID 83440.