

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 84145

MINIMUM REQUIREMENTS CHECKLIST
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

RECEIVED

JUN 09 2020

Department of Water Resources

An application for transfer must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Incomplete applications will be returned. The instructions, fee schedule, Part 2A reports and additional Part 2B forms are available from any Department office or on the Department's website at idwr.idaho.gov.

Name of Applicant(s) Rocky Mountain Water Exchange LLC

Check whether each item below is *attached* (Yes) or *not applicable* (N/A) for the proposed transfer.

Yes N/A * Means the item is always required and must be included with the application.

- ☒ * Completed Application for Transfer of Water Right form, Part 1.
- ☒ * Signature of applicant(s) or applicant's authorized representative on Application for Transfer Part 1. Include evidence of authority labeled Attachment #3 (see below) if signed by representative.
- ☒ * Application for Transfer Part 2A. Attach a Part 2A report describing each water right in the transfer as currently recorded.
- ☒ ☐ Complete and attach an Application for Transfer Part 2B for each water right for which only a portion is proposed to be changed through this transfer application.
- ☒ * Application for Transfer Part 3A is always required (see Attachment #7a below); Parts 3B and 3C must be completed for transfer applications proposing to change the nature of use of the water right(s) or proposing changes to supplemental right(s).
- ☒ * Correct fee submitted with transfer application form. (Fee schedule is on website and instructions for application for transfer.)

Attachments to Application - Label each attachment with the corresponding number shown below as Attachment #1-10.

- ☐ ☒ #1 If the applicant is a business, partnership, organization, or association, and not currently registered in the State of Idaho as a business entity, attach documentation identifying officers authorized to sign or act on behalf of right holder. (See Part 1.)
- ☐ ☒ #2a Water Right ownership documentation if Dept. records do not show the applicant as the current water right owner. **
- ☐ ☒ #2b If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s).**
** Additional fee(s) required for water right ownership changes; see fee schedule.
- ☒ ☐ #3 Documentation of authority to make the change if the applicant is not the water right owner.
- ☐ ☒ #4 Power of Attorney or documentation providing authority to sign or act on the applicant's behalf. (See Part 1.)
- ☐ ☒ #5 If the transfer application proposes to change the point of diversion for a water right affecting the Eastern Snake Plain Aquifer (ESPA), attach the results of an ESPA analysis and a detailed mitigation plan to offset any depletions to hydraulically connected reaches of the Snake River. ESPA transfer spreadsheet and model grid labeled cells are available on the Department's website at idwr.idaho.gov/water-rights/transfers/resources.html.
- ☐ ☒ #6 Notarized statement of agreement or a statement on official letterhead signed by an authorized representative from each lien holder or other entity with financial interest in the water right(s) or land affected by the proposed transfer. (See Part 1.5.c.)
- ☒ * #7a Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described on the application. Include legal description labels. If only a portion of the right is proposed to be changed, identify the current location of the part of the existing right(s) proposed to be changed. (See Part 3A.)
- ☒ ☐ #7b If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. If some or all of any right is leased to the Water Supply Bank, you must also show the the specific location and/or acres to be idled at the new, proposed place of use to satisfy lease requirements.
- ☒ ☐ #8a If the transfer application proposes to change the nature of use or period of use for one or more rights, provide documentation describing the extent of historic beneficial use for the water rights proposed to be transferred and document how enlargement will be avoided. (See Part 3B.) Additional fee required for proposed changes to nature of use; see fee schedule.
- ☐ ☒ #8b If the transfer application proposes to change the place of use of a supplemental irrigation right, provide documentation regarding the historic use of the supplemental right(s) and availability or reliability of the primary right(s) being supplemented, both before and after the proposed change. (See Part 3C.)
- ☐ ☒ #9 Water Supply Bank information for all rights proposed for transfer and currently leased to the Bank. (Attachment WSB)
- ☐ ☒ #10 Other. Please describe: _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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Department of Water Resources
Eastern Region

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1

Name of Applicant(s) Rocky Mountain Water Exchange LLC Phone 208-524-2353
Mailing address 482 Constitution Way Ste 303, Idaho Falls, ID 83402 Email kristin.rmea@gmail.com

- ☐ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☐ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☐ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☒ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☐ No Representative

Name of Representative Rocky Mountain Environmental Associates, Inc Phone 208-524-2353
Mailing address 482 Constitution Way Ste 303, Idaho Falls, ID 83402 Email kristin.rmea@gmail.com

- ☐ Send all correspondence for this application to the representative and not to the applicant.
OR
- ☒ Send original correspondence to the applicant and copies to the representative.
- ☒ The representative may submit information for the applicant but is not authorized to sign for the applicant.
OR
- ☐ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

[Signature]
Signature of Applicant or Authorized Representative

W Roger Warner, Mgr.
Print Name and Title if applicable

6/1/20
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

- ☒ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
☒ Change nature of use ☐ Change period of use ☐ Other _____
- Is this a transfer for changes pursuant to Idaho Code § 42-221.O.8?
If yes, ☐ attach an explanation and any supporting documentation labeled as **Part 1A.2**.
- Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it **Part 1A.3**.
Applicant is proposing to transfer 10 acres of the ground water right for Grouse Creek Reserve LLC. The intention is to use a portion of the transferred right for irrigation and the remaining portion for supplementing Fish Habitat in Grouse Creek, a dual use that can be adjusted each year as needed. Attachment #8a explains quantities further.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 1 Continued

B. DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT, DESCRIBE PORTIONS TO BE CHANGED AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☐ ☒	22-7681	0.13 cfs	Irrigation	4/15 to 10/31	Ground water
☐ ☐		0.13 cfs	Fish Habitat	4/15 to 10/31	Ground water
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 0.13 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 0.13 cubic feet per second and/or _____ acre-feet per year.

3. Point(s) of Diversion:

- ☐ No changes to point(s) of diversion are proposed - the following chart is therefore not completed. (Proceed to #4.)
- ☐ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA. Label it **Attachment #5**.

New ?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #
n			SW	SE	19	6N	46E	Teton	Ground water	

4. Place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

- ☐ No changes to place of use are proposed - the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
6N	46E	19											FH	FH			FH		
																	7		7
		30		3															3
Total Acres (for irrigation use)																			10

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

5. General Information:

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future:

Well will divert water into pipelines to deliver water either to Fish Habitat, where it will be injected into Grouse Creek, or to a field for irrigation. A sharp crested weir ^{is planned to be} will be installed for measurement of water injected into the creek. A separate measuring device will be installed to measure flows to irrigation.

- b. Who owns the property at the point(s) of diversion? Applicant

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts? If yes, ☐ attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien: _____

It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.

- d. Are any of the water rights proposed for transfer currently leased to the Water Supply Bank?

If yes, ☐ complete Attachment WSB.

- e. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:

The land now irrigated will be retired from irrigation. The hand lines will be removed upon approval of the transfer.

- f. Describe the use of any other water right(s) for the same purpose or land, or the same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use:

At existing POU/POD: no other water rights. At proposed POD: currently used for de minimus stockwater with no recorded water right. At proposed POU: none on the irrigated ground. Right 22-14205 also provides wildlife benefit to Grouse Creek in the SWSW of Section 19 for expanded pools added several years ago.

- g. To your knowledge, has/is any portion of the water right(s) proposed to be changed:

Yes No

- ☐ ☒ undergone a period of five or more consecutive years of non-use,
☐ ☒ currently leased to the Water Supply Bank,
☐ ☒ currently used in a mitigation plan limiting the use of water under the right, or
☐ ☒ currently enrolled in a Federal set-aside program limiting the use of water under the rights?

If yes, describe:



WATER RIGHT REPORT

4/27/2020

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 22-7681

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	LEXIE G HILL
Current Owner	THOMAS E HILL 1540 S 6000 W DRIGGS, ID 83422-4839 2083907170
Original Owner	DRAKE BROTHERS 647 S 450 W VICTOR, ID 83455 2083542585

Priority Date: 08/30/1990

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>Volume</u>
IRRIGATION	4/15	10/31	2.22 CFS	605.5 AFA
Total Diversion			2.22 CFS	605.5 AFA

Location of Point(s) of Diversion:

GROUND WATER | NESWSW | Sec. 17 | Township 04N | Range 45E | TETON County

Licensed Diversion Capacity: 2.22

Place(s) of use:

Place of Use Legal Description: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
04N	45E	17		SWSW	38		SESW	34						
		19		NENE	39									
		20		NENW	22		NWNW	40						

Total Acres: 173

Conditions of Approval:

1. 050 Diversion and use of water under this right is subject to rules that may subsequently be promulgated for existing rights used for supplemental purposes.
2. 049 The Director retains jurisdiction of the right to incorporate the use into a water district, require streamflow augmentation or other action needed to protect prior surface water and groundwater rights.
3. R63 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
4. 048 The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.

Dates:

Licensed Date: 10/19/2000

Decreed Date:

Permit Proof Due Date: 2/1/1999

Permit Proof Made Date: 2/4/1999

Permit Approved Date: 1/25/1991

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date: 08/27/1990

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal:

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 3

A. PLAT MAP (See Part 3A of Instructions for application for transfer for complete requirements.)

- ☒ Attach a map of the diversion, measurement, control, and distribution system. Label it **Attachment #7a**.
- ☒ If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. Label it **Attachment #7b**.

If the place of use currently consists of a permissible place of use, then the attachment is not required if the application contains a clear statement that the boundaries for the place of use are not proposed to be changed by the transfer and the total number of irrigated acres within the place of use before and after the transfer is clearly stated.

If any part of the irrigation water right is leased to the Water Supply Bank, you must also specify the location and number of acres that will remain idled for the duration of the lease contract at the new, proposed place of use.

B. CHANGES IN NATURE OF USE (Water Balance)

- ☒ If you propose to change the nature of use or period of use of all or part of the right(s) listed in this application, attach documentation describing the extent of historic beneficial use of the portion of the right(s) proposed to be changed. Also attach documentation showing that the portion of the right(s) to be changed will not be enlarged in rate, volume, or consumptive use through the proposed change. Label it **Attachment #8a**.

C. PLACE OF USE CHANGES TO SUPPLEMENTAL IRRIGATION RIGHTS

- ☐ If you propose to change the place of use of a supplemental irrigation right, answer below and attach supporting documentation. Label it **Attachment #8b**.

Describe how the supplemental water rights have been used historically in conjunction with other water rights at the existing place of use. Describe the time during the irrigation season that the supplemental rights have been used. Include information about the availability or reliability of the primary right(s) being supplemented, both before and after the change. If the applicant is proposing to change a supplemental irrigation right to a primary right, provide the information required on Part 3B above:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on its right side, suggesting it's resting on a surface.

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments.

Received by AS ph Date 6/9/2020 Preliminary check by _____ Date _____

Fee paid \$ 450.00 Date 6/9/2020 Received by CA dk Receipt # E045994

Add'l fee paid _____ Date _____ Received by _____ Receipt # _____

Check all that apply: Attachment WSB ☐ (copy sent to state office) Lessor Designation form ☐ &/or W-9 ☐ (originals to state office)

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT ("Option Agreement") is made and entered to be effective as of the 11th day of March, 2020 (the "Effective Date"), by and between the following entities:

1. **Thomas E. Hill**, whose address is 1540 S 6000 W, Driggs, ID 83422, hereinafter "Seller";
2. **Rocky Mountain Water Exchange, LLC**, an Idaho limited liability company, whose address is 482 Constitution Way, Suite 303, Idaho Falls, Idaho 83402 (hereinafter "Buyer"); and
3. Acting on behalf of Buyer, **Keller Williams Realty East Idaho**, an Idaho limited liability limited partnership whose address is 3525 Merlin Dr., Idaho Falls, Idaho 83404, with **Michael James Johnston** as Broker and **Reed D. Nord** acting as Agent for the Broker (hereinafter "Broker").

Buyer, Seller, and Broker are individually a "Party" and together the "Parties".

RECITALS:

- A. Seller owns Water Right No. 22-7681 (the "Water Right"), which was licensed on October 19, 2000 by Idaho Department of Water Resources for irrigation purposes with a priority date of August 30, 1990. The current description of the Water Right is more fully set forth in the report obtained from the Idaho Department of Water Resources ("IDWR" or the "Department") attached hereto as **Exhibit 1**.
- B. Buyer has inspected government records and reviewed other information pertaining to the Water Right. Seller desires to grant, and Buyer desires to obtain, an option to purchase the Water Right as set forth in the terms and provisions of this Agreement.

AGREEMENT:

IN CONSIDERATION of the mutual representations, warranties, and covenants contained herein, the Parties, intending to be legally bound hereby, agree as follows:

1. Option Granted. Seller hereby grants and sells to Buyer the exclusive option and right ("Option") to purchase, at Buyer's sole discretion, a **40-acre** portion of the Water Right at any time on or before June 1, 2022 (the "Option Period") if Buyer is not then in default of any provision of this Agreement.

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: [Signature] [Signature] DATE: 3-11-20 PAGE 1 OF 12

2. Payment for Option. Upon execution of the Option Agreement, Buyer shall pay to Seller a fee in the amount of \$ [REDACTED] as payment for the Option. This payment is nonrefundable, except in the case of Seller's default.
3. Transfer Application. During the Option Period, Buyer, in its sole discretion may elect to file with IDWR one or more applications for transfer ("Transfer" or "Transfer Application") for the Water Right. Seller hereby consents to such transfers. Buyer shall bear all costs associated with each Transfer and shall have the ability to file a Transfer as to any of the Water Rights. The Transfer applications may entail a change in any element or condition of the Water Rights or may entail use of the Water Rights for mitigation or some other similar purpose. Buyer shall be entitled to any mitigation credits resulting from the Transfer.
4. Cooperation with Transfer Efforts. Seller shall cooperate fully with Buyer throughout with each Transfer. At Buyer's request and direction, Seller shall take whatever steps are reasonable and appropriate to support and assist in securing approval of the Transfer, including signing and notarizing Transfer Applications, authorizations, and other documents consistent with Buyer's rights under this Option Agreement, or ceasing irrigation of portions of the Water Right place of use if necessary. Any costs incurred by Seller at Buyer's direction in this regard shall be reimbursed by Buyer. In the event that it is necessary to dry up acres in order to obtain transfer approval, Buyer will inform Seller of the need to dry up acres and shall identify which acres need to be dried up. Buyer shall not have the ability to require acres to be dried up if notice to dry up acres is provided to Seller after Seller has planted crops for the upcoming growing season, unless Buyer and Seller agree otherwise. Additionally, to the extent crop reports are available, Seller agrees to secure and provide to Buyer (or to assist Buyer to obtain) Farm Service Agency crop reports for the Water Right place of use.
5. Withdrawal of Transfer Application. At any time and in its sole discretion Buyer may withdraw, amend, or suspend any pending Transfer Application or file a new or revised Transfer Application.
6. Use and Protection of Water Rights. Prior to their conveyance to Buyer at Closing if the Option is exercised, Seller is authorized to continue to use any portion of the place of use of the Water Right that is not the subject of a Transfer. Seller shall keep Buyer fully advised of the status and use of the Water Rights during the Option Period. At no time during which this Option Agreement is in effect shall Seller take any action that diminishes the value or utility of the Water Right.
7. Exercise of Option. Buyer shall exercise the Option by providing notice consistent with paragraph 11 of this Option Agreement. If Buyer exercises the option to purchase, the purchase price for the Water Right shall be [REDACTED] per acre or an alternative purchase price mutually agreed upon by both Buyer and Seller on a case-by-case basis.

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: LRK JH DATE: 3-11-20 PAGE 2 OF 12

8. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer, as of the Effective Date as follows:
- (a) Authority. Seller has the full legal right, power and authority to enter into and perform this Option Agreement, and shall remove, or shall exercise commercially reasonable efforts to cause to be removed, all liens, claims, or encumbrances, whether of record or not, upon or affecting the Water Right on or before Closing if the Option is exercised and the Water Right is purchased by Buyer.
 - (b) Appurtenance. The Water Right is appurtenant to and has been beneficially used as the water source to irrigate its place of use and/or been properly preserved for future use consistent with Idaho law.
 - (c) Not Forfeited. No portion of the Water Right has been forfeited or abandoned in whole or in part.
 - (d) No Representation or Warranty Concerning Suitability for Buyer's Intended Use. Seller has not made, and hereby makes, no representation or warranty to Buyer except as expressly contained in this Agreement.
9. Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as of the Effective Date and again as of the Closing for the Water Right, as follows:
- (a) Authority. Buyer has the legal power, right and authority to enter into this Agreement and to perform Buyer's obligations hereunder.
 - (b) Buyer's Due Diligence. Buyer and Buyer's consultants and counsel have had a full opportunity to review all documents, records and other information made available to Buyer by Seller and/or otherwise reasonably available to Buyer through public or other sources, related to the nature and extent of the Water Right, the laws and rules affecting their transfer and use by Buyer, and the suitability or fitness of the Water Right for Buyer's intended purposes.
10. Broker.
- (a) The Broker represents Buyer under this Option Agreement and Buyer shall pay Broker a fee of [REDACTED]
 - (b) Consent To Limited Dual Representation And Assigned Agency. The undersigned Buyer has received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned Buyer understands that the brokerage involved in this transaction may be providing agency representation to both the Buyer and the Seller. The undersigned Buyer understands that, as an agent for both

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: LRJ TY DATE: 3-11-20 PAGE 3 OF 12

Buyer/client and Seller/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms, or factors motivating the Buyer/client to buy or the Seller/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations, and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by § 54-2085, Idaho Code. The undersigned Buyer understands that a limited dual agent does not have a duty of undivided loyalty to either client. The undersigned Buyer further acknowledges that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in § 54-2087, Idaho Code. In an assigned agency situation, the designated Broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship.

- (c) Buyer Notification and Consent to Release from Conflicting Agency Duties. Buyer acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other buyers and for sellers in the sale of the property. Buyer has been advised and understands that it may create a conflict of interest for Broker to introduce Buyer to a Seller client's property because Broker could not satisfy all of its client duties to both Buyer client and Seller client in connection with such a showing or any transaction which resulted. **Based on the understandings acknowledged, Buyer makes the following election.** (Make one election only.)

Buyer DOES want to be introduced to Seller client's property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at the time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the Buyer and Seller in the introduction of Buyer to such Seller client's property and in the preparation of any contract of sale which may result. Buyer authorizes Broker to act in a limited dual agency capacity. Further, Buyer agrees that Broker may offer, but is not obligated to offer, assigned agency

_____/_____
Initials

Limited Dual Agency
and / or
Assigned Agency

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: Lee J DATE: 3-11-20 PAGE 4 OF 12

OR representation, and if offered by the Broker, Buyer authorizes Broker to act in such capacity.

Buyer DOES NOT want to be introduced to Seller client's property and hereby releases Broker from any responsibility or duty under the agency agreement. Broker shall be under no obligation or duty to introduce the Buyer to any Seller client's property.

_____/_____
Initials

Single Agency

11. Miscellaneous.

- (a) Attorneys' Fees. If either party commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages because of an alleged breach hereof), the prevailing party therein shall be entitled to recover from the other, in addition to any other relief granted, its reasonable attorney's fees, costs and expenses incidental to such legal action.
- (b) Notices. Any notice under this Agreement shall be in writing and be delivered in person, by U.S. Mail, by private courier, by facsimile, or by email to the listed email address below. Notice shall be provided to the following:

<u>Seller</u>	<u>Buyer</u>
Thomas E Hill	Rocky Mountain Water
1540 S 6000 W	Exchange LLC
Driggs, ID 83422	482 Constitution Way Ste 303
<i>TH</i> <i>thill@silverstar.com</i>	Idaho Falls, ID 83402
	<i>rog.rmca@gmail.com</i> <i>TH</i>
<u>Seller's Representative</u>	<u>Buyer's Representative</u>
	Reed Nord
	3525 Merlin Dr.
	Idaho Falls, ID 83404

- (c) Merger. This Agreement supersedes any and all other written or verbal agreements between the Parties hereto regarding this Option Agreement. Neither Buyer nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specifically contained herein.

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: LRL *TH* DATE: 3-11-20 PAGE 5 OF 12

- (d) Remedies Cumulative. Upon any breach, any and all rights and remedies which either Party may have under this Agreement or by operation of law or equity, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other. No such right or remedy, whether exercised by said Party or not, shall be deemed to be in exclusion of any other right or remedy, any two or more of all such rights and remedies may be exercised at the same time or separately as desired.
- (e) Further Documents. The Parties hereby agree that they shall sign such other and further documents as may be required to carry into effect the terms and conditions of this Agreement.
- (f) Enforceability. The validity or enforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or other provision hereof, shall in no way affect the validity or enforcement of the remaining provisions, or any part hereof.
- (g) Counterparts. This Agreement may be executed in any number of counterparts for all the convenience of the Parties, all of which, when taken together and after execution by all Parties hereto, shall constitute one and the same Agreement.
- (h) Governing Law. This Agreement shall be governed by the laws of the State of Idaho.
- (i) Successors. This Agreement is for the benefit only of the Parties hereto and shall inure to the benefit of and bind their respective heirs, agents, personal representatives, successors and assigns.
- (j) Essence of Time. Time is of the essence in this Option Agreement.
- (k) Recording. The Parties shall record a notice of this Option Agreement in the records of Teton County, Idaho, in a form substantially like the form attached hereto as **Exhibit 2**.

[SIGNATURES ON FOLLOWING PAGE]

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT
 BUYER AND SELLER'S INITIALS: LRK / TM DATE: 3-11-20 PAGE 6 OF 12

84145

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement effective on the date set forth above.

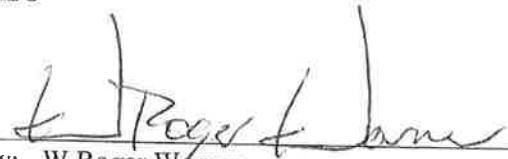
"SELLER"



Thomas E Hill

"BUYER"

**ROCKY MOUNTAIN WATER EXCHANGE,
LLC**



By: W Roger Warner
Its: Partner

"BROKER"

KELLER WILLIAMS EAST IDAHO



Michael James Johnston
By: Reed D. Nord, Agent for Broker

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT
BUYER AND SELLER'S INITIALS: LPWJH DATE: 3-11-20 PAGE 7 OF 12

Exhibit 1
The "Water Right"

IDAHO Department of
Water Resources



WATER RIGHT REPORT

3/5/2020

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 22-7681

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	SMITH TETON VALLEY LLC 3201 ASH ST PALO ALTO, CA 94306-2240 6508584915
Original Owner	DRAKE BROTHERS 647 S 450 W VICTOR, ID 83455 2083542585

Priority Date: 08/30/1990

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>Volume</u>
IRRIGATION	4/15	10/31	2.22 CFS	605.5 AFA
Total Diversion			2.22 CFS	605.5 AFA

Location of Point(s) of Diversion:

GROUND WATER|NESWSW|Sec. 17|Township 04N|Range 45E|TETON County
Licensed Diversion Capacity: 2.22

Place(s) of use:

Place of Use Legal Description: IRRIGATION TETON County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
04N	45E	17		SWSW 38			SESW 34							

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: WELI TH DATE: 3-11-20 PAGE 8 OF 12

19	NENE	39							
20	NENW	22	NWNW	40					

Total Acres: 173

Conditions of Approval:

1. 050 Diversion and use of water under this right is subject to rules that may subsequently be promulgated for existing rights used for supplemental purposes.
2. 049 The Director retains jurisdiction of the right to incorporate the use into a water district, require streamflow augmentation or other action needed to protect prior surface water and groundwater rights.
3. 048 The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.
4. R63 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.

Dates:

Licensed Date: 10/19/2000

Decreed Date:

Permit Proof Due Date: 2/1/1999

Permit Proof Made Date: 2/4/1999

Permit Approved Date: 1/25/1991

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date: 08/27/1990

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal:

Owner Name Connector:

Water District Number: TBD

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: LRL JY DATE: 3-11-20 PAGE 9 OF 12

Decree Plaintiff:
Decree Defendant:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT
BUYER AND SELLER'S INITIALS: LRK/TH DATE: 3-11-20 PAGE 10 OF 12

Exhibit 2
MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT is entered into this 11th day of March, 2020, (the "Effective Date") by and between the following parties:

1. **Thomas E. Hill**, whose address is 1540 S 6000 W, Driggs, ID 83422, hereinafter "Seller"; and
 2. **Rocky Mountain Water Exchange, LLC**, an Idaho limited liability company, whose address is 482 Constitution Way, Suite 303, Idaho Falls, Idaho 83402 (hereinafter "Buyer")
- A. Seller owns Water Right No. 22-7681 (the "Water Right"), which was licensed on October 19, 2000 by Idaho Department of Water Resources for irrigation purposes with a priority date of August 30, 1990.
 - B. Pursuant to a certain Option Agreement for Purchase and Sale of Water Right ("Option Agreement"), Seller has granted Buyer an exclusive option and right to purchase the Water Right.

NOW, THEREFORE, in order to provide public notice thereof, Seller and Buyer recite as follows:

1. Buyer and Seller acknowledge and agree that the Water Right is subject to Buyer's exclusive right to purchase under the terms and conditions of the Option Agreement, which expires on June 1, 2022.
2. Buyer and Seller acknowledge and agree that the Water Right is subject to Buyer's exclusive right to purchase under the terms and conditions of the Option Agreement.
3. Buyer and Seller agree that this Memorandum of Option Agreement may be recorded.
4. Buyer shall execute and record a release of this Memorandum of Option Agreement upon the expiration of the Option Period or termination of the Option Agreement in the event that Buyer does not exercise the option under the Option Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed this Memorandum of Option Agreement effective as of the Effective Date.

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: TEH RMW DATE: 3-11-20 PAGE 11 OF 12

[SIGNATURES ON FOLLOWING PAGE]

"SELLER"


Thomas E Hill

"BUYER"

**ROCKY MOUNTAIN WATER EXCHANGE,
LLC**


By: W Roger Warner
Its: Partner

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT
BUYER AND SELLER'S INITIALS: LRH TH DATE: 3-11-20 PAGE 12 OF 12

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT (this "Agreement") is made and entered to be effective as of the 22 day of April, 2020 (the "Effective Date"), by and between the following entities:

1. **Rocky Mountain Water Exchange, LLC**, an Idaho limited liability company, whose address is 482 Constitution Way, Suite 303, Idaho Falls, Idaho 83402 (hereinafter "Seller"); and
2. Acting on behalf of Seller, **Keller Williams Realty East Idaho**, an Idaho limited liability limited partnership whose address is 3525 Merlin Dr., Idaho Falls, Idaho 83404, with **Michael James Johnston** as Broker and **Reed D. Nord** acting as Agent for the Broker (hereinafter "Broker").
3. **Grouse Creek Reserve LLC**, whose address is 180 S Lake Avenue, Suite 405, Pasadena, CA 91101-4711 (hereinafter "Buyer");

Buyer, Seller, and Broker are individually a "Party" and together the "Parties".

RECITALS:

- A. Seller currently has the legal right and option to sell Water Right No. 22-7681 (the "Water Right"), which was licensed on October 19, 2000 for irrigation purposes with a priority date of August 30, 1990. The current description of the Water Right is more fully set forth in the report obtained from the Idaho Department of Water Resources ("IDWR" or the "Department") attached hereto as **Exhibit 1**.
- B. Seller desires to sell, and Buyer desires to buy 10.0 acres of the Water Right. Buyer has agreed to purchase 10.0 acres of the Water Right from Seller as set forth in the terms and provisions of this Agreement.

AGREEMENT:

IN CONSIDERATION of the mutual representations, warranties, and covenants contained herein, the Parties, intending to be legally bound hereby, agree as follows:

1. Property Purchased. Seller hereby agrees to sell to Buyer, and Buyer agrees to buy from Seller, on the terms and conditions herein specified, the following-described portion of the Water Right:

Purpose:
Priority:

Irrigation
August 30, 1990

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: SS / LK DATE: 4/22/20 PAGE 1 OF 15

Quantity (Diversion Rate): 0.13 cfs of the total authorized 2.22 cfs
 Quantity (Volume): 35 acre-feet per annum
 Place of Use (Acreage): 10 acres of the 173 authorized acres identified on **Exhibit 2**.

The above-described portion of the Water Right is referred to hereafter as the "Purchased Water Right."

2. Property Retained. Other than the Purchased Water Right, Seller reserves and retains unto Seller any other water rights that may be appurtenant to the authorized place of use for the Water Right. No land, easements, or other property interests, other than the Purchased Water Right, are included in this Agreement.
3. Purchase Price. The purchase price for the Purchased Water Right is [REDACTED] (the "Purchase Price").
4. Earnest Money Deposit. Contemporaneous with the execution of this Agreement, Buyer shall deliver to Seller earnest money in the amount of [REDACTED] (the "Earnest Money"). The Earnest Money shall be applied towards the Purchase Price at closing, or otherwise disposed of as provided herein.
5. Transfer Application. Within 30 days after both Parties sign this Agreement, Buyer will file with IDWR an *Application for Transfer of Water Right* (the "Transfer") to amend and move the Purchased Water Right to Buyer's desired location(s) and change the nature of use of 8 acres-worth to Fish Habitat with the remaining 2 acres of the purchased right remaining as Irrigation but at the buyers designated place of use. The Parties will cooperate in obtaining IDWR approval of the Transfer and will provide and execute any necessary documents requested by IDWR. Buyer will be responsible for the costs to file the Transfer, including all attorney fees, consultant fees, and filing fees associated with preparation of the Transfer. In the event this Agreement is terminated pursuant to paragraph 6 of this Agreement, Buyer shall at its sole expense take such action as may be required to void or reverse the Transfer in order to return the Purchased Water Right to the condition it existed on the Effective Date, upon completion of which the Earnest Money will be returned by Buyer within 14 days of such completion.
6. Transfer Contingencies.
 - (a) ~~[IF APPLICABLE] Unstacking of Water Rights~~. While the elements of the Water Right and an associated water right, Water Right No. _____, are sufficiently described to allow IDWR to "unstack" these water rights, this Agreement shall be null and void and of no further effect if IDWR does not unstack the Purchased Water Right from Water Right No. _____.
 - (b) ~~[IF APPLICABLE] Lien Release~~. If, after exercising commercially reasonable efforts, Seller is unable to obtain a lien release on the Water Right, this Agreement shall be null and void and of no further effect, and Buyer shall return the Earnest Money to Buyer.

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: DS-1/KR DATE: 4/22/20 PAGE 2 OF 15

- (c) No Protests. If no protests or other objections to the Transfer are filed with IDWR, but the Transfer is (i) denied, (ii) approved by IDWR for less than 10.0 acres worth of water right (8 to Fish Habitat, 2 to Irrigation), or (iii) approved by IDWR with conditions that materially devalue the Purchased Water Right for Buyer's intended use thereof; then Buyer may terminate this Agreement within 14 days after the date of the IDWR approval notice by providing written notice of termination to Seller. Within 14 days of receipt of the notice of termination, Seller shall refund the Earnest Money to Buyer. If Buyer does not terminate this Agreement as provided herein, the Parties shall proceed to Closing as set forth in paragraph 7.
- (d) Protest Filed. If a protest or other objection to the Transfer is filed with IDWR, then Buyer may terminate this Agreement within 180 days after the protest is filed with IDWR. If Buyer does elect to terminate this Agreement, Seller shall refund the Earnest Money to Buyer within 14 days of receipt of the notice of termination.
- (e) Option Agreement. If Seller is unable to obtain title to the Water Right through the exercise of Seller's option to purchase the Water Right because of a breach by the other party to the Option Agreement, Seller may elect to terminate this Agreement within 180 days of the breach. In such event, Closing on this Agreement shall be stayed for said 180 days pending resolution of the dispute over the Option Agreement or termination by Seller.

7. Closing.

- (a) Closing Date. If (1) the Water Right is unstacked as provided in paragraph 6(a); and (2) no protest to the Transfer is filed with IDWR; or (3) IDWR issues a transfer approval acceptable to Buyer without the conditions of paragraph 6(c) present, then Closing on the Purchased Water Right shall occur within 30 days after the date all the above items are satisfied. If a protest or other objection to the Transfer is filed with IDWR, or there is a dispute over the Option Agreement, and Buyer does not elect to terminate the Agreement as set forth in paragraph 6(d) of this Agreement, the Closing shall occur within 14 days after the 180-day termination period expires. Notwithstanding the above, the Parties may mutually agree to another date for the Closing.
- (b) Closing Location. The Closing shall occur at the offices of Rigby Andrus & Rigby PLLC, 25 N 2nd E, Rexburg, Idaho 83440, or at another location mutually agreed by the Parties.
- (c) Documents to be Delivered at Closing.
 - (1) At Closing, Buyer shall deliver the Purchase Price plus Broker fee less the Earnest Money.
 - (2) At Closing, Seller shall deliver to Buyer the Special Warranty Deed (the "Deed") substantially in the form attached to this Agreement as **Exhibit 3** for the Purchased Water Right, and any

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: DATE: 4/22/20 PAGE 3 OF 15

lien release or other documents reasonably requested to confirm the conveyance of the Purchased Water Right free and clear of encumbrances.

- (d) Fees and Costs of Closing. The fees and costs of processing the closing including recording the deed after closing and preparation and fee for Change of Ownership application shall be paid by Seller. All other expenses not specifically referenced in this Agreement but related to the Transfer and incurred by Seller or Buyer with respect to this transaction shall be borne and paid exclusively by the Party incurring the same, without reimbursement.
8. Default. In addition to either Party's failure to perform any material term or condition of this Agreement or a Party's breach of any of such Party's representations or warranties (in which event the non-defaulting party may pursue any available remedy, including equitable relief), Buyer shall be deemed in default hereof if Buyer files a petition in bankruptcy or is adjudicated bankrupt or insolvent, Buyer makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver of itself or of its property, or institutes proceedings for its reorganization, in which case, in addition to any other remedies or rights Seller might have, Seller shall have the power and authority to notify the Department that the Application for Transfer has been withdrawn.
9. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer, as of the Effective Date and again as of the Closing as follows:
- (a) Authority. Seller has the full legal right, power and authority to enter into and perform this Agreement, and will obtain good marketable title to the Purchased Water Right in fee simple, and Seller (at its expense) shall remove, or shall exercise commercially reasonable efforts to cause to be removed, all liens, claims, or encumbrances, whether of record or not, upon or affecting the Purchased Water Right on or before Closing. If, after exercising commercially reasonable efforts, the liens, claims, or encumbrances are not removed by Closing, Seller may terminate this Agreement.
- (b) Conveyance. Seller shall then convey the Purchased Water Right free and clear of all liens, encumbrances and restrictions, except such restrictions on the use of water as may appear on the Water Right Report contained at **Exhibit 1**.
- (c) Appurtenance. The Purchased Water Right is appurtenant to and has been beneficially used as the water source to irrigate its place of use and/or been properly preserved for future use consistent with Idaho law.
- (d) Not Forfeited. No portion of the Purchased Water Right has been forfeited or abandoned in whole or in part.
- (e) No Representation or Warranty Concerning Suitability for Buyer's Intended Use. Seller has not made, and hereby makes, no representation or warranty to Buyer except as expressly contained in this Agreement.

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: S. 1 LDK DATE: 4/22/20 PAGE 4 OF 15

10. Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as of the Effective Date and again as of the Closing for the Purchased Water Right, as follows:
- (a) Authority. Buyer has the legal power, right and authority to enter into this Agreement and to perform Buyer's obligations hereunder.
 - (b) Buyer's Due Diligence. Buyer and Buyer's consultants and counsel have had a full opportunity to review all documents, records and other information made available to Buyer by Seller and/or otherwise reasonably available to Buyer through public or other sources, related to the nature and extent of the Purchased Water Right, the laws and rules affecting their transfer and use by Buyer, and the suitability or fitness of the Purchased Water Right for Buyer's intended purposes.
11. Warranties to Survive Closing. All representations and warranties made by the Parties herein are also covenants, and each Party shall take all such actions as may be required to satisfy said covenants and to cause the representations and warranties to be true on and as of the Closing. The Parties' respective obligations to close and consummate the transaction contemplated herein are contingent upon the representations, warranties and covenants contained in this Agreement being true, valid and satisfied on and as of the Closing. All such representations and warranties shall survive the Closing.
12. Broker.
- (a) The Broker represents Buyer under this Agreement and Buyer shall pay Broker a fee of [REDACTED] KPE
 - (b) Consent To Limited Dual Representation And Assigned Agency. The undersigned Buyer has received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned Buyer understands that the brokerage involved in this transaction may be providing agency representation to both the Buyer and the Seller. The undersigned Buyer understands that, as an agent for both Buyer/client and Seller/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms, or factors motivating the Buyer/client to buy or the Seller/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations, and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by § 54-2085, Idaho Code. The undersigned Buyer understands that a limited dual agent does not have a duty of undivided loyalty to either client. The undersigned Buyer further acknowledges that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in § 54-2087, Idaho Code. In an assigned agency situation, the designated Broker (the broker who

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: Q, KPE DATE: 4/22/20 PAGE 5 OF 15

supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship.

- (c) Buyer Notification and Consent to Release from Conflicting Agency Duties. Buyer acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other buyers and for sellers in the sale of the property. Buyer has been advised and understands that it may create a conflict of interest for Broker to introduce Buyer to a Seller client's property because Broker could not satisfy all of its client duties to both Buyer client and Seller client in connection with such a showing or any transaction which resulted. **Based on the understandings acknowledged, Buyer makes the following election.** (Make one election only.)

_____/_____
Initials

Limited Dual Agency and / or Assigned Agency

Buyer DOES want to be introduced to Seller client's property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at the time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the Buyer and Seller in the introduction of Buyer to such Seller client's property and in the preparation of any contract of sale which may result. Buyer authorizes Broker to act in a limited dual agency capacity. Further, Buyer agrees that Broker may offer, but is not obligated to offer, assigned agency representation, and if offered by the Broker, Buyer authorizes Broker to act in such capacity.

OR

SD 1/12/20
Initials

Single Agency

Buyer DOES NOT want to be introduced to Seller client's property and hereby releases Broker from any responsibility or duty under the agency agreement. Broker shall be under no obligation or duty to introduce the Buyer to any Seller client's property.

13. Miscellaneous.

- (a) Attorneys' Fees. If either party commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages because of an alleged breach hereof), the prevailing party therein shall be entitled to recover from the other, in addition to any other relief granted, its reasonable attorney's fees, costs and expenses incidental to such legal action.

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: SD 1/12/20 DATE: 4/22/20 PAGE 6 OF 15

- (b) Notices. Any notice under this Agreement shall be in writing and be delivered in person, by U.S. Mail, by private courier, or by facsimile. Notice shall be provided to the following:

<u>Seller</u>	<u>Buyer</u>
Rocky Mountain Water Exchange, LLC 482 Constitution Way Suite 303 Idaho Falls, ID 83402 Email: rog.rmea@gmail.com	Grouse Creek Reserve LLC 180 S Lake Avenue, Suite 405 Pasadena, CA 91101-4711 Email:dennis@foxdaleproperties.com
<u>Seller's Representative</u>	<u>Buyer's Representative</u>
Reed Nord 3525 Merlin Dr. Idaho Falls, ID 83404 Email: rgnord@ida.net	Harvey Walker 2338 N 2930 W Arco, ID 83213 Email: why@atcnet.net

- (c) Merger. This Agreement supersedes any and all other written or verbal agreements between the Parties hereto regarding the Purchased Water Right. Neither Buyer nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specifically contained herein.
- (d) Remedies Cumulative. Upon any breach, any and all rights and remedies which either Party may have under this Agreement or by operation of law or equity, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other. No such right or remedy, whether exercised by said Party or not, shall be deemed to be in exclusion of any other right or remedy, any two or more of all such rights and remedies may be exercised at the same time or separately as desired.
- (e) Further Documents. The Parties hereby agree that they shall sign such other and further documents as may be required to carry into effect the terms and conditions of this Agreement.
- (f) Enforceability. The validity or enforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or other provision hereof, shall in no way affect the validity or enforcement of the remaining provisions, or any part hereof.

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: SS-1486 DATE: 4/22/20 PAGE 7 OF 15

- (g) Counterparts. This Agreement may be executed in any number of counterparts for all the convenience of the Parties, all of which, when taken together and after execution by all Parties hereto, shall constitute one and the same Agreement.
- (h) Governing Law. This Agreement shall be governed by the laws of the State of Idaho.
- (i) Successors. This Agreement is for the benefit only of the Parties hereto and shall inure to the benefit of and bind their respective heirs, agents, personal representatives, successors and assigns.
- (j) Essence of Time. Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement effective on the date set forth above.

"SELLER"

**ROCKY MOUNTAIN WATER EXCHANGE,
LLC**


By: W Roger Warner
Its: Partner

"BROKER"

KELLER WILLIAMS EAST IDAHO


Michael James Johnston
By: Reed D. Nord, Agent for Broker

"BUYER"


By: Grouse Creek Reserve LLC
Its: Owner

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS:  DATE: 4/22/20 PAGE 8 OF 15

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Exhibit 1

The "Water Right"

IDAHO Department of
Water Resources


WATER RIGHT REPORT

3/5/2020

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 22-7681

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	SMITH TETON VALLEY LLC 3201 ASH ST PALO ALTO, CA 94306-2240 6508584915
Original Owner	DRAKE BROTHERS 647 S 450 W VICTOR, ID 83455 2083542585

Priority Date: 08/30/1990

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>Volume</u>
IRRIGATION	4/15	10/31	2.22 CFS	605.5 AFA
Total Diversion			2.22 CFS	605.5 AFA

Location of Point(s) of Diversion:

GROUND WATER | NESWSW | Sec. 17 | Township 04N | Range 45E | TETON County

Licensed Diversion Capacity: 2.22

Place(s) of use:

Place of Use Legal Description: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
04N	45E	17		SWSW	38		SESW	34						

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: SLP DATE: 4/22/20 PAGE 9 OF 15

Conditions of Approval:

1. 050 Diversion and use of water under this right is subject to rules that may subsequently be promulgated for existing rights used for supplemental purposes.
2. 049 The Director retains jurisdiction of the right to incorporate the use into a water district, require streamflow augmentation or other action needed to protect prior surface water and groundwater rights.
3. 048 The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.
4. R63 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.

Number of Protests: 0

Old Case Number:

BUYER AND SELLER'S INITIALS: [Signature] DATE: 4/22/20 PAGE 10 OF 15

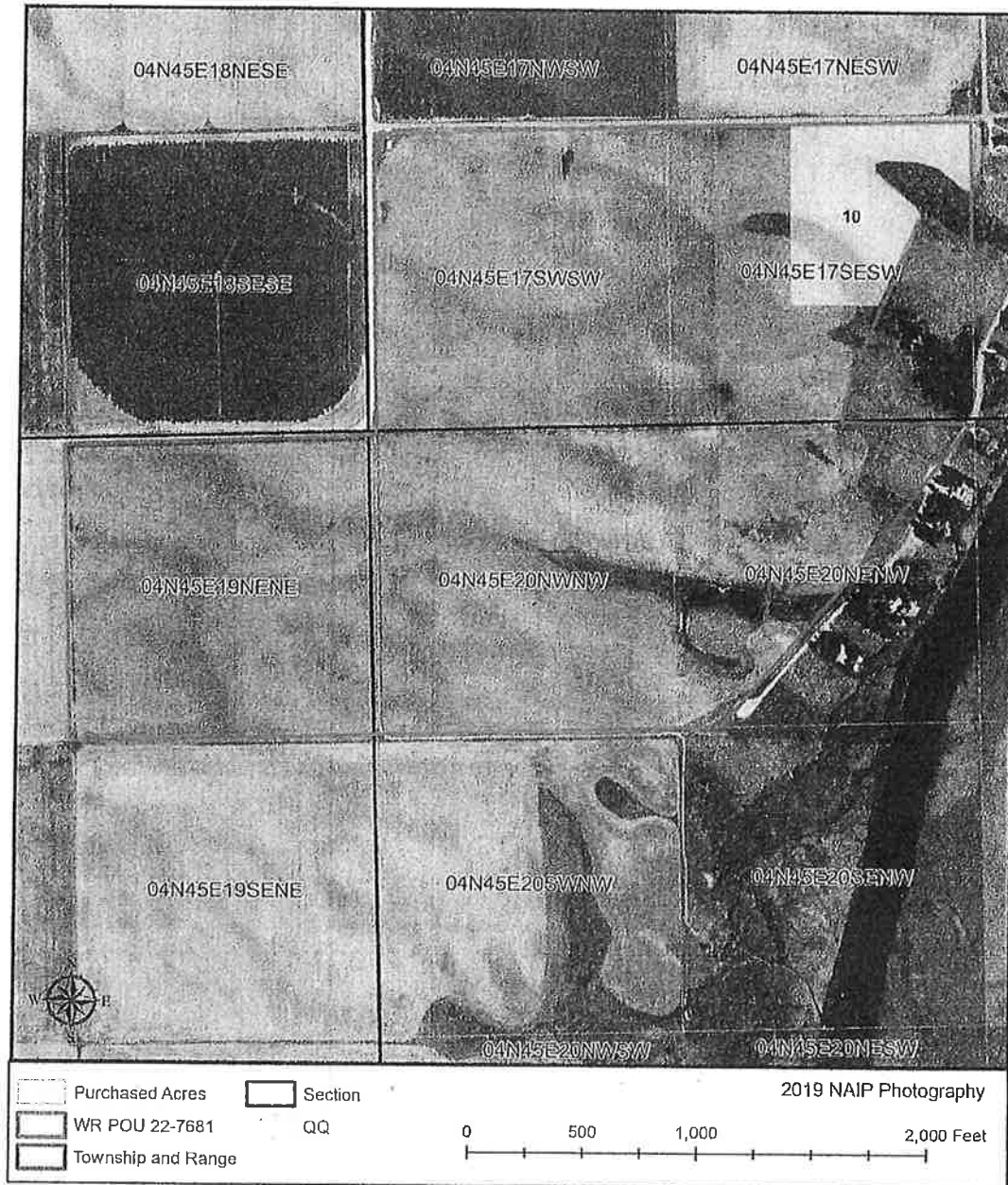
84145

Decree Plaintiff:
Decree Defendant:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: SKR DATE: 4/22/20 PAGE 11 OF 15

Exhibit 2
Map of 10 Acres—the “Purchased Water Right”



AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: S/LP DATE: 4/22/20 PAGE 12 OF 15

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**Exhibit 3
Form of the Deed**

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Kristin Moore
Rocky Mountain Environmental Associates, Inc.
482 Constitution Way, Suite 303
Idaho Falls, ID 83402

(Space Above for Recorder's Use)

SPECIAL WARRANTY DEED FOR WATER RIGHTS

Rocky Mountain Water Exchange, LLC, an Idaho limited liability company, whose address is 482 Constitution Way, Suite 303, Idaho Falls, Idaho 83402 (hereinafter "Grantor") does hereby grant, bargain, sell, assign, and convey unto **Grouse Creek Reserve LLC**, whose address is 180 S Lake Avenue, Suite 405, Pasadena, CA 91101-4711 (hereinafter "Grantee") and to Grantee's heirs and assigns forever, all of Grantor's right, title, and interest in water right described on Exhibit A attached hereto (hereinafter the "Water Right").

Grantor hereby covenants and warrants to Grantee as follows:

- (A) Grantor is the owner of the Water Right;
- (B) Grantor has not conveyed any of the Water Right to anyone other than Grantee;
- (C) The Water Right is free from all liens, claims, or encumbrances; and
- (D) Grantor has the authority to convey the Water Right to Grantee.

Grantor makes no other covenants or warranties as to the Water Right.

IN WITNESS WHEREOF, the undersigned authorized officer of Grantor, acting on behalf of Grantor, has caused his name to be hereunto subscribed.

DATED this _____ day of _____, 20_____.

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: DS / LYZ DATE: 4/22/20 PAGE 13 OF 15

"GRANTOR"

STATE OF IDAHO)
)ss.
County of _____)

This record was acknowledged before me on the _____ day of _____,
2020, by _____.

Notary Public for Idaho
My Commission Expires: _____

STATE OF IDAHO)
)ss.
County of _____)

This record was acknowledged before me on the _____ day of _____,
2020, by _____.

Notary Public for Idaho
My Commission Expires: _____

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: SS: 1/1/22 DATE: 4/22/22 PAGE 14 OF 15

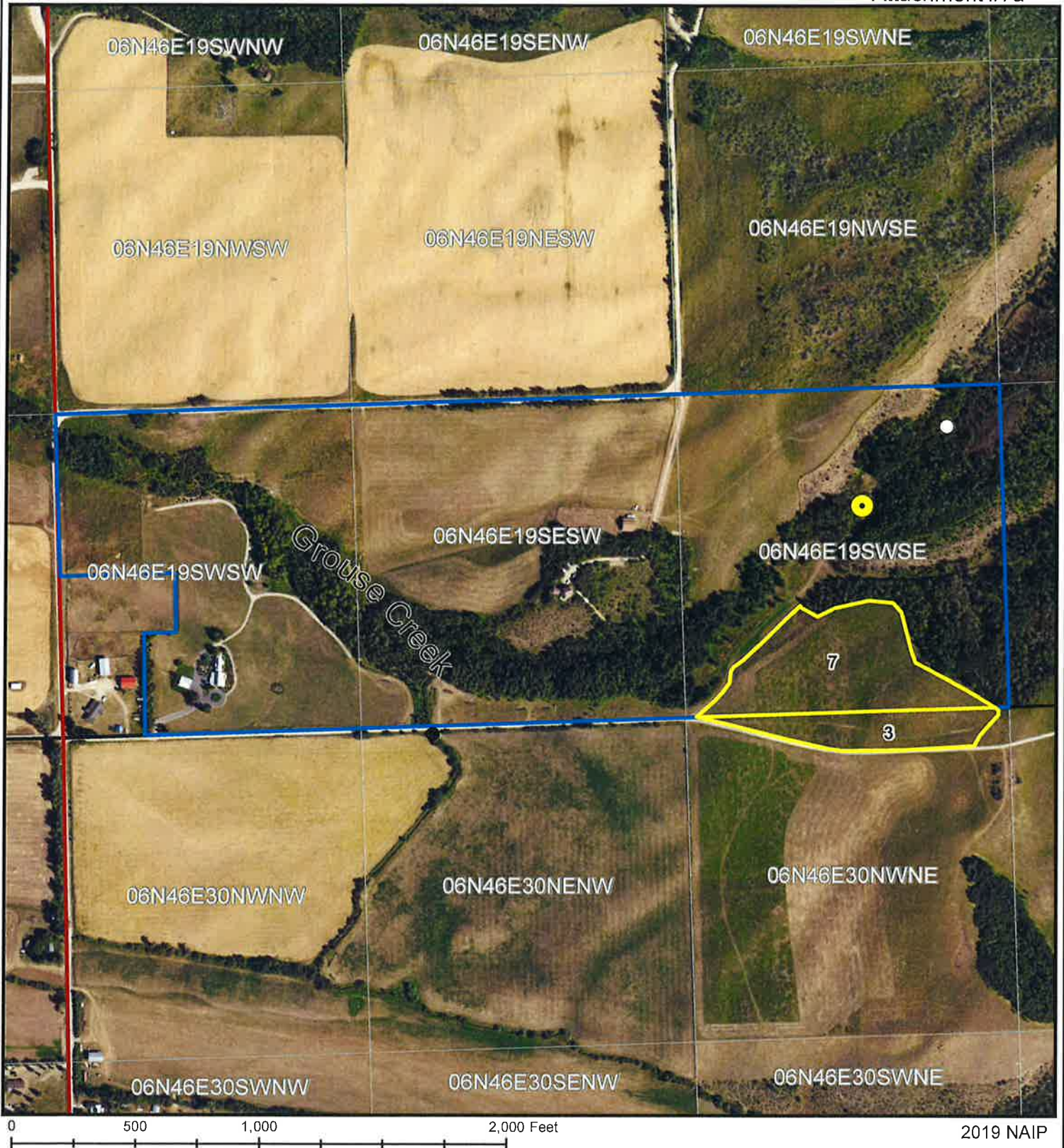
84145

EXHIBIT A
WATER RIGHT DESCRIPTION
(TO BE COMPLETED AFTER APPROVED TRANSFER)

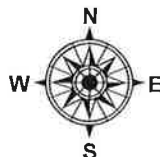
AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

BUYER AND SELLER'S INITIALS: _____ / _____ **DATE:** _____ **PAGE 15 OF 15**

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**Legend**

- New POD
- Approximate Injection Point
- New POU for Irrigation
- New POU for Fish Habitat
- Township and Range
- Section
- QQ

**Proposed Water Right Location**

Rocky Mountain Water Exchange LLC for
Grouse Creek Reserve LLC

RMEA # 20-0055

by: KM

Date: 6/1/2020



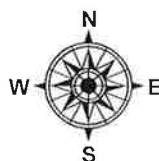
Rocky Mountain
ENVIRONMENTAL
ASSOCIATES, INC.

84145



Legend

-  WRPOD 22-7681
-  Purchased Acres
-  WRPOU 22-7681
-  Township and Range
-  Section
-  QQ



Existing Water Right Location

Rocky Mountain Water Exchange LLC for
Grouse Creek Reserve LLC

RMEA # 20-0055

by: KM

Date: 4/27/2020



Change in Nature of Use

Rocky Mountain Water Exchange LLC for Grouse Creek Reserve LLC

This application proposes to transfer 10 acres from an irrigated place of use to be used at the new place of use for combined beneficial uses of Irrigation and Fish Habitat. The goal of this purchase and transfer of water rights is to augment the flows of Grouse Creek for Fish Habitat and use the remaining portion of the water right for irrigation.

Right 22-7681 has historically been used to irrigate alfalfa-less frequent cuttings. According to ET Idaho 2017, the Driggs (NWS -- USC00102676) station shows a precipitation deficit of 617 mm/year, or 2.02 afa, as shown in Figure 1. Ten acres of irrigation water right has, therefore, historically consumed 20.2 afa (10 ac x 2.02 afa/ac).

Diversion for Fish Habitat will be limited to a maximum of 20.2 afa. At a diversion rate of 0.13 cfs, or 45 gpm, this will authorize water to be injected into the creek for 78.3 days, as shown in the equation below. Hypothetically, this could be from July 1 through September 16, which would cover the peak summer season during which creek flows are diminished.

$$20.2 \text{ afa} / (0.13 \text{ cfs} \times 1.9835) = 78.3 \text{ days}$$

On years in which the entire water right is not required to be used for Fish Habitat, and the water right holder desires to use a portion for irrigation, the portions can be distributed as shown on the following table. The volumes calculated assume that Irrigation is authorized for 3.5 af/acre and Fish Habitat is authorized for 2.02 af/acre. Annual volume authorized for diversion would be based upon proportions of each nature of use utilized that season, but would be consistent with the values represented herein to avoid enlargement of the water right. Total volume diverted per year will not exceed 35.0 afa.

Beneficial Use:	Irrigation				Fish Habitat				Total Quantities	
Option	Acres	cfs	gpm	AFA	Acre-Equivalent	cfs	gpm	AFA	cfs	AFA
1	0	0.000	0.0	0	10	0.130	58.3	20.2	0.13	20.2
2	1	0.013	5.8	3.5	9	0.117	52.5	18.18	0.13	21.7
3	2	0.026	11.7	7	8	0.104	46.7	16.16	0.13	23.2
4	3	0.039	17.5	10.5	7	0.091	40.8	14.14	0.13	24.6
5	4	0.052	23.3	14	6	0.078	35.0	12.12	0.13	26.1
6	5	0.065	29.2	17.5	5	0.065	29.2	10.1	0.13	27.6
7	6	0.078	35.0	21	4	0.052	23.3	8.08	0.13	29.1
8	7	0.091	40.8	24.5	3	0.039	17.5	6.06	0.13	30.6
9	8	0.104	46.7	28	2	0.026	11.7	4.04	0.13	32.0
10	9	0.117	52.5	31.5	1	0.013	5.8	2.02	0.13	33.5
11	10	0.130	58.3	35	0	0.000	0.0	0	0.13	35.0

Prior to the beginning of the irrigation season, the beneficial use for the year will be determined and submitted to IDWR if it differs from the previous year, such as would be prepared for a permissible place of use. For the first year of use, applicant intends to use the entirety of the water right for Fish Habitat, or Option 1 highlighted in yellow in the table above. No irrigation will occur in the first year.

Figure 1. Excerpt of ETIdaho data

Driggs (NWS -- USC00102676)

Statistics based on thirty year normal spans 1984 to 2016 years

Alfalfa - less frequent cuttings															
Precipitation Deficit (Click here for a graph)															
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Growing Season ^a	Non Growing Season ^b	Annual
Mean ^j	mm/day												mm		
Monthly ^c	-0.34	-0.04	0.05	0.09	1.88	5.74	4.51	5.06	2.37	0.28	-0.38	-0.58	617	-45	571
15-Day Moving Average ^d	-0.37	-0.08	0.10	-0.02	1.90	5.72	4.25	5.16	2.13	0.41	-0.38	-0.55			
7-Day Moving Average ^e	-0.35	-0.06	0.08	0.02	1.86	5.70	4.37	5.12	2.22	0.35	-0.40	-0.54			
3-Day Moving Average ^f	-0.34	-0.04	0.05	0.07	1.87	5.72	4.47	5.07	2.31	0.27	-0.38	-0.56			



State of Idaho

DEPARTMENT OF WATER RESOURCES

EASTERN Region • 900 N SKYLINE DR STE A • IDAHO FALLS, ID 83402-1718
Phone: (208)525-7161 • Fax: (208)525-7177 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

June 17, 2020

ROCKY MOUNTAIN WATER EXCHANGE, LLC
482 CONSTITUTION WAY STE 303
IDAHO FALLS, ID 83402

RE: Transfer No. 84145
Water Right No(s). 22-7681

Dear Applicant(s):

The Department of Water Resources has received your water right transfer application. Please refer to the transfer number referenced above in all future correspondence regarding this transfer.

A legal notice of the application has been prepared and is scheduled for publication in the TETON VALLEY NEWS on 6/24/2020 and 7/1/2020. Protests to this application may be submitted for a period ending ten (10) days after the second publication.

If the application is protested, you will be sent a copy of each protest. All protests must be resolved before the application can be considered for approval. If the protest(s) cannot be resolved voluntarily, the Department will conduct a conference and/or hearing on the matter.

If the application is not protested, the Department will process your application and notify you of any action taken on the application. If your application is approved, the Department will send you a copy of the approval document.

Please contact this office if you have any questions regarding the application.

Sincerely,

A handwritten signature in black ink, appearing to read 'CH' followed by a stylized flourish.

Christina Henman
Administrative Assistant

CC:
ROCKY MOUNTAIN ENVIRONMENTAL ASSOC INC
C/O KRISTIN MOORE
482 CONSTITUTION WAY STE 303
IDAHO FALLS, ID 83402-3552

Henman, Christina

From: Henman, Christina
Sent: Wednesday, June 17, 2020 3:59 PM
To: TETON VALLEY NEWS (office@tetonvalleynews.net)
Subject: Legal Ad for Teton Valley News
Attachments: 84137, 84145 Teton Valley News.doc

Hello,

Please see attached document regarding a legal notice to run in your paper.

Thank You,

Christina Henman
Administrative Assistant
Idaho Dept. of Water Resources, Eastern Region
900 N Skyline Ste. A
Idaho Falls, ID 83402
Phone: (208) 497-3793

