

MEMORANDUM

To: File 65-3463

From: Cynthia Bridge Clark

Date: February 14, 2002

Re: Telephone Conversation regarding Ownership Change

I spoke with Fred Shoemaker regarding the Request for Ownership Change submitted on behalf of the Horseshoe Bend Hydroelectric Company. I explained that in reviewing the agreement between the seller and buyer, it appeared that the seller intended to retain the domestic use water right referenced above, but had agreed to allow excess water to flow onto the buyer's property. I further explained that because the seller intended to continue using the right for its historic uses and in the same location, the right could not be split and the ownership could not be changed.

Mr. Shoemaker explained that the Hydroelectric Company had been required under one of its origination permits, to mitigate the habitat destroyed in construction of the facility. This property had been purchased to provide mitigation. He said that in researching the property, they determined that water from the existing artesian well had historically supplied/irrigated the natural habitat, and the agreement between the seller and buyer was intended to secure the continued use of the excess flow onto the property.

I informed him that Idaho Statute requires that artesian wells be controlled and that free flowing or excess water must be put to beneficial use and described by a water right. It appears that the well had been allowed to flow illegally. I also noted that the excess water could be appropriated, and that the buyer could now file for a new water right. I suggested that he determine that size of the pipe from the well, how much water has historically irrigated the purchased property, and how much land has been irrigated.

Mr. Shoemaker said he would get back to me with additional information.

COSHO, HUMPHREY, GREENER & WELSH, P.A.

COUNSELORS AND ATTORNEYS AT LAW
CARNEGIE BUILDING
815 WEST WASHINGTON STREET
BOISE, IDAHO 83702

TELEPHONE (208) 344-7811
FACSIMILE (208) 338-3290
e-mail: fshoemaker@chgw.com

OFFICE ADMINISTRATOR
KRISTINE THOMSEN

ALFA®
AMERICAN LAW FIRM
ASSOCIATION

FREDRIC V. SHOEMAKER

April 4, 2001

IDWR Western Region
2735 Airport Way
Boise, Idaho 83705-5082

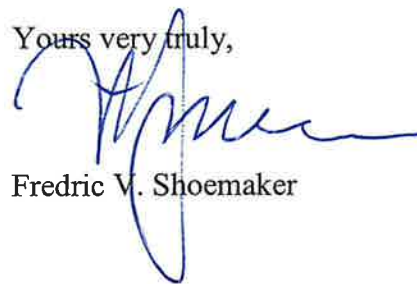
Re: Letha, Gem County, Idaho Property
CHGW File No. 15565-01

Ladies & Gentlemen:

Enclosed herewith please find Notice of Change in Water Right Ownership for Water Right No. 65-3463, together with our check in the amount of \$100.00. Also enclosed please find copy of Warranty Deed for the recent sale of this property to my client, Horseshoe Bend Hydroelectric Company.

Call me if you have any questions or need additional information.

Yours very truly,



Fredric V. Shoemaker

FVS/slb

Enclosures

cc Debbie Shoemaker

RECEIVED

APR 05 2001

WATER RESOURCES
WESTERN REGION

RECEIVED

APR 06 2001

Department of Water Resources



Idaho Statutes

TITLE 42
IRRIGATION AND DRAINAGE -- WATER
RIGHTS AND RECLAMATION
CHAPTER 16
ARTESIAN WELLS

42-1602. UNNECESSARY FLOW UNLAWFUL -- USE FOR DOMESTIC PURPOSES. It shall be unlawful for the owner, tenant, or occupant of the land upon which such well is situated to cause, permit, or suffer, such common nuisance, or suffer or permit it to remain or continue; and it shall be unlawful for any person owning, possessing or occupying any land, upon which is situated an artesian well, to cause, suffer or permit the water to unnecessarily flow from such well or to go to waste: provided, however, that it shall be lawful for any such person to insert a stop and waste cock, not exceeding one (1) inch in diameter, in the piping of such well and to take and use water therefrom through such stop and waste cock at any time for household, stock or domestic purposes.

The Idaho Code is made available on the Internet by the Idaho Legislature as a public service. This Internet version of the Idaho Code may not be used for commercial purposes, nor may this database be published or repackaged for commercial sale without express written permission.

Search the Idaho Statutes

Available Reference: *Search Instructions*.

The Idaho Code is the property of the state of Idaho, and is copyrighted by Idaho law, I.C. § 9-350. According to Idaho law, any person who reproduces or distributes the Idaho Code for commercial purposes in violation of the provisions of this statute shall be deemed to be an infringer of the state of Idaho's copyright.

*Not a split of the domestic right.
Can appropriate excess water from well & is illegal to allow excess water to
flow from well (unless is from a 1" pipe for stockwater and domestic
purposes.*

- 1) Check recommendations*
- 2) Notifying applicant*



Idaho Statutes

TITLE 42

IRRIGATION AND DRAINAGE -- WATER

RIGHTS AND RECLAMATION

CHAPTER 16

ARTESIAN WELLS

42-1601. WELL NOT CONTROLLED A COMMON NUISANCE -- APPROVAL OF DIRECTOR -- RESERVOIRED WATER -- MAINTENANCE OF ARTESIAN WELLS. (1) Any person owning or controlling a flowing artesian well, which is not capped, equipped or furnished with such mechanical appliance as will readily control the flow of water from such well, shall be guilty of a misdemeanor and such well is hereby declared to be a common nuisance; and any person owning or controlling a flowing artesian well, which is capped, equipped or furnished with a mechanical appliance for arresting and preventing the flow of water therefrom, which cap, equipment or mechanical appliance is of a type that has not been approved by the director of the department of water resources, shall be guilty of a misdemeanor and such well is hereby declared to be a common nuisance: provided, however, that in cases where the waters of artesian wells are reservoired and controlled so that waste is not committed and a common nuisance created and where the pressure of water in a reservoir automatically causes wells to cease to flow, such mechanical contrivances may be dispensed with by obtaining the consent of the director of the department of water resources.

(2) Any person owning or controlling an artesian well shall maintain the well to prevent waste or contamination of ground waters through leaky casings, pipes, fittings, valves, pumps, seals or through leakage around the outside of the casings, whether the leakage is above or below the land surface.

(3) The owner of the land on which the well is located shall be deemed to own the well unless a deed, covenant, contract, easement, or other documentation acceptable to the director is available to demonstrate that the well is owned by another.

(4) If a ground water management district created pursuant to chapter 51, title 42, Idaho Code, has adopted and is implementing a plan for the repair of leaking artesian wells acceptable to the director of the department of water resources, then the director of the department of water resources will not take any administrative or judicial action to require repair of a well within the ground water management district if the person owning the well is an active participant in the ground water management district.

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

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

RECEIVED

APR 05 2001

WATER RESOURCES
 WESTERN REGION

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
65-3463		X			

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts. **\$100**
- 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**.

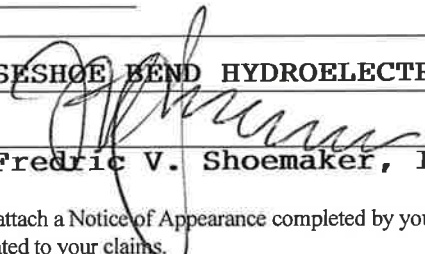
3. Name and Address of Former Owner/Claimant(s) Roy D. VanHees Family Trust
4. New Owner/Claimant(s) Horseshoe Bend Hydroelectric Company
 Name Connector (Check one): [] and, [] or, [] and/or
- New Mailing Address P.O. Box 9106
- City, State and ZIP Code Boise, Idaho 83707
- New Telephone Number 208 422-9270
5. Date you acquired the property 03/09/01

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 <u>65-3463</u>		
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	<u>See copy of Memorandum of</u>	
Stock	<u>Agreement attached hereto, and</u>	
	<u>specifically paragraph 2.</u>	
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) HORSESHOE BEND HYDROELECTRIC COMPANY
(include title if applicable)

By 
Fredric V. Shoemaker, It's Attorney

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 <u>DB</u>	Date <u>4-5-01</u>	Fee <u>\$25-\$100⁰⁰</u>
Received by <u>DB</u>	Date <u>4-5-01</u>	Receipt No. <u>W087525</u>
Processed by _____	AJ Date _____	WR _____ Date _____

WARRANTY DEED

FOR VALUE RECEIVED, GARY W. VANHEES, as Trustee of the Roy D. VanHees Family Trust, dated January 13, 1992, does hereby grant, bargain, sell and convey unto Horseshoe Bend Hydroelectric Company, a Delaware corporation, the Grantee, whose current address is P.O. Box 9106, Boise, Idaho 83707, the following described premises located in Letha, Gem County, Idaho:

See Exhibit A attached hereto and incorporated herein by reference.

SUBJECT TO current taxes and assessments which are not yet due but are a lien upon the premises;

SUBJECT TO an easement granted to Idaho Power Company recorded April 10, 1948 in Book 32 of Deeds, page 304.

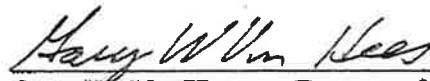
SUBJECT TO an undivided 1/8 interest in the oil, gas and mineral rights reserved to Clarence P. Shell and Mildred Irene Shell, husband and wife, reserved in that certain Warranty Deed recorded February 28, 1983 as Instrument No. 142761.

INCLUDING also transfer of the following water rights:

3.375 shares Reed Ditch Company
6.24 shares Seitz Ditch Company
45.58 shares Letha Irrigation Company

TO HAVE AND TO HOLD the said premises, with their 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 they are free from all encumbrances made by, through or under Grantor, except as set forth above, and that Grantor will warrant and defend the same from all lawful claims whatsoever.

DATED this 9 day of March, 2001.



Gary W. VanHees as Trustee of the Roy D.
VanHees Family Trust dated January 13, 1992

Instrument # 215478

EMMETT, GEM, IDAHO

2001-03-09

04:10:00 No. of Pages: 4

Recorded for : ALLIANCE TITLE & ESCROW

SUSAN K. HOWARD

Fee: 12.00

Ex-Officio Recorder Deputy

Index to: DEED

STATE OF IDAHO)

STRU. NO. 215478
PAGES 2 OF 4

SS.

County of Gem)

On this 9th day of March, 2001, before me, a notary public in and for said state, personally appeared GARY W. VANHEES, known or represented to me to be the person who is the Trustee of the Roy D. VanHees Family Trust dated January 13, 1992 and whose name is subscribed to the within instrument, and acknowledged to me that he executed the same on behalf of said Family Trust.

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



A handwritten signature in cursive script, appearing to read "Shirley Holbrook", written over a horizontal line.

Notary Public for Idaho

Residing at: Emmett, Idaho

My Commission Expires: 04/19/2006

EXHIBIT A

A tract of land located in the Southeast $\frac{1}{4}$ of Section 35, Township 7 North, Range 3 West of the Boise Meridian and in a portion of U.S. Government Lot 1 of Section 2, Township 6 North, Range 3 West of the Boise Meridian, Gem County, Idaho more particularly described as follows:

Commencing at the Southeast corner of the Southeast $\frac{1}{4}$, that is marked by a $\frac{5}{8}$ " iron pin;
Thence N $89^{\circ}02'23''$ W 245.95 feet along the South boundary of said Southeast $\frac{1}{4}$ to the REAL POINT OF BEGINNING of this description;

Thence S $6^{\circ}18'02''$ W 161.43 feet;

Thence N $62^{\circ}58'42''$ W 207.77 feet;

Thence N $70^{\circ}37'00''$ W 109.93 feet;

Thence N $81^{\circ}32'56''$ W 64.61 feet;

Thence N $85^{\circ}39'40''$ W 74.56 feet;

Thence N $00^{\circ}24'39''$ E 21.63 feet to a point on the boundary common to said Sections 2 and 35;

Thence continuing along said South boundary, N $89^{\circ}02'23''$ W 552.39 feet to a point on the Northeasterly right-of-way of Idaho State Highway Number 52;

Thence continuing along said right-of-way, along a concave circular curve to the left, whose length is 784.12 feet, whose radius is 5780.30 feet and whose long chord bears N $53^{\circ}14'47''$ W 783.52 feet;

Thence continuing along said right-of-way N $57^{\circ}07'58''$ W 895.78 feet to a point on the West boundary of said Southeast $\frac{1}{4}$;

Thence N $00^{\circ}40'08''$ E 384.01 feet along said West boundary to a brass cap monument marking the South $\frac{1}{16}$ corner of said Section 35;

Thence N $00^{\circ}37'15''$ E 1084.45 feet to a point on the Southwesterly right-of-way line of the Union Pacific Railroad;

South

Page 2;

Thence continuing N 00°37'15" E 106.62 feet to a point on the Northeasterly right-of-way line of the Union Pacific Railroad;

Thence continuing N 00°37'15" E 69.81 feet;

Thence S 89°08'14" E 1319.50 feet;

Thence N 00°40'29" E 28.48 feet;

Thence S 88°58'00" E 1319.53 feet to a point on the East boundary of said Southeast ¼;

Thence S 00°45'04" W 1058.11 feet along said East boundary to a point on the Northeasterly right-of-way line of the Union Pacific Railroad;

Thence continuing S 00°45'04" W 106.53 feet to a point on the Southwesterly right-of-way line of the Union Pacific Railroad;

Thence continuing S 00°45'04" W 53.27 feet;

Thence N 69°05'14" W 304.03 feet;

Thence S 00°45'04" W 1103.39 feet;

Thence S 59°11'10" E 90.00 feet;

Thence S 07°09'05" W 345.00 feet to the REAL POINT OF BEGINNING of this description.

The above-described tract contains 126.64 acres more or less and is subject to an existing right-of-way for the Union Pacific Railroad. Said right-of-way is 100.00 feet in width and runs diagonally across the said Southeast ¼.

SVH
JL

INSTR. NO.	215484
PAGES	1 OF 1

MEMORANDUM OF AGREEMENT0056 SE
35: 713 W

THIS AGREEMENT, made and entered into this th 8 day of March, 2001, by and between GARY W. VANHEES, as Trustee of the Roy D. VanHees Family Trust, dated January 13, 1992 ("Seller"), and HORSESHOE BEND HYDROELECTRIC COMPANY, a Delaware corporation ("Buyer").

WHEREAS, Seller has agreed to sell and Buyer has agreed to purchase certain real property located in Gem County, Idaho, consisting of 125.91 acres, more particularly described on Exhibit A hereto ("Exhibit A Property"); and

WHEREAS, Seller is retaining certain real property adjoining the Exhibit A Property consisting of 10.12 acres, more particularly described in Exhibit B hereto ("Exhibit B Property"); and

WHEREAS, Buyer is the successor-in-interest to Performance Management Alliance, L.L.C., which entered into an Commercial Investment Real Estate Purchase and Sale Agreement dated September 21, 2000, as modified and supplemented by the Addendum No. 1 dated September 22, 2000, Addendum / Amendment No. 1 dated October 18, 2000 and Addendum / Amendment No. 1 dated November 27, 2000 ("Preexisting Contracts"); and

WHEREAS, the interest of Performance Management Alliance, L.L.C. in the Preexisting Contracts has been assigned to Buyer herein; and

WHEREAS, certain provisions of the Preexisting Contracts consisting of obligations and responsibilities to Buyer remain unperformed and will not be satisfied prior to closing; and

WHEREAS, the parties desire to memorialize those obligations of Buyer that remain and shall remain after closing.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

1. Construction of Fence. Seller has agreed to reduce the purchase price of the Exhibit A Property by the sum of \$1,000.00 in consideration of Buyer's obligation to construct a fence. Buyer shall commence construction of the fence as soon as possible and shall complete construction of the fence no later than April 30, 2001. The location of the fence shall be along the entire length of and on the common border between the Exhibit A Property and the Exhibit B Property, approximately 1,841.42 feet in length plus extend an additional 161.43 feet south of Exhibit B Property's southern boundary adjacent to and on Seller's southerly property boundary. The fence shall consist of a 2-wire barbed wire fence made with at least 12.5 gauge, 4 point barbed wire and shall be a lawful fence as defined by Idaho Code Section 35-101 and 35-102. Furthermore, the corner ties and gate post shall be made of treated tie or wood posts. Seller hereby grants Buyer a temporary construction easement for the purpose of constructing the fence.

Instrument # 215484

EMMETT, GEM, IDAHO

2001-03-09

04:16:00 No. of Pages: 7

Recorded for : ALLIANCE TITLE & ESCROW

SUSAN K. HOWARD

Fee: 21.00

Ex-Officio Recorder Deputy

Judith E. Adams

INSTRU. NO. <u>215484</u>
PAGES <u>2</u> OF <u>7</u>

2. Artesian Well. An artesian well exists on the Property owned by Seller which artesian well historically and currently discharges water on the Exhibit A Property. Seller, however, desires to reserve a certain amount of water from the artesian well for domestic purposes for occupants of the house presently existing on the Exhibit B Property. The Exhibit B Property's domestic water right (as defined in Idaho Code Sec 42-111) shall have priority over any excess that may be discharged onto the Exhibit A Property. Subject to the Exhibit B Property's domestic water right, any excess water from the artesian well shall be discharged onto the Exhibit A Property; provided that (i) Seller shall have no obligation to pump the excess water onto the Exhibit A Property; (ii) the owner of the Exhibit A Property shall have the obligation to maintain, repair and replace any piping used to convey the water onto the Exhibit A Property; and (iii) such excess shall not exceed 4 g.p.m. The owner of the Exhibit B Property may hold a reasonable reserve amount of water, either in a holding tank or otherwise, in an amount necessary to provide for the domestic use. Seller shall reasonably maintain the artesian well and Seller shall not alter the well, if such alteration would decrease the amount of water being discharged from the well, without Buyer's prior written approval, which will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Seller makes no representation, warranty or guaranty, express or implied, that (i) there will be any excess water to discharge onto the Exhibit A Property after providing for the domestic water right of the Exhibit B Property, (ii) the quality of the water will stay the same, and Seller shall have no obligation to make the water suitable for human consumption, (iii) the well will continue to function as it does as of the date of this Agreement, (iv) Seller has the right or authority to distribute the excess water onto the Exhibit A Property, or (v) Buyer has the right to use the excess water.

The water right associated with the artesian well is 65-3463.

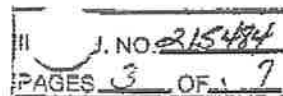
No portion of Seller's or Buyer's interest in the water rights or obligations associated with the artesian well may be transferred except upon and in connection with the sale or transfer of the real property owned by each respective party.

3. Prior Obligations. There are no outstanding obligations of Seller, Buyer or Performance Management Alliance, LLC under the preexisting contracts except as expressly stated herein.

4. Covenants Run with the Land. The covenants, obligations, rights and responsibilities of this Agreement shall run with the lands and shall bind and inure to the benefit of the respective parties.



Gary W. VanHees, as Trustee of the
Roy D. VanHees Family Trust
Dated January 13, 1992



HORSESHOE BEND HYDROELECTRIC
COMPANY, a Delaware corporation

By HBHC LLC, sole stockholder

By John Hancock Life Insurance Company,
its sole member

By  _____

It's: Senior Managing Director

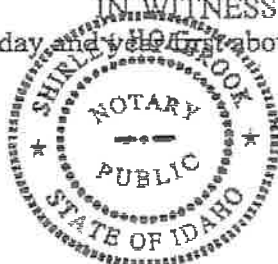
INSTRU. NO. 215494
 PAGES 4 OF 7

STATE OF IDAHO)

County of Gem)
) SS.

On this 9th day of March, 2001, before me, the undersigned, a notary public in and for said state, personally appeared GARY W. VANHEES, known or represented to me to be the Trustee of the Roy D. VanHees Family Trust, dated January 13, 1992, and the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he executed the same on behalf of said Trust.

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



Shirley Hootbrook
 Notary Public for Idaho
 Residing at: Emmett, ID
 My Commission Expires: 4-19-2006

COMMONWEALTH

STATE OF MASSACHUSETTS)

County of)
) SS.

On this 8th day of March, 2001, before me, the undersigned, a notary public in and for said state, personally appeared Barry E. Welch, known or represented to me to be the Sr. Mg. Director of John Hancock Life Insurance Company, ~~which is the sole member of IRIIC, LLC, a limited liability company which is the sole stockholder of~~ and the person whose name is subscribed to the above and foregoing instrument and acknowledged to me that he/she executed the same on behalf of said company.

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

Janis Genchowski
 Notary Public for Massachusetts
 Residing at:
 My Commission Expires:

JANIS L GENCHAUSKI
 Notary Public
 My Commission Expires December 3, 2004

MEMORANDUM OF AGREEMENT, Page 4.

FVS/slb/G3/07/01(Horseshoe/Memo.Agm)(15365-01)

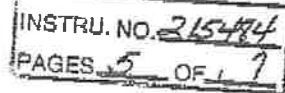


EXHIBIT A

A tract of land located in the Southeast $\frac{1}{4}$ of Section 35, Township 7 North, Range 3 West of the Boise Meridian and in a portion of U.S. Government Lot 1 of Section 2, Township 6 North, Range 3 West of the Boise Meridian, Gem County, Idaho more particularly described as follows:

Commencing at the Southeast corner of the Southeast $\frac{1}{4}$, that is marked by a $\frac{5}{8}$ " iron pin;
Thence N $89^{\circ}02'23''$ W 245.95 feet along the South boundary of said Southeast $\frac{1}{4}$ to the REAL POINT OF BEGINNING of this description;

Thence S $6^{\circ}18'02''$ W 161.43 feet;

Thence N $62^{\circ}58'42''$ W 207.77 feet;

Thence N $70^{\circ}37'00''$ W 109.93 feet;

Thence N $81^{\circ}32'36''$ W 64.61 feet;

Thence N $85^{\circ}39'40''$ W 74.56 feet;

Thence N $00^{\circ}24'39''$ E 21.63 feet to a point on the boundary common to said Sections 2 and 35;

Thence continuing along said South boundary, N $89^{\circ}02'23''$ W 552.39 feet to a point on the Northeasterly right-of-way of Idaho State Highway Number 52;

Thence continuing along said right-of-way, along a concave circular curve to the left, whose length is 784.12 feet, whose radius is 5780.30 feet and whose long chord bears N $53^{\circ}14'47''$ W 783.52 feet;

Thence continuing along said right-of-way N $57^{\circ}07'58''$ W 895.78 feet to a point on the West boundary of said Southeast $\frac{1}{4}$;

Thence N $00^{\circ}40'08''$ E 384.01 feet along said West boundary to a brass cap monument marking the South $\frac{1}{16}$ corner of said Section 35;

Thence N $00^{\circ}37'15''$ E 1084.45 feet to a point on the Southwesterly right-of-way line of the Union Pacific Railroad;

INSTRU. NO. 215484
PAGES 6 OF 7

Page 2:

Thence continuing N 00°37'15" E 106.62 feet to a point on the Northeasterly right-of-way line of the Union Pacific Railroad;

Thence continuing N 00°37'15" E 69.51 feet;

Thence S 89°08'14" E 1319.50 feet;

Thence N 00°40'29" E 28.48 feet;

Thence S 88°58'00" E 1319.53 feet to a point on the East boundary of said Southeast ¼;

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Thence N 69°05'14" W 304.03 feet;

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Thence S 59°11'10" E 90.00 feet;

Thence S 07°09'05" W 345.00 feet to the REAL POINT OF BEGINNING of this description.

The above-described tract contains 126.64 acres more or less and is subject to an existing right-of-way for the Union Pacific Railroad. Said right-of-way is 100.00 feet in width and runs diagonally across the said Southeast ¼.

BEV/H
JR

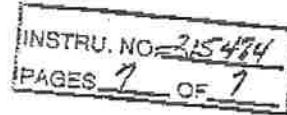


EXHIBIT B

PARCEL 1

A tract of land located in the Southeast $\frac{1}{2}$ of Section 35, Township 7 North, Range 3 West of the Boise Meridian and a portion of U.S. Government Lot 1 of Section 2, Township 6 North, Range 3 West of the Boise Meridian, Gem County, Idaho, more particularly described as follows:

Commencing at the $\frac{5}{8}$ " iron pin marking the Northeast corner of said Section 2, which is the REAL POINT OF BEGINNING of this description; Thence S $00^{\circ}24'39''$ W 179.02 feet along the East boundary of said Section 2;

Thence S $54^{\circ}26'09''$ W 59.13 feet;

Thence S $72^{\circ}37'45''$ W 33.34 feet;

Thence N $87^{\circ}05'40''$ W 42.53 feet;

Thence N $72^{\circ}31'46''$ W 35.28 feet;

Thence N $62^{\circ}58'42''$ W 119.33 feet;

Thence N $06^{\circ}18'02''$ E 161.43 feet to a point on the boundary common to said Sections 2 and 35;

Thence N $07^{\circ}09'05''$ E 345.00 feet into said Section 35;

Thence N $59^{\circ}11'10''$ W 90.00 feet;

Thence N $00^{\circ}45'04''$ E 1103.39 feet;

Thence S $69^{\circ}05'14''$ E 304.03 feet to a point on the East boundary of said Section 35;

Thence S $00^{\circ}45'04''$ W 1387.37 feet along said East boundary to the REAL POINT OF BEGINNING of this description.

The above-described tract contains 10.12 acres more or less and is subject to all existing rights-of-way and easements.

Idaho Department of Water Resources Receipt

Receipt ID W027525

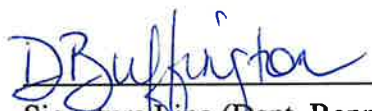
Payment Amount \$100.00 Date Received 4/5/01 12:48:50 PM Region Western Status
Payment Type Check Check Number 15817

Payer COSHO, HUMPHREY, GREENER & WELSH P.A.

Comment CHANGE OF OWNERSHIP: 65-03463 SPLIT

Fee Detail

Amount	Description	Fund	FD	PCA	SO
\$100.00	OWNERSHIP CHANGES/SECURITY INTERESTS	0229	21	62140	1155



Signature Line (Dept. Representative)