

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 37-2625B
Date Received: 11/16/1988
Receipt No: C003378
Received By:

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

1. Name of Claimant(s)

REDSTONE PARTNERS LP Phone: (208) 726-5191
1188 EAGLE VISTA CT
RENO NV 89511

2. Date of Priority: 11/13/1959

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot	County	Type
01N	19E	27	NW NW SW	BLAINE	

5. Description of diverting works:

WELL AND PUMP TO AUTOMATIC SPRINKLER SYSTEM

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	4/01	11/01	0.04	

7. Total Quantity Appropriated is:
0.04 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
01N	19E	27	NW SW	IRRIGATION	2

Section Acres 2

Total Acres 2

11. Place of use in counties: BLAINE

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

13. Other Water Rights Used:

14. Remarks:

TRANS. 3438.

15. Basis of Claim: License



State of Idaho

DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls ID 83301-3380

Phone: (208) 736-3033 FAX: (208) 736-3037

SOUTHERN REGION

March 31, 2005

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

JAMES P SPECK
SPECK & AANESTAD
PO BOX 987
KETCHUM ID 83340

Re: SRBA Claim(s) 37-481B, 37-482B, 37-483B, 37-665K, 37-667N,
37-2625A, 37-2625B, 37-2638B, 37-2700
Redstone Partners L.P.

Dear Jim:

Pursuant to the change in ownership request that has been submitted to the Department, we have changed the record of current ownership as requested. Please find the enclosed copies of the computer records of the claims noting the change in claimant. Review these records and if there is an error, or you have any questions, please give me a call.

I am also enclosing voided check number 33425, which was replaced with check 33452. As we discussed, I am returning the copies of an amendment to claim 37-2638 and a new claim filing based on an enlargement of claim 37-2625A. When you locate the originals, please submit them along with the proper filing fee. Again, give me a call should you have any questions.

Sincerely,

Trish Fawcett
Technical Records Specialist

Enclosures

cc: Redstone Partners L.P.

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

RECEIVED
 SEP 17 2004
 Department of Water Resources
 Southern Region

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, if the change in ownership is limited to a portion of 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
	37-2625B				

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) are for ten or more acres of irrigation, you must submit 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) Cove Ranch, Inc.
P.O. Box 460, Hailey, ID 83333
4. New Owner/Claimant(s) Redstone Partners, L.P.
 Name Connector (Check one): ☐ and, ☐ or ☐ and/or
- New Mailing Address 1188 Eagle Vista Ct.
- City, State and Zip Code Reno, Nevada 89511
- New Telephone Number (208) 726-5191
5. Date you acquired the property July 28, 2004

6. **IF THE CHANGE IN OWNERSHIP AFFECTS THE ENTIRE WATER RIGHTS FOR EACH WATER RIGHT OR ADJUDICATION CLAIM NUMBER LISTED IN ITEM 1, THEN SKIP THIS ITEM AND GO TO ITEM 7.** If the change of 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)
(include title if applicable)

Redstone Partners, L.P.

By:

Steve Beevers

Steve Beevers, Manager of SDB Ventures, Its General Partner

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 _____
 Receipted by _____ Date _____ Receipt No. _____
 Processed by _____ AJ Date _____ WR _____ Date _____

RECEIVED

OCT 07 2004

INDEMNIFICATION AGREEMENT

Department of Water Resources
Southern Region

THIS INDEMNIFICATION AGREEMENT is made and entered into as of the date of the last signature hereto, by and among REDSTONE PARTNERS L.P., a Nevada limited partnership (hereinafter referred to as "Buyer"), and NMS LEASING, INC. and COVE RANCH, INC., (hereinafter collectively referred to as "Seller").

RECITALS

A. Buyer has entered into an Agreement to purchase from Seller certain real property and appurtenant water rights commonly known as The Cove Ranch. Buyer has requested Seller to amend its claim filed *In Re: The General Adjudication of Rights to the Use of Water From the Snake River Basin Water System*, Twin Falls District Court Case No. 3956 (the "SRBA") for water right No. A37-02638 and to file a new claim in the SBRA for an enlargement in use of water right no. A37-2625A.

B. Buyer's counsel has prepared said amended claim and new claim based upon his own investigation and not in reliance upon any representations of Seller.

C. Seller is willing to sign and file such claims provided Buyer indemnifies Seller with respect to such actions on the terms and conditions set forth below.

TERMS AND CONDITIONS

1. INCORPORATION OF RECITALS. The Recitals set forth above are an integral part of this Agreement and are fully incorporated herein by this reference.

2. INDEMNIFICATION. Buyer shall indemnify, defend, protect and hold Seller free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorney's fees) arising from or caused in whole or in part, directly or indirectly, by the filing in the SRBA of an amended claim for water right no. A37-02638 and a new claim for an enlargement in use of water right no. A37-26225A.

3. SELLER DISCLAIMER. Seller does not warrant or represent that said amended claim or new claim shall be adjudicated as valid in whole or in part and Seller has no obligation to pursue or defend said amended claim or new claim.

4. GENERAL PROVISIONS.

a. Necessary Acts. Each party agrees to perform any further acts and execute any documents that may be reasonably necessary to effect the purpose of this Agreement.

b. Attorney Fees. In the event either party hereto retains an attorney for the purpose of enforcing any right or duty arising out of this Agreement, the non-prevailing party in such dispute shall pay to the prevailing party the latter's reasonable attorneys fees, whether or not litigation is actually instituted.

c. Governing Law. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Idaho applicable to agreements made and performed in that State.

d. Captions to Paragraphs. The captions to the paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, diminish, explain, or in any manner affect the meaning of such paragraphs.

e. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, administrators, successors, and assigns of the parties hereto.

f. Survival of Covenants. All covenants and conditions in this Agreement are intended to survive the delivery and acceptance of any warranty deeds for the Cove Ranch.

g. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

"BUYER"

REDSTONE PARTNERS L.P.
By: SDB Ventures, a Nevada limited liability
company
Its General Partner

Date: 7-28-2004

By: Steve Beevers
Steve Beevers, Manager

"SELLER:"

NMS LEASING, INC.

Date: _____

By: _____
Cary Spalding
Its President

COVE RANCH, INC.

Date: _____

By: _____
Cary Spalding
Its President

F:\WPDATA\CORP\COVE\indemnification agreement.wpd

NMS LEASING, INC.

By: Todd Hoch
Todd Hoch
Its Secretary/Treasurer

COVE RANCH, INC.

By: Todd Hoch
Todd Hoch
Its Secretary/Treasurer

"BUYER"

REDSTONE PARTNERS L.P.
By: SDB Ventures, a Nevada limited liability
company
Its General Partner

Date: _____

By: _____
Steve Beevers, Manager

"SELLER:"

NMS LEASING, INC.

Date: 7/25/04

By: Cary Spalding
Cary Spalding
Its President

COVE RANCH, INC.

Date: 7/25/04

By: Cary Spalding
Cary Spalding
Its President

F:\WPDATA\CORP\COVE\indemnification agreement.wpd

LEGAL DESCRIPTION OF COVE RANCH

A parcel of land lying within Sections 13, 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34

Township 1 North, Range 19 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a 5/8" Rebar marking the N 1/16 (North One-Sixteenth) corner common to said Sections 17 and 18, which lies South 00°49' East 1310.8 feet from a 5/8" Rebar marking the Northwest corner of said Section 17, said point being the REAL POINT OF BEGINNING;

thence North 89°36' East 2631.3 feet along the southerly boundary of Griffin Ranch Subdivision, Instrument No. 385534 as Recorded with the Blaine County Recorder's Office, Hailey, Idaho to a 5/8" Rebar marking the CN 1/16 (Center North One-Sixteenth) of said Section 17;

thence North 1°09' West 5.8 feet along the boundary of said Griffin Ranch Subdivision Boundary to a 5/8" Rebar marking the Southwest corner of U.S. Government Lot 2 of said Section 17;

thence North 89°28' East 1315.1 feet along the boundary of said Griffin Ranch Subdivision to the Southeast corner of U.S. Government Lot 2 of said Section 17;

thence South 00°55' East 1319.2 feet to the Southwest corner of U.S. Government Lot 3 of said Section 17;

thence North 89°36' East 1334.1 feet to the W 1/4 (West One-Quarter) corner of said Section 16;

thence South 00°37' East 2621.0 feet to the Southwest corner of said Section 16;

thence North 88°44' East 1356.9 feet to the W 1/16 (West One-Sixteenth) corner common to said Sections 16 and 21;

thence South 00°48' East 323.0 feet along the boundary common to U.S. Government Lots 3 and 8 of said Section 21 to its intersection with the Northerly boundary of the Hidden Treasure No. 2 Extension Lode of said Section 21;

thence South 61°02' West 627.1 feet along the boundary common to U.S. Government Lot 8 of said Section 21 and the northerly boundaries of Hidden Treasure No. 1 Extension Lode and Hidden Treasure No. 2 Extension Lode to the Northwest corner of Hidden Treasure No. 1 Extension Lode of said section 21;

thence South 03°05' West 1478.2 feet to the Northwest corner of Hidden Treasure No. 1 Lode of said Section 21;

thence North 27°12' West 47.8 feet to the Northeast corner of the Ione Lode of said Section 21;

thence South 78°58' West 263.7 feet to the Northwest corner of the said Ione Lode;

thence South 41°29' East 371.8 feet to the westerly corner of the said Ione Lode;

thence South 14°16' East 1100.6 feet to the Southwest corner of said Ione Lode;

thence North 77°47' East 526.5 feet to the Southeast corner of said Ione Lode;

thence South 29°19' East 47.3 feet to the Southwest corner of said Hidden Treasure No.1 Lode;

thence South 30°59' East 1492.6 feet to the Southwest corner of the Idaho Central No.1 Lode of said Section 21;

thence North 60°28' East 503.5 feet to the intersection with the East boundary of the SW 1/4 (Southwest One-Quarter) of said Section 21;

thence South 01°21' East 850.0 feet, more or less, to the S 1/4 (South One-Quarter) corner of said Section 21;

thence South 89°50' East 2405.8 feet to the Southeast corner of said Section 21;

thence North 00°01' West 2664.6 feet to the E 1/4 (East One-Quarter) corner of said Section 21;

thence North 89°42' West 1270.9 feet to the CE 1/16 (Center East One-Sixteenth) corner of said Section 21;

thence North 00°07' West 2664.6 feet to the E 1/16 (East One-Sixteenth) corner common to said Sections 21 and 16;

thence South 89°47' East 1277.7 feet to the Northeast corner of said Section 21;

thence North 00°01' West 3962.7 feet to the North 1/16 (North One-Sixteenth) corner common to said Sections 15 and 16;

thence North 89°55' East 1320.1 feet to the NW 1/16 (Northwest One-Sixteenth) corner of said Section 15;

thence South 00°02' East 1319.1 feet to the CW 1/16 (Center West One-Sixteenth) corner of said Section 15;

thence South 90°00' East 3959.4 feet to the East 1/4 (East One-Quarter) corner of said Section 15;

thence South $90^{\circ}00'$ East 2639.6 feet to the C 1/4 (Center One-Quarter) corner of said Section 14;

thence South $00^{\circ}01'$ East 1319.1 feet to the CS 1/16 (Center South One-Sixteenth) corner of said Section 14;

thence North $89^{\circ}52'$ East 1320.2 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 14;

thence North $00^{\circ}00'$ East 2641.8 feet to the NE 1/16 (Northeast One-Sixteenth) corner of said Section 14;

thence South $89^{\circ}52'$ East 1320.1 feet to the N 1/16 (North One-Sixteenth) corner common to said Sections 13 and 14;

thence South $00^{\circ}01'$ East 3957.3 feet to the Southwest corner of Section 13;

thence North $89^{\circ}48'$ West 1320.4 feet to the E 1/16 (East One-Sixteenth) common to said Sections 14 and 23;

thence South $00^{\circ}01'$ East 1319.1 feet to the NE 1/16 (Northeast One-Sixteenth) corner of said Section 23;

thence South $89^{\circ}53'$ East 1315.1 feet to the North 1/16 corner common to said Sections 23 and 24;

thence South $89^{\circ}53'$ East 1315.1 feet to the NW 1/16 (Northwest One-Sixteenth) corner of said Section 24;

thence South $00^{\circ}11'$ East 2638.2 feet to the SW 1/16 (Southwest One-Sixteenth) corner of said Section 24;

thence North $89^{\circ}49'$ West 1317.5 feet to the S 1/16 (South One-Sixteenth) corner common to said Sections 24 and 23;

thence South $00^{\circ}01'$ East 1319.1 feet to the Southeast corner of said Section 23;

thence North $89^{\circ}47'$ West 1318.3 feet to the E 1/16 (East One-Sixteenth) corner common to said Sections 23 and 26;

thence South $00^{\circ}50'$ East 3973.0 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 26;

thence North $89^{\circ}55'$ West 3857.8 feet to the S 1/16 (South One-Sixteenth) corner common to said Sections 26 and 27;

thence North $89^{\circ}55'$ West 1285.9 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 27;

thence South $00^{\circ}17'$ East 1331.6 feet to the East 1/16 (East One-Sixteenth) corner common to said Sections 27 and 34;

thence South $00^{\circ}17'$ East 2663.2 feet to the CE 1/16 (Center East One-Sixteenth) corner of said Section 34;

thence North $89^{\circ}44'$ West 3885.9 feet to the W 1/4 (West One-Quarter) corner of said Section 34;

thence South $89^{\circ}46'$ West 536.7 feet along the South boundary of the NE 1/4 (Northeast One-Quarter) of said Section 33 to its intersection with the former Railroad right-of-way, lying 100 feet from centerline;

thence North $31^{\circ}10'$ West 9304.8 feet along the Railroad right-of-way to its intersection with the West boundary of said Section 21;

thence South $00^{\circ}37'$ East 98.3 feet along the Railroad right-of-way to the ITD brass cap marking the corner common to Sections 20, 21, 28, and 29, lying 50 feet from centerline;

thence North $31^{\circ}09'$ West 6108.6 feet along the former Railroad right-of-way to its intersection with the boundary common to said Sections 17 and 20;

thence North $89^{\circ}39'$ East 58.2 feet along said Section line to a point lying 100 feet from the former Railroad centerline;

thence North $31^{\circ}09'$ West 4455.5 feet along the Railroad right-of-way to its intersection with the said Griffin Ranch Subdivision boundary;

thence North $00^{\circ}49'$ West 96.4 feet along said Griffin Ranch Subdivision boundary to the REAL POINT OF BEGINNING.

A parcel of land lying within Sections 13, 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34

Township 1 North, Range 19 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a 5/8" Rebar marking the N 1/16 (North One-Sixteenth) common to said Sections 17 and 18, which lies South 00°49' East 1310.8 feet from a 5/8" Rebar marking the Northwest corner of said Section 17, thence South 00°49' East 492.4 feet along the West boundary of said Section 17 to its intersection with the Railroad right-of-way and the REAL POINT OF BEGINNING;

thence South 00°49' East 818.4 feet to the W 1/4 (West One Quarter) of said Section 17;

thence South 00°50' East 2612.4 feet to the Southwest corner of said Section 17;

thence South 00°48' East 1298.0 feet to the N 1/16 (North One Sixteenth) corner common to said Sections 20 and 19;

thence South 89°59' East 2623.7 feet to the CN 1/16 (Center North One- Sixteenth) corner common to said Section 20;

thence North 01°02' West 386.1 feet to the intersection with the Rail Road right- of-way, lying 50 feet from centerline;

thence North 31°09' West 1081.3 feet, more or less, along said Rail Road right -of - way to a point on the boundary of said Sections 17 and 20;

thence South 89°39' West 58.2 feet along said Section line to a point lying 100 feet from centerline;

thence North 31°09' West 3994.5 feet along the Rail Road right-of-way to the REAL POINT OF BEGINNING.

U.S. Government Lot 1, Section 19, Township 1 North, Range 20 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

6

Beginning at a Brass Cap marking the Section corner common to said Sections 22, 23, 27, and 26, which lies North $00^{\circ}39'$ West 2640.1 feet from a Brass Cap marking the West 1/4 (West One Quarter) corner common to Sections 26 and 27, thence North $63^{\circ}10'$ East 11,711.2 feet to the REAL POINT OF BEGINNING;

thence North $90^{\circ}00'$ East 1249.6 feet;

thence South $00^{\circ}00'$ East 1320.0 feet

thence South $89^{\circ}58'$ West 1256.5 feet

thence North $00^{\circ}18'$ West 1320.7 feet to the REAL POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTIONS LYING WITHIN THE RAILROAD RIGHT-OF-WAY.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

RECEIVED

OCT 07 2004

Department of Water Resources
Southern Region

COPY

(space above line for Recorder's use)

QUITCLAIM DEED

FOR VALUE RECEIVED, NMS Leasing, Inc., an Idaho corporation and Cove Ranch, Inc., an Idaho corporation, hereinafter collectively referred to as "Grantor," do hereby convey, release, remise, and forever quitclaim unto Redstone Partners L.P., a Nevada Limited Partnership, of 1188 Eagle Vista Ct, Reno, NV, (89511), hereinafter referred to as "Grantee," any and all interest Grantor may have in the following described premises, situated in Blaine County, Idaho, to wit:

Any and all water rights appurtenant to the following described premises in Blaine County, Idaho, to wit:(see attached legal description attached as Exhibit "A" and made a part hereof), which may include, but are not limited to, the following: those water rights claimed in the SRBA as 37-481B, 37-482B, 37-483B, 37-665K, 37-667N, 37-2625A, 37-2625B, 37-2638B, 37-2700 and for the enlargement of 37-2625A pursuant to I.C. § 42-1426, and those water rights decreed in the SRBA as 37-12193 and 37-12194.

Located on property shown on Exhibit "A" attached hereto and made a part hereof.

This instrument may be executed in counterparts, and as executed shall constitute on agreement, binding on all parties, even though all the parties do not sign the original or the same counterpart.

IN WITNESS WHEREOF, The Grantor, pursuant to resolutions of such Grantor's Board of Directors has caused their corporate names to be hereunto subscribed by their Presidents and Secretary/Treasurers.

GRANTOR:

NMS Leasing, Inc., an Idaho corporation

DATED this _____ day of July, 2004.

Cary Spalding, President

DATED this _____ day of July, 2004.



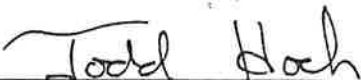
Todd Hoch, Secretary/ Treasurer

Cove Ranch, Inc., an Idaho corporation

DATED this _____ day of July, 2004.

Cary Spalding, President

DATED this _____ day of July, 2004.



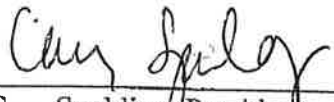
Todd Hoch, Secretary/ Treasurer

IN WITNESS WHEREOF, The Grantor, pursuant to resolutions of such Grantor's Board of Directors has caused their corporate names to be hereunto subscribed by their Presidents and Secretary/Treasurers.

GRANTOR:

NMS Leasing, Inc., an Idaho corporation

DATED this 26 day of July, 2004.


Cary Spalding, President

DATED this 26th day of July, 2004.

Todd Hoch, Secretary/ Treasurer

Cove Ranch, Inc., an Idaho corporation

DATED this 26 day of July, 2004.


Cary Spalding, President

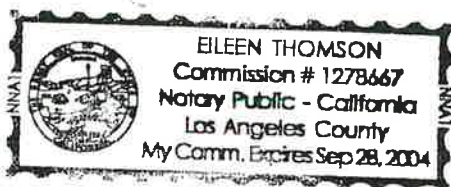
DATED this _____ day of July, 2004.

Todd Hoch, Secretary/ Treasurer

STATE OF California)
County of Los Angeles)

On this 26th day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Cary Spalding, President of NMS Leasing, Inc. known to me to be the President of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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

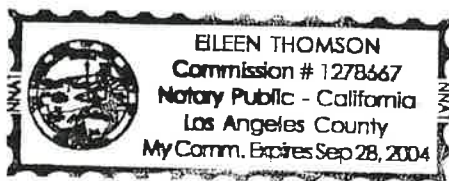


Eileen Thomson
Notary Public for California
Residing at: Los Angeles
My Commission Expires: 9.28.2004

STATE OF California)
County of Los Angeles)

On this 26th day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Cary Spalding, President of Cove Ranch, Inc. known to me to be the President of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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



Eileen Thomson
Notary Public for California
Residing at: Los Angeles
My Commission Expires: 9.28.2004

STATE OF Hawaii)
) ss
County of Honolulu)

On this 23rd day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Todd Hoch, Secretary/ Treasurer of NMS Leasing, Inc. known to me to be the Secretary/ Treasurer of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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

LS

Emelda C Basilio EMELDA C. BASILIO
Notary Public for State of Hawaii
Residing at: Honolulu, Hawaii
My Commission Expires: AUG 05 2005

STATE OF Hawaii)
) ss
County of Honolulu)

On this 23rd day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Todd Hoch, Secretary/ Treasurer of Cove Ranch, Inc. known to me to be the Secretary/ Treasurer of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

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

LS

Emelda C Basilio EMELDA C. BASILIO
Notary Public for ~~Hawaii~~ State of Hawaii
Residing at: Honolulu, Hawaii
My Commission Expires: AUG 05 2005

FAWPDATA\REAL\Cove Ranch\QUITCLAIM.frm

QUITCLAIM DEED - 4

CA

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: A37-02625B
Date Received: 10/27/1988
Receipt No: C003378
Received By: _____

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: COVE RANCH, INC. 208-338-2036
Address: C/O FIRST SECURITY BANK
P.O. BOX 2618
ATTN: STEVE ALLEN
BOISE, ID 83701

2. Date of Priority: NOV 13, 1959

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
01N	19E	27	NW	NW	SW		BLAINE

5. Description of diverting works:
WELL AND PUMP TO AUTOMATIC SPRINKLER SYSTEM

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or)	A.F.A.
IRRIGATION	04/01	11/01	0.040		

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

8. Total consumptive use is 5.0 Acre Feet Per Annum.

9. Non-irrigation uses:

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
01N	19E	27	NW	SW		IRR	2.0
Section Acres							2.0

A37-02625B

Page 1

Date: 01/27/89

MICROFILMED
FEB 23 1993

10. Place of Use: Continued

Total Acres 2.0

11. Place of use in counties: BLAINE

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

13. Other Water Rights Used:

37-00481/00482/00483/00665/00666/00667/02625A

14. Remarks:

TRANS. 3438.

15. Basis of Claim: LICENSE

Water Right Number: 28261

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FEB 23 1993

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: _____

For Organizations:

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

Signature of Authorized Agent

Title and Organization

Date

State of Idaho)
County of _____) SS.

Subscribed and sworn (or affirmed) before me this _____ day
of _____ 19 _____

Notary Public

Seal

Residing at _____

My Commission Expires _____

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: 39356
Ident Number A37-02625B
Date Received 10-27-88
Receipt Number C003378

RECEIVED

OCT 27 1988

NOTICE OF CLAIM
TO A
WATER RIGHT
ACQUIRED UNDER STATE LAW

Department of Water Resources
Coeur d'Alene Region Office

1. Name of Claimant(s): Cove Ranch, Inc.
Phone: (208) 338-2036
Mailing Address: c/o First Security Bank Trust Department
P.O. Box 2618
Boise, ID 83701
attn: Mr. Steve Allen, Trust Officer
2. Date of Priority: November 13, 1959
3. Source of water supply (a) Groundwater
which is tributary to (b)
4. a. Location of point of diversion is:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>$\frac{1}{4}$</u>	<u>$\frac{1}{4}$</u>	<u>$\frac{1}{4}$</u>	<u>Lot</u>	<u>County</u>
1N	19E	27	NW	NW	SW		Blaine

Additional points of diversion if any: None.

- b. If instream flow, beginning point:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>$\frac{1}{4}$</u>	<u>$\frac{1}{4}$</u>	<u>$\frac{1}{4}$</u>	<u>Lot</u>	<u>County</u>
-----------------	--------------	----------------	---------------------------------	---------------------------------	---------------------------------	------------	---------------

Ending point:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>$\frac{1}{4}$</u>	<u>$\frac{1}{4}$</u>	<u>$\frac{1}{4}$</u>	<u>Lot</u>	<u>County</u>
-----------------	--------------	----------------	---------------------------------	---------------------------------	---------------------------------	------------	---------------

COPY
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5. Description of existing diversion works: Well and pump to automatic sprinkler system

6. Water is claimed for following purposes:

<u>Purpose</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
Irrigation	April 1	November 1	0.04 cfs

7. Total Quantity Claimed: 0.04 cfs

8. Total consumptive use claimed is 5 acre feet per annum.

9. Non-irrigation uses: None.

10. Place of use:

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/4</u>	<u>1/4</u>	<u>Use</u>	<u>Irrig. Acres</u>
1N	19E	27	NW	SW	I	2

Total number of irrigated acres: 2

11. Place of use is located in Blaine County.

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

13. Describe any other water rights used at the same place and for the same purposes as described above? 37-0481, 37-0482A, 37-0483, 37-0665C, 37-0666A, 37-0667E, 37-2625A.

14. Remarks: Transfer 3438.

Last Name: Cove Ranch

Ident No. _____

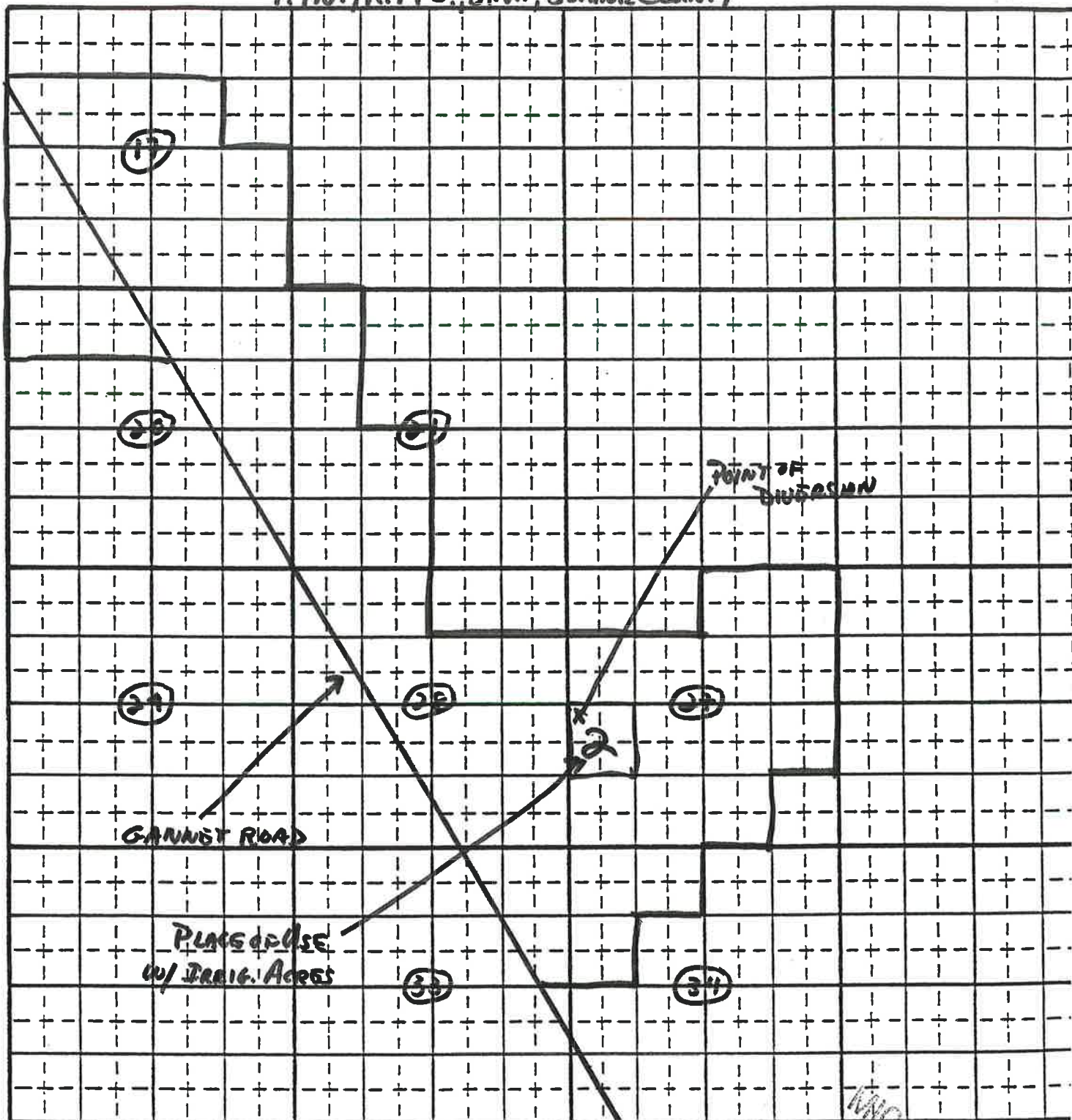
COPY

MICROFILMED
FEB 23 1993

Map of Project: show clearly the point of diversion, place of use, section number, township, and range number.

Scale: 2 inches equals 1 mile

T. 1 N., R. 19 E., B. M., BLAINE COUNTY



Last Name

COVE RANCH

Ident No.

COPY

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FEB 23 1993
Copies: White-State, Yellow-Claimant

15. Basis of Claim: License
IDWR Water Right Number: 37-2625B
Court:
Case Number:
Decree Date:
Plaintiff v. Defendant:

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 not wish to receive and pay a small annual fee for monthly copies of the docket sheet. Number of attachments 0

[For Organizations] I do solemnly swear or affirm that I am Sec. Treas of Cove Ranch, Inc., that I have signed the foregoing document in the space below as Sec. Treas of Cove Ranch, Inc. and that the statements contained in the foregoing document are true and correct.

Signature of Authorized Agent Thomas J. Macdonald, by James P. Speck, his attorney-in-fact

Title of Organization Cove Ranch, Inc.

Date 10/25/88

State of Idaho)

County of Blaine) ss.

Subscribed and sworn before me this 25th day of October, 1988.

Notary Public Ruby Miron Becker
Residing at Sun Valley
Commission Expires 1/1/93

17. Notice of Appearance:

Notice is hereby given that I, James P. Speck, will be acting as attorney at law of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above should be mailed to the address listed below.

Signature: James P. Speck

James P. Speck
Hogue, Speck & Aanestad
P.O. Box 987
Ketchum, ID 83340

Date: 10/25/88

Last Name: Cove Ranch
j:\coverch1.clm

Ident No.: _____

MICROFILMED
FEB 23 1993
COPY

01/03/2007

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

RIGHT NUMBER: 37-2625B

NAME AND ADDRESS: REDSTONE PARTNERS LP
1188 EAGLE VISTA CT
RENO NV 89511

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 0.040 CFS
6.300 AFY

PRIORITY DATE: 11/13/1959

POINT OF DIVERSION:

T01N R19E S27 NWNWSW Within BLAINE County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE

PERIOD OF USE

QUANTITY

IRRIGATION

04/01 11/01

0.040 CFS
6.30 AFY

PLACE OF USE: IRRIGATION in BLAINE County

T01N R19E S27 NWSW 1.80

1.8 ACRES TOTAL

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

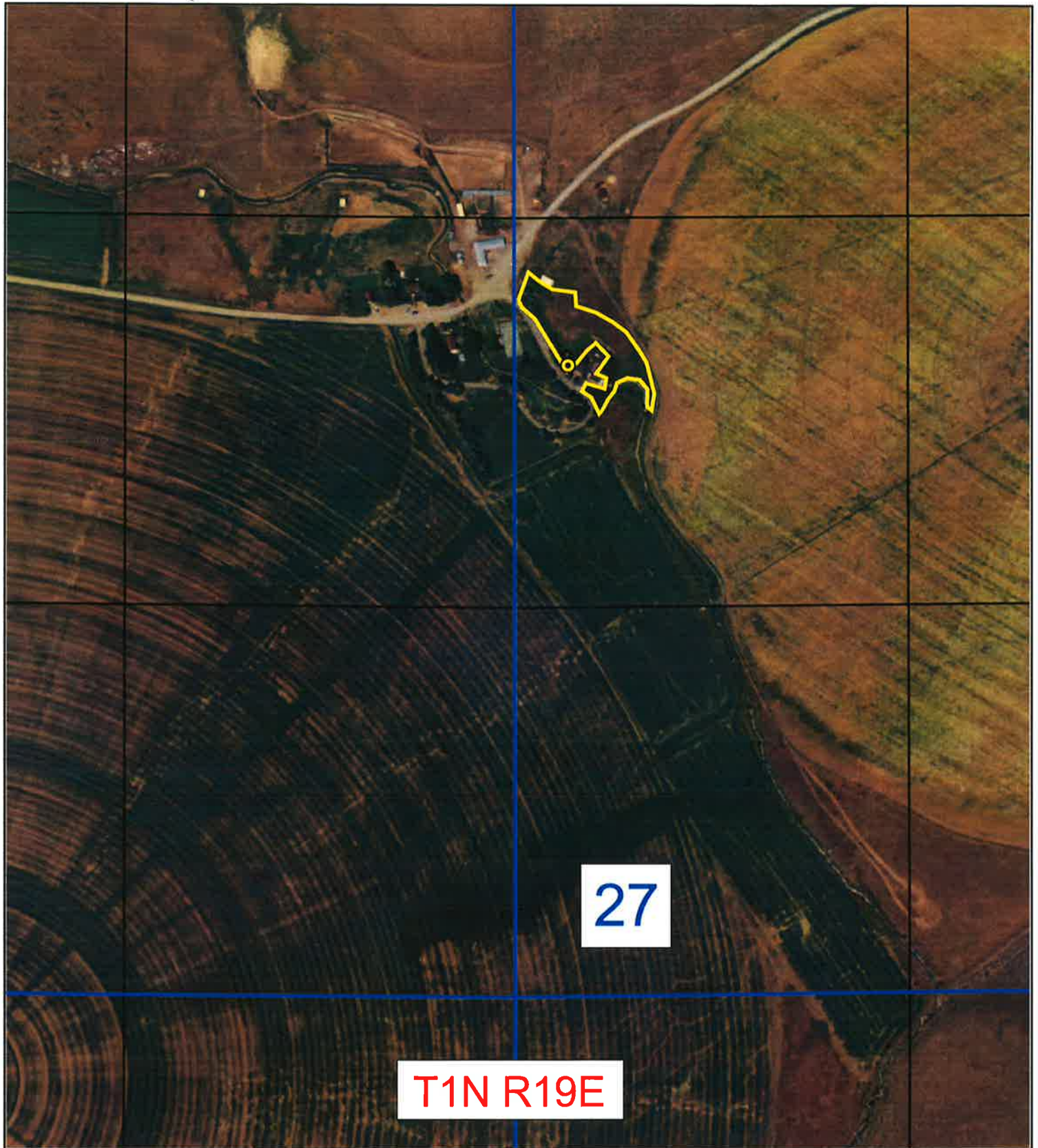
This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

The place of use is the irrigated land around the main ranch house.

Right 37-2625 was split into 37-2625A and 37-2625B by Transfer 3438.

37-2625B



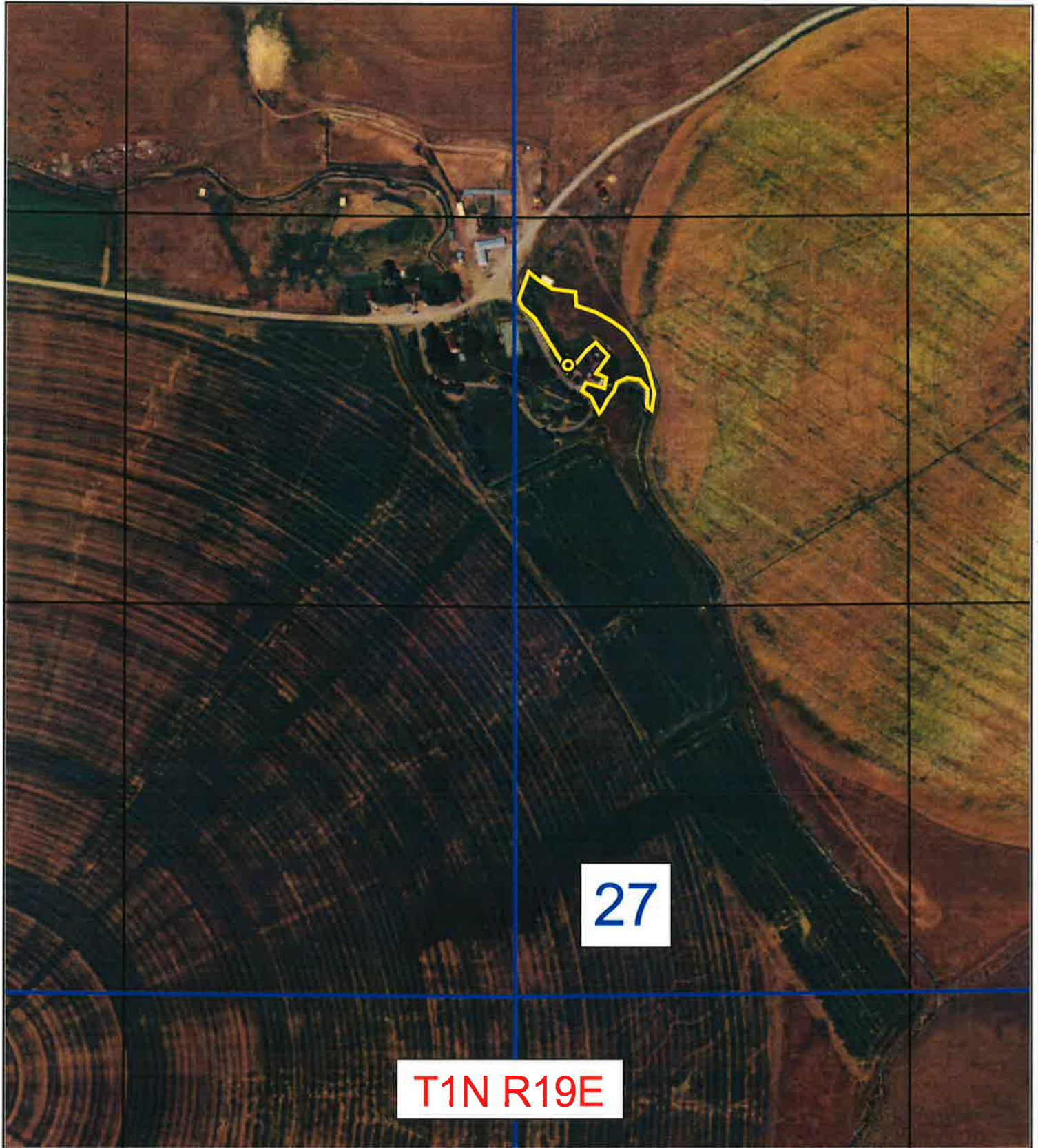
-  Section Lines
-  Quarter/Quarter Lines
-  Place of Use
-  Point(s) of Diversion

500 0 500 Feet



GIS PLACE OF USE PRESENTATION
PHOTOGRAPHY: 2004 NAIP
DATA ENTRY: 12/22/2006
DOUGLAS JONES

37-2625B



-  Section Lines
-  Quarter/Quarter Lines
-  Place of Use
-  Point(s) of Diversion

500 0 500 Feet



GIS PLACE OF USE PRESENTATION
PHOTOGRAPHY: 2004 NAIP
DATA ENTRY: 12/22/2006
DOUGLAS JONES

12/21/2006

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

RIGHT NUMBER: 37-2625B

NAME AND ADDRESS: REDSTONE PARTNERS LP
1188 EAGLE VISTA CT
RENO NV 89511

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 0.040 CFS
6.300 AFY

PRIORITY DATE: 11/13/1959

POINT OF DIVERSION:

T01N R19E S27 NWNWSW Within BLAINE County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
IRRIGATION	04/01 11/01	0.040 CFS 6.30 AFY

PLACE OF USE: IRRIGATION in BLAINE County

T01N R19E S27 NWSW 1.80

1.8 ACRES TOTAL

The place of use is the irrigated land around the main ranch house.

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 - License

Right 37-2625 was split into 37-2625A and 37-2625B by Transfer 3438.



Idaho Department of Water Resources

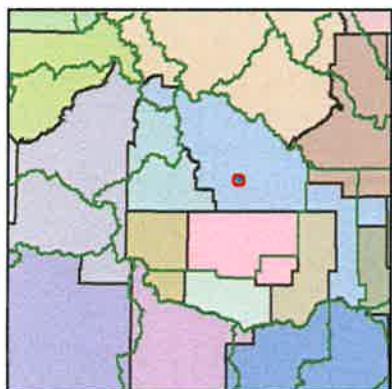
SRBA Recommendation:

37-2625B

(Irrigation)

Legend

-  Point of Diversion
-  Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



Blaine County
IDWR Basin 37



0 0.1 0.2 Miles



Prepared by J. Stanton
On Thursday, December 21, 2006
2004 Aerial Photography

Owner: Redstone Partners Lp

NOTE: Only one owner is listed. There may or may not be more than this in the IDWR database.



State of Idaho

DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls ID 83301-3380

Phone: (208) 736-3033 FAX: (208) 736-3037

SOUTHERN REGION

December 13, 2006

James P Speck Attorney
PO Box 987
Ketchum, ID 83340

JAMES E. RISCH
Governor

KARL J. DREHER
Director

RE: SRBA Claim 37-2625B, Redstone Partners

Dear Jim;

Enclosed is a 2004 ArcView photo of building area on this ranch. The area outlined in black is what I am guessing to be the land covered by this claim, as it is the only area of the right size and location to match the claim. Please mark the correct area on the map with a waterproof marker (if it is different than what I have), and also mark the well location. This will allow me to complete my recommendation for this claim, leaving only ten more to go for Redstone!

Regards,

James E. Stanton
Sr. Water Resource Agent

RECEIVED

OCT 27 1988

SPECIAL POWER OF ATTORNEY
(WATER RIGHTS)

Department of Water Resources
Southern Region Office

COVE RANCH, INC., an Idaho corporation (the "Corporation"), designates and appoints JAMES P. SPECK, of Ketchum, Idaho, as the Corporation's attorney in fact and agent (subsequently called "Agent") to act in the Corporation's name and for the Corporation's benefit for the specific purposes stated herein only. The Corporation grants to its Agent full power and authority to do everything necessary in exercising any of the powers herein granted as fully as the Corporation might or could do if personally present and fully competent, hereby ratifying and confirming all that the Corporation's Agent shall lawfully do or cause to be done by virtue of this Special Power of Attorney and the powers herein granted.

1. SPECIFIC GRANT OF POWER. The Corporation's agent shall have power to exercise or perform any act, power, duty, right or obligation whatsoever that the Corporation now has or may hereafter acquire, RELATING ONLY TO the preparation and filing of claims for water rights in Twin Falls County District Court Civil No. 39576, In Re the General Adjudication of Rights to the Use of Water from the Snake River Basin Water System, and the preparation and filing of applications for permits to or transfers of water rights, or claims to water rights, with the Idaho Department of Water Resources.

2. REVOCABILITY. This Special Power of Attorney is revocable, provided, that insofar as any governmental agency, bank, trust company, insurance company, transfer agent, or other person shall rely upon this power, this power may be revoked only by a notice in writing executed by me or the Corporation's Agent and delivered to such person or institution.

3. INTERPRETATION. This instrument is to be construed and interpreted as a Special Power of Attorney and shall be limited in accordance herewith.

4. THIRD-PARTY RELIANCE. Third parties may rely upon the representations of the Agent as to all matters relating to any power granted to the Corporation's Agent, and no person who may act in reliance upon the representations of the Agent or the authority granted to the Corporation's Agent shall incur any liability to the Corporation as a result of permitting the Agent to exercise any power.

RECORDED
FEB 23 1993

5. GOVERNING LAW. This Special Power of Attorney is executed and delivered in the State of Idaho and the laws of the State of Idaho shall govern all questions as to the validity of this power and as to the construction of its provisions.

6. COUNTERPARTS. This Special Power of Attorney may be executed in counterparts. Each executed counterpart of this Special Power of Attorney shall have the force and effect of this original.

IN WITNESS WHEREOF, the Corporation has executed this Special Power of Attorney this 20 day of OCTOBER, 1988.

COVE RANCH, INC.

By:

Thomas J. Macdonald
Thomas J. Macdonald
Secretary - Treasurer

STATE OF Hawaii

City + County of Honolulu

} ss.

On this 20th day of October, 1988, before me, the undersigned notary public in and for said state, personally appeared Thomas J. Macdonald known to me to be the secretary - treasurer of the corporation whose name is subscribed to the within Special Power of Attorney, and acknowledged to me that said corporation executed the same.

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

Linda Shaw
Notary Public for

Residing at: Honolulu, Hawaii

Notary Public, First Judicial Circuit
State of Hawaii

My commission expires

7/4/92

Old (D) Number - 28261

```

+ - - - - - Address - - - - - +

```

3 -
City- BOISE State- ID Zip- 83701
Phone - 208-000-0000

2 -
3 -
City- GANNETT State- ID Zip- 83329
Phone - 208-000-0000

```

+ - - - Stage - - - +
L - LICENSE

```

+ - - - - - Tributary - - - - - +

01N	19E	27	NW SW	(13)	BLAINE
01N	19E	28	SE NW	(13)	BLAINE

Code	Description	Period From	Period To	Water Use	Diversion Rate	Diversion Volume
01 - IRRIGATION		04/01	11/01		0.040	

+ - Total Div. Rate - + + - Total Div. Volume - + + - Total Div. Capacity - + + - Total Consumptive Use - + + - KW Usage - +

Twn	Rng	Sec	Tract	Lot	Acres	Place of Use Code	Description	County
01N	19E	27	NW SW		2.0	01	IRRIGATION	(13) BLAINE

Total Acres:

+ - - Diversion Means -

+ - - Non-Irrigation Use -

+ - - Other Rights for Same Use -

TRANS. 3438.	Remarks
--------------	---------

TRANS. 3438.

Water right number - 37-02625B

Adj. flag translation: Standard Water Right Number

+ - - - - Conditions of Approval - - - - - +
No Conditions of Approval found.

+ - - - Decree Plaintiff - - - + + - - - Decree Defendant - - - + + - Decree Date - +
00/00/0000

+ - - Microfilm Rolls -

+ - - Audit Fields - 09/29/88 CURTIS

+ - - - - Water Rights Dates and Flags Area - - - - - +

Proof Due Date	- 00/00/0000	Field Exam Made	- 00/00/0000	Field Exam Fee	-
Approved/Denied	- 00/00/0000	Protested Date	- 00/00/0000	Swan Falls	-
Proof Made Date	- 00/00/0000	Hearing Date	- 00/00/0000	Temporary Right	- P
Start Work Date	- 00/00/0000	Verified Date	- 05/06/1985	DLE/Carey Act	-
Order Show Cause	- 00/00/0000	Receipt Number	-	Water District	-
Licensed Date	- 05/15/1979	Appl Received	- 00/00/0000	Transfer/Amended	- P
Decree Date	- 00/00/0000				

MICROFILMED
FEB 23 1993

10/27/1988

SRBA CLAIMS RECEIVING CHECKLIST

CLAIMANT'S NAME

Cove, Nick

CLAIM ENT. NO.

A37-02625B

DATE RECEIVED

10-27-88

CK #

8664

AMOUNT \$

2167

(13)

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

YES

NO

2. Is a priority date entered?

Is the water use exempt from the Permit requirements, or if it is not exempt, has a Permit been approved or a License issued?

A Permit is required: (1) for groundwater developed after March 25, 1963 (except single family domestic and stockwater wells using less than 13,000 gpd), or (2) for surface water developed after May 20, 1971 (except for instream stockwater). USE CARE IF CLAIM IS RETURNED. REFER TO ADJUDICATION MEMOS # 1 (ADJ. CLAIMS/APPLICATIONS) AND # 9 (REJECTION OF CLAIMS). EXPLAIN IN COMMENTS.

3. (a) Is a source entered?

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

N/A

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

5. Is there a description of the diverting works?

6. Are the water uses appropriate for the form? The short form is limited to domestic and stockwater uses with direct diversion. All claims that include storage or 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. If required is a consumptive use entered?

N/A

Is the consumptive use correct?

N/A

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, see Adjudication Memo # 4.

N/A

10. Is (are) the place(s) of use and purpose(s) indicated?

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

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

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

14. If required, are remarks correct? (If the claimant does not own the place of use, authority for filing the claim must be explained in the remarks.)

N/A

15. Is the basis of the claim indicated?

16. Is the claim signed by the claimant, and 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?

Was this claim filed on time, or was an extension granted?

Is the fee enclosed correct? Exempt

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

N/A

Should this claim be receipted and data entered?

Claim checked by:

MS

Comments:

MICROFILMED
FEB 23 1993