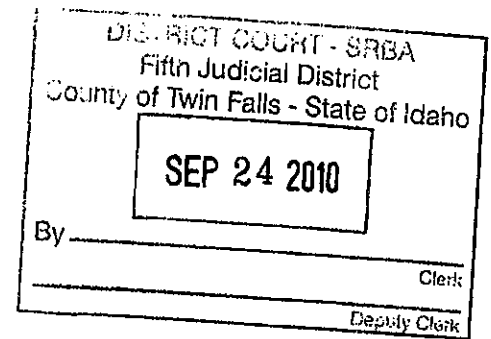




**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

In Re SRBA

Case No. 39576

Subcase No. 63-9758

STANDARD FORM 5

**STIPULATED ELEMENTS OF A
WATER RIGHT**

This form is used to report the stipulated elements of one water right acquired under state law and/or one federal reserved water right. Submission of this form will not automatically result in the issuance of a partial decree. The Presiding Judge or Special Master will conduct any hearing necessary to determine whether the facts, data, expert opinions and law support the issuance of a partial decree for the water right.

The parties agree that the Snake River Basin Adjudication Court has jurisdiction of the parties and subject matter to enter a partial decree for this water right; that they have been served with sufficient process, according to the law; and that they have appeared, prosecuted, and defended their positions with regard to this water right dispute.

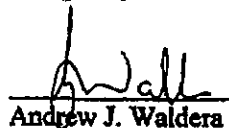
The parties and IDWR agree and stipulate that the elements of this water right should be described per the attached. The parties and IDWR have further indicated their concurrence by initialing each of the attached pages.

CLAIMANT:
Quail Hollow, LLC



Andrew J. Waldera Date
Attorney for Claimant/Respondent

RESPONDENT(s):
David Hendrickson
Bluegrass, LLC

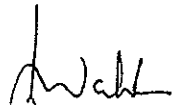


Andrew J. Waldera Date
Attorney for Respondent

OBJECTOR/RESPONDENT:
Edwards Family, LLC

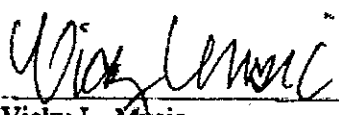
By: _____ Date _____
Title: _____

OBJECTOR:
David Hendrickson

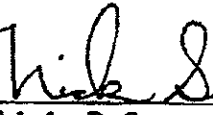


Andrew J. Waldera 9/22/10
Attorney for Objector Date

DWR Concurrence:



Vicky L. Music 9/20/10
Senior Water Resource Agent Date



Nicholas B. Spencer 9-20-10
Deputy Attorney General Date
Attorney for IDWR

IDAHO DEPARTMENT OF WATER RESOURCES RECOMMENDED
WATER RIGHTS ACQUIRED UNDER STATE LAW

9/15/16

RIGHT NUMBER: 63-9758
NAME AND ADDRESS: QUAIL HOLLOW LLC
6553 W PLANTATION DR
GARDEN CITY ID 83714

SOURCE: GROUND WATER Source: Tributary:
QUANTITY: 1.310 CFS
0.000 APY 497 APY

Right Nos. 63-4037 and 63-9758 are limited to a total combined diversion rate of 1.31 cfs and to a total combined annual diversion volume of 497 AF.

This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands described below above.

The rights listed below are limited to a total combined diversion rate of 1.31 cfs and to a total combined annual diversion volume of 497 AF. Combined Right Nos. 63-4037 and 63-9758.

The rights listed below are limited to a total combined diversion rate of 1.69 cfs. Combined Right Nos.: 63-4037, 63-9758 and 63-21875.

PRIORITY DATE: 03/19/1996

POINT OF DIVERSION:

T04N R02E S28 ~~W4E~~
Within ADA County

T04N R02E S28 ~~W4E~~
Within ADA County

T04N R02E S28 NWSW
Within ADA County

The wells located in the ~~W4E~~ of S28, T4N R2E are low temperature geothermal and divert water from what is locally known as the Stewart Gulch Geothermal Aquifer. The well located in the NWSW of S28, T4N R2E is not a geothermal well.

PURPOSE AND PERIOD OF USE:	Purpose of use	Period of use:	Quantity:
IRRIGATION		03/15 11/15	1.310 CFS 495.00 APY
AESTHETIC		01/01 12/31	2.00 APY

IDAHO DEPARTMENT OF WATER RESOURCES RECOMMENDED
WATER RIGHTS ACQUIRED UNDER STATE LAW

The use of water for irrigation under this right may begin as early as March 1. Provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.

This water right does not authorize the diversion of low temperature geothermal water or other geothermal resource exclusively for aesthetic purposes.

PLACE OF USE: IRRIGATION within ADA County

N135

YLM

T04N R02E S21 SWSE 14.0

T04N R02E S21 SWSE 0.7

T04N R02E S21 SESE 1.5

T04N R02E S21 NWSE 5.1

T04N R02E S21 SWSE 34.7

T04N R02E S21 SWSE 4.0

T04N R02E S21 SESE 21.0

T04N R02E S28 NWSE 20.5

T04N R02E S28 NWSE 16.0

T04N R02E S28 SESE 28.7

T04N R02E S28 NWSE 31.0

T04N R02E S28 NWSE 11.4

T04N R02E S28 NWSE 17.0

T04N R02E S28 SWSE 0.3

T04N R02E S28 SESE 7.1

T04N R02E S28 SESE 11.0

AESTHETIC Same As IRRIGATION

110 ACRES TOTAL

The rights listed below are limited to the irrigation of a combined total of 110 acres in a single irrigation season. Combined Right Nos.: 63-4037, 63-9758 and 63-21875.

Place of use is also known as Quail Hollow Golf Course.

Diversion of low temperature geothermal water under this right shall occur only when cold water sources covering the place of use are insufficient or cannot be used.

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

This water right is subject to the terms of a private Agreement dated July 13, 2010, recorded at the Ada County Recorder's Office on September 22, 2010 as Instrument No. 110088550.

Right No. 63-9758 is subject to the conditions of the Amended Preliminary Order in the matter of Application for Transfer 4804.

IDAHO DEPARTMENT OF WATER RESOURCES RECOMMENDED
WATER RIGHTS ACQUIRED UNDER STATE LAW

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.

~~Failure of the right holder to comply with the conditions of Transfer 4204 is cause for the Director to rescind approval of the transfer.~~

NBS JW
VLW

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

Use of water under this water right will be regulated by the watermaster of State Water District No. 63-S, Stewart Gulch. Water District 63-S regulates the water rights from wells within its boundary that produce from the low temperature geothermal aquifer known locally as the Stewart Gulch Geothermal Aquifer.

The SEBA Court declined to address the administrative issues of artesian pressure and reasonable pumping levels related to diversions from the low temperature geothermal locally known as the Stewart Gulch Geothermal Aquifer. Water users may raise these administrative matters directly with IDWR.

Failure of the right holder to comply with the conditions of Transfer 4204 is cause for the Director to rescind approval of the transfer.

This right does not grant any right-of-way or easement across the land of another.

The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount that can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.

~~This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 cfs per acre at the field headgate for irrigation of the lands above.~~

Modifications or variance from the license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.

~~The right holder shall accomplish the change authorized by Transfer 4204 within one (1) year of the date of the approval.~~

CERTIFICATE OF MAILING

I certify that on September 24, 2010, I mailed the original and copies of this form, including all attachments, to the following persons by mailing the original and/or copies, postage prepaid and addressed as follows:

1. Original to:

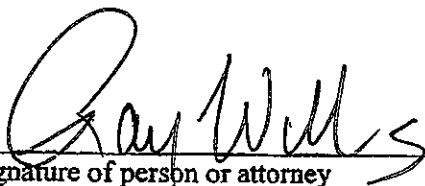
CLERK OF THE DISTRICT COURT
SNAKE RIVER BASIN ADJUDICATION
253 THIRD AVENUE NORTH
P. O. BOX 2707
TWIN FALLS, IDAHO 83303-2707

2. Copies to:

BLUEGRASS, LLC
DAVID HENDRICKSON
QUAIL HOLLOW, LLC
Represented by:
ANDREW J. WALDERA
SCOTT L. CAMPBELL
101 S. CAPITOL BLVD., 10TH FLOOR
P.O. BOX 829
BOISE, ID 83701-0829

EDWARDS FAMILY, LLC
Represented by:
DANA L. HOFSTETTER
608 WEST FRANKLIN STREET
BOISE, ID 83702

DIRECTOR OF IDWR
P.O. BOX 83720
BOISE, ID 83720-0098



Signature of person or attorney