



State of Idaho

DEPARTMENT OF WATER RESOURCES

Northern Region, 7600 Mineral Dr. Suite 100, Coeur d'Alene, Idaho 83815

Phone: (208) 762-2800

FAX: (208) 762-2819

www.idwr.idaho.gov

JAMES E. RISCH
Governor

KARL J. DREHER
Director

September 14, 2006

Doug Stimple
CCCS LLC
2505 Stratton Forest Heights
Colorado Springs CO 80906

Re: Notice of Error Reply for 79-10116 and 79-10185.

Dear Mr. Stimple:

Enclosed is a copy of a field exam that was performed by Jim Zimmerman, a contracted field examiner for the Idaho Department of Water Resources (IDWR). The hand written notes on the exam are mine.

I believe this report will explain how we came up with the recommendations for 79-10116. The number of acres irrigated under the recommendation for 79-10185 is based on aerial photography and topographic maps of the area. The diversion rate was recommended at one miners inch per acre.

If you can supply us with better evidence that shows the historical use of water for these two claims, we will be happy to review the file again. I understand that this may still be confusing, or you may have other questions, so please do not hesitate to contact me at (208)762-2805.

Sincerely,

Gregory J. Taylor
Sr. Water Resource Agent

RECEIVED

08/18/2006

SEP 11 2006

NOTICE OF ERROR
REPLY

DEPARTMENT OF
WATER RESOURCES

Please read the instructions clearly, fill out this form completely and mail.

Return this reply form to IDWR by the deadline date printed below if you want IDWR to change your recommendation or you want to let IDWR know that you agree with its recommendation.

YOUR DEADLINE FOR RETURNING A NOTICE OF ERROR REPLY IS: September 22, 2006

Water right number: 79-10116

CCCS LLC
2864 S CIRCLE DR STE 310
COLORADO SPRINGS CO 80906
Telephone Number: (719) 226-2828

Change of
Address:

2505 Staatter Forest Heights
Colorado Springs, CO 80906
719 499-4056

1. Describe the portion of the proposed recommendation with which you disagree (e.g. priority date, period of use, source):

Quantity of use: historical use for irrigation is 1.22 CFS
historical use for domestic is .04 CFS

2. Describe the changes you wish to make in the proposed recommendation:

Quantity to 1.22 CFS for irrigation
.04 CFS for domestic

3. Give a brief explanation as to why you disagree with these portions:

~~See attached Notice of Claim, Case No. 39576~~ *
allredes

I AGREE with this proposed recommendation: no changes need to be made.

DATE: 9-7-06

SIGNATURE:

Please print your name:

Douglas M Stimpke, Manager of CCCS, LLC
aka Sherwin Creek Ranch

IDWR Regional Office, 322 E Front St
PO Box 83720, Boise, ID 83720-0098, (208) 287-4800

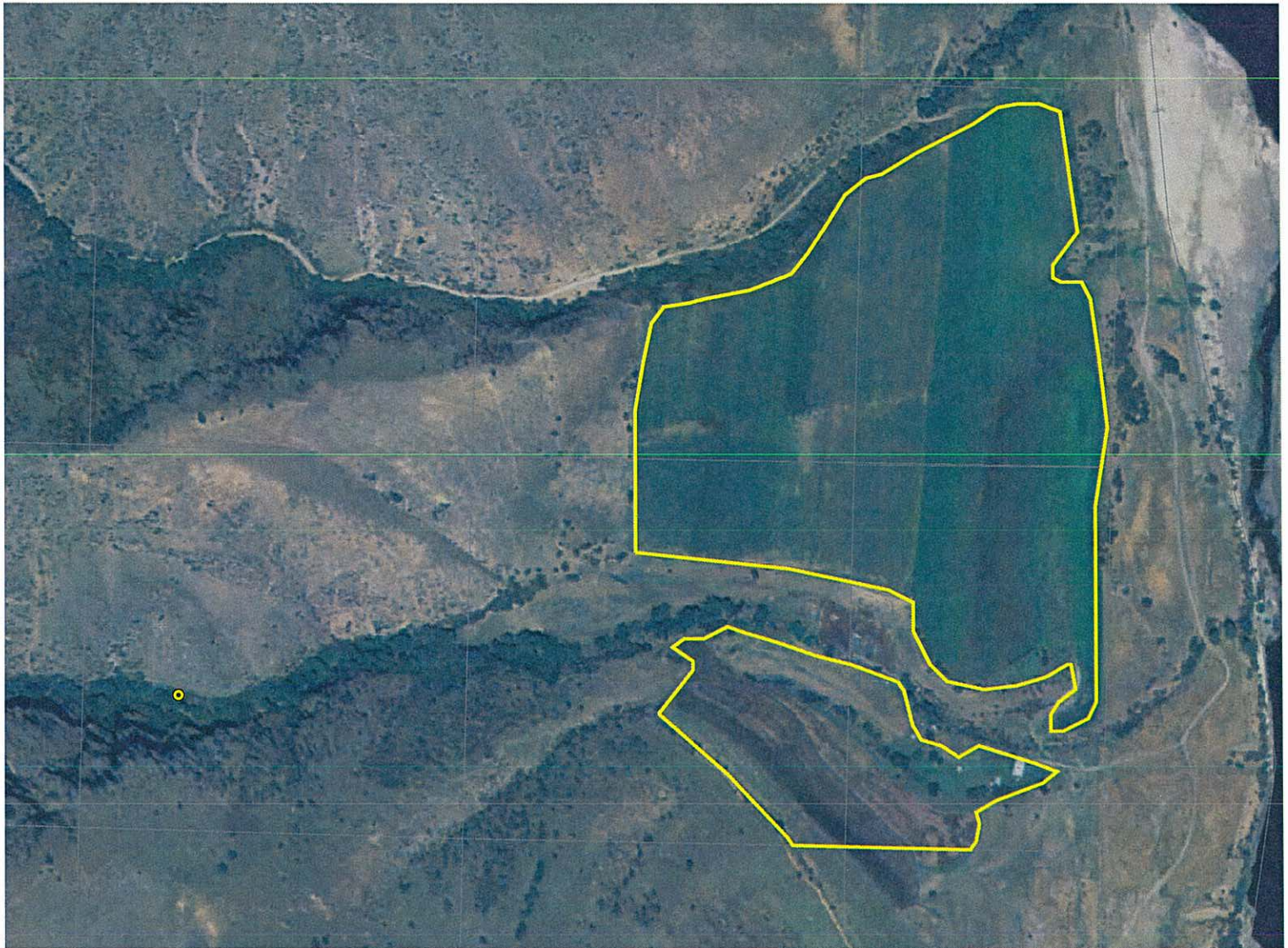
* I am not certain what, if any, measurement was taken
at the property, however, we believe that the irrigation
system utilizes closer to 600 gallons per minute
than 300. Thus, our decree should be for the 1.22 +
.04 CFS. Thanks, Please contact me at
719 499-4056 to discuss.

Doug Stimpke
Manager of CCCS, LLC
aka Sherwin Creek Ranch

P.S. I
can't make
your meetings
as I live out
of state however
I do have a
local ranch
manager.

79-10116

T26N R01E
Section(s) 12



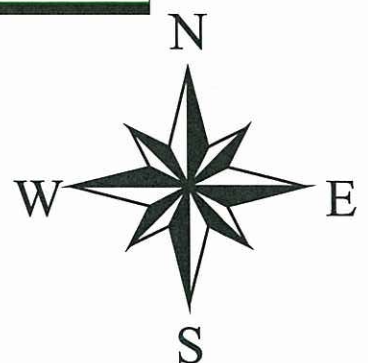
0.2 0 0.2 0.4 Miles



Place of Use



Point of Diversion



Layout prepared on July 26, 2006
By Greg Taylor
Idaho Department of Water Resources

07/26/2006

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

RIGHT NUMBER: 79-10116

NAME AND ADDRESS: CCCS LLC
2864 S CIRCLE DR STE 310
COLORADO SPRINGS CO 80906

SOURCE: SHERWIN CREEK

TRIBUTARY: SALMON RIVER

QUANTITY: 0.670 CFS

PRIORITY DATE: 12/13/1906

POINT OF DIVERSION:

T26N R01E S11 NESE Within IDAHO County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
DOMESTIC	01/01 12/31	0.020 CFS
IRRIGATION	02/15 11/30	0.650 CFS

PLACE OF USE: IRRIGATION Within IDAHO County

T26N R01E S12	SWNW	11.00	T26N R01E S12 Lot 5 SENW	21.00
T26N R01E S12 Lot 5	SESW	0.10	T26N R01E S12 Lot 8 NESW	19.00
T26N R01E S12	NWSW	14.00		

DOMESTIC same as IRRIGATION

65.1 ACRES TOTAL

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 - Beneficial Use

2 1
11 12

~~79-4433~~

79-10185

79-10116

Christie
Creek

Sheridan
Creek

Barred Line
Gravelly
Creek

Woods

House

11 12
14 13

12/19/2005

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

RIGHT NUMBER: 79-10116
NAME AND ADDRESS: S & S JAYO RANCH
HC 01 BOX 103A
WHITE BIRD ID 83544

PAUL JAYO
C/O JAYO RANCHES
3867 SQUAW VALLEY RD
PRIEST RIVER ID 83856-9669

SOURCE: SHERWIN CREEK TRIBUTARY: SALMON RIVER
QUANTITY: 0.650 CFS
PRIORITY DATE: 12/13/1906
POINT OF DIVERSION:

T26N R01E S11 NESE Within IDAHO County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
DOMESTIC	01/01 12/31	0.040 CFS
IRRIGATION	02/15 11/30	0.650 CFS

PLACE OF USE: IRRIGATION Within IDAHO County

T26N R01E S12 Lot 3 NENW	3.2	T26N R01E S12	SWNW	11.0
T26N R01E S12 Lot 5 SENW	21.0	T26N R01E S12 Lot 5 SENW		0.1
T26N R01E S12 Lot 8 NESW	17.0	T26N R01E S12	NWSW	13.0
T26N R01E S12	SWSW	0.5	T26N R01E S12 Lot 9 SESW	3.2

DOMESTIC same as IRRIGATION

69 ACRES TOTAL

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 - Beneficial Use

79-10116

Field Exam Notes

Date of Exam: August 10, 2005

These coordinates do not fall in Creek - digitized p.o.d.

The GPS location of the Point of Diversion (POD) is $N45^{\circ} 36' 7.2''$ by $W116^{\circ} 17' 22.2''$. The *A.T.* diversion consists of a concrete dam in Sherwin Creek (*Photo 1*) that diverts water down a buried eight inch (8") PVC pipe to a bubbler located down stream from the POD. The water level behind the dam is controlled by the placement of boards in a check. The check opening measures 60" x 32" deep.

The bubbler (*Photo 2*) is located about fifty feet (50') down stream from the POD and has an eight inch (8") diameter stand pipe. On the day of the exam, the height of the water jet from the stand pipe was approximately two and one half inches (2.5").

From the bubbler, a buried line parallels Sherwin Creek to a point down stream where it tees into two (2) four inch (4") lines; one that goes to that part of the POU north of Sherwin Creek and the other to that part of the POU south of Sherwin Creek.

All irrigation is done by sprinklers. Steve Jayo, the claimant, stated that the sprinkler heads that he uses have a constant output of five gallons per minute (5 gpm). A sample measurement of eight (8) sprinklers indicated that this was true. Following are the flow calculations.

<u>Line</u>	<u>Sprinklers per line</u>
1	17
2	25
3	5
Lawn	2
	<i>+ 9</i>
<i>58 total sprinklers</i>	
$5\text{gpm}(17 + 25 + 5 + 2) = 245 \text{ gpm}$	
$290\text{gpm} = .65\text{cfs}$	

Mr. Jayo stated that he usually runs about nine (9) more sprinklers than he was running on the day of the exam, but could run only 49 because of the low water in the creek.

The system was rebuilt in 1991. Before 1991, the domestic and irrigation uses had the same POD. However, a spring (GPS location $N45^{\circ} 36' 9.1''$ by $W116^{\circ} 17' 15.5''$) was discovered during construction on the banks of Sherwin Creek (*Photo 3*). This spring was tapped for domestic use with a buried line delivering water to the house. The domestic and irrigation systems are now completely separate. Mr. Jayo stated that the spring produces barely enough water to supply the interior needs of the house.

We can recommend domestic use from Sherwin but not spring because a transfer will have to be filed.

The claim gives the POU as being in Twp. 26N, Rnge. 01E, **Sec. 12** BM. The real location is in Twp. 26N, Rnge. 01E, **Sec. 11**.

The field exam for this claim was done at the same time as the field exam for claim **79-10185**. The exam revealed a POU overlap for this claim (Sherwin Creek) and claim **79-10185** (Christie Creek) having **Twp. 26N, Rnge. 01E, Sec. 12, SE NW, NE SW**. in common. However, Mr. Jayo, the claimant for both claims, stated that he was using only water from Sherwin Creek and that he is not diverting any water from Christie Creek as indicated on claim 79-10185.

Following is a comparison of the POU quarter of quarters sited in claims 79-10185 and 79-10116 and the actual POU as revealed by the field exam.

<u>79-10185</u>	<u>79-10116 (This Claim)</u>	<u>Actual</u>
SE NW	SE NW	SE NW
NE SW	NE SW	NE SW
NE NW		
	NW NW	
	SW NW	SW NW
	NW SW	NW SW
		SW SW
		SE SW

This claim lists Paul Jayo of Priest River, Idaho and S & S Jayo Ranch as co-claimant. Steve Jayo stated that he now owns the property. I recommended to him that he contact the Idaho Department of Water Resources (IDWR) for a Change of Ownership form.

Mr. Jayo's current address and phone number are:

Steve Jayo
P.O. Box 206
Whitebird, ID 83554

Phone: (208) 628-2783

Field Examiner:



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: A79-10116
Date Received: 7/21/1988
Receipt No: MOOO542
Received By: LW

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: S & S JAYO RANCH 208-628-3337
Address: HC-01, BOX 103A
WHITEBIRD, ID 83544

AND/OR
Name: PAUL JAYO 208-443-2498
Address: RT 5, BOX 107
PRIEST RIVER, ID 83856

2. Date of Priority: DEC 13, 1906

3. Source: SHERWIN CREEK Trib. to: SALMON RIVER

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
26N	01E	11	NE	SE			IDAHO

5. Description of diverting works:
ROCK & TARP DIVERSION TO IRRIGATION DITCH.

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
DOMESTIC	01/01	12/31	0.040		
IRRIGATION	02/01	11/01	1.220		

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

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:
D/ONE HOME W/LAWN & GARDEN

A79-10116

Page 1

Date: 07/21/88

MICROFILMED
AUG 08 1994

10. Place of Use:

Township	Range	Section	1/4	of	1/4	Lot	Use	Acres
26N	01E	11	NW		NW		IRR	5.0
			SW		NW		IRR	10.0
			SE		NW		IRR	10.0
			NE		SW		IRR	12.0
			NW		SW		IRR	24.0
							Section Acres	61.0
							Total Acres	61.0

11. Place of use in counties: IDAHO

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

13. Other Water Rights Used:
NONE

14. Remarks:

15. Basis of Claim: BENEFICIAL USE

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: 1

For Individuals:

I/We do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s): Steve Sayo Date: July 21 1988

Date: _____

State of Idaho)
County of Idaho) SS.

Subscribed and sworn (or affirmed) before me this 21 day

of July 19 88

John Dale Corbin
Notary Public

Seal

Residing at Bain Id

My Commission Expires 8/2/94

SRBA CLAIMS RECEIVING CHECKLIST

CLAIMANT'S NAME

S. S. Jayo Ranch

CLAIM IDENT. NO.

A79-10116

DATE RECEIVED

7-21-88

CK #

AMOUNT \$

YES

NO

1. Is the name and address complete with zip code?

2. Is priority date entered?

Is the water use exempt from Permit requirements? A Permit is required for groundwater developed after March 25, 1963 (except single family domestic and stockwater wells using less than 13,000 gpd). A Permit is required for surface water developed after May 20, 1971 (except for instream stockwater).

3. (a) Is a source entered?

(b) Is a tributary to entered? (if required)

4. Is the legal description of the p.d. complete?

5. Is there a description of the diverting works?

6. Are the water uses appropriate for the form? The short form limited to domestic and stockwater. 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. Is a consumptive use required?

If required is a consumptive use entered?

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, each household must file a separate claim.

10. Is (are) the place(s) of use entered?

11. Is (are) the county(ies) entered?

12. Is the ownership of p.u. checked?

13. Are other water rights listed or "none" checked?

14. Are remarks required? (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 checked?

16. Is the claim signed by the claimant?

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?

Is the fee enclosed correct?

Should this claim be receipted and data entered?

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

Revised 6-27-88

Claim checked by: _____

Comments: _____

MICROFILMED

AUG 08 1994

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: A79-10116
Date Received: 7/21/1988
Receipt No: M000542
Received By: _____

COPY FOR
YOUR FILES

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

COPY FOR
YOUR FILES

1. Name: PAUL JAYO 208-443-2498
Address: C/O JAYO RANCHES
3867 SQUAW VALLEY RD
PRIEST RIVER ID 83856-9669
AND/OR
Name: S & S JAYO RANCH 208-628-3337
Address: HC-01 BOX 103A
WHITEBIRD ID 83544

2. Date of Priority: DEC 13, 1906

3. Source: SHERWIN CREEK Trib. to: SALMON RIVER

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
26N	01E	11	NE	SE			IDAHO

5. Description of diverting works:
ROCK & TARP DIVERSION TO IRRIGATION DITCH.

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
DOMESTIC	01/01	12/31	0.040		
IRRIGATION	02/01	11/01	1.220		

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

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:
D/ONE HOME W/LAWN & GARDEN

10. Place of Use:

Township	Range	Section	1/4	of	1/4	Lot	Use	Acres
26N	01E	11	NW		NW		IRR	5.0
			SW		NW		IRR	10.0
			SE		NW		IRR	10.0
			NE		SW		IRR	12.0
			NW		SW		IRR	24.0
Section Acres								61.0
Total Acres								61.0

11. Place of use in counties: IDAHO

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

13. Other Water Rights Used:
NONE

14. Remarks:
ADDRESS CHANGE FOR PAUL JAYO BY CLAIMANT LETTER 8/3/1999 SS.

15. Basis of Claim: BENEFICIAL USE

AJ0749NP
No. A79-10116

IDAHO DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM PROFILE REPORT
(REGIONAL)

DATE: 08/03/99
PAGE: 1

OWNER CODE	NAME & ADDRESS	PRIORITY DATE	WATER USE	USE PERIOD FROM TO	DIVERSION RATE	DIVERSION VOLUME
C	S & S JAYO RANCH HC-01 BOX 103A WHITEBIRD ID 83544 (208) 628-3337	12/13/1906	IRRIGATION DOMESTIC	02-01 11-01 01-01 12-31	1.220 CFS 0.040 CFS	
TOTAL DIVERSION:					1.260 CFS	

C PAUL JAYO
C/O JAYO RANCHES
3867 SQUAW VALLEY RD
PRIEST RIVER ID 838569669
(208) 443-2498

Water Source: SHERWIN CREEK

Tributary to: SALMON RIVER

Stage: BENEFICIAL USE

Point(s) of Diversion: T26N R01E S11 NESE

IDAHO County

Place of use Legal Description for: IRRIGATION

				NE				NW				SW				SE					
T	R	S	:	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	:	SUM
26N	01E	11	:							05	10	10		12	24					:	61.0
TOTAL ACRES																				61.0	

Place of use location for DOMESTIC is the same location as described for: IRRIGATION

POU County: IDAHO

Non-Irrigation Uses: D/ONE HOME W/LAWN & GARDEN

Other Rights: NONE

Remarks: GEN ADDRESS CHANGE FOR PAUL JAYO BY CLAIMANT LETTER 8/3/1999 SS.

Dates: Exam Made Date:

Verified Date:

Objection Filed Date:

Misc: Water District Number:

Field Inspection Flag:
Presumption Flag:

to sender

fee due 500

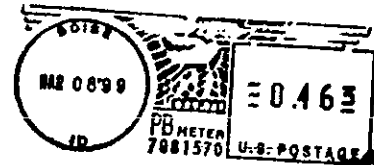
2019

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
1301 North Orchard Street, P.O. Box 83720
Boise, Idaho 83720-0098

ADDRESS SERVICE
REQUESTED

RESUB
FIRST



IMPORTANT WATER RIGHT INFORMATION

~~A79-10116, A79-10185, A79-10186 - 10187~~

79-10186 79-10187, -10188
PAUL JAYO
RT 5 BOX 107
PRIEST RIVER ID 83856

JAYO107 638562019 1098 04 03/11/99
JAYO RANCHES FORM 3547
PO BOX 206
WHITE BIRD ID 83554-0206

AUTO 83856



U.S. POSTAL SERVICE
PS FORM 3547

December 20, 1993

FILE MEMO

TO: S & S JAYO RANCH FILES

FROM: CINDY HODGES

RE: PARTIAL SRBA VERIFICATION

On September 15, 1992 I visited the Jayo Ranch, located northwest of Riggins, to conduct a B/U exam on a developed spring. Due to the remoteness of this ranch (1.5 hours from White Bird crossing; requires 4WD), I took the liberty of conducting some SRBA claim verifications as well. I didn't get to all the claims and a second visit will have to be made, but I did manage to verify three outlying stockwater spring claims, accessible only by horseback, and the point of diversion for one of the irrigation claims. Following is a list of claims involved and the status of available info from my exams:

A79-10186	STOCKWATER, SPRING SOURCE. VERIFIED P/D AND P/U, PHOTOS AND SYSTEM DESCRIPTION IN FILE.
A79-10187	STOCKWATER, SPRING SOURCE. VERIFIED P/D AND P/U, PHOTOS AND SYSTEM DESCRIPTION IN FILE.
NO CLAIM	STOCKWATER, SPRING SOURCE. VERIFIED P/D AND P/U, PHOTOS AND SYSTEM DESCRIPTION IN CINDY'S OFFICE.

The above three sites, total of 5 developed springs, are used in conjunction with 79-07184, the recipient of the B/U exam, on a large grazing allotment for 60 head range cattle with season of use 4/1 to 6/1. No additional verification should be required, but a third claim needs to be solicited (which I'm working on) and evidence of priority will be your call.

A79-10116	IRRIGATION FROM SURFACE WATER SOURCE. P/D VERIFIED, PHOTOS AND PARTIAL SYSTEM DESCRIPTION IN FILE. ACREAGE VERIFICATION, EVIDENCE OF PRIORITY AND FLOW MEASUREMENT REQUIRED.
A79-10185	IRRIGATION FROM SURFACE WATER SOURCE. NO VERIFICATION. ACRES MAY OVERLAP WITH 10116, DIFFERENT SOURCE.
A79-1018 ⁸ ₅	STOCKWATER, SPRING SOURCE, NO VERIFICATION. DIFFERENT ALLOTMENT FROM ABOVE (525 RANGE?).

These last three are closer to the ranch house and I believe are accessible by vehicle. They will require an additional exam (y'all have fun!) but allow a full day because travel in and out is slow. The contact for all the above is:

Stuart and Debbie Jayo
HC 01 Box 103A
Whitebird ID 83544
208-628-3337

MICROFILMED

AUG 08 1994



A79-10116
20N1E

P/D DOM?
P/D IRRIG

APPROX
IRRIG
AREA

MICROFILMED
AUG 08 1994

POOR ORIGINAL

POOR ORIGINAL

ATA-10116

9/15/92 by cyk



P/B from Sherwin
Creek, SENESE.

8" pipe from
headwall to
bubbler, below.



Bubbler standpipe
and trash screen;
flow into 8" PVC
to 4" mainline
at field.
gravity sprinkler

MICROFILMED

AUG 08 1994



State of Idaho
DEPARTMENT OF WATER RESOURCES

1118 F. St, Lewiston, Idaho 83501

Phone: (208) 743-0301 FAX: (208) 743-0415 www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

February 24, 2005

79-10116, 79-10185
PAUL JAYO
JAYO RANCHES
3867 SQUAW VALLEY RD
PRIEST RIVER ID 83856-9669

Re: Evidence of Priority Date

Dear Claimants:

RESPONSE DEADLINE
MARCH 25, 2005

The Notices of Claim to a Water Right (claim) identified with the numbers shown above your name have been filed in the Snake River Basin Adjudication (SRBA). The claims indicate your water usage is based on "Beneficial Use" or a "Statutory Claim." Water rights of this type are established by the historic use of water, dating back to when water was first used for the purpose claimed, and are termed beneficial use rights. The date of first use, known as the priority date, has not been confirmed by a License, Decree or Permit. Since the priority date and historic use of a beneficial use right cannot be confirmed by field examination, **proof must be provided by the claimant** supporting the priority date claimed and the historic use of the water.

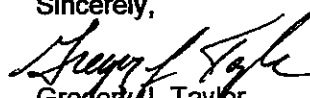
If you no longer own the property to which the claim is appurtenant please forward this correspondence to the present owner, or return it to Idaho Department of Water Resources (IDWR). If you have received this correspondence from the previous owner of the property it is recommended that you file a Change of Ownership form with IDWR in order to receive future mailings and to participate in the adjudication.

Enclosed you will find a computer printout of your claims and the pamphlet entitled "Evidence of Priority." The pamphlet describes the types of evidence required and suggests which documents will fulfill this requirement.

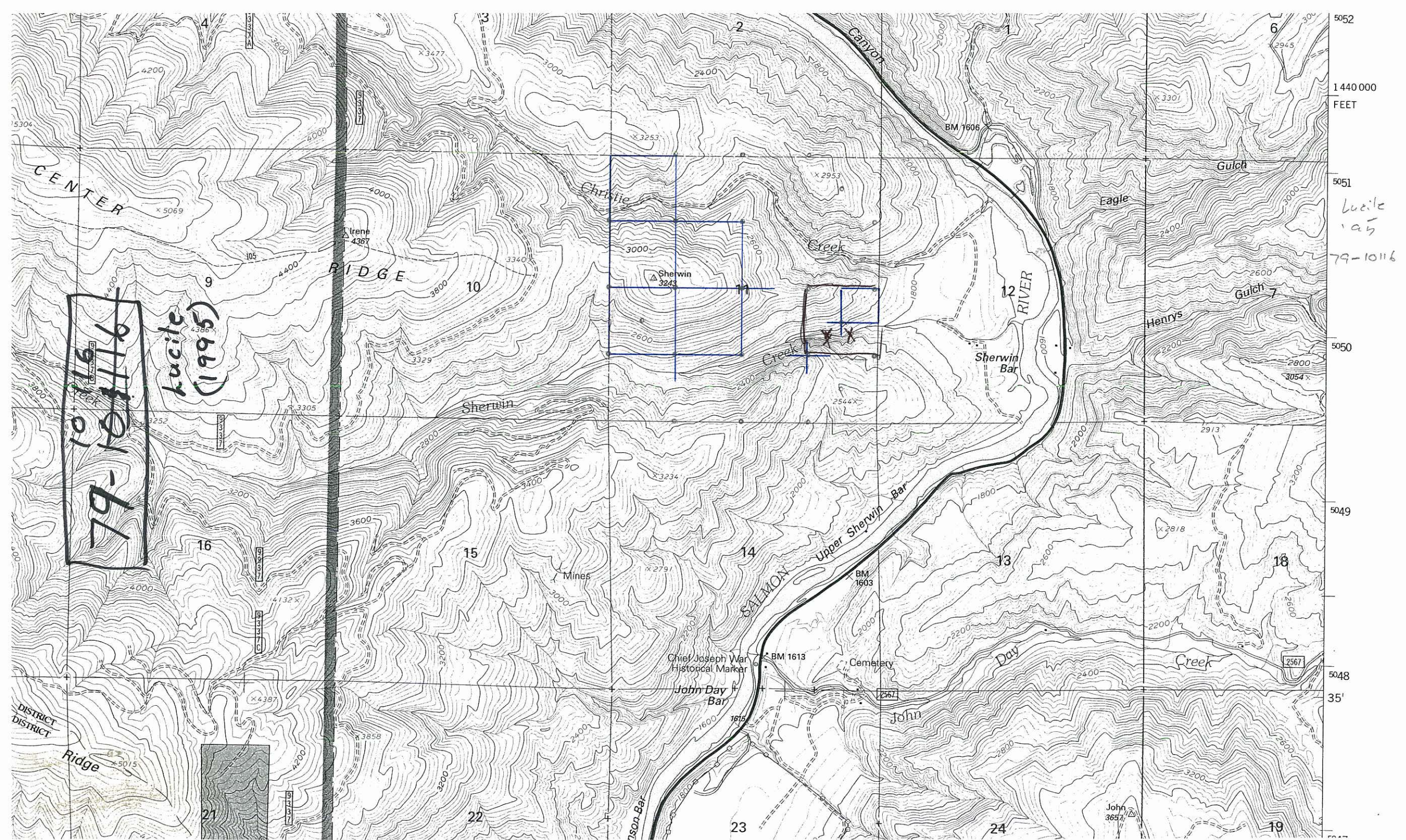
PLEASE NOTE: IDWR will recommend the SRBA Court decree the claims disallowed if no evidence of the priority date and of the historic use is submitted. It will be to your advantage to provide clear and convincing evidence. If you choose to submit statements from individuals as evidence, the statement should be in the form of a notarized affidavit.

Please submit the required evidence supporting the priority date and the historic use by the date shown above, referencing all documents with the corresponding claim number. If you have questions not covered by this letter or the enclosed pamphlet, please contact this office at 1-208-743-0301.

Sincerely,


Gregory J. Taylor
Sr. Water Agent

Cc: S&S Jayo Ranches, HC01 Box 103A, Whitebird, ID 83544



79-10116





State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 327-7900 FAX: (208) 327-7866

RECEIVED

AUG 2 1999

Department of Water Resources

DIRK KEMPTHORNE
GOVERNOR

July 19, 1999

KARL J. DREHER
DIRECTOR

PAUL JAYO
C/O JAYO RANCHES
3867 SQUAW VALLEY RD
PRIEST RIVER ID 83856-9669

Re: Snake River Basin Adjudication (SRBA)
Water Rights #79-10186, 79-10187, 79-10188, A79-10116
& A79-10185
Change of Address

*Records changed, NCAR
prepared, 8-3-99*

Dear Water Right Holder:

IDWR has been notified the address presently in our records is incorrect. Although we have reached you at the address above, we need your written confirmation this is your correct mailing address before we can change our records. Future notices related to your water right can be sent only to the address on your water right or as otherwise changed by you.

Please sign your name at the bottom of this letter and return it to this office. Make corrections to your name and address if necessary and list any other water rights you may have before returning this letter by August 2, 1999. Thank you for your help.

If your mail delivery address changes in any form, please contact us in writing so we can update our records.

If there has been a change in ownership of the property connected with the water right referenced above, please write down the name and address of the new owner(s) so we can send them a form to make this required change to the water right record.

Sincerely,

Sally

Sally Sherman
Technical Records Specialist
Adjudication Bureau

SS:region

#####

The address is correct as shown above or as otherwise changed.

Paul Jayo
Claimant Signature

208-443-2498
Telephone No.



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

JAMES E. RISCH
Governor

KARL J. DREHER
Director

July 18, 2006

CCCS LLC
2864 S CIRCLE DR STE 310
COLORADO SPRINGS CO 80906

RE: Snake River Basin Adjudication (SRBA)
Notices of Claim to a Water Right #79-10116 & 79-10185

RECEIVED
JUL 21 2006
IDWR/North

Dear Claimant:

We have processed your change in ownership of the Notices of Claim referenced above.

Enclosed are copies of the Notices of Claim for your file. Please refer to these record numbers in any future inquiries or correspondence.

If your mail delivery address changes in any form, please contact us in writing so we can update our records to assure you receive important notices concerning your claim.

Sincerely,

Sally Sherman
Technical Records Specialist
Adjudication Technical Section

SS:region

Enclosures:

Copies of Notices of Claim Referenced Above

SCANNED

JUL 18 2006

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

RECEIVED

JUN 15 2006

DEPARTMENT OF
WATER RESOURCES

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 (under the "split" heading), if the change in ownership is limited to a portion of a 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
79-10185					
79-10116					

RECEIVED
 JUL 21 2006
 IDWR/North

RECEIVED

JUL 10 2006

Department of Water Resources

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) is for ten or more acres of irrigation, you must submit a 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) Steve Jayo
P.O. Box 206 Whitebird, ID 83554
4. New Owner/Claimant(s) CCCS, LLC.
 Name Connector (Check one): [] and, [] or, [] and/or
- New Mailing Address 2864 South Circle Drive, Suite 310
- City, State and ZIP Code Colorado Springs, CO 80906
- New Telephone Number (719) 226-2828
5. Date you acquired the property 4/18/06

O.K. to change ownership
 7-12-06

SCANNED

JUL 18 2006

SCANNED

JUN 15 2006

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in 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) _____ member
(include title if applicable) _____ manager

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 _____	Date _____	Fee _____
Received by _____	Date _____	Receipt No. _____
Processed by <u>Shema</u>	Date <u>7-18-06</u>	WR _____ Date _____

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in 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.

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(If the right(s) will not be split, skip this area and proceed to item 7)

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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) _____
_____ member
_____ manager/member

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

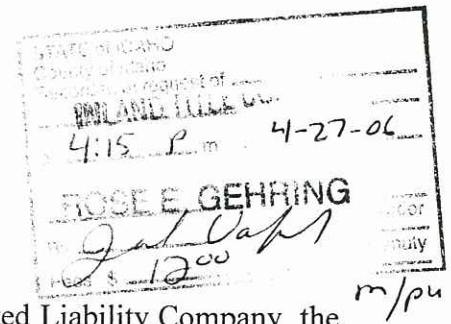
Received by _____	Date _____	Fee _____
Received by _____	Date _____	Receipt No. _____
Processed by <u>sherman</u>	Date <u>7-18-06</u>	WR _____ Date _____

SCANNED

JUL 18 2006

448025

WARRANTY DEED



FOR VALUE RECEIVED, MAYNARD, LLC, an Idaho Limited Liability Company, the Grantor, does hereby grant, bargain, sell and convey unto CCCS, LLC, a Colorado Limited Liability Company, the Grantee, whose address is: 2505 Stratton Forest Heights, Colorado Springs, Colorado 80906, the following described premises situate in Idaho, State of Idaho, to-wit:

SEE EXHIBIT A

SUBJECT TO Reservation of all coal and other minerals in United States Patents listed below, together with the appurtenant rights to use the surface of the land:

Recorded July 22, 1922 as Instrument Number 69056, applicable to Township 26 North, Range 1 East, Section 11: S $\frac{1}{2}$ SE $\frac{1}{4}$ and Section 14: N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Recorded February 2, 1927 as Instrument Number 83402, applicable to Township 26 North, Range 1 East, Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$.

Recorded July 19, 1930 as Instrument Number 93142, applicable to Township 26 North, Range 1 East, Section 10: W $\frac{1}{2}$ SW $\frac{1}{4}$ and Section 15: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Recorded July 19, 1930 as Instrument Number 93143, applicable to Township 26 North, Range 1 East, Section 10: NW $\frac{1}{4}$.

Recorded November 13, 1930 as Instrument Number 94246, applicable to Township 26 North, Range 1 East, Section 2: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Government Lots 6, 11, 12, and 13 and Section 3: E $\frac{1}{2}$ SE $\frac{1}{4}$, Government Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$.

Recorded September 24, 1935 as Instrument Number 110213, applicable to Township 26 North, Range 1 East, Section 14: Government Lots 5, 6, 7, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and Section 22: E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ and Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$.

SUBJECT TO Covenants, conditions, restrictions and easements contained in WARRANTY DEED to the STATE OF IDAHO recorded May 28, 1958 as Instrument Number 194356.

SUBJECT TO QUITCLAIM DEED to the STATE OF IDAHO, recorded September 4, 1958 as Instrument Number 195471.

RECEIVED

WARRANTY DEED

- 1 -

JUL 10 2006

Department of Water Resources

SCANNED

JUL 18 2006

SUBJECT TO Covenants, conditions, restrictions and easements contained in RIGHT OF WAY DEED to the UNITED STATES OF AMERICA, recorded September 23, 1958 as Instrument Number 199381.

SUBJECT TO All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by Record of Survey noted below, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

Recorded December 9, 1985 as Instrument Number 323969;

Recorded November 28, 1990 as Instrument Number 356416;

Recorded November 28, 1990 as Instrument Number 356417;

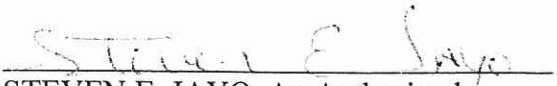
Recorded June 17, 1991 as Instrument Number 358691.

TOGETHER WITH the Easement Agreement by and between Steven E. Jayo, a single man, and Maynard LLC, an Idaho limited liability company, and Anita Smith, a married woman dealing with her sole and separate property, recorded on 4-27-06, 2006, Instrument Number 448024, records of Idaho County, Idaho.

TOGETHER WITH the Easement Agreement by and between Steven E. Jayo, a single man, and Maynard, LLC, an Idaho limited liability company, and Ernest L. Robinson and Judith K. Robinson, husband and wife, recorded on 4-27-06, 2006, Instrument Number 448023, records of Idaho County, Idaho.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, its heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee that it is the owner in fee simple of said premises; that the said premises is free from all encumbrances, except as specifically set forth herein, and that it will warrant and defend the same from all lawful claims whatsoever except as set forth herein, general taxes for the year 2006, and easements, reservations, restrictions and rights-of-way of record or in use.

DATED this 20 day of April, 2006.


STEVEN E. JAYO, An Authorized
Member of Maynard, LLC

WARRANTY DEED

- 2 -

SCANNED

JUL 18 2006

STATE OF IDAHO)
 :SS
County of Idaho)

On this 20th day of April, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared STEVEN E. JAYO known to me to be an authorized member of MAYNARD, LLC, the Idaho Limited Liability Company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such company executed the same.

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



Jeana Dramus
Notary Public in and for the State of Idaho,
residing at Kooskia, therein.
My Commission expires: 4-2-2008

EXHIBIT A

FIRST AMERICAN TITLE INSURANCE COMPANY

INLAND TITLE COMPANY, IDAHO COUNTY, IDAHO

Commitment Number: 20334 4139

SCHEDULE C
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

Township 26 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 2: Government Lots 6, 11, 12, 13, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 10: All

Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$

Section 12: Government Lot 3, 4, 5, 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, LESS U.S. Highway 95 Project No. F-4113 (10) Right of Way

Section 14: Government Lots 5, 6, 7, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 15: All

Section 21: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 22: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$

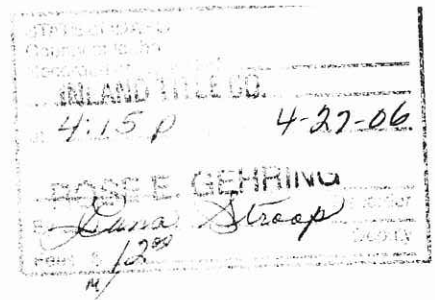
Township 27 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 31: NE $\frac{1}{4}$ SW $\frac{1}{4}$ East of Forest Service Seven Devils Road, Project No. 420 C Right of Way

Section 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: S $\frac{1}{2}$ SW $\frac{1}{4}$

448026



WARRANTY DEED

FOR VALUE RECEIVED, STEVEN E. JAYO, individually, and as a partner in S&S JAYO RANCH COMPANY, the Grantor, does hereby grant, bargain, sell and convey unto CCCS, LLC, a Colorado Limited Liability Company, the Grantee, whose address is: 2505 Stratton Forest Heights, Colorado Springs, Colorado 80906, the following described premises situate in Idaho County, State of Idaho, to-wit:

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SUBJECT TO Covenants, conditions, restrictions and easements contained in WARRANTY DEED to the STATE OF IDAHO recorded May 28, 1958 as Instrument Number 194356.

WARRANTY DEED

- 1 -

RECEIVED

JUL 10 2006

SCANN

JUL 18

SCANNED

JUL 18 2006

Department of Water Resources

SUBJECT TO QUITCLAIM DEED to the STATE OF IDAHO, recorded September 4, 1958 as Instrument Number 195471.

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SUBJECT TO All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by Record of Survey noted below, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

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TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, its heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee that he is the owner in fee simple of said premises; that the said premises is free from all encumbrances, except as specifically set forth herein, and that it will warrant and defend the same from all lawful claims whatsoever except as set forth herein, general taxes for the year 2006, and easements, reservations, restrictions and rights-of-way of record or in use.

SEE EXHIBIT A

FIRST AMERICAN TITLE INSURANCE COMPANY

INLAND TITLE COMPANY, IDAHO COUNTY, IDAHO

Commitment Number: 20334 4139

SCHEDULE C
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

Township 26 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 2: Government Lots 6, 11, 12, 13, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 10: All

Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$

Section 12: Government Lot 3, 4, 5, 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, LESS U.S. Highway 95 Project No. F-4113 (10) Right of Way

Section 14: Government Lots 5, 6, 7, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 15: All

Section 21: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 22: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 27 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 31: NE $\frac{1}{4}$ SW $\frac{1}{4}$ East of Forest Service Seven Devils Road, Project No. 420 C Right of Way

Section 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: S $\frac{1}{2}$ SW $\frac{1}{4}$

Form No. 1402.92
(10/17/92)
ALTA Owner's Policy



RECEIVED

POLICY OF TITLE INSURANCE

JUL 10 2006



Department of Water Resources

ISSUED BY

First American Title Insurance Company



INLAND TITLE COMPANY
524 W. Main Street
Grangeville, ID 83530
(208) 983-0150
Fax: (208) 983-3008

Agent For
First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

By *Gary L. Kernott* PRESIDENT

ATTEST *Mark R. Anderson* SECRETARY

SCANNED

JUL 18 2006

FIRST AMERICAN TITLE INSURANCE COMPANY

Issued with Policy Number: CW 7129918 (1056.92)

SCHEDULE A

File Number: 20334 4139

Policy Number: J2134322 (1402.92)

Amount of Insurance: \$ 2,350,000.00

Premium: \$ 5,480.00

Date of Policy: April 27, 2006 at 04:15 PM

1. Name of Insured:

CCCS, LLC, a Colorado Limited Liability Company

2. The estate or interest in the land which is covered by this policy is:

PARCEL I-- Fee Simple; PARCEL II-- Equitable Interest

3. Title to the estate or interest in the land is vested in:

CCCS, LLC, a Colorado Limited Liability Company

4. The land referred to in this policy is described as follows:

Parcel I, Fee Interest

Township 26 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 2: Government Lots 6, 11, 12, 13, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 10: All

Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$

Section 12: Government Lot 3, 4, 5, 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, LESS U.S. Highway 95

Project No. F-4113 (10) Right of Way

Section 14: Government Lots 5, 6, 7, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 15: All

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Section 22: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 27 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 31: NE $\frac{1}{4}$ SW $\frac{1}{4}$ East of Forest Service Seven Devils Road, Project No. 420 C Right of Way

Section 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: S $\frac{1}{2}$ SW $\frac{1}{4}$

Parcel II, Equitable Interest

A perpetual, non-exclusive easement for ingress, egress, and utilities over and across the following described land, as described in EASEMENT AGREEMENT recorded April 27, 2006 as Instrument Number 448023 and re-recorded April 28, 2006 as Instrument Number 448068.

Township 27 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 20: S $\frac{1}{2}$ NE $\frac{1}{4}$

Section 21: SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$

Section 28: N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$

Section 27: W $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

AND

A perpetual, non-exclusive easement for ingress, egress, and utilities over and across the

SCANNED

III 1 9 2006

following described land, as described in EASEMENT AGREEMENT recorded April 27, 2006
as Instrument Number 448024:

Township 27 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 8: S $\frac{1}{2}$ South of Deer Creek County Road

Section 17: NW $\frac{1}{4}$, E $\frac{1}{2}$

Section 27: S $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 33: NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34:N $\frac{1}{2}$

FIRST AMERICAN TITLE INSURANCE COMPANY

By: Del Lunders

DEL LUNDERS, AUTHORIZED SIGNATORY

SCHEDULE B

File Number:
20334 4139

Policy Number:
J2134322 (1402.92)

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public record.
4. Discrepancies, conflicts in boundary line, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims: (b) reservations or exceptions in patents or in acts authorizing the issuance thereof: (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. Taxes for the year 2006 are an accruing lien, not yet due or payable.
8. Right, title and interest of the State of Idaho within the natural bed of the SALMON RIVER below the ordinary high water line, and also excepting any accretion or avulsion changes of the ordinary high water line.
9. Any claim arising from the difference in the mean high water line of the Salmon River and the meander line as show by the Original Government Survey.
10. Access by way of a Forest Service road is subject to the rules, regulations, terms and conditions governing Forest Service roads. (Township 27 North, Range 1 East, Section 31: That part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ East of the road.)
11. Right of access to and from the land, if any, which is not established of record and assurance of such right of access will be excluded from the coverage of this policy unless access is so conveyed and established of record. (All except above)

SCHEDULE B
(Continued)

File Number:
20334 4139

Policy Number:
J2134322 (1402.92)

12. Reservation of all coal and other minerals in United States Patents listed below, together with the appurtenant rights to use the surface of the land:

Recorded July 22, 1922 as Instrument Number 69056, applicable to Township 26 North, Range 1 East, Section 11: S $\frac{1}{2}$ SE $\frac{1}{4}$ and Section 14: N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Recorded February 2, 1927 as Instrument Number 83402, applicable to Township 26 North, Range 1 East, Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$.

Recorded July 19, 1930 as Instrument Number 93142, applicable to Township 26 North, Range 1 East, Section 10: W $\frac{1}{2}$ SW $\frac{1}{4}$ and Section 15: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Recorded July 19, 1930 as Instrument Number 93143, applicable to Township 26 North, Range 1 East, Section 10: NW $\frac{1}{4}$

Recorded November 13, 1930 as Instrument Number 94246, applicable to Township 26 North, Range 1 East, Section 2: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Government Lots 6, 11, 12, and 13 and Section 3: E $\frac{1}{2}$ SE $\frac{1}{4}$, Government Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$.

Recorded September 24, 1935 as Instrument Number 110213, applicable to Township 26 North, Range 1 East, Section 14: Government Lots 5, 6, 7, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and Section 22: E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ and Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$.

13. Covenants, conditions, restrictions and easements contained in WARRANTY DEED to the STATE OF IDAHO recorded May 28, 1958 as Instrument Number 194356.
14. QUITCLAIM DEED to the STATE OF IDAHO, recorded September 4, 1958 as Instrument Number 195471.
15. Covenants, conditions, restrictions and easements contained in RIGHT OF WAY DEED to the UNITED STATES OF AMERICA, recorded September 23, 1958 as Instrument Number 199381.
16. All matters, covenants, conditions, restrictions, easements and any rights, interests or claims which may exist by reason thereof, disclosed by Record of Survey noted below, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(recorded December 9, 1985 as Instrument Number 323969;
recorded November 28, 1990 as Instrument Number 356416;
recorded November 28, 1990 as Instrument Number 356417;
recorded June 17, 1991 as Instrument Number 358691.
17. EASEMENT AGREEMENT by and between STEVEN E. JAYO, a single man and MAYNARD, LLC, INC. and ERNEST L. ROBINSON and JUDITH K. ROBINSON, husband and wife, including the terms and conditions therein, recorded April 27, 2006 as Instrument Number 448023 and re-recorded April 28, 22006 as Instrument Number 448068.
18. EASEMENT AGREEMENT by and between STEVEN E. JAYO, a single man and MAYNARD, LLC, INC., and ANITA SMITH, a married woman dealing with her sole and separate property, including the terms and conditions therein, recorded April 27, 2006 as Instrument Number 448024.

SCHEDULE B
(Continued)

File Number:
20334 4139

Policy Number:
J2134322 (1402.92)

19. MORTGAGE to secure an indebtedness of \$1,669,995.00 and any other amounts and/or obligations secured thereby.

Recorded: April 27, 2006 Instrument Number 448029

Re-Recorded: April 28, 2006 Instrument Number: 448057

Mortgagor: CCCS, LLC, a Colorado Limited Liability Company

Mortgagee: D.L. EVANS BANK

Jayo Appraisal - 3/06

Jayo Appraisal - 3/06

SCANNED
JUN 15 2006



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 287-4800 FAX: (208) 287-6700 www.idwr.idaho.gov

RECEIVED

JUL 10 2006

DEPARTMENT OF
WATER RESOURCES

JAMES E. RISCH
Governor

KARL J. DREHER
Director

June 28, 2006

CCCS LLC
2864 S CIRCLE DR STE 310
COLORADO SPRINGS CO 80906

RE: Snake River Basin Adjudication (SRBA)
Incomplete Notice of Change in Water Right Ownership
Notices of Claim to a Water Right #79-10116 and 79-10185

We are returning the Incomplete Notice of Change in Water Right Ownership form that you submitted recently. Before we can begin processing your ownership change, we need proof of conveyance as requested in Item 2.B.

Please call me toll-free at 1/800-451-4129 if you have any questions.

Sincerely,

Sally Sherman
Technical Records Specialist
Adjudication Bureau

SS:region

Enclosure:

Incomplete Notice of Change in Water Right Ownership Form

C: D.L. Evans Bank w/o Enclosure

SCANNED

JUL 18 2006



State of Idaho
DEPARTMENT OF WATER RESOURCES
322 East Front Street, P.O. Box 83720, Boise, Idaho 83720-0098
Phone: (208) 287-4800 FAX: (208) 287-6700 www.idwr.idaho.gov

RECEIVED
JUL 03 2006
DEPARTMENT OF
WATER RESOURCES

JAMES E. RISCH
Governor

KARL J. DREHER
Director

COPY

June 28, 2006

CCCS LLC
2864 S CIRCLE DR STE 310
COLORADO SPRINGS CO 80906

RE: Snake River Basin Adjudication (SRBA)
Incomplete Notice of Change in Water Right Ownership
Notices of Claim to a Water Right #79-10116 and 79-10185

7-5-06 CCCS LLC - Doug
Stempel - called - Keyline
reading proof - called his
assistant Kristine Wise - 719-785-
3279+ confirmed deed
will be included.

We are returning the Incomplete Notice of Change in Water Right Ownership form that you submitted recently. Before we can begin processing your ownership change, we need proof of conveyance as requested in Item 2.B.

Please call me toll-free at 1/800-451-4129 if you have any questions.

Sincerely,

Sally Sherman
Technical Records Specialist
Adjudication Bureau

SS:region
Enclosure:

Incomplete Notice of Change in Water Right Ownership Form
D.L. Evans Bank w/o Enclosure

RECEIVED
JUL 21 2006
IDWR/North

SCANNED
JUL - 5 2006

448057 448029

RE-RECORDED TO ADD LEGAL DESCRIPTION

STATE of IDAHO County of Idaho Recorded at request of	
INLAND TITLE CO.	
at 1:40 P	4-28-06
By <i>[Signature]</i>	
Fees \$ 21.00	Deputy

STATE of IDAHO County of Idaho Recorded at request of	
INLAND TITLE CO.	
at 4:15 P	4-27-06
ROSE E. GEHRING	
By <i>[Signature]</i>	Deputy
Fees \$ 18.00	

Certify that this is a true and correct copy of the original document

Space Above This Line For Recording Data

MORTGAGE

DATE AND PARTIES. The date of this Mortgage (Security Instrument) is April 18, 2006. The parties and their addresses are:

MORTGAGOR:

CCCS, LLC
A Colorado Limited Liability Company
630 SOUTHPOINTE COURT SUITE 200
COLORADO SPRINGS, Colorado 80906

LENDER:

D. L. EVANS BANK
Organized and existing under the laws of Idaho
7450 W. Emerald Street
Boise, Idaho 83713

1. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys and mortgages to Lender, the following described property:

REFER TO EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

TOGETHER WITH THE WATER RIGHTS REPRESENTED BY IDAHO STATE DEPARTMENT OF WATER RESOURCES WATER RIGHT NO. 79-10185 WITH A CLAIMED PRIORITY DATE OF AUGUST 4, 1905 TO 0.38 CFS OF IRRIGATION WATER FROM CHRISTIE CREEK A TRIBUTARY OF THE SALMON RIVER, AND WATER RIGHT NO. 79-10116 WITH A CLAIMED PRIORITY DATE OF DECEMBER 13, 1906 TO 1.22 CFS OF IRRIGATION WATER AND 0.04 CFS OF DOMESTIC WATER FOR A TOTAL OF 1.26 CFS OF WATER FROM SHERWIN CREEK A TRIBUTARY OF THE SALMON RIVER, AND WATER RIGHT NO. 79-7184 WITH A CLAIMED PRIORITY DATE OF JULY 21, 1988 TO 0.01 CFS OF STOCKWATER FROM SPRING A TRIBUTARY OF SINKS, AND WATER RIGHT NO. 79-10186 WITH A CLAIMED PRIORITY DATE OF DECEMBER 13, 1906 TO 0.03 CFS OF STOCKWATER FROM MUD SPRINGS A TRIBUTARY OF SINKS, AND WATER RIGHT NO. 79-10187 WITH A PRIORITY DATE OF DECEMBER 13, 1906 WITH 0.03 CFS OF STOCKWATER WATER FROM SPRINGS A TRIBUTARY OF SINKS, AND WATER RIGHT NO. 79-10188 WITH A PRIORITY DATE OF DECEMBER 13, 1906 TO 0.14 CFS OF STOCKWATER FROM SPRING A TRIBUTARY OF SINKS, TOGETHER WITH ANY AND ALL OTHER WATER RIGHTS AND DITCH RIGHTS APPURTENANT TO THE ABOVE DESCRIBED PREMISES.

The property is located in IDAHO County at SEE LEGAL DESCRIPTION, RURAL LUCILE, Idaho 83542.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

2. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time will not exceed \$1,669,995.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

3. SECURED DEBTS. The term "Secured Debts" includes and this Security Instrument will secure each of the following:

SCANNED

JUL - 5 2006

- A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note or other agreement, No. 2312100594/12, dated April 18, 2006, from Mortgagor to Lender, with a loan amount of \$1,669,995.00 and maturing on April 15, 2021.
- B. All Debts.** All present and future debts from Mortgagor to Lender, even if this Security Instrument is not specifically referenced, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Security Instrument, each agrees that it will secure debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide any required notice of the right of rescission, Lender waives any subsequent security interest in the Mortgagor's principal dwelling that is created by this Security Instrument. This Security Instrument will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Security Instrument will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities.
- C. Sums Advanced.** All sums advanced and expenses incurred by Lender under the terms of this Security Instrument when the evidence of indebtedness specifically states that it is secured by this Security Instrument.
- 4. PAYMENTS.** Mortgagor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument. Mortgagor acknowledges that the interest rate, payment terms, or balance due on the loan may be indexed, adjusted, renewed or renegotiated.
- 5. WARRANTY OF TITLE.** Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell and mortgage the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.
- 6. PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:
- A.** To make all payments when due and to perform or comply with all covenants.
 - B.** To promptly deliver to Lender any notices that Mortgagor receives from the holder.
 - C.** Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
- 7. CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.
- 8. DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.
- 9. TRANSFER OF AN INTEREST IN THE MORTGAGOR.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
- A.** A beneficial interest in Mortgagor is sold or transferred.
 - B.** There is a change in either the identity or number of members of a partnership or similar entity.
 - C.** There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
- However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.
- 10. WARRANTIES AND REPRESENTATIONS.** Mortgagor makes to Lender the following warranties and representations which will continue as long as this Security Instrument is in effect:
- A. Power.** Mortgagor is duly organized, and validly existing and in good standing in all jurisdictions in which Mortgagor operates. Mortgagor has the power and authority to enter into this transaction and to carry on Mortgagor's business or activity as it is now being conducted and, as applicable, is qualified to do so in each jurisdiction in which Mortgagor operates.
 - B. Authority.** The execution, delivery and performance of this Security Instrument and the obligation evidenced by this Security Instrument are within Mortgagor's powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which Mortgagor is a party or to which Mortgagor is or any of Mortgagor's property is subject.
 - C. Name and Place of Business.** Other than previously disclosed in writing to Lender, Mortgagor has not changed Mortgagor's name or principal place of business within the last 10 years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve Mortgagor's existing name, trade names and franchises.
- 11. PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without

Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor will not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

12. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

13. ASSIGNMENT OF LEASES AND RENTS. Mortgagor absolutely, unconditionally, irrevocably and immediately assigns, grants, bargains, conveys and mortgages to Lender all the right, title and interest in the following (Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including but not limited to any extensions, renewals, modifications or replacements (Leases).

B. Rents, issues and profits, including but not limited to security deposits, minimum rents, percentage rents, additional rents, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property (Rents).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Lender grants Mortgagor a revocable license to collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor's default automatically and immediately revokes this license. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. When Lender so directs, Mortgagor will endorse and deliver any payments of Rents from the Property to Lender. Mortgagor agrees that Lender will not be considered to be a mortgagee-in-possession by executing this Security Instrument or by collecting or receiving payments on the Secured Debts, but only may become a mortgagee-in-possession after Mortgagor's license to collect, receive, enjoy and use the Rents is revoked by Lender or automatically revoked on Mortgagor's default, and Lender takes actual possession of the Property. Consequently, until Lender takes actual possession of the Property, Lender is not obligated to perform or discharge any obligation of Mortgagor under the Leases, appear in or defend any action or proceeding relating to the Rents, the Leases or the Property, or be liable in any way for any injury or damage to any person or property sustained in or about the Property. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Mortgagor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Mortgagor or any party to the Lease defaults or fails to observe any applicable law, Mortgagor will promptly notify Lender. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance. Mortgagor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so require) without Lender's consent. Mortgagor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional torts. Otherwise, Mortgagor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

14. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Payments. Mortgagor fails to make a payment in full when due.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any

present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Mortgagor, Borrower, or any co-signer, endorser, surety or guarantor of this Security Instrument or any other obligations Borrower has with Lender.

C. Business Termination. Mortgagor merges, dissolves, reorganizes, ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. Failure to Perform. Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument.

E. Other Documents. A default occurs under the terms of any other document relating to the Secured Debts.

F. Other Agreements. Mortgagor is in default on any other debt or agreement Mortgagor has with Lender.

G. Misrepresentation. Mortgagor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

H. Judgment. Mortgagor fails to satisfy or appeal any judgment against Mortgagor.

I. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. Name Change. Mortgagor changes Mortgagor's name or assumes an additional name without notifying Lender before making such a change.

K. Property Transfer. Mortgagor transfers all or a substantial part of Mortgagor's money or property. This condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the DUE ON SALE section.

L. Property Value. Lender determines in good faith that the value of the Property has declined or is impaired.

M. Material Change. Without first notifying Lender, there is a material change in Mortgagor's business, including ownership, management, and financial conditions.

N. Erosion. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce or make possible the production of an agricultural commodity, as further explained by federal law.

O. Insecurity. Lender determines in good faith that a material adverse change has occurred in Mortgagor's financial condition from the conditions set forth in Mortgagor's most recent financial statement before the date of this Security Instrument or that the prospect for payment or performance of the Secured Debts is impaired for any reason.

15. REMEDIES. On or after default, Lender may use any and all remedies Lender has under state or federal law or in any document relating to the Secured Debts. Any amounts advanced on Mortgagor's behalf will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to any right to cure, required time schedules or any other notice rights Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

16. REDEMPTION. The period of redemption after sale on foreclosure will be one year if the real property sold consisted of a tract of land of more than twenty (20) acres, and within six (6) months after the sale if the real property sold consisted of a tract of land of twenty (20) acres or less. Any agreement to extend the redemption period must be in writing.

17. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, Mortgagor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Security Instrument or any other document relating to the Secured Debts. Mortgagor agrees to pay expenses for Lender to inspect and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. In addition, to the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees incurred by Lender to protect Lender's rights and interests in connection with any bankruptcy proceedings initiated by or against Mortgagor.

18. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take a necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.

F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property without prejudice to any of Lender's rights under this Security Instrument.

L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

19. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

20. ESCROW FOR TAXES AND INSURANCE. Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

21. CO-SIGNERS. If Mortgagor signs this Security Instrument but is not otherwise obligated to pay the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree by signing this Security Instrument to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

22. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

23. APPLICABLE LAW. This Security Instrument is governed by the laws of Idaho, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

24. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.

25. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument and any other documents relating to the Secured Debts are the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

26. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

27. NOTICE, FINANCIAL REPORTS, ADDITIONAL DOCUMENTS AND RECORDING TAXES. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Mortgagor will be deemed to be notice to all Mortgagors. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording of this Security Instrument. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property, and Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording thereof. Time is of the essence.

SIGNATURES. By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

MORTGAGOR:

CCCS, LLC

By [Signature]
DOUGLAS M. STIMPLE, MEMBER

By [Signature]
REED CAGLE, MEMBER

ACKNOWLEDGMENT.

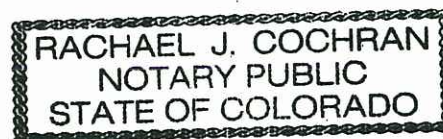
(Business or Entity)

Rachael J. Cochran OF El Paso County OF Colorado ss.
On this 18th day of April, 2006, before me,
Rachael J. Cochran a Notary Public, personally appeared DOUGLAS M. STIMPLE and REED
CAGLE, known or identified to me (or proved to me on the oath of _____) to
be the MEMBER and MEMBER, of the Limited Liability Company that executed the instrument or the person who
executed the instrument on behalf of said Limited Liability Company, and acknowledged to me that such Limited
Liability Company executed the same.

My commission expires:

6/16/2009

Rachael J. Cochran
(Notary Public)



MY COMMISSION EXPIRES 6/16/2009

EXHIBIT A

Township 26 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 2: Government Lots 6, 11, 12, 13, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 10: All

Section 11: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$

Section 12: Government Lot 3, 4, 5, 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, LESS U.S. Highway 95 Project No. F-4113 (10)

Right of Way

Section 14: Government Lots 5, 6, 7, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 15: All

Section 21: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 22: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 27 North, Range 1 East, Boise Meridian, Idaho County, Idaho

Section 31: NE $\frac{1}{4}$ SW $\frac{1}{4}$ East of Forest Service Seven Devils Road, Project No. 420 C Right of Way

Section 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: S $\frac{1}{2}$ SW $\frac{1}{4}$

(20334 4139.PFD/20334 4139/118)

SCANNED
JUL - 5 2006



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 287-4800 FAX: (208) 287-6700 www.idwr.idaho.gov

JAMES E. RISCH
Governor

KARL J. DREHER
Director

June 28, 2006

CCCS LLC
2864 S CIRCLE DR STE 310
COLORADO SPRINGS CO 80906

RE: Snake River Basin Adjudication (SRBA)
Incomplete Notice of Change in Water Right Ownership
Notices of Claim to a Water Right #79-10116 and 79-10185

We are returning the Incomplete Notice of Change in Water Right Ownership form that you submitted recently. Before we can begin processing your ownership change, we need proof of conveyance as requested in Item 2.B.

Please call me toll-free at 1/800-451-4129 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sally'.

Sally Sherman
Technical Records Specialist
Adjudication Bureau

SS:region

Enclosure:

Incomplete Notice of Change in Water Right Ownership Form

C: D.L. Evans Bank w/o Enclosure

SCANNED

JUN 28 2006



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

May 15, 2006

D L EVANS BANK
ATTN ANDREA HOFLAND
PO BOX 87
TWIN FALLS ID 83303

RECEIVED

JUN 15 2006

DEPARTMENT OF
WATER RESOURCES

RE: Snake River Basin Adjudication (SRBA)
Notice of Security Interest in a Water Right
Notices of Claim to a Water Right #79-10185 and 79-10116
CCCS, LLC

I am returning the Notice of Security Interest in a Water Right to you. Adjudication claims #79-10185 and 79-10116 do not belong to CCCS, LLC. I have enclosed a Notice of Change in Water Right Ownership form which you may send to CCCS, LLC for their possible use.

Our Water Allocations Bureau will address License 79-7184 and the three Decreed rights. I have forwarded a copy of your Notice to them.

Please contact me if you have any questions or concerns.

Sincerely,

Sally Sherman
Technical Records Specialist
Adjudication Technical Section

ss:region

Enclosures:

Notice of Security Interest in a Water Right (Returned)
Notice of Change in Water Right Ownership Form

SCANNED

JUN 15 2006



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

May 15, 2006

D L EVANS BANK
ATTN ANDREA HOFLAND
PO BOX 87
TWIN FALLS ID 83303

RECEIVED
MAY 19 2006
IDWR/North

RE: Snake River Basin Adjudication (SRBA)
Notice of Security Interest in a Water Right
Notices of Claim to a Water Right #79-10185 and 79-10116
CCCS, LLC

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Please contact me if you have any questions or concerns.

Sincerely,

Sally Sherman
Technical Records Specialist
Adjudication Technical Section

ss:region

Enclosures:

Notice of Security Interest in a Water Right (Returned)
Notice of Change in Water Right Ownership Form

SCANNED
MAY 15 2006

Taylor, Greg

From: Fritschle, Carter
Sent: Wednesday, July 12, 2006 7:21 AM
To: Taylor, Greg
Cc: Sherman, Sally
Subject: Change of Ownership for 79-10116 and 79-10185

Hi Greg,

We are processing a change of ownership for claims 79-10116 and 79-10185. Everything looks all right concerning the claimed POU to process the change of ownership, but on the recommendation for 79-10116, it appears that some of the recommended place of use is on federal land. In Section 12, the SWSW and SESW (Lot 9) are not owned by the claimant. It does appear that this land is being irrigated, but since it was not claimed, we probably should not be recommending it.

I will give Sally the go ahead to complete the ownership change and we will get the paper work up to you in the not to distant future.

Carter