

JAN 20 2006

01/05/2006

DEPARTMENT OF
WATER RESOURCESNOTICE OF ERROR
REPLY

Please type or print 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: March 3, 2006

Water right number: 77-7014

HOLLOWAY PROPERTIES LP

411 CASHMERE RD

BOISE ID 83702

Telephone Number: (208)385-0271

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

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

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

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

DATE: 1-19-06

SIGNATURE: Keith Holloway

Please print your name: KEITH HOLLOWAY

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

SCANNED

JAN 20 2006

04/01/2005

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

RIGHT NUMBER: 77-7014

NAME AND ADDRESS: HOLLOWAY PROPERTIES LP
411 CASHMERE RD
BOISE ID 83702

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 0.060 CFS
4.200 AFY

PRIORITY DATE: 04/27/1970

POINT OF DIVERSION:

T19N R08E S21 NESW Within VALLEY County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE

PERIOD OF USE

QUANTITY

DOMESTIC

01/01 12/31

0.060 CFS

4.20 AFY

DOMESTIC USE FOR ALPINE VILLAGE MOTEL.

PLACE OF USE: DOMESTIC Within VALLEY County

T19N R08E S21 NESW

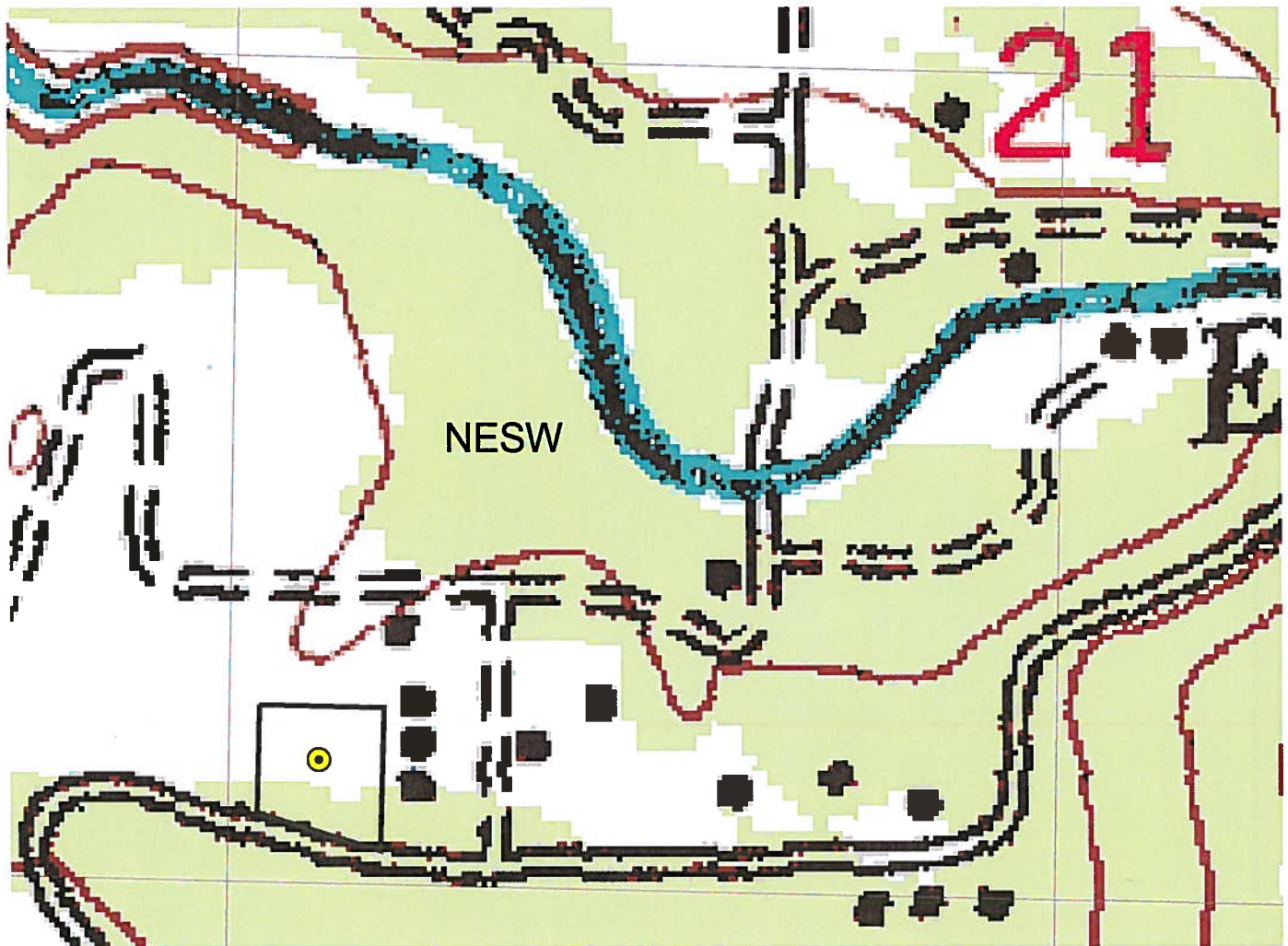
OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

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: License

PARCEL NO. RP00007002000AA

77-7014



0 200 400 Feet

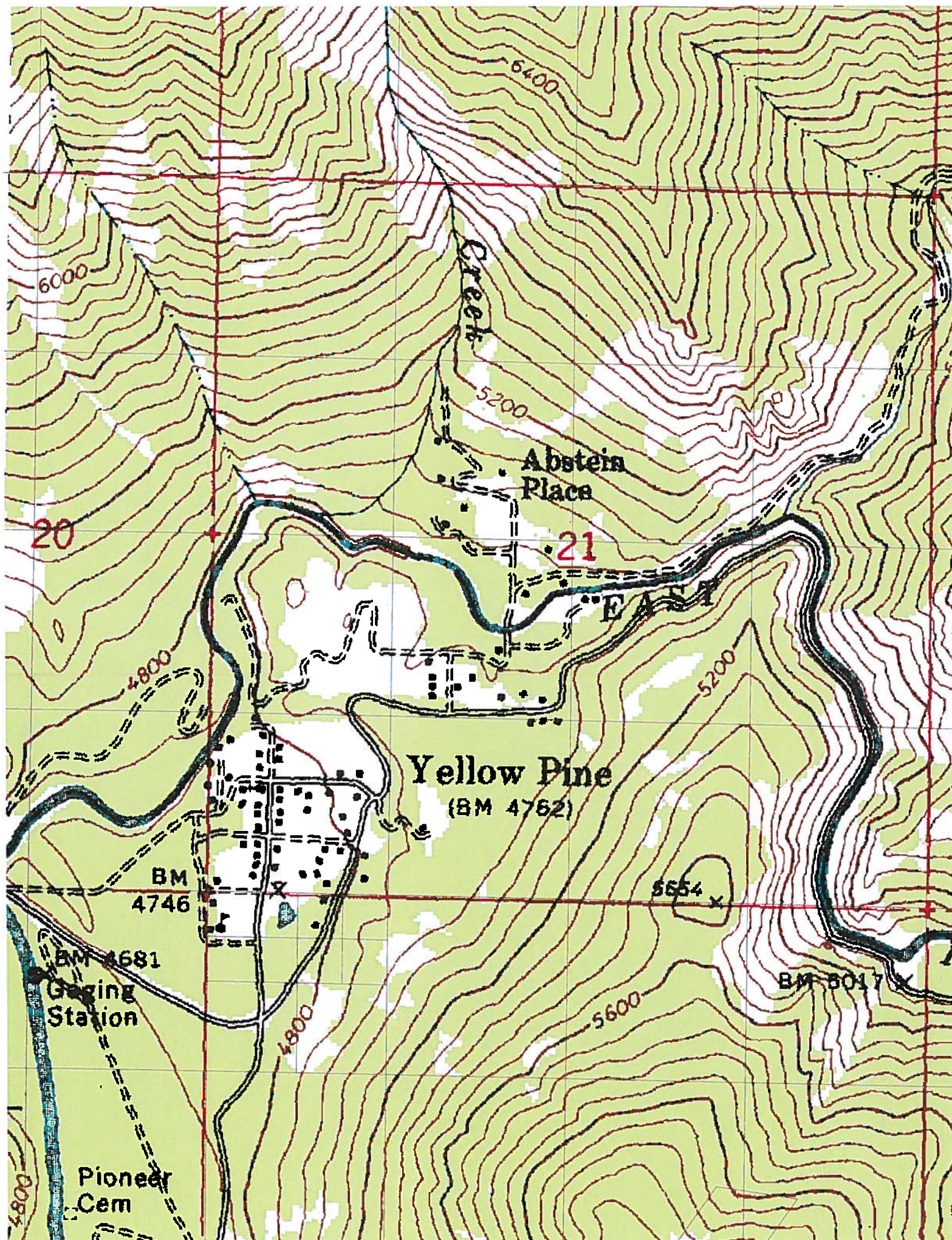
Section 21
T19N R8E



● Point of Diversion

□ Place of Use

Map prepared on April 1, 2005
By Kenneth Knoblock
Idaho Department of Water Resources



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 77-7014
Date Received: 11/23/1988
Receipt No: W001517
Received By:

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

1. Name of Claimant(s): HOLLOWAY PROPERTIES LP Phone: (208) 385-0271
411 CASHMERE RD
BOISE ID USA 83702

2. Date of Priority: 04/27/1970

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot	County	Type
19N	08E	21	NE SW	VALLEY	

5. Description of diverting works:

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
DOMESTIC	1/01	12/31	0.06	

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

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
19N	08E	21	NE SW		DOMESTIC	

11. Place of use in counties: VALLEY

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

13. Other Water Rights Used:

14. Remarks:

Note: Removed F Alan Fletcher of Denver CO as attorney (former) and added current attorney Albert P Barker. DB 9/25/2001

Ownership changed by DB 11/5/2001

SEE ATTACHED LEASE AGREEMENT

15. Basis of Claim: License

RECEIVED
OCT 19 2001
WATCH RE.
WESTERN RE.

October 17, 2001

Denise Buffington
State of Idaho
Department of Water Resources
2735 Airport Way
Boise, Idaho 83705-5082

Re: Water Right No. 77-07014

Dear Denise Buffington:

I have received your notice of the above referenced water right claim from Hecla Mining Company. Holloway Properties, L.P. purchased the Alpine Village property via warranty deed dated September 29, 1998.

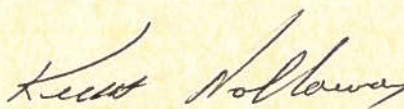
I am enclosing a copy of letter from Hecla Mining Company confirming this transaction.

Current name and address is as follows:

HOLLOWAY PROPERTIES L.P.
411 Cashmere Rd.
Boise, Idaho, 83702

Please let me know if additional information is needed to process this change. Thank you for your cooperation.

Sincerely,



Keith Holloway
Holloway Properties L.P.

Deed rec'd ^{of} 10/29/01

We hereby certify we have read and approved of this document.

[Signature]

WARRANTY DEED

THIS CONVEYANCE, made this 29th day of September, 1998, by and between HECLA MINING COMPANY, whose address is 6500 Mineral Drive, Cocur d'Alene, Idaho 83815, hereinafter referred to as "Grantor," and HOLLOWAY PROPERTIES L.L.C. whose address is 411 Cashmere, Boise, Idaho 83705, hereinafter referred to as "Grantee".

83702 L.P.

WITNESSETH:

That the said Grantor, for and in consideration of Ten Dollars (\$10.00), lawful money of the United States of America, and other good and valuable consideration to them in hand paid by the said Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain, sell, convey and confirm unto the said Grantee, and to its successors and assigns forever, all of the following described real estate situated in the County of Valley, State of Idaho, to-wit:

All that certain lot, piece or parcel of land, situate in Valley County, Idaho, and shown as Tracts 1 and 6 in Block 2, Abstein Subdivision, a plat which is recorded in the office of the Recorder of Valley County, Idaho, more particularly described as:

A parcel of land commencing at the Southwest corner of Block 2 of the Abstein Subdivision located in the SE ¼ NW ¼ and in the NE ¼ SW ¼ of Section 21, Township 19 North, Range 8 East, B.M., Valley County, Idaho; thence North 238.5 feet; thence East 300 feet; thence South 300 feet; thence Westerly along the South boundary of Block 2 to the Point of Beginning.

TOGETHER WITH, all improvements situated thereon, specifically including, but not limited to, two 17' x 21' A-frame structures, one owner/manager structure, one garage, one bunkhouse, one lodge, two gazebos, one wellhouse and two storage sheds.

TOGETHER WITH, all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all estate, right, title and interest in and to the said property, as well in law as in equity, of the said Grantor.

TO HAVE AND TO HOLD, all and singular the above mentioned and described premises together with the appurtenances unto the Grantee, and its successors and assigns forever.

Grantor, its successors and assigns, shall and will warrant and by these presents forever defend the premises in the quiet and peaceable possession of the Grantee, its successors and assigns, and against all and every person and persons, lawfully claiming the same shall and will WARRANT and by these presents forever DEFEND.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

HECLA MINING COMPANY

By: Michael B. White
Michael B. White
Vice-President/Secretary

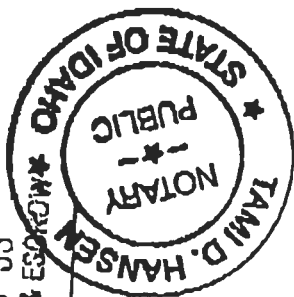
By: [Signature]



STATE OF IDAHO)
) ss.
County of Kootenai)

On this 29th day of September, 1998, before me, a Notary Public in and for the State of Idaho, personally appeared MICHAEL B. WHITE and Nathaniel K. Adams, known to me to be the persons whose names are subscribed to the within instrument, as Vice-President/Secretary and Assistant Secretary, respectively, of Hecla Mining Company, the corporation named in the within instrument, and acknowledged me to that Hecla Mining Company executed the same.

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



Tami D. Hansen
Notary Public for the State of Idaho
Residing at: 213 Orchard, WA
My Commission Expires: 9-12-2003

235618

TYPE: Deed
LECLERK HENRY
VALLEY COUNTY RECORDER
BY: [Signature]
FEE: 6.00

98 OCT 1 PM 3 33
MOUNTAIN TITLE & ESCROW
REQUESTED BY
RECORDED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

D. JOHN THORNTON & ASSOCIATES, P.A.
1101 WEST RIVER STREET, SUITE 340
POST OFFICE BOX 7156
BOISE, ID 83707-1156
208/344-8600

(SPACE ABOVE LINE FOR RECORDER'S USE)

236894
TYPE: *Ind*
VALLEY COUNTY RECORDER
BY: *Holloway*
FEE: *6.00*
98 NOV 30 PM 1 27
RECORDED
ALPINE VILLAGE LODGE L.P. D. John Thornton

BARGAIN AND SALE DEED

FOR VALUE RECEIVED, HOLLOWAY PROPERTIES L.P., an Idaho limited partnership, as Grantor, does hereby grant, bargain, sell and convey unto ALPINE VILLAGE LODGE L.L.C., an Idaho limited liability company, whose current address is 1475 N. Cole Road, Boise, Idaho 83704, as Grantee, all that certain real property located in Valley County, Idaho, more commonly known as Alpine Village Lodge Cabins and RV Park, and as more particularly described as follows:

A parcel of land commencing at the Southwest corner of Block 2 of the Abstein Subdivision located in the SE ¼ NW ¼ and in the NE ¼ SW ¼ of Section 21, Township 19 North, Range 8 East, B.M., Valley County, Idaho; thence North 238.5 feet; thence East 300 feet; thence South 300 feet; thence Westerly along the South boundary of Block 2 to the Point of Beginning.

TOGETHER WITH all improvements, easements, hereditaments and appurtenances thereto, and subject to such rights, easements, covenants, restrictions and zoning regulations as appear of record or based upon the premises.

IN WITNESS WHEREOF, Grantor has hereunto subscribed his name to this instrument effective the twenty-second day of October, 1998.

GRANTOR:

HOLLOWAY PROPERTIES L.P.
An Idaho Limited Partnership

By: *A. Keith Holloway*
A. KEITH HOLLOWAY, General Partner

By: *Delta B. Holloway*
DELTA B. HOLLOWAY, General Partner

STATE OF IDAHO)
 ss.
COUNTY OF ADA)

On this 23rd day of Nov, 1998, before me, the undersigned Notary Public in and for said State, personally appeared A. KEITH HOLLOWAY and DELTA B. HOLLOWAY, husband and wife, known or identified to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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



Patricia M. Lane
NOTARY PUBLIC, State of Idaho
Residing at: Boise, Id
Commission expires: 4/10/2004

IDAHO DEPARTMENT OF WATER RESOURCES

Adjudication **Claim** Report 77-7014

WATER RIGHT NUMBER: 77-7014

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	HECLA MINING COMPANY PO BOX C-8000 COEUR D ALENE, ID 838141931 (208)769-4100
Attorney	ALBERT P BARKER BARKER ROSHOLT & SIMPSON LLP PO BOX 2139 BOISE, ID 83701-2139 (208) 336-0700

Priority Date: 04/27/1970

Basis: License

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Annual Volume</u>
DOMESTIC	1/01 to 12/31	0.060 CFS	
<u>Total Diversion:</u>		0.060 CFS	

Location of Point(s) of Diversion

GROUND WATER NE1/4SW1/4 Sec. 21, Twp 19N, Rge 08E, B.M. VALLEY County

Place of Use

DOMESTIC

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
19N	08E	21																	X

Total Acres: 0

Conditions of Approval:

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report 77-7014

Remarks:

1. General SEE ATTACHED LEASE AGREEMENT
2. General Note: Removed F Alan Fletcher of Denver CO as attorney (former) and added current attorney Albert P Barker. DB 9/25/2001

Comments:Dates and Other Information:

Claim Received Date: 11/23/1988
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
State or Federal: S
Owner Name Connector:
Water District Number:
Generic Max Rate Per Acre:
Generic Max Volume Per Acre:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Carey Act Number:
Mitigation Plan: False

Element Reviewed/Verified Dates:

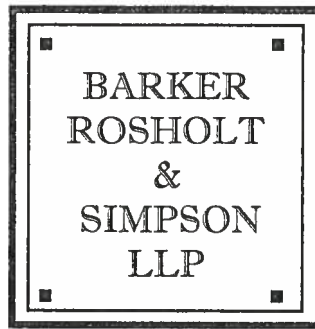
<u>Element</u>	<u>Last Reviewed Date</u>	<u>Reviewer</u>	<u>Last Verified Date</u>	<u>Verifier</u>	<u>Status</u>
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Verification Log:

<u>Element</u>	<u>Date Time Stamp</u>	<u>Reviewer</u>	<u>Log text</u>
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Jan
John A. Rosholt
Albert P. Barker
John K. Simpson
Amy D. Chestnut
Travis L. Thompson

RECEIVED
SEP 12 2001
WATER RESOURCES
WESTERN REGION



1221 West Idaho Street, Suite 600
Post Office Box 2139
Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

142 3rd Avenue
Post Office Box 1906
Twin Falls, ID 83303-1906
(208) 734-0700 telephone
(208) 736-0041 facsimile
shs@idahowaters.com

Albert P. Barker
apb@idahowaters.com

September 11, 2001

Idaho Department of Water Resources
Western Regional Office
2735 Airport Way
Boise, ID 83705-5082

Re: Hecla Mining Company

Dear Agent:

Please be advised that the undersigned now represents Hecla Mining Company, and all correspondence regarding Hecla Mining Company's water rights should be addressed to me as follows:

Albert P. Barker
Barker Rosholt & Simpson LLP
P.O. Box 2139
Boise, Idaho 83701-2139

Our records indicate that the following water rights within the jurisdiction of your office are involved:

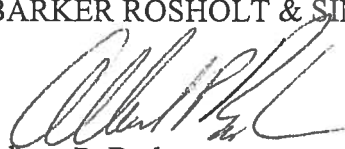
✓ PB
77-07014; 77-07285; 77-07292; 77-07293; 77-07294

all sent
for allocations
to update

Please let me know if your records differ in any way on Hecla Mining Company's water rights. Thank you for your attention to this matter.

Very truly yours,

BARKER ROSHOLT & SIMPSON LLP


Albert P. Barker

cc: Michael B. White

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

RECEIVED
OCT 31 1988

Ident. Number: A77-07014
Date Received: 10/19/1988
Receipt No: W1517
Received By: EW

Department of Water Resources
Western Regional Office

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: HECLA MINING COMPANY 208-769-4100
Address: P.O. BOX C-8000
COEUR D ALENE, ID 83814-1931

2. Date of Priority: APR 27, 1970

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
19N	08E	21	NE	SW			VALLEY

5. Description of diverting works:

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
DOMESTIC	01/01	12/31	0.060		

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

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:
D/ALPINE VILLAGE MOTEL

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
19N	08E	21	NE	SW		DOMEST	

11. Place of use in counties: VALLEY

A77-07014

Page 1

Date: 10/19/88

MICROFILMED
OCT 05 1992

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

13. Other Water Rights Used:
77-7050

14. Remarks:

15. Basis of Claim: LICENSE

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 X wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: _____

For Organizations:

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

Saul E. Hyde
Signature of Authorized Agent
Mgr of Lands - Hecla
Title and Organization
10-28-88
Date

State of Idaho)
County of Kootenai) SS.

Subscribed and sworn (or affirmed) before me this 28th day
of October 19 88
Lynda Rugner
Notary Public

Seal

Residing at Coeur d'Alene

My Commission Expires 10/19/94
Date: 10/19/88

A77-07014

Page

2

MICROFILMED
OCT 05 1992

RECEIVED
OCT 31 1988

NEW
H-111-5
Yellow Pine

Department of Water Resources
Western Regional Office

LEASE WITH OPTION TO PURCHASE

THIS LEASE WITH OPTION TO PURCHASE (hereinafter referred to as "Lease Option") is made effective this 10th day of March, 1988 (hereinafter referred to as "Effective Date") between CARTER H. LAWLER and MARJORIE E. LAWLER, husband and wife, (hereinafter referred to as "Lessors") and HECLA MINING COMPANY, a Delaware corporation qualified to conduct business in the State of Idaho, (hereinafter referred to as "Lessee").

RECITALS

Lessors are the sole owners of certain real property and improvements situated in Valley County, Idaho (hereinafter referred to as "Premises") and of certain furnishings (hereinafter referred to as "Furnishings") contained within the Premises, which Premises and Furnishings are more particularly described in Exhibit A and Exhibit B, respectively, which are attached hereto and by this reference made a part hereof. Lessors and Lessee desire to enter into an agreement, pursuant to which Lessee shall have the right to lease the Premises and the Furnishings, with an option to purchase the Premises and the Furnishings, all as further set forth hereinbelow.

NOW, THEREFORE, in consideration of the benefits and advantages to be gained by each of the parties and in consideration of the mutual covenants and promises hereinafter set forth, the parties agree as follows:

1. Grant of Lease

Lessors hereby lease, let and demise the Premises and Furnishings exclusively to Lessee for the term set forth in Paragraph 4.

2. Option to Purchase

In consideration of the option payment in the amount of ten thousand dollars (\$10,000) made to Lessors by Lessee described in Paragraph 3, and other valuable consideration, Lessors hereby grant to Lessee the exclusive, irrevocable option to purchase the Premises and Furnishings

MICROFILMED

for the period of time set forth in Paragraph 4. The purchase price for the Premises and Furnishings shall be a total of two hundred twenty-five thousand dollars (\$225,000)(hereinafter referred to as "Purchase Price"), payable in the manner set forth in Paragraph 3. In order to exercise its option to purchase the Premises and Furnishings, Lessee shall notify Lessors thereof in writing, in accordance with Paragraph 16. The parties shall then open an escrow with Mountain Title and Escrow Company of Cascade, Idaho, or other mutually agreeable title or escrow company, which escrow shall close within forty-five (45) days of Lessee's notice, or as may otherwise be mutually convenient. At close of escrow (hereinafter referred to as "Closing"), Lessee shall tender the balance of the Purchase Price, the proceeds of which shall be first applied to the balance due on that certain Promissory Note and Deed of Trust entered into June 14, 1985, between Lessors and Evelyn Bowman (hereinafter referred to as "Bowman") with respect to the purchase by Lessors of the Premises and Furnishings from Bowman. Lessors shall furnish to Lessee a good and sufficient warranty deed at Closing, together with a preliminary title commitment showing that Lessors are the owners of the Premises and Furnishings, free and clear of all liens and encumbrances, other than said Promissory Note and Deed of Trust between Lessors and Bowman. Cost of the preliminary title commitment shall be borne by Lessors, unless Lessee refuses to consummate purchase of the Premises after having notified Lessors of Lessee's desire to exercise Lessee's option to purchase, in which case Lessee shall reimburse Lessors for the cost of the preliminary title commitment. In addition, Lessors shall procure, at their sole cost, a commitment for title insurance for the benefit of Lessee, insuring the Premises and Furnishings in the amount of the Purchase Price. All escrow and closing fees shall be divided equally between the parties, and all real and personal property taxes with respect to the Premises and Furnishings shall be prorated between the parties as of the Effective Date of this Lease Option.

3. Option Payments

Lessee shall pay to Lessors an option payment of ten thousand dollars (\$10,000) upon execution of this Lease Option by the parties. Subject to Lessee's right to surrender the Premises to Lessors pursuant to Paragraph 14, during the term hereof, Lessee shall pay to Lessors the sum of five thousand dollars (\$5,000) per month on or before the tenth (10th) day of each month, commencing the second calendar month of this Lease Option, and each month thereafter during the term hereof. There shall be as liquidated damages a penalty of two hundred fifty dollars (\$250) for each occasion upon which Lessee fails to make the monthly five thousand dollar (\$5,000) payment to Lessors later than the fifteenth (15th) day of any month in which payment is due. All payments made to Lessors by Lessee hereunder shall be credited against the Purchase Price. Lessee shall transmit payments to Lessors by check in accordance with Paragraph 16.

4. Term

The term of this Lease Option shall commence on March 10, 1988, and shall terminate at midnight, March 10, 1989, unless sooner terminated by the parties.

5. Representations and Warranties of Lessors

Lessors hereby represent and warrant that they are the sole owners and have the exclusive possession of the Premises and Furnishings, free and clear of all claims, liens, title defects or encumbrances, other than that certain Promissory Note and Deed of Trust between Lessors and Bowman referred to in Paragraph 2. Lessors further represent and warrant that they have not engaged or employed any broker or finder in connection with the negotiation, execution or delivery of this Lease Option, and Lessee

shall not be liable for any compensation, broker's or finder's fee or commission due with respect to such negotiation, execution or delivery. Lessors' representations and warranties as set forth in this Paragraph 5 shall be continuous during the term of this Lease Option, and, should Lessee exercise its option to purchase the Premises and Furnishings, said representations and warranties shall survive through Closing.

Lessors covenant and agree to make all payments in a timely manner becoming due under the Promissory Note and Deed of Trust between Lessors and Bowman referred to in Paragraph 2. Lessors further agree to provide written proof to Lessee that Lessors have made such payments in a timely manner. Should Lessors fail to notify Lessee that Lessors have made any such payments to Bowman in a timely manner during the term of this Lease Option, Lessee shall have the right, but not the obligation, to make the same and credit the amounts of any such payments made by Lessee against the Purchase Price and against Lessee's monthly payment obligations to Lessors under Paragraph 3.

6. Weather Station

Lessors conduct a weather station on the Premises and shall continue to have the right to do so, at Lessors' sole risk, cost and expense, during the term of this Lease Option. Should Lessee exercise its option to purchase the Premises and Furnishings, Lessors shall dismantle and remove said weather station prior to Closing in a safe and careful manner so as not to cause any damage to the Premises or the Furnishings.

7. Condition of Premises

Lessors covenant that the Premises and all Furnishings shall be, at the commencement of this Lease Option, in good order, repair and in a safe, clean and habitable condition.

8. Alterations and Improvements

Lessee shall make no alterations to the buildings of the Premises or construct any building or make other improvements on the Premises without the prior written consent of Lessors.

9. Use of Premises and Inspection

Lessee shall use the Premises and Furnishings to provide room and board for employees and dependents of employees of Lessee. Lessee shall have the right to conduct business activities upon or within the Premises, at Lessee's sole discretion, so long as such use is not in violation of any local ordinances, regulations or laws.

Lessors shall have the right to inspect the Premises at reasonable times and upon reasonable notice to Lessee during the term of this Lease Option.

10. Insurance and Damage to Premises

During the term hereof, Lessee agrees to provide for such insurance covering the Premises as may be required by that certain Deed of Trust between Lessors and Bowman referred to in Paragraph 2 above.

Lessee agrees to repair or replace, at Lessee's sole discretion, any Furnishings damaged by negligence of Lessee's agents, employees or guests during the term of this Lease Option. Lessee shall repair any damage to the Premises occurring during the term of this Lease Option, unless such damages are caused by Lessors or their agents, employees or guests.

11. Dangerous Materials

Lessee shall not keep or have on the Premises any article or thing of a dangerous, inflammable or explosive character that might unreasonably increase the danger of fire on the Premises or create other

unreasonable hazards. Propane or other fuel, paints or other materials which are necessary or convenient for the maintenance and operation of the Premises shall not be considered dangerous materials under this paragraph.

12. Utilities

Lessee agrees to obtain and pay for all utilities, sewer and water used by Lessee in connection with the Premises during the term of this Lease Option.

13. Taxes, Liens and Encumbrances

Lessee shall pay any and all real and personal property taxes becoming due during the term of this Lease Option. Lessors shall pay all taxes assessed upon payments to Lessors under this Lease Option. Lessors and Lessee each agree that each will ensure that no liens or encumbrances are placed against the Premises or Furnishings as a result of their respective acts or omissions during the term of this Lease Option.

14. Surrender of Premises

Should this Lease Option terminate and Lessee return the Premises and Furnishings to Lessors without having exercised Lessee's option to purchase, the Premises and Furnishings shall be in as good state and condition as they were at the commencement of this Lease Option, reasonable use and wear and tear thereof, including damages by the elements, excepted.

15. Default

If any default is made in the payment of monies or in the performance of or compliance with any other term or obligation of this Lease Option, Lessors shall provide Lessee with written notice, in accordance with Paragraph 16, stating in such notice the particulars of

the alleged default and requesting the correction thereof. Upon receipt of such notice, Lessee shall have a period of fifteen (15) days in the case of failure to make option payments in accordance with Paragraph 3, and thirty (30) days in all other cases, from and after receipt of such notice within which to correct such default or to commence correcting and diligently prosecute the correction of such default. Neither the service of such notice nor the performance of any acts by Lessee aimed to meet all or any of the alleged defaults shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should Lessee fail to cure or commence curing such alleged default within the applicable period described above, Lessors may, by serving written notice to Lessee in accordance with Paragraph 16, terminate this Lease Option. In the event of such termination, Lessee shall be liable for the remainder of its obligations under the Lease Option, subject to Lessors' duty to use reasonable efforts to mitigate losses.

16. Notices

Any notice hereunder shall be given in writing, certified mail, return receipt requested. If such notice is so mailed, the act and time of the posting thereof shall be deemed the act and time of giving such notice, and the same shall be delivered to the party who receives such notice as follows (unless otherwise notified in writing as to change of address):

If notice is to be given to Lessors:

Mr. and Mrs. Carter H. Lawler
P.O. Box 34
Yellow Pine, Idaho 83677

If notice is to be given to Lessee:

Hecla Mining Company
6500 Mineral Drive
Box C-8000
Coeur d'Alene, Idaho 83814-1931

Attention: John J. Rajala

17. Transfers and Assignments

No transfer of any interest in this Lease Option shall be valid until the non-transferring party is provided with written notice thereof in accordance with Paragraph 16. Any transferee of any interest in this Lease Option shall agree to comply with all covenants and conditions of the Lease Option.

18. General

- a. This is the entire understanding between the parties with respect to the subject matter of this Lease Option, and no modification hereof shall be effective unless in writing and executed by the parties hereto. This Lease Option shall be binding upon the successors and assigns of the parties hereto.
- b. The titles to the respective paragraphs hereof shall not be deemed a part of this Lease Option but shall be regarded as having been used for convenience only.
- c. The terms of this Lease Option and the performance of the obligations hereunder shall be governed by the laws of the State of Idaho. Should a party bring an action to enforce the terms of this Lease Option, the prevailing party therein shall be entitled to recover its reasonable attorneys' fees and court costs.

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d. Neither party shall record this Lease Option; however, Lessors agree to execute, upon request by Lessee, a short form notice of this Lease Option for purposes of recordation in the property records of Valley County, Idaho.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date first above set forth.

HECLA MINING COMPANY

By W. D. Grismer
Its Senior Vice President

Attest Michael B. White
Assistant Secretary

Carter H. Lawler
CARTER H. LAWLER
537-44-9233
Social Security Number

John A. Rayala
Witness

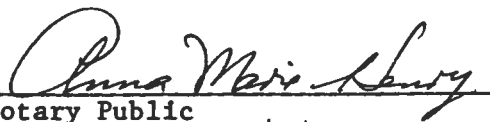
Marjorie E. Lawler
MARJORIE E. LAWLER

John A. Rayala
Witness

STATE OF IDAHO)
)ss.
County of Kootenai)

On this 9th day of March, 1988, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared W.J. Grismer and Michael B. White, known or identified to me to be the Senior Vice President and Assistant Secretary, respectively, of HECLA MINING COMPANY, the officers who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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


Notary Public
Residing at Coeur d'Alene, Idaho
My Commission Expires June 20, 1991

STATE OF _____)
)ss.
County of _____)

On this _____ day of _____, 1988, before me, the undersigned, a Notary Public in and for the State of _____, personally appeared CARTER H. LAWLER, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

Notary Public
Residing at: _____
My Commission Expires: _____

STATE OF _____)
County of _____) ss.

On this _____ day of _____, 1988, before me, the undersigned, a Notary Public in and for the State of _____, personally appeared MARJORIE E. LAWLER, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

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

Notary Public
Residing at: _____
My Commission Expires: _____

EXHIBIT A

DESCRIPTION OF PREMISES

That certain parcel of land situated in Valley County, Idaho, commencing at the Southwest corner of Block 2 of the Abstein subdivision located in the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and in the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 19 North, Range 8 East, B.M., Valley County, Idaho;

THENCE, North 238.5 feet;
THENCE, East 300 feet;
THENCE, South 300 feet;
THENCE, West to the point of beginning.

Together with all improvements situated thereon, specifically including, but not limited to, two 17'x 21' A-frame structures, one owner/manager structure, one garage, one bunkhouse, one lodge, two gazebos, one wellhouse and two storage sheds.

AMENDED DESCRIPTION OF PREMISES

That certain parcel of land situated in Valley County, Idaho, commencing at the Southwest corner of Block 2 of the Abstein subdivision located in the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 19 North, Range 8 East, B.M., Valley County, Idaho;

THENCE, N 0°04' W a distance of 238.5 feet to the NW corner of lot 6;

THENCE, East a distance of 300.0 feet to the NE corner of lot 1;

THENCE, S 0°04' E a distance of 303.73 feet to a point on the south boundary of Block 2;

THENCE, S 87°48' W a distance of 10.43 feet to a point;

THENCE, N 77°14' W a distance of 297.0 feet to the place of beginning and containing 1.876 acres.

Together with all improvements situated thereon, specifically including, but not limited to, two 17'x 21' A-frame structures, one owner/manager structure, one garage, one bunkhouse, one lodge, two gazebos, one wellhouse and two storage sheds.

MICROFILMED

OCT 05 1992

Held Out

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

11/05/2001

WATER RIGHT NUMBER: 77-7014

NAME AND ADDRESS: HOLLOWAY PROPERTIES LP
411 CASHMERE RD
BOISE ID 83702

SOURCE: GROUND WATER TRIBUTARY:

QUANTITY: 0.06 CFS
THE QUANTITY OF WATER UNDER THIS RIGHT SHALL NOT EXCEED 13,000
GALLONS PER DAY.

PRIORITY DATE: 04/27/1970

POINT OF DIVERSION:

T19N R08E S21 NESW Within VALLEY County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
DOMESTIC	1/01 12/31	0.060 CFS

DOMESTIC USE FOR ALPINE VILLAGE MOTEL

PLACE OF USE: DOMESTIC Within VALLEY County

T19N R08E S21 NESW

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

THE QUANTITY OF WATER DECREED FOR THIS WATER RIGHT IS NOT A
DETERMINATION OF HISTORICAL BENEFICIAL USE.

EXPLANATORY MATERIAL: License

PARCEL NO. RP00007002000AA



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

November 5, 2001

DIRK KEMPTHORNE
GOVERNOR

KARL J. DREHER
DIRECTOR

HOLLOWAY PROPERTIES LP
411 CASHMERE RD
BOISE ID 83702

Re: Notice of Claim to a Water Right No. 77-7014

Dear Claimant(s):

Enclosed is a copy of the above referenced claim, which reflects the change in ownership of the land and appurtenant water rights covered under the original filing.

The Department will contact you in the future concerning any requirements that may be needed in order to process this claim for final court decree.

Thank you for your patience and cooperation, as we have had several water right changes to process. If you have any questions concerning the enclosed claim, please feel free to contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Denise Buffington".

Denise Buffington
Office Specialist 1
Adjudication Section
Western Region Office

DB: db

Enclosure

cc: Albert P Barker @ Barker Rosholt & Simpson LLP

LAW OFFICE

THORNTON & BYRON LLP

TAX • BUSINESS • ESTATE PLANNING • WEALTH PRESERVATION

THE GOLDEN EAGLE AT FOREST RIVER
1101 WEST RIVER STREET, SUITE 340
BOISE, IDAHO 83702-7067

POST OFFICE BOX 7156
BOISE, IDAHO 83707-1156

TELEPHONE: (208) 344-8600
FACSIMILE: (208) 344-8720

GREGORY A. BYRON, LL.M.
D. JOHNN THORNTON

KEVIN C. BELEW, LL.M.
NICHOLAS S. MARSHALL, LL.M.
AMBER R. MYRICK, LL.M.
TIMOTHY D. SCOTT, LL.M.

KATHLEEN A. ROCKNE, R.P.
LEGAL ADMINISTRATOR

LICENSED TO PRACTICE IN
IDAHO, OREGON, WASHINGTON, CALIFORNIA

STRATEGIC LEGAL ALLIANCES:
ARIZONA, NEVADA, UTAH

October 29, 2001

VIA FACSIMILE (208) 334-2348

Denise Buffington
Adjudication Section
State of Idaho Department of Water Resources
Western Region
2735 Airport Way
Boise, Idaho 83705-5082

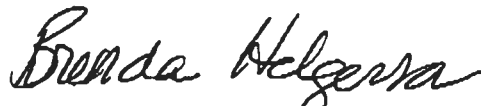
Re: Change of Water Right Ownership No. 77-7014

Dear Ms. Buffington:

Pursuant to Mr. A. Keith Holloway's request, I am faxing to you a copy of the Warranty Deed in which Hecla Mining Company transferred the subject property to Holloway Properties L.P. Holloway Properties L.P. then contributed the property to Alpine Village Lodge L.L.C. Alpine Village Lodge L.L.C. is an Idaho single member limited liability company that is owned 100% by Holloway Properties L.P.

If you have any questions or concerns, please do not hesitate to call.

Very truly yours,



Brenda S. Helgerson, PLS
Legal Secretary

/bsh

Attachments

cc w/att: A. Keith Holloway



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

October 23, 2001

HOLLOWAY PROPERTIES LP
% KEITH HOLLOWAY
411 CASHMERE RD
BOISE ID 83702

RE: Notice of Change of Water Right Ownership No. 77-7014

Dear Property Owner(s):

Per your letter of October 17, we will begin processing the ownership change for the above referenced water right. However, before we can modify this record to show your ownership, we will need a copy of the warranty deed(s) showing the transfer from Hecla Mining Company to Holloway Properties LP, which includes the legal description of the property by ¼ ¼, Section, Township and Range.

Please submit this proof of ownership, and we will be able to complete the ownership change.

Thank you for your patience and cooperation, as we have had several water right changes to process. Feel free to contact our office if you have any questions concerning this letter.

Sincerely,

A handwritten signature in cursive script that reads "Denise Buffington".

Denise Buffington
Office Specialist 1
Adjudication Section
Western Region
(208) 334-2190

DB: db

Enclosures



RECEIVED

OCT 19 2001

WATER RESOURCES
WESTERN REGION

October 2, 2001

Mr. Keith Holloway
Holloway Properties L.P.
411 Cashmere Road
Boise, Idaho 83702

Re: Alpine Village Lodge, Yellowpine, Valley County, Idaho

Dear Mr. Holloway:

Enclosed is a Notice of Claim to Water Right No. 77-07014 from the State Idaho Department of Water Resources (IDWR) pertaining to the above-referenced property. This property was conveyed by Hecla Mining Company to Holloway Properties via Warranty Deed dated September 29, 1998. This notice is being forwarded to you so that you may notify the IDWR as to the current ownership of the property.

If you have any questions regarding this matter, please feel free to contact me at 208-769-4148.

Sincerely,

A handwritten signature in cursive script that reads "Ann Robinson".

Ann Robinson
Lands Administrator

Enclosure





State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

September 26, 2001

HECLA MINING COMPANY
PO BOX C-8000
COEUR D ALENE ID 83814-1931

Re: Notice of Claim to a Water Right No. 77-07014

Dear Claimants:

Enclosed is a copy of the above referenced claim, which reflects the addition of Albert P Barker's name as representing attorney for this water right

The Department will contact you in the future concerning any requirements that may be needed in order to process this claim for final court decree.

Please note, I have forwarded this information to our State Office in order to process water right numbers 77-7285, 77-7292, 77-7293 & 77-7294, as the files are at that office.

Thank you for your patience and cooperation, as we have had several water right changes to process. If you have any questions concerning the enclosed claim, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink that reads "Denise Buffington". The signature is written in a cursive, flowing style.

Denise Buffington
Office Specialist 1
Adjudication Section
Western Region Office

DB: db

Enclosure

cc: Albert P Barker @ Barker Rosholt & Simpson LLP

Held out

IDAHO DEPARTMENT OF WATER RESOURCES 09/25/2001
PRELIMINARY **RECOMMENDATION** OF WATER RIGHTS ACQUIRED UNDER STATE LAW

WATER RIGHT: 77-7014

NAME AND ADDRESS: HECLA MINING COMPANY
PO BOX C-8000
COEUR D ALENE ID 838141931

ALBERT P BARKER
BARKER ROSHOLT & SIMPSON LLP
PO BOX 2139
BOISE ID 83701-2139

SOURCE: GROUND WATER TRIBUTARY:

QUANTITY: 0.06 CFS
THE QUANTITY OF WATER UNDER THIS RIGHT SHALL NOT EXCEED 13,000
GALLONS PER DAY.

PRIORITY DATE: 04/27/1970

POINT OF DIVERSION:

T19N R08E S21 NESW Within VALLEY County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
DOMESTIC	1/01 12/31	0.060 CFS
DOMESTIC USE FOR ALPINE VILLAGE MOTEL.^^^		

PLACE OF USE: DOMESTIC Within VALLEY County

T19N R08E S21 NESW

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

THE QUANTITY OF WATER DECREED FOR THIS WATER RIGHT IS NOT A
DETERMINATION OF HISTORICAL BENEFICIAL USE.

EXPLANATORY MATERIAL: License

PARCEL NO. RP00007002000AA

Attorney added 9-25-01

OWNER CODE	NAME & ADDRESS	PRIORITY DATE	WATER USE	USE PERIOD FROM TO	DIVERSION RATE	DIVERSION VOLUME
C	MERVEN G. BOWMAN YELLOW PINE ID	04/27/1970	DOMESTIC	01/01 12/31	0.060 CFS	4.20 AFA
TOTAL DIVERSION:					0.060 CFS	4.20 AFA

Water Source: GROUNDWATER

Tributary to: NESW

Point(s) of Diversion: T19N R08E S21

Stage: LICENSE

VALLEY County

Place of use Legal Description for: DOMESTIC

NE		NW		SW		SE	
NENE	NWNE	SWNE	SENE	NENW	NWNW	SWNW	SESW
Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac
: : : : : : : :		: : : : : : : :		: : : : : : : :		: : : : : : : :	
19N 08E 21 :		:		:		:	

Pou County: VALLEY

Remarks: GEN P/U ALPINE VILLAGE MOTEL.

Dates: App. Received: Priority Date: 04/27/1970
Proof Due Date: Proof Made Date:
Exam Made Date: Exam Sent to S.O.:
Licensed Date: 10/16/1979

Misc: Water District Number: Field Exam Fee:

Audit: 02/26/85 05/01/88 CONVERT



Hecla Mining Company

October 28, 1988

RECEIVED
OCT 31 1988

Ms. Jan Shurte
Senior Water Resource Agent
Idaho Department of Water Resources
2735 Airport Way
Boise, Idaho 83705

Department of Water Resources
Western Regional Office

RE: Claim to Water Right - Snake River Basin Water System

Dear Ms. Shurte:

Enclosed please find two copies of two claims to water rights, license #A77-07014 and #A77-07050, along with filing fees totalling \$112.

Hecla Mining Company is lessee with an option to purchase the Alpine Village and is presently making monthly payments. Hecla has not legally exercised its option to purchase but might do so by April 10, 1989. I am enclosing a copy of the lease, which I understand entitles Hecla the right to file a claim on the water rights.

Thank you for attending to this matter and if you should have any questions, please contact me at the address below.

Sincerely yours,

HECLA MINING COMPANY

By Paul E. Hyde
Paul E. Hyde,
Manager of Lands

PEH:ldr

Enclosures

MICROFILMED
OCT 05 1992

WATER RIGHT NUMBER - A77-07014

PREFIX TRANSLATION: ADJUDICATION CLAIM

OLD (D) NUMBER -

+ - - - - LAST NAME - - - - + + - FIRST NAME - - + + - - - - - ADDRESS - - - - - +

*** C - CURRENT OWNER ***
HECLA MINING COMPANY

1 - P.O. BOX C-8000
2 -
3 -
CITY- COEUR D ALENE STATE- ID ZIP- 838141931
PHONE - 208-769-4100

+ - - PRIORITY DATE - - + + - - - REGION - - - + + - - - STAGE - - - + + - - - STATUS - - - - +
04/27/1970 14 WESTERN L - LICENSE

+ - - - - SOURCE - - - - - + + - - - - - TRIBUTARY - - - - - +
GROUNDWATER

TWN	RNG	SEC	TRACT	LOT	RFLG	COUNTY	POINT OF DIVERSION	STREAM INDEX (BLANK IF NO INDEX CODE)
19N	08E	21	NE SW			(85) VALLEY		

CODE	DESCRIPTION	PERIOD FROM	PERIOD TO	DIVERSION RATE	DIVERSION VOLUME
43 - DOMESTIC		01/01	12/31	0.060	

+ - TOTAL DIV. RATE - + + - TOTAL DIV. VOLUME - + + - TOTAL DIV. CAPACITY - + + - TOTAL CONSUMPTIVE USE - + + - KW USAGE - +
0.060 0.0

TWN	RNG	SEC	TRACT	LOT	ACRES	CODE	DESCRIPTION	COUNTY
19N	08E	21	NE SW			43 DOMESTIC		(85) VALLEY

+ - - DIVERSION MEANS - *well + pump*

+ - - NON-IRRIGATION USE - D/ALPINE VILLAGE MOTEL

+ - - OTHER RIGHTS FOR SAME USE - 77-7050

+ - - - - REMARKS - - - - - +
SEE ATTACHED LEASE AGREEMENT

+ - - - - OLD WATER RIGHT NUMBERS - - - - - +
NO OLD WATER RIGHT NUMBERS FOUND.

+ - - - - CONDITIONS OF APPROVAL - - - - - +
NO CONDITIONS OF APPROVAL FOUND.

+ - - - - DECREE PLAINTIFF - - - + + - - - - DECREE DEFENDANT - - - + + - DECREE DATE - +
00/00/0000

+ - - AUDIT FIELDS - 11/23/88 WERNER 10/10/89 REFUNDML

MICROFILMED
OCT 24 1996

WATER RIGHT NUMBER - A77-07014

PREFIX TRANSLATION: ADJUDICATION CLAIM

+ - - - - - COMMENTS - - - - - +
NO COMMENTS FOUND

+ - - - - - ADJUDICATION RIGHTS DATES AND FLAGS AREA - - - - - +

COURT REPORT FILING	- 00/00/0000	FIELD INSPECTION MADE	- 00/00/0000	CIVIL CASE NUMBER	- 39576
OBJECTION FILED DATE	- 00/00/0000	FIELD INSPECTION FLAG	-	OLD CASE NUMBER	-
RESPONSE FILED DATE	- 00/00/0000	VERIFIED DATE	- 02/26/1985	OLD JUDICIAL DISTRICT	-
CLAIM RECEIVED DATE	- 11/23/1988	LAST AMENDED DATE	- 00/00/0000	TEMPORARY RIGHT	- P
PROOF DUE DATE	- 00/00/0000	PROOF MADE DATE	- 00/00/0000	WATER DISTRICT	-
LICENSED DATE	- 00/00/0000	RECEIPT NUMBER	- W001517	FEDERAL/STATE INDICATOR	- S
CLAIMS TAPE ERROR FLG	-	PDU OWNERSHIP FLAG	- Y	PRESUMPTION FLAG	-
FEE EXEMPT FLAG	-	NAME CONNECTOR	-	NOTICE OF ERROR FLAG	-

RP 000 07002000 A A

DATA ENTRY

ENTERED 12-1-93

CHECKED 3-31-94

"Verified By"
Topo Map/Ortho-PQ
ASCS Map
Watermaster Records
NAFP Photos
Field Exam
Other (See Remarks)
County Records
Witness Statement
Project Records
IDWR Records

VERIFIED
SEP 12 1992

CERTIFIED
MAR 29 1993
WATER EXAMINER

MICROFILMED
OCT 24 1996

