Rev. 07/18

RECEIVED
APR 19 2019
IDWR / NORTH

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. _____

MINIMUM REQUIREMENTS CHECKLIST
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

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) Idaho Forest Group, 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: _____

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

Name of Applicant(s) Idaho Forest Group, LL.C. Phone (208)762-6632

Mailing address 687 W. Canfield Ave., Coeur d'Alene, ID 83815 Email kesser@idfg.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 Clive J. Strong Phone (208) 850-7792

Mailing address 6244 S. Survival Place, Boise, ID 83716 Email clivejstrong@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.

K. Esser — Signature of Applicant or Authorized Representative
Kevin Esser, CFO, IDFG, LL.C. — Print Name and Title if applicable
4/16/2019 — Date

Clive J. Strong — Signature of Applicant or Authorized Representative
Clive J. Strong, Attorney at Law — Print Name and Title if applicable
4/16/2019 — Date

A. PURPOSE OF TRANSFER

1. ☐ Change point of diversion ☐ Add diversion point(s) ☑ Change place of use
   ☑ Change nature of use ☐ Change period of use ☐ Other _____

2. 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 **Part1A.2.**

3. 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.**
   This water right will be used for industrial water for milling purposes; logyard watering, dust abatement and fire protection.

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. All	Part	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use		Source & Tributary
☑	☐	98-2083	0.4	Industrial/Fire Prot.	01/01	to 12/31	Moyie Springs/Moyie River
☐	☐					to	
☐	☐					to	
☐	☐					to	
☐	☐					to	
☐	☐					to	
☐	☐					to	
☐	☐					to	
☐	☐					to	

Total authorized under rights 0.4 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 0.4 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 #

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	
62N	02E	15		I	I		I		I	I		I							
62N	02E	15		F	F		F		F	F		F							

Total Acres (for irrigation use)

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:
Water is pumped from the historic spring box via 3" pipe at 200 gpm to a 20,000 gallon holding tank. From there it is pumped to distribution. POD is located at: Lat: 48°43'48.18"N Long: 116°11'18.11"W

b. Who owns the property at the point(s) of diversion? IDFG, LL.C.
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: n/a

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:
There will be no effect on the land as the water will be applied to logs, used for dust abatement, and fire protection.

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:

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:

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2A

Current Water Right No.: 98-2083

Current Owner: BENTON R TEER

Priority Date: 1/4/1946

Origin: Water Right

Status: Active

Basis: License

Source	Tributary
MOYIE SPRINGS	SINKS

Beneficial Use	From To	Diversion Rate	Annual Volume
DOMESTIC	/ to /		
IRRIGATION	/ to /	0.4 CFS	
	Total Diversion	0.4 CFS	

Location of Point(s) of Diversion

MOYIE SPRINGS NE1/4NW1/4 Sec. 15, Twp 62N, Rge 02E B.M.
BOUNDARY County

MOYIE SPRINGS NW1/4NE1/4 Sec. 15, Twp 62N, Rge 02E B.M.
BOUNDARY County

Place of Use

IRRIGATION Within BOUNDARY County

T62N R02E S15	NWNE	5.00	T62N R02E S15	SWNE	4.00
T62N R02E S15	NENW	6.00	T62N R02E S15	SENW	5.00

Total Acres: 20

Place of Use: DOMESTIC same as IRRIGATION

Conditions of Approval:

1. 004 The issuance of this right does not grant any right-of-way or easement across the land of another.
2. 004 The issuance of this right does not grant any right-of-way or easement across the land of another.

Licensed Date: 4/8/1947

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2

A. DESCRIPTION OF RIGHT(S) AS RECORDED

For each water right listed in Part 1B.1 of the application, attach a **Part 2A** report obtained from any Department office or from the Department's website @ idwr.idaho.gov, Water Right Transfers, Step 1.
Insert Part 2A reports into the application following Part 1.

B. IF ONLY A PORTION OF THE RIGHT IS PROPOSED TO BE CHANGED, DESCRIBE THE PORTION BEING CHANGED AS IT APPEARS BEFORE THE REQUESTED CHANGES

☐ Complete and attach one copy of Part 2B for each right for which only a portion is proposed to be changed. If the entire right is proposed to be changed, Part 2B is not applicable. Additional copies of the **Part 2B** form can be obtained from any Department office or from the Department's website @ idwr.idaho.gov, Water Right Transfers, Step 3, or Water Right Forms, Changes in Use. Insert completed Part 2B forms into the application following Part 2A of the same water right.

Right Number: ______________

1. amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
   amount ________________ (cfs/ac-ft) for __________________________ purposes from __________ to __________
2. Lands irrigated or place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

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	

Total Acres (for irrigation use) ______

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 rights(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:

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments.

Received by _____ Date _____ Preliminary check by _____ Date _____

Fee paid 750.00 Date 4-19-19 Receipted by JA Receipt # N034193

Add'l fee paid 25.00 Date 4-19-19 Receipted by JA Receipt # N034193

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

Idaho Forest Group LLC

Boundary County, Idaho

N
W E
S

98 2083 Permit Overview

Exhibits 7a & b

- Idaho Forest Group LLC Property Boundary*
- POD (Spring Box)* 48°43'47.96"N, 116°11'17.95"W
- Cistern & Pump*
- Water Tower*
- Pipelines*
- 98 2083 POU*

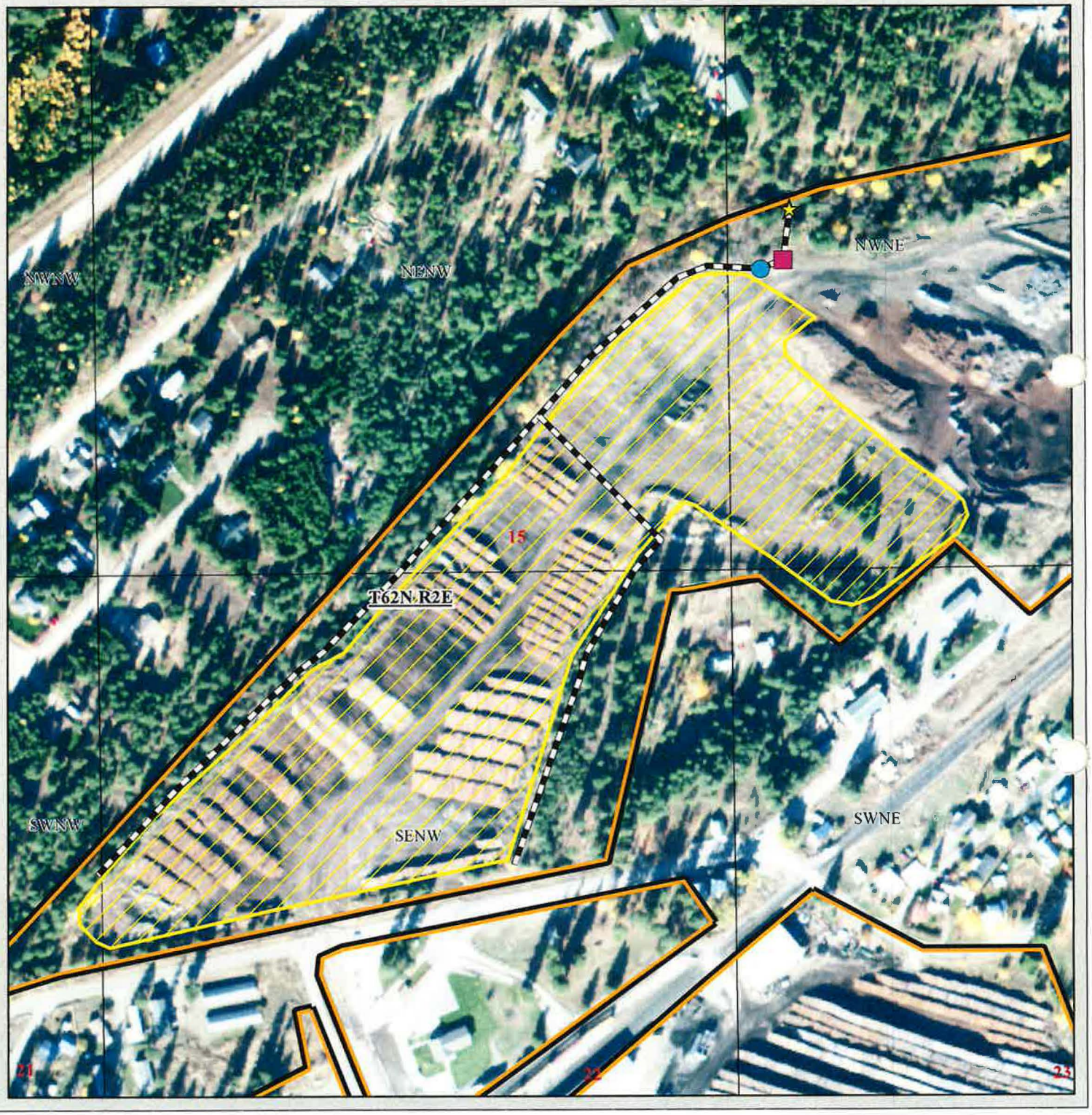
*POD, POU, and other infrastructure based on permit maps and refined based on current aerial imagery and DMS' 1/3/2019 site visit.
IFG property border digitized based on Boundary County Parcel Information System. Property border along south side of railroad tracks was adjusted to reflect property border based on mill activities visible in 2017 aerial imagery.

Created: 4/16/2019
Aerial Imagery: 10/28/2017 NAIP

DMS NATURAL RESOURCES

0 0.05 0.1
Miles

This map is for illustrative purposes only and does not guarantee the accuracy of delineated boundaries.



ATTACHMENT #8a to Transfer Application for

WR 98-2083

Existing water right is being utilized for industrial use, watering stockpiled logs. Water is pumped from the historic spring box via 3" pipe at 180-200 gpm to a 20,000 gallon holding tank. From there it is pumped to distribution via a 3" piping network. There will be no increase in consumptive use. See attached permit overview that details the 20 acre place of use.

No. **W 76834**	**Due no later than Aug 31, 2018** **Annual Report Form**	2. Registered Agent and Address **(NO PO BOX)**
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 **NO FILING FEE IF RECEIVED BY DUE DATE**	**1. Mailing Address: Correct in this box if needed.** IDAHO FOREST GROUP LLC 687 CANFIELD AVE STE 100 COEUR D ALENE ID 83815	SCOTT ATKISON 4447 E CHILCO RD ATHOL ID 83801 3. New Registered Agent Signature:*

4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.

Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MANAGER	KEVIN ESSER	687 CANFIELD AVE., STE. 100	COEUR D'ALENE	ID	USA	83815
MEMBER	MARC A BRINKMEYER	687 CANFIELD AVE., STE. 100	COEUR D'ALENE	ID	USA	83815

5. Organized Under the Laws of:	6. Annual Report must be signed.*	
DE **W 76834**	Signature: JAY D. MCISAAC Name (type or print): JAY D. MCISAAC	Date: 06/20/2018 Title: CONTROLLER
Processed 06/20/2018	* Electronically provided signatures are accepted as original signatures.	

CommunityTitle, LLC

CHAIN OF TITLE GUARANTEE

SCHEDULE A

Order No: **23861-TO**

Guarantee No. **SG-08011837**

Liability: **$1,000.00**

Date of Guarantee: **January 29, 2019** at **8:00AM**

INQUIRIES SHOULD BE DIRECTED TO:

Title Officer: Title Only
Community Title, LLC
P.O. Box 1902,
7184 Main St.
Bonners Ferry, ID 83805

Phone No: **(208) 267-6500**
Fax No: **(208) 267-6076**

A. Assured:

Idaho Forest Group, LLC

B. Assurances:

1. Description of the land:

REFER TO EXHIBIT "A" ATTACHED

2. Only the following Deeds appear in the Public Records Subsequent to:

TRUSTEE'S DEED RECORDED ON JUNE 20, 1941 IN BOOK 22 OF DEEDS, PAGE 187, RECORDS OF BOUNDARY COUNTY, IDAHO

NOTICE OF CONTRACT RECORDED ON DECEMBER 29, 1969 AS INSTRUMENT NO. 105177, RECORDS OF BOUNDARY COUNTY, IDAHO

WARRANTY DEED RECORDED ON JUNE 21, 1972 AS INSTRUMENT NO. 111932, RECORDS OF BOUNDARY COUNTY, IDAHO

WARRANTY DEED RECORDED ON JANUARY 5, 1978 AS INSTRUMENT NO. 125965, RECORDS OF BOUNDARY COUNTY, IDAHO

WARRANTY DEED RECORDED ON JUNE 21, 1972 AS INSTRUMENT NO. 111933, RECORDS OF BOUNDARY COUNTY, IDAHO

DEED RECORDED ON DECEMBER 29, 1972 AS INSTRUMENT NO. 113356, RECORDS OF BOUNDARY COUNTY, IDAHO

SPECIAL WARRANTY DEED RECORDED ON SEPTEMBER 30, 2003 AS INSTRUMENT NO. 212511, RECORDS OF BOUNDARY COUNTY, IDAHO

WARRANTY DEED RECORDED ON APRIL 17, 2008 AS INSTRUMENT NO. 237185, RECORDS OF BOUNDARY COUNTY, IDAHO

WARRANTY DEED RECORDED ON APRIL 17, 2008 AS INSTRUMENT NO. 237186, RECORDS OF BOUNDARY COUNTY, IDAHO

GRANT DEED RECORDED ON OCTOBER 20, 2008 AS INSTRUMENT NO. 239678, RECORDS OF BOUNDARY COUNTY, IDAHO

C. This Guarantee does not cover, and will not pay loss, damage, attorney's fees or cost in connection with any of the following:

1. Instruments, which do not contain a description of the land.
2. Taxes, Assessments, Liens, Judgments, State and Federal Tax Liens and matters relating thereto.

File Number: **23861-TO** Policy Number:

EXHIBIT "A"

IN THE STATE OF **IDAHO,** COUNTY OF **BOUNDARY**

Tract I:
Lots Five and Six, Block I, Moyie Springs Townsite, according to the plat thereof, recorded in Book I of Plats at page 79, records of Boundary County, Idaho;

LESS the following described parcels:

Beginning at Comer No. I, a point on the south side of Highway, 635.00 feet, Westerly from the intersection of said highway with said Railroad; thence, South 100.00 feet to a point; thence, Easterly, 143.00 feet to a point; thence, North 100.00 feet to a point on the South boundary line of Roosevelt Highway; thence, Westerly along said highway, 143.00 feet to the Point of Beginning.

AND LESS AND EXCEPT a part of lots Five and Six, Block I, Moyie Springs Townsite as follows:

Beginning at the Northeasterly corner of Lot Six, block One, Moyie Springs Townsite, said Northeasterly comer being a point of intersection of the Southerly right of way of U.S. Highway No. 2, as it existed January I, 1956, and the Westerly right of way line of the S.I.R.R. right of way as it now exists; thence, Southwesterly along said Southwesterly right of way line of the S.I.R.R. a distance of 165.00 feet to a point; thence, Northerly across Lots 5 and Six, Block One, of Moyie Springs Townsite, a distance of 88.15 feet to a point on the Northerly line of said Lot 5 which is also a point on the Southerly right of way line of old U.S. Highway No. 2 as they exist on January I, 1956; thence, Easterly along said highway, a distance of 181.94 feet to the Point of Beginning.

Tract 2:
All that part of Lots Three, Four, and Eight, lying East of the Spokane International Railroad, Section 22, Township 62 North, Range 2 East, Boise Meridian, Boundary County, Idaho.

Tract 3:
All Block One, Riverview Addition to Moyie Springs, according to the plat on file in the records of Boundary County, Idaho.

Tract 4:
That portion of Lot One, Block Two, Riverview Addition to Moyie Springs, according to the plat on file in the records of Boundary County, Idaho, described as follows: Commencing at a point which is South 21 ° 55' East 236 feet from the Northwest corner of said Lot One; thence, continuing South 21 ° 55' East 264 feet to a point; thence, Nolth 23 ° 54' East 165 feet to a point; thence, North 21 ° 55' West 264 feet to a point; thence South 23 ° 45' West 165 feet to The Point of Beginning. And also that part of the unplatted portion of Block 2 of Riverview Addition to Moyie Springs, Idaho lying South and West of the Easterly line of Lot One, Block Two extended to the South line of said Block Two. (Also known as Tax #I)

Tract 5:
Lots One, Fourteen, and Fifteen, Block Two Moyie Springs Townsite, according to the plat on file in the records of Boundary County, Idaho.

EXCEPTING THEREFROM that portion described as follows:
Starting at the northeast comer of Block Two of the Moyie Springs Townsite, recorded on page 79, volume I of Plats, records of Boundary County, Idaho, thence, South 78 ° 30' West a distance of 47.34 feet to the Point of Beginning of this description, thence southwesterly along the arc of a 60.00 foot radius curve concave to the southeast a distance of 82.48feet, thence, South 22 ° 44' East a distance of 371.89 feet to the north right of way line of Railroad Street, thence South 50 ° 14' West a distance of 33.47 feet, thence, North 22 ° 44' West a distance of 33.47 feet, thence, North 22 ° 44' West a distance of 437.32 feet to the

south right of way of old U.S. Highway #2, thence, North 78° 30' East a distance of 81.88 feet to the Point of Beginning of this description.

Tract 6:
A parcel of land located in Section 15, Township 62 North, Range 2 East, Boise Meridian, Boundary County, Idaho; more particularly described as follows.

A parcel of land lying between the Roosevelt Highway and the old county road in the Northwest Quarter of Section 15, Township 62 North, Range 2 East, more specifically described as follows: beginning at the corner of# I on the south line of the right of way of the Roosevelt Highway and being 596 feet westerly from the intersection of said south line of right of way of Roosevelt Highway and the north line of said old county road, both of said rights of way being 50 feet wide, thence, South 78° 03'West a distance of 120.10 feet to corner #2, thence, South 24° 32' East a distance of 355 feet to corner #3, thence, North 49° 45' East a distance of 55.20 feet to corner #4, thence. North II°43' West a distance of 321.50 feet to the Place of Beginning.

AND also a parcel of land described as commencing at a point on the north side of Railroad Street common to Lots I and 3, thence, northerly along the west line of Lot I to the Roosevelt Highway right of way, thence, easterly along the Roosevelt Highway line a distance of75 feet to appoint thence, south and parallel to the West Boundary line of said Lot I to Railroad Street, thence, westerly to the Point of Beginning, containing all of Lot I, Lot 2, Lot 3 and a part of Lot 4 lying in Block One, Moyie Springs Townsite. (also known as Tax #4)

AND also a parcel of land located Section 15, Township 62 North, Range 2 East, Boise Meridian, Boundary County, Idaho; more particularly described as follows:

Commencing at a point where the North and South center line of Section 15, Township 62 North, Range 2 East intersects the South right of way line of the Spokane International Railroad; thence, in a Northeasterly direction on the South right of way line of the Spokane International Railroad 360 feet to a point; thence, South 602 feet to the rim of the Moyie Canyon; thence in a Northwesterly directions along the rim of the Moyie Canyon about 360 feet to a point where the rim of Moyie Canyon intersects with the North and South center line of said Section 15, Township 62 North, Range 2 East; thence, North 170 feet to the Place of Beginning. (Also known as Tax # I I)

Tract 7:
A parcel of land located in Section 15, Township 62 North, Range 2 East; Boise Meridian. Boundary County, Idaho; more particularly described as follows:

All that part of the Southeast Quarter of the Northwest Quarter, Section 15, lying South and East of the Spokane International Railroad; and also all that part of the Southwest Quarter, Section 15, lying South and East of the Spokane Railroad; and also all that pall of the Southeast Quarter, Section 15, lying North and West of the Moyie River, all in Section 15, Township 62 North, Range 2 East.

LESS a parcel of land in Section 15, Township 62 North, Range 2 East, more particularly described as follows:

Beginning at the West Quarter corner of said Section 15; thence, South 35° 43'54" East 1966.43 feet to the True Point of Beginning: thence, South 43° 02'45" East 250 feet to a point; thence, North 46° 57' 15" East 250 feet to a point; thence North 43° 02'45" West 250 feet to a point; thence, South 46° 57' 15" West 250feet to the Point of Beginning. (Also known as Tax #29 Less Tax #4 I)

Tract 8:
A parcel of land located in Section 15, Township 62 North, Range 2 East; Boise Meridian, Boundary County, Idaho; more particularly described as follows:

Beginning at the North Quarter Corner of Section 15, Township 62 North, Range 2 East; thence, South II°35 East a distance of 698.66 feet to the real Point of Beginning; thence, South 66° 08' West a distance of 377 .60 feet; thence, North 12° 52' West

a distance of 155.23 feet to the True Point of Beginning; thence, South 41 °2 1' 15" West a distance of 1225.46 feet; thence, South 42°59"15• West a distance of753.62 feet; thence, South 33°34'30" West a distance of348.14 feet to a point within the right of way of Old Highway #2; thence, North 49°57'55" East a distance of352.76 feet; thence, North 78°30'22"East a distance of 1567.95 feet along the center line of Old Highway #2 to its intersection of the center line of the access road to the new and existing U.S. #2 Highway as it existed January 1972; thence, North 50° 14•30•• East along the center line of said access road a distance of 1416.90 feet; thence, North 00°33' East a distance of764.27 feet to a point of the West right of way line of the said access road; thence, South 70° 11'30'. West a distance of457.46 feet; thence, South 76°02'30" West a distance of 589.02 feet; thence, South 68°32' West 413.69 feet to the Point of Beginning.

LESS starting at the West of the existing county road and its intersection with the North right of way line of the Old Highway #2 at the Village of Moyie Springs near the existing post office building located in Section 15, Township 62 North, Range 2 East; thence, Northerly along the West side of said county road for a distance of235 feet more or less to a steel pipe set on the westerly side of the county road right of way line and the True Point of Beginning;
and being corner# I; thence at right angles with the said county road 125 feet to a point marked with a steel pipe; being corner #2; thence, 200 feet at a right angle in a Northeasterly direction to a point marked by a steel pipe and being corner #3; thence, at a right angle in a Southeasterly direction 125 feet more or less to a point marked by a steel pipe at the edge of the existing county road right of way and being corner #4; thence 200 feet more or less along the Westerly edge of said county road in a Southwesterly direction to the Point of Beginning. All being located in the Northeast Quarter, Section 15; Township 62 North, Range 2 East.

ALSO LESS a tract of land Beginning at the Quarter Corner between Sections IO and 15, Township 62 North, Range 2 East; thence, South along the center line to a point which is 1334.50 feet, The True Point of Beginning; thenee, South 77°30' West 117.30 feet; thence, South 14° West 599 feet to the North side of the Old Highway right of way in Moyie Townsite; thence, North 78° East 299 feet along the old right of way to a point; thence, North
50° 14' East along road right of way 235 feet; thence, Nollh 40° 14' West, 125 feet; thence, Nollh 50° 14' East 200 feet; thence, North 53° West 300 feet; thence, South 77°30' West 57.90 feet to the Point of Beginning. (Also known as Tax 43 Less Tax 34 and Tax 36)

BH 2008200

EXHIBIT 2b for Transfer Application
WR 98-2083

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Mark A. Norby
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204

STATE OF IDAHO) ss.
County of Boundary)
Filed by: Boundary Abstract
on 10-20-08 at 11:35
Glenda Fost, J.
County Recorder By Deputy
Fee $ 27.00 chg
Mail to Ba

Z396'78

(Space Above For Recorder's Use)

GRANT DEED
BOUNDARY COUNTY

For ten dollars ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, **MOYIE SPRINGS LUMBER COMPANY, LLC,** an Idaho limited liability company **("Grantor"),** grants, bargains, sells and conveys to **IDAHO FOREST GROUP LLC,** a Delaware limited liability company **("Grantee"),** whose address is 171 Highway 95 N, Grangeville, ID 83560, and its successors and assigns forever, the following described real property in Boundary County, Idaho (the **"Property"):**

See attached **Exhibit A.**

SUBJECT TO the matters listed on attached **Exhibit B.**

This conveyance shall include any and all estate, right, title, interest, appurtenances, tenements, hereditaments, reversions, remainders, easements, rents, issues, profits, rights-of-way and water rights in anyway appertaining to the Property herein described as well as in law and in equity.

The Grantor covenants to the Grantee that Grantor is the owner in fee simple of the Property; that the Property is free from all encumbrances created or suffered by Grantor, excepting those listed on attached **Exhibit B,** and that Grantor will warrant and defend the same from all lawful claims of all persons claiming by, through or under Grantor (but not otherwise) except for those listed on **Exhibit B.**

IN WITNESS WHEREOF, the Grantor has executed this instrument on this 10th of October, 2008.

MOYIE SPRINGS LUMBER COMPANY, LLC, an Idaho limited liability company

By: Riley Creek Lumber Company, a Nevada corporation, sole member

By: _____
Marc Brinkmeyer, President

sTATE oF Il)a<;-Llivlgfukl)
) ss.
County of ot'.tU1 e/)

On this 1 Q day of (il{)V, 2008, before me Gina J. Bryan, personally appeared Mark Brimlown or identified to me to be the President of Riley Creek Lumber Company, a Nevada corporation, sole member of Moyie Springs Lumber Company, LLC, an Idaho limited liability company, that executed the instrument, or the person who executed the instrument on behalf of, said limited liability company, and acknowledged to me that such limited liability company executed the same.

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

GINA J. BRYAN NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 4-25-11

Gina J. Bryan
NOTARY PUBLIC FOR Washington
Residing at Spokane
My Commission Expires 04/25/2011

EXHIBIT A
to Grant Deed

TRACT 1:
Lots Five (5) and Six (6), Block One (1), Moyie Springs Townsite, according to the plat thereof, recorded in Book 1 of Plats at page 79, records of Boundary County, Idaho;

LESS the following described parcels:

BEGINNING at Corner No. 1, a point on the South side highway, 635. 00 feet, Westerly from the intersection of said highway with said Railroad; thence, South 100.00 feet to a point; thence, Easterly, 143.00 feet to a point; thence, North 100.00 feet to a point on the South boundary line of Roosevelt Highway; thence, Westerly along said highway, 143.00 feet to the POINT OF BEGINNING.

AND LESS AND EXCEPT a part of Lots Five (5) and Six (6), Block One (1), Moyie Springs Townsite as follows:

BEGINNING at the Northeasterly corner of Lot Six (6), Block One (1), Moyie Springs Townsite, said Northeasterly corner being a point of intersection of the Southerly right of way of U.S. Highway No. 2, as it existed January 1, 1956, and the Westerly right of way line of the S. I R.R. right of way as it now exists; thence, Southwesterly along said Southwesterly right of way line of the S. I R.R. a distance of 165.00 feet to a point; thence, Northerly across Lots Five (5) and Six (6), Block One (1) of Moyie Springs Townsite, a distance of 88.15 feet to a point on the Northerly line of said Lot Five (5) which is also a point on the Southerly right of way line of old U.S. Highway No. 2 us they exist on January 1, 1956; thence, Easterly along said highway, a distance of 181.94 feet to the POINT OF BEGINNING.

TRACT 2:
ALL that part of Lots Three (3), Four (4) and Eight (8), lying East of the Spokane International Railroad, Section Twenty-two (22), Township Sixty-two (62) North, Range Two (2) East, Boise Meridian, Boundary County, Idaho.

Tract 3:
All of Block One (1), Riverview Addition to Moyie Springs, according to the plat on file in the records of Boundary County, Idaho.

Tract 4:
That portion of Lot One (1), Block Two (2), Riverview Addition to Moyie Springs, according to the plat on file in the records of Boundary County, Idaho, described as follows: Commencing at a point which is South 21 ° 55' East 236 feet from the Northwest corner of said Lot One (1); thence continuing South 21 ° 55' East 264 feet to a point; thence North 23 ° 54' East 165 feet to a point; thence North 21 ° 55' West 264 feet to a point; thence South 23 ° 45' West 165 feet to the point of beginning. And also that part of the unplatted portion of Block Two (2) of Riverview Addition to Moyie Springs, Idaho lying South and West of the Easterly line of Lot One (1), Block Two (2) extended to the South line of said Block Two (2). (Also known as Tax# 1)

Tract 5:
Lots One (1), Fourteen (14) and Fifteen (15), Block Two (2) Moyie Springs Townsite, according to the plat on file in the records of Boundary County, Idaho. EXCEPTING THEREFROM that portion described as follows:

Starting at the northeast corner of Block Two of the Moyie Springs Townsite, recorded on page 79, volume 1 of Plats, records of Boundary County, Idaho, thence South 78 ° 30' West a distance of 47.34 feet to the point of beginning of this description, thence southwesterly along the arc of a 60.00 foot radius curve concave to the southeast a distance of 82.48 feet, thence South 22 ° 44' East a distance of 371.89 feet to the north right of way line of Railroad Street, thence South 50 ° 14' West a distance of 33.47 feet,

thence North 22° 44' West a distance of 33.47 feet, thence North 22° 44' West a distance of 437.32 feet to the south right of way of old U.S. Highway #2, thence North 78° 30' East a distance of 81.88 feet to the point of beginning of this description.

Tract 6:
A parcel of land located in Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; B.M. Boundary County, Idaho; more particularly described as follows.

A parcel of land lying between the Roosevelt Highway and the old county road in the Northwest Quarter of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, more specifically described as follows: Beginning at the corner of #1 on the South line of the right of way of the Roosevelt Highway and being 596 feet Westerly from the intersection of said South line of right of way of Roosevelt Highway and the North line of said old county road, both of said rights of way being 50 feet wide, thence South 78° 03' West a distance of 120.1 Ofeet to corner #2, thence South 24° 32' East a distance of 355 feet to corner #3, thence North 49° 45' East a distance of 55.20 feet to corner #4, thence North 11° 43' West a distance of 321.50 feet to the place of beginning. AND also a parcel of land described as commencing at a point on the North side of Railroad Street common to Lots 1 and 3, thence Northerly along the West line of Lot 1 to the Roosevelt Highway right of way, thence Easterly along the Roosevelt highway line a distance of 75 feet to a point, thence South and parallel to the West Boundary line of said Lot 1 to Railroad Street, thence Westerly to the point of beginning, containing all of Lot One (1,), Lot Two (2), Lot Three (3) and a part of Lot Four (4) lying in block One (1) Moyie Springs Townsite. (Also known as Tax #4)

AND ALSO:

A parcel of land located in Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; B.M. Boundary County, Idaho; more particularly described as follows:

Commencing at a point where the North and South center line of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East intersects the South right of way line of the Spokane International Railroad; thence in a Northeasterly direction on the South right of way line of the Spokane International Railroad 360 feet to a point; thence South 602 feet to the rim of the Moyie Canyon; thence in a Northwesterly direction along the rim of the Moyie canyon about 360 feet to a point where the rim of Moyie Canyon intersects with the North and South center line of said Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; thence North 170 feet to the place of beginning. (Also known as Tax #11)

Tract 7:
A parcel of land located in Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; B.M. Boundary County, Idaho; more particularly described as follows:

All that part of the Southeast Quarter of the Northwest Quarter (SE1/4 SW1/4,), Section Fifteen (15), lying South and East of the Spokane International Railroad; and also all that part of the Southwest Quarter (SW1/4), Section Fifteen (15), lying South and East of the Spokane Railroad; and also all that part of the Southeast Quarter (SE1/4), Section Fifteen (15), lying North and west of the Moyie River, all in Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, LESS a parcel of land in Section Fifteen, Township Sixty-two (62) North, Range Two (2) East, more particularly described as follows: Beginning at the West Quarter Corner of said Section Fifteen (15); thence South 35° 43' 54" East 1966.43 feet to the TRUE POINT OF BEGINNING: thence South 43° 02' 45" East 250 feet to a point; thence North 46° 57' 15" East 250 feet to a point; thence North: 43° 02' 45" West 250 feet to a point; thence South 46° 57' 15 West 250 feet to the POINT OF BEGINNING. (Also known as Tax #29 Less Tax #41)

Tract 8:
A parcel of land located in Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; B.M. Boundary County, Idaho; more particularly described as follows:

Beginning at the North Quarter Corner of Section Fifteen (15), Township Sixty-two (62) North, Range Two

(2) East; thence South 11° 35' East a distance of 698.66 feet to the real point of beginning; thence South 66° 08' West a distance of 377.60 feet; thence North 12° 52' West a distance of 155.23 feet to the true point of beginning; thence South 41° 21' 15" West a distance of 1225.46 feet; thence South 42° 59' 15" West a distance of 753.62 feet; thence South 33° 34' 30" West a distance of 348.14 feet to a point within the right of way of old Highway #2; thence North 49° 57' 55" East a distance of 352.76 feet; thence North 78° 30' 22" East a distance 1567.95 feet along the center line of old Highway #2 to its intersection of the center line of the access road to the new and existing U.S. #2 Highway as it existed January 1972; thence North 50° 14' 30" East along the center line of said access road a distance of 1416.90 feet; thence North 00° 33' East a distance of 764.27 feet to a point on the West right of way line of the said access road; thence South 70° 11' 30" West a distance of 457.46 feet; thence South 76° 02' 30" West a distance of 589.02 feet; thence South 68° 32' West 413.69 feet to the point of beginning. LESS starting at the West of the existing county road and its intersection with the North right of way line of the old Highway #2 at the Village of Moyie Springs near the existing post office Building located in Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; thence Northerly along the West side of said county road for a distance of 235 feet more or less to a steel pipe set on the westerly side of the county road right of way line and the true point of beginning; and being corner #1; thence at right angles with the said county road 125 feet to a point marked with a steel pipe; being corner #2; thence 200 feet at a right angle in a Northeasterly direction to a point marked by a steel pipe and being corner #3; thence at a right angle in a Southeasterly direction 125 feet more or less to a point marked by a steel pipe at the edge of the existing county road right of way and being corner #4; thence 200 feet more or less along the Westerly edge of said county road in a Southwesterly direction to the point of beginning. All being located in the Northeast Quarter (NE1/4), Section Fifteen (15); Township Sixty-two (62) North, Range Two (2) East. ALSO LESS a tract of land Beginning at the Quarter Corner between Sections Ten (10) and Fifteen (15), Township Sixty-two (62) North, Range Two (2) East; thence South along the center line to a point which is 1334.50 feet, the true point of beginning; thence South 77° 30' West 117.30 feet; thence South 14° West 599 feet to the North side of the old Highway right of way in Moyie Townsite; thence North 78° East 299 feet along the old right of way to a point; thence North: 50° 14' East along road right of way 235 feet; thence North 40° 14' West 125 feet; thence North 50° 14' East 200 feet; thence North 53° West 300 feet; thence South 77° 30' West 57.90 feet to the point of beginning. (Also known as Tax 43 LESS Tax 34 & Tax 36)

EXHIBITB
to Grant Deed

Title Exceptions

1. Taxes for the year 2008 are an accruing lien not yet due or payable.

2. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land conveyed herein and that are not shown on the public records.

Tract 1

3. Water pipeline easement granted to Benton Teer and Josephine Teer, husband and wife, to Moyie River Lumber Company, a division of Cozier Container Corporation (now Louisiana Pacific Corporation) as shown by the instrument recorded June 8, 1951, in Book 6 of Miscellaneous at page 392, records of Boundary County, Idaho.

4. Sewer Line Easement between Gene G. Hays and Susan J. Hays, husband and wife, Grantors; and Dallas H. Hart and Lola B. Hart, husband and wife, Grantees; as shown by the instrument recorded April 15, 1986 in Book 45 of Instruments at page 573, records of Boundary County, Idaho.

5. Roadway Easement between Dallas H. Hart and Lola B. Hart, husband and wife, Grantors; and Gene G. Hays and Susan J. Hays, husband and wife, Grantees; as shown by the instrument recorded Apiil 15, 1983 in Book 45 of Instruments at page 574, records of Boundary County, Idaho.

Tract 2

6. As to land in Section Twenty-two (22), Township Sixty-two (62) North, Range Two (2) East, Boise Meridian, Boundary County, Idaho: A 200.00 foot right of way across the Northwest Quarter (NW1/4) as granted Spokane International Railway Company, as shown by the instrument recorded in Book 3 of Deeds at page 626, records of Boundary County, Idaho.

7. Water Line Easement granted by Ed Unruh and Minnie Unruh, husband and wife, to Moyie Springs Water Association, as shown by the instrument recorded in Book 27 of Deeds at page 426, as Instrument No. 58326, records of Boundary County, Idaho.

Tract 3-8

8. Right of way Deed granted to Boundary County, as recorded August 21, 1923 in Book 13 of Deeds at page 498, records of Boundary County, Idaho.

9. Right of way Deed granted to Boundary County, as recorded June 24, 1939 in Book 21 of Deeds at page 385, records of Boundary County, Idaho.

10. Right of way easement granted to Spokane International Railroad Company as recorded May 5, 1944 in Book 24 of Deeds at page 110, records of Boundary County, Idaho.

11. Easement Deed granted to the Moyie Springs Water Association. as recorded November 16, 1950, in Book 27 ,of Deeds at page 363, records of Boundary County, Idaho.

12. Right of Way Easement granted to the Village of Bonners Ferry, as recorded March 15, 1951 in Book 27 of Deeds at page 401, records of Boundary County, Idaho.

13. Water and Easement Agreement between Benton Teer and Josephine Teer and the Moyie River Lumber Company as recorded June 8, 1951 in Book 6 of Miscellaneous records at page 392, records of Boundary County, Idaho,

14. Right of way easement granted to the Village of Bonners Ferry as recorded September 11, 1953, in Book 29 of Deeds at page 221, records of Boundary County, Idaho.

15. Reservations and restrictions contained in that deed recorded October 8, 1962, in Book 35 of Deeds at page 64, records of Boundary County, Idaho.

16. Agreement between the State of Idaho, Department of Highways and Benton R. Teer and Josephine Teer, as recorded January 21, 1964 In Book 8 of Miscellaneous records at page 621, records of Boundary County, Idaho,

17. Subject to that certain agreement between Spokane International Railroad Company and Moyie River Lumber Company, Division of Cozier Forest Property, Inc. dated August 27, 1968 and recorded June 2, 1969 in Book 5 of Instruments at page 424, Instrument No. 103819, records of Boundary County, Idaho.

18. Easement between Louisiana Pacific Corporation and the City of Bonners Ferry as recorded August 4, 1980, in Book 37 of Instruments at page 297, Instrument No. 133511, records of Boundary County, Idaho.

19. Easement between Louisiana Pacific Corporation and Three Mile Water District as recorded August 4, 1980, in Book 37 of Instruments at page 298, Instrument No. 133512, records of Boundary County, Idaho.

20. Easement between Louisiana Pacific Corporation and Three Mile Water District as recorded August 4, 1980, in Book 37 of Instruments at page 299, Instrument No. 133513, records of Boundary County, Idaho.

21. Note: Affidavit by Peter B. Wilson as recorded August 4, 1980 in Book 37 of Instruments at page 300, Instrument No. 133514, records of Boundary County, Idaho.

22. Easement between Louisiana Pacific Corporation and City of Moyie Springs as recorded March 14, 1989 in Book 69 of Instruments at page 461, Instrument No. 157643, records of Boundary County, Idaho.

23. Easement between Louisiana Pacific Corporation and City of Moyie Springs as recorded March 14, 1989 in Book 69 of Instruments at page 462, Instrument No. 157644, records of Boundary County, Idaho.

24. Grant of Easement by Louisiana Pacific Corporation to Three Mile Water District as recorded June 7, 1990 in Book 75 of Instruments at page 560, Instrument No. 161608, records of Boundary County, Idaho.

25. Easement between Louisiana Pacific Corporation anti City of Moyie Springs as recorded August 2, 1990 in Book 76 of Instruments at page 371, Instrument No. 162063, records of Boundary County, Idaho,

26. Note: Area of Impact Agreement Ordinance Boundary County Ordinance No. 95-1 as recorded November 15, 1994 in Book 98 of Instruments at page 456, Instrument No. 175735, records of Boundary County, Idaho.

27. Note: Area of impact Agreement Ordinance Boundary County Ordinance No, 95-1 as recorded November 15, 1994 in Book 98 oflnstruments at page 458, Instrument No. 175737, records of Boundary County, Idaho,

28. As to Tracts 6 and 8 and the rights of adjoining owners, any claim or contention that the property description is vague or indefinite.

29. As to Tract 6, any claim or contention that the 'old county road' in property description is vague or indefinite as to location.

30. Subject to the Rights of The State ofldaho to that portion of the land described lying below the main high water mark of the Moyie River.

31. Right of the upper and lower riparian owners in and to the free and unobstructed flow of water of the Moyie River which borders the subject lands, without diminution or pollution.

32. Navigation servitudes and all other statutory and regulatory rights and powers of the United States, the State of Idaho and the Public, over the Moyie River and its shore lands extending to the ordinary high-water mark thereof and which may be exercised without obligation for compensation to the riparian owners thereof.

33. The consequence of any change in location of the Moyie River, which forms the Southeastern boundary of total described property.

34. UCC FINANCING STATEMENT wherein Moyie Springs Lumber Company, LLC, an Idaho limited liability company is Debtor and Wells Fargo Bank, National Association is Creditor as recorded September 30, 2003 as Instrument No. 212513, records of Boundary County, Idaho.

35. Mortgage, Security Agreement and Fixture Filing executed September 30, 2003 by Moyie Springs Lumber Company, LLC, an Idaho Limited Liability company in favor of Wells Fargo Bank, National Association as recorded September 30, 2003 as Instrument No. 212512, records of Boundary County, Idaho.

36. First Amendment to Mortgage, which was recorded June 27, 2008 as Instrument No. 238204, records of Boundary County, Idaho.

Frederick, Adam

From: Clive Strong <clivejstrong@gmail.com>
Sent: Monday, December 23, 2019 3:55 PM
To: Frederick, Adam
Subject: Re: Place of Use for 98-2083

Adam, this is the correct map. Thanks for checking. Merry Christmas, Clive

Sent from my Mobile Device

On Dec 23, 2019, at 9:57 AM, Frederick, Adam <Adam.Frederick@idwr.idaho.gov> wrote:

Clive,
I have attached the map that we received with the transfer application and I wanted to verify that it properly shows the proposed place of use? I believe I got a new map from Ryan, but I believe it had to do with the new application 98-7997 for use out of the Moyie River. I might be getting mixed up with the application and transfer but wanted to double check as I was getting everything ready for advertising.

Thanks
Adam

Adam Frederick
Water Rights Supervisor
Idaho Dept. of Water Resources
Northern Regional Office
Phone 208-762-2800

<20191223093955.pdf>

State of Idaho
DEPARTMENT OF WATER RESOURCES
Northern Region • 7600 N Mineral Drive, Suite 100 • Coeur D'Alene ID 83815-7763
Phone: (208) 762-2800 • Fax: (208) 762-2819
Website: idwr.idaho.gov • Email: northerninfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

December 23, 2019

IDAHO FOREST GROUP LLC
687 W CANFIELD AVE STE 100
COEUR D ALENE, ID 83815-5335

RE: Transfer No. 83803
Water Right No(s). 98-2083

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 BONNERS FERRY HERALD on 1/2/2020 and 1/9/2020. 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,

Tammy Alleman
Administrative Assistant

CC:

CLIVE J STRONG
6244 S SURVIVAL PL
BOISE, ID 83716-9089

Alleman, Tammy

From: Alleman, Tammy
Sent: Monday, December 23, 2019 2:36 PM
To: 'Horsmon,Merritt'
Subject: Request for Comments on Transfer Application 83803 WR#98-2083
Attachments: 83803 Transfer Application .pdf

Dear Idaho Department of Fish & Game:

The Department of Water Resources is seeking written comment and/or recommendations from your agency regarding the above referenced Water Right application. You can find copies of the application attached to the email and also at: http://www.idwr.idaho.gov/apps/ExtSearch/WRAJSearch/WRADJSearch.aspx.

This office can publish notice of the application as soon as the initial review is completed; therefore, your prompt response to this request is appreciated. If your agency desires to formally protest the approval of the application, you may do so after the notice is published by filing a written protest along with a $25.00 filing fee within 10 days after final publication. The deadline for comments on the application is January 21, 2020.

Please contact the Northern Region Office at (208) 762-2800 if you have any questions regarding the application.

Thank you,

Tammy

Tammy Alleman
Administrative Assistant
Idaho Department of Water Resources
Email: Tammy.Alleman@idwr.idaho.gov
Phone: (208) 762-2800
Fax (208) 762-2819

Alleman, Tammy

From: Alleman, Tammy
Sent: Monday, December 23, 2019 2:27 PM
To: 'BFHLegals@bonnersferryherald.com'
Subject: Legal Notice
Attachments: Legal Notice.doc

Please publish the enclosed legal notice in the **Bonners Ferry Herald** on the dates indicated **January 2nd and January 9th, 2020** (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately. Please send a proof once you have the article ready for print for our review.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before **January 21, 2020**. Your cooperation is appreciated.

Thank you,

Tammy

Tammy Alleman
Administrative Assistant
Idaho Department of Water Resources
Email: Tammy.Alleman@idwr.idaho.gov
Phone: (208) 762-2800
Fax (208) 762-2819

The following application(s) have been filed to appropriate the public waters of the State of Idaho:
98-8012
RAYMOND E GREEN
ANNETTE PETERSEN GREEN
8995 OLD TOLLHOUSE RD
WINNEMUCCA, NV 89445-8603
Point of Diversion SWNW
S4 T61N R02E
BOUNDARY County
Source GROUND WATER
Use: DOMESTIC
01/01 to 12/31 0.04 CFS
Total Diversion: 0.04 CFS
Date Filed: 12/16/2019
Place Of Use: DOMESTIC
T61N R02E S4 SWNW

NOTICE OF PROPOSED CHANGE OF WATER RIGHT
TRANSFER NO. 83803
IDAHO FOREST GROUP LLC, 687 W CANFIELD AVE STE 100, COEUR D ALENE, ID 83815-5335; has filed Application No. 83803 for changes to the following water rights within BOUNDARY County: Right No. 98-2083; to see a full description of these rights and the proposed transfer, please see www.idwr.idaho.gov/apps/wr/QueryNewTransfers/QueryNewTransfers.aspx. The purpose of the transfer is to change a portion of the above rights as follows:

This transfer proposes to change the nature of use from domestic and irrigation to industrial and fire protection. This change will also adjust the place of use.

Permits will be subject to all prior water rights. For additional information concerning the property location, contact Northern Region office at (208) 762-2800. Protests may be submitted based on the criteria of Idaho Code § 42-203A. Any protest against the approval of this application must be filed with the Director, Dept. of Water Resources, Northern Region, 7600 N MINERAL DR STE 100, COEUR D ALENE ID 83815-7763 together with a protest fee of $25.00 for each application on or before 1/21/2020. The protestant must also send a copy of the protest to the applicant.
GARY SPACKMAN, Director Published on 1/2/2020 and 1/9/2020

MEMORANDUM

Date: December 19, 2019

To: Transfer 83803

From: Adam Frederick AF

Re: Legal Notice Remarks

This transfer proposes to change the nature of use from domestic and irrigation to industrial and fire protection. This change will also adjust the place of use.

Frederick, Adam

From: clivejstrong@gmail.com
Sent: Wednesday, November 27, 2019 2:08 PM
To: Grimm, Angie; Frederick, Adam
Subject: Moyie Springs Transfer 98-2083

Angie and Adam: Sorry for the delay in responding to your questions. It took longer than I had expected to coordinate with the technical staff. As we last left the discussion regarding the need for a consumptive use limit on water right 98-2083, Angie posed the following questions.

1. Are logs stored on the entire area of the north log yard?
   Yes, approximately 85% of area is covered when maximum log storage occurs in the spring.
2. How high and how many logs are stored on the yard?
   Log storage increases from September until spring. Once operation of the mill ramps up in spring, log storage decreases until it reaches its minimum volume in late August to September time period. In some years, all of the logs are removed by the end of summer. Maximum storage volume is 10mmbf. Log decks range from 8' tall to roughly 20' tall. During maximum inventory 80% of the log decks are 20' tall. The length of the log decks vary; but on average decks are around 200' in length.
3. How long during the day is the cistern pump operated?
   IFG's program operates the cistern pump as need during the day to keep its 20,000 gallon tank full. As the tank is draw down past a certain point, the pump turns on and refills the tank. IFG estimates that the pump operates between 3-5 hours per day depending on the demand for log watering.
4. What is the period of use of water from the tank?
   The diversion tank is used from mid-April through October to water the log decks. The volume of water diverted from the tank starts off low and increases to its maximum volume in June and then tapers off as the log inventory is drawn down to its lowest level during late August/September time period. IFG recently constructed a program that allows it to measure water use for each month, but does not have prior historical data of usage. IFG uses a 3" main line that runs around the perimeter of the log decks. IFG taps into the main line with a 1" poly line to deliver water to each log deck. Sprinkler heads are spaced approximately 50' a part on the log decks. When IFG is pulling logs out of a deck, the poly line is removed back to the next sprinkler head so that any part of the log deck that isn't being disturbed still receives water.
5. What type of soil is in the log yard?
   The majority of the soil is loam with some sand.

Although no studies exist on the amount of consumptive use for log watering, the facts suggest log watering is no more consumptive than irrigation.

Let me know if you need any additional information.

Regards,

Clive J Strong
Attorney At Law
6244 S. Survival Place
Boise, ID 83716
(208)850-7792
clivej.strong@gmail.com

Frederick, Adam

From: clivejstrong@gmail.com
Sent: Tuesday, September 10, 2019 5:31 AM
To: Frederick, Adam; Grimm, Angie
Subject: Transfer Application 98-2083
Attachments: N Spring usage estimate ETIdahoAnnual13.xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

Adam and Angie:

Attached is the ET analysis done by Ryan Fobes.

Regards, Clive

Frederick, Adam

From: clivejstrong@gmail.com
Sent: Tuesday, August 20, 2019 12:54 PM
To: Frederick, Adam
Subject: RE: Receipt N034193
Attachments: Moyie WR 98-2083 -- documentation of use.pdf; EVIDENCE OF DATE OF CHANGE OF USE OF WATER RIGHT 98.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Red Category

Adam, IFG requests IDWR reconsider whether it is necessary to include an annual volume on the water right as part of the transfer based upon the attached analysis and evidence.

Thanks in advance for your consideration of this request.

Regards, Clive

From: Frederick, Adam <Adam.Frederick@idwr.idaho.gov>
Sent: Friday, June 14, 2019 3:50 PM
To: clivejstrong@gmail.com
Subject: RE: Receipt N034193

Clive,
I will need some additional information before processing the transfer. We will need to cut the annual volume of the license because of the change in nature of use from irrigation to industrial. You will need to pick a crop that probably would have been grown at that time in the area. The reduction usually results in 2.1 acre-feet for every 3 acre-feet on the license. Please provide this information as explained in the transfer application instructions under Completing Part 3 (B). If you have any questions feel to call or email.

Adam

From: clivejstrong@gmail.com [mailto:clivejstrong@gmail.com]
Sent: Thursday, June 06, 2019 3:11 PM
To: Frederick, Adam <Adam.Frederick@idwr.idaho.gov>
Cc: Pease, Chris <cpease@idfg.com>; 'Schultz, Tom' <tom.schultz@idfg.com>
Subject: RE: Receipt N034193

Adam, attached is IFG's response to your letter dated June 3rd regarding transfer application 98-2083.

Regards, Clive

From: Frederick, Adam <Adam.Frederick@idwr.idaho.gov>
Sent: Monday, June 3, 2019 2:14 PM
To: clivejstrong@gmail.com
Subject: RE: Receipt N034193

EVIDENCE OF DATE OF CHANGE OF USE OF WATER RIGHT 98-2083 TO LOG WATERING

1. IFG operates the log yard shown on Attachment 1.
2. Moyie Springs Lumber Company constructed the log yard sometime between 1963 and 1975, as evidenced by Attachments 2 and 3. IFG has been unable to locate any intervening aerial photography.
3. Benton Teer received water right license 98-2083 to irrigate 20 acres in Section 15, T 62 N, R 2 E in 1947. The points of diversion were described as: "approximately 600 feet from the North ¼ quarter corner of Section 15" in 1) the NW1/4, NE1/4 and 2) NE1/4NW1/4 of Section 15, T 62 N, R 2E of the Boise Meridian. Attachment 4.
4. Beneficial Use claim 98-4122 by Louisiana Pacific Corporation claims that diversion for the lumber mill from Moyie Springs (NW1/4NE1/4 of Section 15, T62N R2E) for the mill began in 1954. This is confirmed by the April 7, 1954 easement Benton Teer granted to Moyie River Lumber Company to take water "from a spring belonging to [Benton Teer] located upon the Northeast Quarter of the Northwest Quarter (NE1/4NW1/4) of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, Boise Meridian . . .." Teer also granted an easement "to erect, lay, install and thereafter inspect, maintain and repair a pipe line (sic) and appurtenances and diversion works on, over, across and under . . . The Northeast Quarter of the Northwest Quarter (NE1/4NW1/4); the Southeast Quarter of the Northwest Quarter of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, of the Boise Meridian; Lots Five (5) and Six (6) in Block One (1) of the Townsite of Moyie Springs, Idaho." Attachment 5.
5. The point of diversion of the Moyie Springs diversion and the log yard are located within the point of diversion and place of use described in the Easement. Attachment 1.
6. Benton Teer and Josephine Teer conveyed to Moyie Springs the place of use of water right 98-2083 on December 31, 1969, including "all water rights benefitting any of said property including water right easements." Attachments 6 and 7

CONCLUSION:

1. Since Moyie Springs was diverting water from Moyie Springs in 1954 and it acquired the log yard property in 1969, it is reasonable to conclude that the Company combined water rights 98-4122 and 98-2083 to water logs stored in the North Yard in the spring of 1970. Thus, any change of use was accomplished before the mandatory permit statute.

2. Additionally, the Report of Beneficial Use in backfile 98-2083 lists water for a "Creosoting plant which is operated by a steam power plant in the preservation of poles and ties," as one of the purposes of use. Thus, there were some uses of 98-2083 beyond irrigation. Attachment 8.

3. Finally, a review of the IDWR database does not show any other water rights that will be injured as a result of the proposed transfer and therefore no consumptive use provision is necessary to prevent injury to other water rights.

EVIDENCE OF DATE OF CHANGE OF USE OF WATER RIGHT 98-2083 TO LOG WATERING

1. IFG operates the log yard shown on Attachment 1.
2. Moyie Springs Lumber Company constructed the log yard sometime between 1963 and 1975, as evidenced by Attachments 2 and 3.
3. Benton Teer received water right license 98-2083 to irrigate 20 acres in Section 15, T 62 N, R 2 E in 1947. The points of diversion were described as: "approximately 600 feet from the North ¼ quarter corner of Section 15" in 1) the NW1/4, NE1/4 and 2) NE1/4NW1/4 of Section 15, T 62 N, R 2E of the Boise Meridian. Attachment 4.
4. On April 7, 1954 granted an easement to Moyie River Lumber Company to take water "from a spring belonging to [Benton Teer] located upon the Northeast Quarter of the Northwest Quarter (NE1/4NW1/4) of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, Boise Meridian . . .." Teer also granted an easement "to erect, lay, install and thereafter inspect, maintain and repair a pipe line (sic) and appurtenances and diversion works on, over, across and under . . . The Northeast Quarter of the Northwest Quarter (NE1/4NW1/4); the Southeast Quarter of the Northwest Quarter of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, of the Boise Meridian; Lots Five (5) and Six (6) in Block One (1) of the Townsite of Moyie Springs, Idaho." Attachment 5.
5. The point of diversion of the Moyie Springs diversion and the log yard are located within the point of diversion and place of use described in the Easement. Attachment 1.
6. Benton Teer and Josephine Teer conveyed to Moyie Springs the place of use of water right 98-2083 on December 31, 1969, including "all water rights benefitting any of said property including water right easements." Attachments 6 and 7

CONCLUSION: Since Moyie Springs was granted an easement in 1954 to divert water from Moyie Springs and acquired the log yard property in 1969, the Company changed the nature of use to log watering in the spring of 1970.

Note that the Report of Beneficial Use in the Department's backfile list Teer's purpose of use as including water for a "Creosoting plant which is operated by a steam power plant in the preservation of poles and ties." Attachment 8.

Attachment 1

Idaho Forest Group LLC

Boundary County, Idaho

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98 2083 Permit Overview

EXHIBIT # 7a & b

- Idaho Forest Group LLC Property Boundary*
- POD (Spring Box)*
- Cistern & Pump*
- Water Tower*
- Pipelines*
- 98 4122 POU*

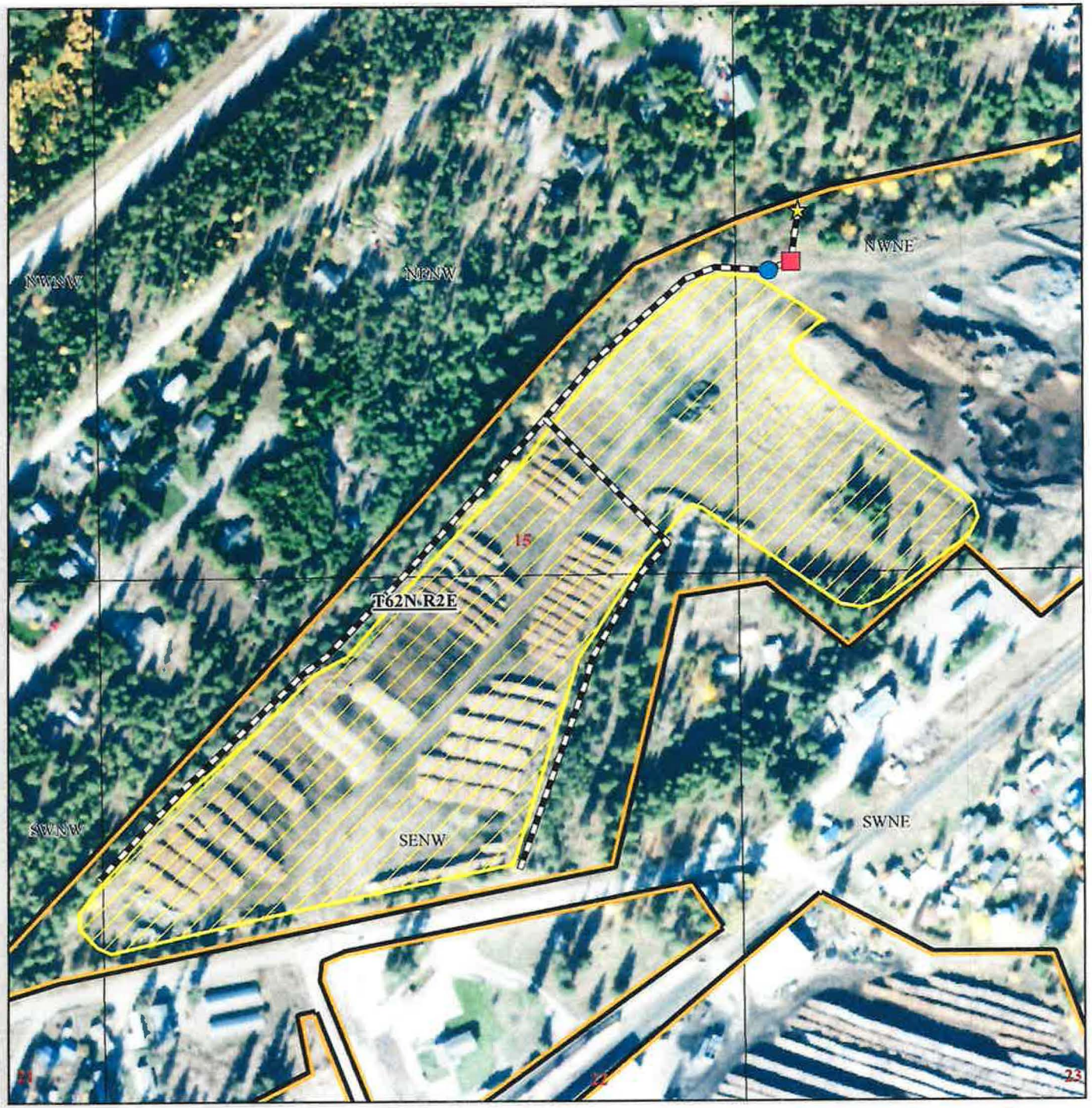
*POD, POU, and other infrastructure based on permit maps and refined based on current aerial imagery and DMS' 1/3/2019 site visit.
IFG property border digitized based on Boundary County Parcel Information System. Property border along south side of railroad tracks was adjusted to reflect property border based on mill activities visible in 2017 aerial imagery.

Created: 1/18/2019
Aerial Imagery: 10/28/2017 NAIP

DMS NATURAL RESOURCES

0 0.05 0.1
Miles

This map is for illustrative purposes only and does not guarantee the accuracy of delineated boundaries.



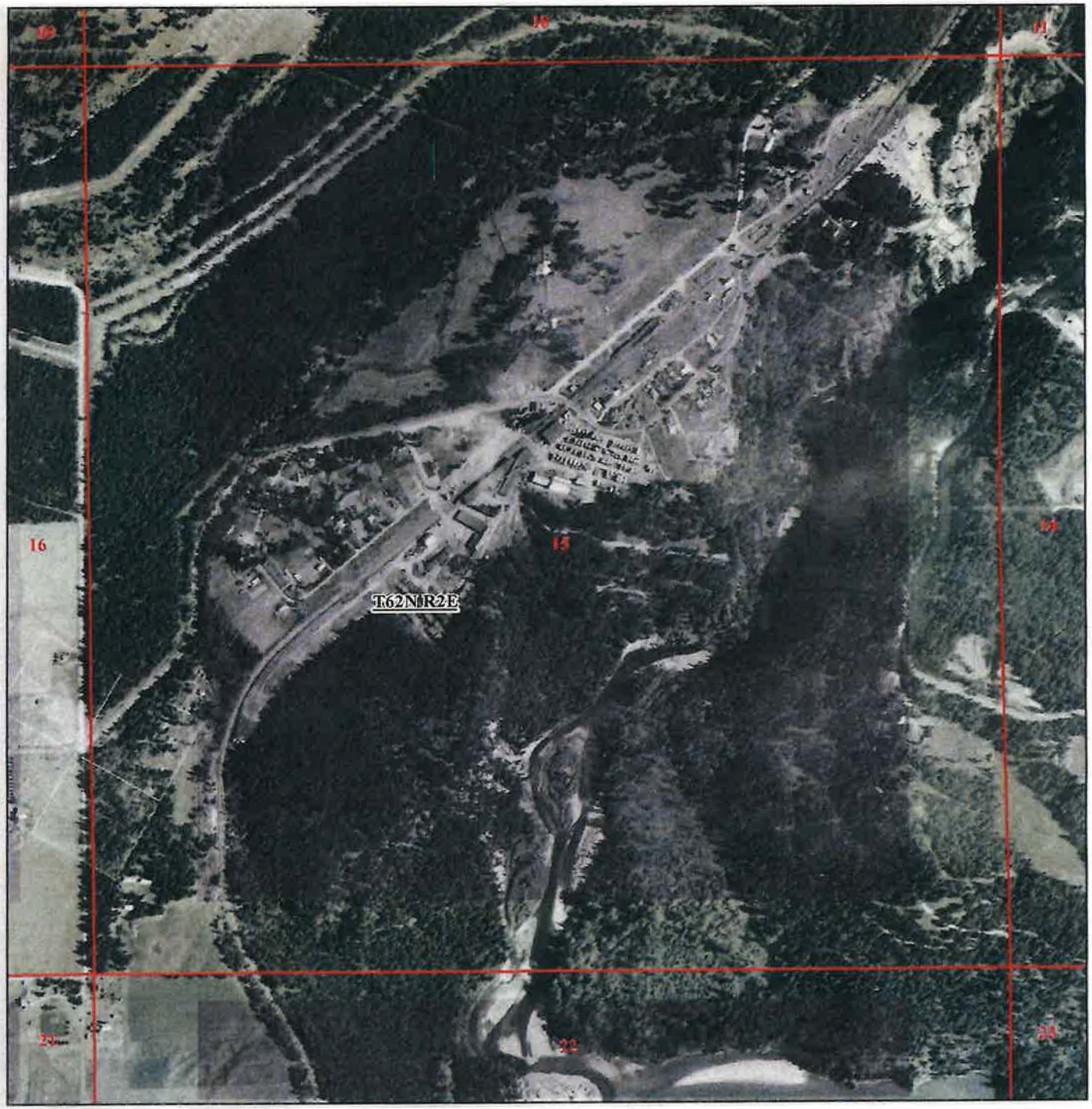
Attachment 2

Idaho Forest Group LLC

Boundary County, Idaho

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Historic Imagery



Created: 1/16/2019
Aerial Imagery: 4/29/1963 USGS

DMS
NATURAL RESOURCES

0 0.15 0.3
Miles

This map is for illustrative purposes only and does not guarantee the accuracy of delineated boundaries.

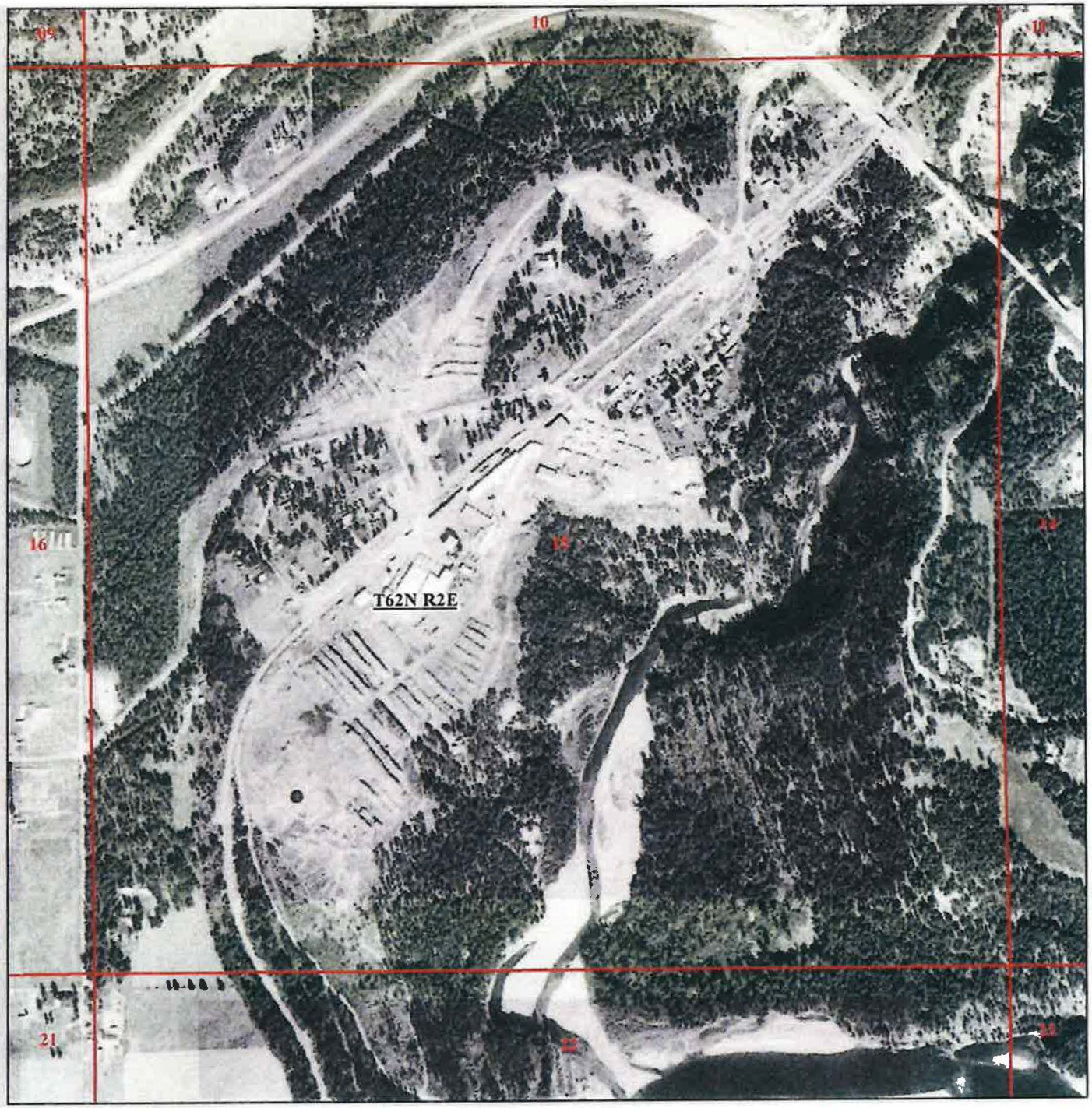
Attachment 3

Idaho Forest Group LLC

Boundary County, Idaho

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Historic Imagery



Created: 1/16/2019
Aerial Imagery: 9/6/1975 USGS

DMS
NATURAL RESOURCES

0 0.15 0.3
Miles

This map is for illustrative purposes only and does not guarantee the accuracy of delineated boundaries.

4358

State of Idaho
License and Certificate of Water Right

Water License No. 19740 — Amount 0.4 second foot

Water District No. — Priority January 4, 1946

THIS IS TO CERTIFY that BENTON R. TEER of Moyie Springs, Idaho, made application for a permit to appropriate the public waters of the State of Idaho, dated December 21, 1945; that Permit No. 19740 was issued under said application; that Certificate of Completion of works, with a carrying capacity of 0.4 second feet, was issued thereunder on May 20, 1946, showing that said works were completed on the 17th day of May, 1946; and that on the 6th day of July, 1946,

BENTON R. TEER

of Moyie Springs, State of Idaho, made proof to the satisfaction of the State Reclamation Engineer of Idaho, of the right to use the waters of Moyie Springs, a tributary of -, for the purpose of irrigation and domestic use, under Use Permit No. 19740 of the Department of Reclamation and that said right to the use of said waters has been perfected in accordance with the laws of Idaho, and is hereby confirmed by the State Reclamation Engineer of Idaho and entered of record in Volume 7 of Licenses at page 4358, on the 8th day of April, 1947;

The right hereby confirmed dates from January 4, 1946;

The Point of Diversion is located About 600 ft. from North 1/4 corner Section 15, and in the NW ¼ and NE¼ NW¼, Sec. 15, Tp. 62 N, R. 2 E., B. M. Boundary County

That the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually needed and beneficially used for said purposes, and shall not exceed 0.4 cubic feet per second.

Description and location of use:

Twp.	Range	Sec.	Forty-acre Tract	No. Acres Described in Permit	No. Acres Actually Irrigated
62 N.	2 E.	15	NW¼ NE¼	5	5
			SW¼ NE¼	4	4
			NE¼ NW¼	6	6
			SE¼ NW¼	5	5
			Number of Acres Actually Irrigated -	-	20

The right to the use of the water aforesaid hereby confirmed is restricted to the lands or place of use herein described, as provided by the laws of Idaho.

WITNESS the seal and signature of the State Reclamation Engineer, affixed at Boise, Idaho, this 8th day of April, 1947.

MARK R. KULP
State Reclamation Engineer

(SEAL)

98 2083

Attachment 4

WATER AND EASEMENT AGREEMENT

THIS AGREEMENT Made by and between BENTON TEER and JOSEPHINE TEER of Moyie Springs, Idaho, hereinafter called Grantor and MOYIE RIVER LUMBER COMPANY, Division of Cozier Container Corporation, of Moyie Springs, Idaho, hereinafter called Grantee, WITNESSETH:

That grantor hereby grants to grantee full right, authority and permission to take water from a spring belonging to grantor located upon the Northeast Quarter of the Northwest Quarter (NE¼ NW¼) of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, Boise Meridian; the amount of water to be such amounts as will be diverted from said spring by a diversion works with a two and one-half inch outlet ~~and a four inch outlet~~. Grantor hereby grants unto grantee an easement to erect, lay, install and thereafter inspect, maintain and repair a pipe line and appurtenances and diversion works on, over, across and under the following described lands, to-wit:

The Northeast Quarter of the Northwest Quarter (NE¼ NW¼); the Southeast Quarter of the Northwest Quarter (SE¼ NW¼) of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, of the Boise Meridian; Lots Five (5) and Six (6) in Block One (1) of the Townsite of Moyie Springs, Idaho,

with full right and authority to do all things necessary to carry out the installations and maintenance of said water works.

The rights herein conveyed to grantee by grantor shall be perpetual and continuing so long as the grantee shall pay unto the grantors the sum of Twenty-five ($25.00) Dollars on the 1st day of each and every month commencing on the 1st day of January, 1954, and provided that if the grantee shall fail to pay said sum for a period of sixty days, this agreement may be terminated and be of no further force nor effect upon the grantors serving thirty (30) days written notice of their intention to so terminate, upon the grantee and reserving unto the grantee the right to redeem said agreement by paying in full, all sums due within the said thirty (30) days period of notice. Any diversion works or appurtenances permanantly attached to the real estate and any buried underground pipe line shall, upon the termination of this agreement, become the property of the grantors, it being mutually understood and agreed that the grantee may remove any pipe lines or fixtures lying upon or above the surface of the ground.

Attachment 5

It is mutually understood and agreed that the grantee shall erect and maintain a spring house in which to enclose its diversion works.

The grantee is further hereby granted the right and privilege to construct a diversion works of concrete, properly designed to prevent the same being a hazard to persons or animals, upon the creek flowing from the said spring across the property of the grantors at the point where the said creek on the South boundary line of the grantors property intersects the North Right-of-way line of U. S. Highway #2. At this said diversion works, the grantee shall have the right and privilege to back up and divert to its use, such surplus flow of the spring mentioned in this agreement which is not taken and diverted at the spring, and which reaches the said point in natural course of flowage.

This easement agreement is not transferable by the grantees except that it shall be transferable as an appurtenance with any sale or conveyance of the saw mill owned by the grantee in Moyie Springs, Idaho, where the water hereby provided to be carried is now in use.

The grantee covenants and agrees that in installing, inspecting and repairing any of the said water syster and pipe line, it will level and restore the ground, and shall not at any time disturb in any way fences erected on the said property.

This agreement replaces and supersedes that certain water and easement agreement by and between the same parties hereto, dated the 31st day of May, 1951.

This agreement shall be binding upon the heirs, devisees, legatees, legal representatives, successors and assignees of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this 7th day of April, 1954.

Benton Teer
Grantor

Josephine Teer
Grantor

MOYIE RIVER LUMBER COMPANY
Division of Cozier Container Corporation

BY W. G. Johnstone
Grantee

STATE OF IDAHO)
) ss.
County of Boundary)

On this 7th day of April, 1954, personally appeared before me, the undersigned Notary Public, Benton Teer and Josephine Teer, and M. G. Johnston, Manager of the Moyie River Lumber Company, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

Notary Public for State of Idaho
Residing at Bonners Ferry, Idaho

(Seal)

WARRANTY DEED

IN CONSIDERATION of ONE DOLLAR ($1.00) and other valuable consideration, receipt of which is hereby acknowledged by grantor, BENTON R. TEER and JOSEPHINE TEER, husband and wife, grantor, does hereby grant, bargain, sell and convey unto MOYIE INC., an Idaho corporation, grantee, the following described property:

The Northeast Quarter of the Southwest Quarter (NE1/4 SW1/4) and the South Half of the Southeast Quarter (S1/2 SE1/4); the South Half of the North Half of the Southeast Quarter (S1/2 N1/2 SE1/4) of Section Three (3), Township Sixty-two (62) North, Range Two (2) East, B. M.;

AND ALSO the Northeast Quarter (NE1/4) less the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4); the West Half of the Southeast Quarter (W1/2 SE1/4); the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) and the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) all less a tract described as commencing at a point 165 feet East of the Southeast corner of the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence North and parallel to the quarter section line 377.5'; thence West and parallel to the South line of the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) 1155'; thence South and parallel to the said quarter section line 47.5 feet; thence West and parallel to said south line 330 feet to the West line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4); thence South along said West line 165 feet; thence East and parallel to said South line 330 feet; thence South and parallel to said West line 165 feet to the South line of said Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) thence East 1155' along said South line to the place of beginning, all in Section Ten (10), Township Sixty-two (62) North, Range Two (2), East, B. M., Boundary County, Idaho, and also less that portion of the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4) of said section Ten (10) included in the excepted description in the hereinafter described areas of Section Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, B. M.

AND ALSO all that part of Section Fifteen (15), lying North of Old Highway #2 and West of the county road that connects old Highway #2 and new highway #2, Township Sixty-two (62) North, Range Two (2) East, B. M., and LESS that part thereof in the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) lying North of U.S. Highway #2 as it existed July 1, 1969;

LESS a tract described as commencing at the quarter corner between sections Ten (10) and Fifteen (15), Township Sixty-two (62) North, Range Two (2) East, B. M., thence East on the line separating said sections Ten (10) and Fifteen (15) a distance of 853' to a point which is the point of beginning; thence south 12° West 57 feet; thence South 58° East 366 feet to the westerly right of way of the City of Moyie Springs approach road; thence northeasterly along said westerly right of way of the City of Moyie Springs approach road 282' to a point; thence North along said westerly right of way of the City of Moyie Springs approach road 60 feet to a point to the southerly right of way of U.S. Highway #2 as it existed December 1, 1969 441 feet more or less to right of way marker #286; thence South 80° - 30' West 54 feet along said southerly right of way of U. S. Highway #2 to a point; and thence South 12° West 174 feet to the point of beginning;

Attachment 6

01/31/2019

AND ALSO LESS a tract described as beginning at the quarter corner between sections Ten (10) and Fifteen (15), Section Sixty-two (62) North, Range Two (2) East and thence South on the West line of the Northeast Quarter (NE1/4) of said Section Fifteen (15) a distance of 1334.5 feet which is the place of beginning; thence South 77°30' West 117.3 feet; thence South 14°W 599 feet to the north right of way of the road formerly known as U. S. Highway #2 (or Roosevelt Highway) thence North 78° East 299 feet along said northerly right of way to a point; thence North 50°14' East along the westerly right of way of the City of Moyie Springs approach road 435 feet to a point; thence N 40°14' West 125 feet to a point; thence North 53°W 300 feet to a point; thence South 77°30' West 57.9 feet to the place of beginning;

This sale includes all businesses and buildings located on the premises except as hereinafter otherwise provided; and also will include all water rights benefitting any of said property including water right easements.

All less right of ways and easements of record.

To have and to hold the said premises with their appurtenances unto the grantee, its heirs and assigns forever. And the grantor does hereby covenant to and with the said grantee that it is the owner in fee simple of said premises and that they are free from all encumbrances and that it will warrant and defend the same from all lawful claims whatsoever.

DATED this 24th day of December, 1969.

Benton R Teer

Josephine Teer

STATE OF IDAHO)
) ss.
County of Boundary)

On this 24th day of December, 1969, before me, the undersigned Notary Public, personally appeared BENTON R. TEER and JOSEPHINE TEER, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Notary Public for Idaho
Residing at Bonners Ferry
Com. Exp.: 11/23/73.

125965

E.C. Vogel

5th Jan 28 11:40

o'clock A.M., recorded in Book 28

of Deeds at page 448

BETTY C. DOUGLAS

County Recorder

By D. Bergum Deputy

Fee: $3.00

Mail to E.C. Vogel

3572 Fairway Dr.

Coeur d'Alene, Id. 83814

INDEXED ✓

FILMED ✓

DELIVERED

MAILED

Attachment 7

Idaho Forest Group LLC

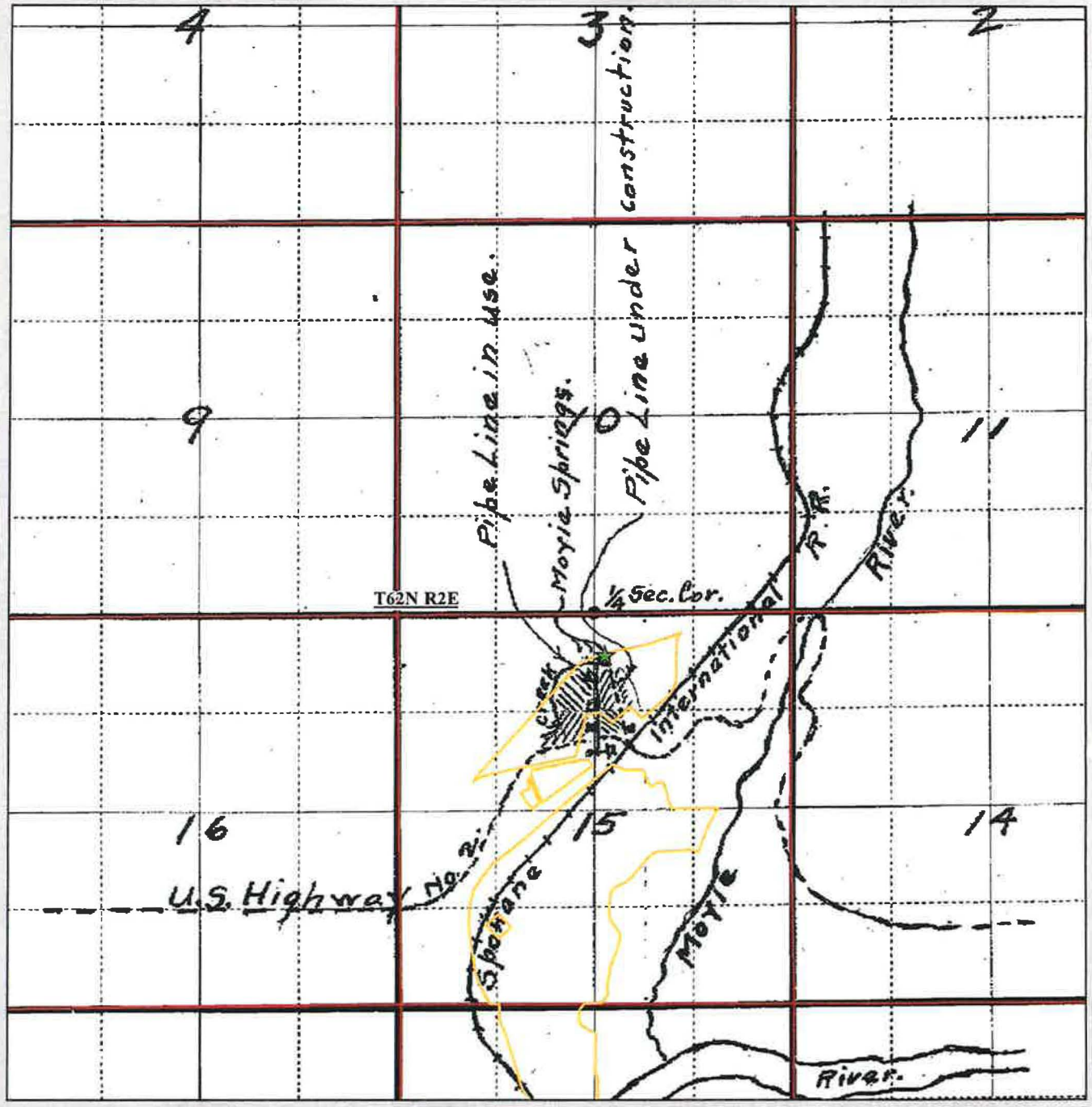
Boundary County, Idaho

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98 2083
Benton Teer Water Right

Idaho Forest Group LLC Property Boundary

★ 98 4122 Spring Location



Created: 1/16/2019
Background: 98 2083 Permit File Map 2 (pg. 34)

DMS
NATURAL RESOURCES

0 0.35 0.7
Miles

This map is for illustrative purposes only and does not guarantee the accuracy of delineated boundaries.

Form 23

STATE OF IDAHO
DEPARTMENT OF RECLAMATION
BOISE, IDAHO

REPORT OF ENGINEER

Permit No. 19740

This proof is for Beneficial use. In Water District No.

1. Name of applicant Benton R. Teer, Moyie Springs, Idaho
2. Source of water supply: Moyie Springs
3. Location of point of diversion: Is in the NE¼ NW¼ and NW¼ NE¼ of Section 15
   T. 62 N. R. 2 E. County of Boundary
4. Describe works as they exist, giving dimensions and capacities of same: Water is developed in two Concrete Reservoirs, each being 16 feet long X 5 feet wide, and 8 feet deep. Reservoir No. 1 has a 3" overflow pipe 12 inches long and approximately ¼ mile of 1½ inch pipe leading to Pt. of domestic use. Reservoir No. 2 is piped to a Creosoting plant which is operated by a steam power plant in the preservation of poles and ties
5. Water is used for: Irrigation and domestic purposes
6. State whether or not water has been turned into works of diversion: Yes
7. List legal subdivisions of lands to be irrigated. If proof is for beneficial use, give exact number of acres under cultivation in each forty-acre tract. (Describe manner and place of use if for other than irrigation): NW¼ NE¼, SW¼ NE¼ NE¼ NW¼, SE¼ NW¼ Section 15, Township 62 North, Range 2 East, B.M.

(Submit map on attached plat, showing location and details of above description.

8. What large stream would the water here appropriated finally reach? None

Remarks: All overflow not used through the pipe system is used for irrigation. A 1½ inch stand pipe and hose are located at the point of domestic use for the convenience of the community.

This examination was made on the 12th. day of October, 1946

(Signed) Fred A. Dohman
Examiner.

19740 Attachments

Frederick, Adam

From: clivejstrong@gmail.com
Sent: Thursday, June 06, 2019 3:11 PM
To: Frederick, Adam
Cc: Pease, Chris; 'Schultz, Tom'
Subject: RE: Receipt N034193
Attachments: Letter to IDWR re Water Right 98-2083 and forfeiture.pdf; Affidavit of Chris Pease -- 98-2083.doc

Adam, attached is IFG's response to your letter dated June 3rd regarding transfer application 98-2083.

Regards, Clive

From: Frederick, Adam <Adam.Frederick@idwr.idaho.gov>
Sent: Monday, June 3, 2019 2:14 PM
To: clivejstrong@gmail.com
Subject: RE: Receipt N034193

Clive,
I have just mailed this letter to Alta and yourself but thought I would send a copy via email so you could have more time on it. Sorry again for the delay.

Adam

From: clivejstrong@gmail.com [mailto:clivejstrong@gmail.com]
Sent: Thursday, May 30, 2019 10:07 AM
To: Frederick, Adam <Adam.Frederick@idwr.idaho.gov>
Subject: RE: Receipt N034193

No problem. Thanks for the update. Clive

From: Frederick, Adam <Adam.Frederick@idwr.idaho.gov>
Sent: Thursday, May 30, 2019 11:02 AM
To: clivejstrong@gmail.com
Subject: RE: Receipt N034193

Clive,
Sorry for my delayed response, I've been super busy and haven't had a chance to get caught up. I have permitted 95-17802 and it is waiting for Doug's signature before being sent out. The two ownership changes will hopefully get changed here pretty soon. I have not had a chance to write a formal letter about the transfer and questions about forfeiture. We cannot verify any usage of water on that property based upon aerial photography between sometime after 1998 to 2015. I will try to make time in the coming days to write that letter. Again, sorry for the delay in response.

Adam

From: clivejstrong@gmail.com [mailto:clivejstrong@gmail.com]
Sent: Wednesday, May 22, 2019 12:07 PM

CLIVE J. STRONG
ATTORNEY AT LAW
6244 S. SURVIVAL PLACE
BOISE, ID 83716

June 6, 2019

Adam Frederick
Senior Water Resource Agent
Northern Region Idaho Department of Water Resources
7600 Mineral Drive, Suite 100
Coeur d'Alene, ID 83815-7763

RE: Application for Transfer of Water Right No. 98-2083

Dear Adam:

I reviewed your June 3, 2019 letter with Chris Pease, the Moyie Mill manager. As shown in Chris' attached affidavit, IFG diverted water from Moyie Springs "until an operation change in the log yard in 2003." Pease Affidavit at ¶ 8. Subsequently, a market downturn that started in 2007 IFG precluded IFG from using the North log yard until 2015. *Id.* Since 2016, IDFG has continuously stored logs at the place of use and has diverted water from Moyie Springs to water the logs on North log yard. Id. at ¶ 10-11.

Although, Idaho Code § 42-222(2) provides for forfeiture of a water right for failure to apply water to a beneficial use for five years, Idaho law recognizes defenses to forfeiture. Two defenses apply to IFG's request to transfer water right 98-2083.

Idaho Code § 42-223(6) provides that a water right is not forfeited if nonuse "results from circumstances over which the water right owner has no control." Nonuse under the "no control" defense is determined on a "case-by-case basis." While there is no caselaw defining what facts are required to invoke the "no control" defense, nonuse resulting from economic conditions beyond IFG's control are consistent with the purpose of the defense and the objectives of the prior appropriation doctrine. Since Idaho law only allows a water user to divert when it can be put to beneficial use, it makes no sense

that a right is forfeited for nonuse resulting from market conditions beyond the control of the water user. To find otherwise means IFG had to divert water even though it could not put the water to beneficial use, a clear violation of the prior appropriation doctrine. The facts in this transfer proceeding simply do support a finding that there is clear and convincing evidence IFG forfeited water right no. 98-2083.

Alternatively, Idaho law recognizes resumption of use as a defense to forfeiture. In *Sagewillow, Inc. v. Idaho Department of Water Resources*, the Idaho Supreme Court held that "statutory forfeiture is not effective if, after the five-period of nonuse, use of the water right is resumed prior to the claim of right by a third party." . 138 Idaho 669, __, 70 P.3d 669, 680 (2003). In order to establish a claim of right a third party must prove by clear and convincing evidence that: 1) it has instituted proceedings to declare a forfeiture; 2) obtained a valid water right authorizing the use of such water with a priority date prior to the resumption of use; or 3) it has used the water pursuant to an existing water right. None of these conditions exist. No one has instituted a proceeding to declare a forfeiture of water right no. 98-2083. As shown by Pease's affidavit and IDWR's water right data base, no one has obtained a water right to divert from Moyie Spring prior to IFG's resumption of use of water right 98-2083. And, again as shown by Pease's affidavit and IDWR's data base, there are no other existing water rights that could have used the water from Moyie Springs prior to IFG's resumption of use. In absence of clear and convincing evident to the contrary, IFG's resumption of use of water right no 98-2083 precludes a finding of forfeiture.

IFG respectfully requests that IDWR grant the requested change of ownership and transfer. If you have any questions, please email me, or call me at (208) 850-7792.

Regards,

Clive J. Strong

Clive J. Strong
Attorney at Law

AFFIDAVIT OF CHRISTIAN PEASE
IN SUPPORT OF APPLICATION TO TRANSFER WATER RIGHT NO. 98-2083

STATE OF IDAHO)
) ss.
County of Boundary)

Christian Pease, being first duly sworn upon oath deposes and states as follows:

1. My name is Christian (Chris) Pease. I reside at 6701 Kaniksu St., Bonners Ferry, Idaho.

2. I have been an employee of Idaho Forest Group, LLC (IFG) since 2008. I served as the Boiler/Kiln Operator from 2008 to 2010. I then served as Green End Supervisor from 2010 until 2013, when I was promoted to my current position as the Plant Manager overseeing the Moyie Springs.

3. I was employed by Riley Creek Lumber the predecessor to Idaho Forest Group, LLC from 2005 to 2008. During my employment by Riley Creek Lumber I served as a Boiler/ Kiln Operator from 2005 to 2008. In 2008 I was promoted to Lead/Kiln Operator.

4. I was employed by Louisiana-Pacific a kiln operator at the Moyie Springs Mill from 1996 to 2005.

5. I have personal knowledge of the operation of the Moyie Springs Mill, including the sources of water used in the operation of Mill from 2008 to the present.

6. IFG acquired ownership of water right no. 98-2083 as an appurtenance to the Moyie Springs Mill property, as shown in the chain of title provided to IDWR as a part of IFG's application for transfer of the water right.

7. The Moyie Springs Mill diverts water from Moyie Springs through a spring box into a cistern as shown on the map attached as Exhibit 1. The water is then pumped to the log yard shown as the cross hatched area on Exhibit 1 (hereinafter "North log yard") for the purpose of watering logs and dust abatement.

8. Water was diverted from Moyie Springs for use in watering logs for the Moyie Springs Mill until an operation change in the log yard in 2003. Because of a market downturn in that started in 2007 IFG was forced to reduce its log storage for economic reasons, and to consolidate its log storage on the Mill site south of the road.

9. Riley Creek and its successor IFG annually inspected the Moyie Springs spring box, cistern and associated pipes to ensure they would be operational in anticipation of resuming use of the Moyie Springs water once the lumber market recovered.

10. In 2016, as the lumber market recovered, IFG resumed storage of logs on the North log yard and resumed watering of logs in that area.

11. IFG has continuously used water from Moyie Springs since the recovery of the lumber market.

12. IFG is not aware of any action being brought by a third-party seeking forfeiture of water right no. 98-2-83.

13. Based upon personal knowledge, I know there are no other diversions by a third-party from Moyie Springs.

13. No third-party has informed IFG or its predecessor Riley Creek Lumber that it has a claim of right to the water IFG diverts from Moyie Springs.

14. IDFG is not aware of any third parties filing an application for a water right to divert from Moyie Springs prior to IFG resuming use of water from Moyie Springs.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

_____
CHRIS PEASE

SUBSCRIBED AND SWORN to before me this _____ day of June 2019.

_____
Notary Public for Idaho

Residing at: _____, Idaho
My commission expires: _____

Frederick, Adam

From: clivejstrong@gmail.com
Sent: Thursday, June 06, 2019 3:18 PM
To: Frederick, Adam
Cc: 'Schultz, Tom'; Pease, Chris
Subject: Map for Chris Pease Affidavit
Attachments: IFG_Moyie_98 2083_.pdf

Adam, attached is the affidavit that accompanies Chris' affidavit.

Regards, Clive

Idaho Forest Group LLC

Boundary County, Idaho

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98 2083 Permit Overview

EXHIBIT # 7a & b

- Idaho Forest Group LLC Property Boundary*
- POD (Spring Box)*
- Cistern & Pump*
- Water Tower*
- Pipelines*
- 98 4122 POU*

*POD, POU, and other infrastructure based on permit maps and refined based on current aerial imagery and DMS' 1/3/2019 site visit. IFG property border digitized based on Boundary County Parcel Information System. Property border along south side of railroad tracks was adjusted to reflect property border based on mill activities visible in 2017 aerial imagery.

Created: 1/18/2019
Aerial Imagery: 10/28/2017 NAIP

DMS NATURAL RESOURCES

0 0.05 0.1
Miles

This map is for illustrative purposes only and does not guarantee the accuracy of delineated boundaries.



State of Idaho
DEPARTMENT OF WATER RESOURCES
Northern Region • 7600 N Mineral Drive, Suite 100 • Coeur D'Alene ID 83815-7763
Phone: (208) 762-2800 • Fax: (208) 762-2819
Website: idwr.idaho.gov • Email: northerninfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

June 3, 2019

IDAHO FOREST GROUP LLC
687 W CANFIELD AVE
COEUR D ALENE ID 83815

Re: Application for Transfer of Water Rights No. 98-2083

Dear Applicant(s):

The Department of Water Resources (Department) received your application for transfer of water rights on April 19, 2019. The Department is required to evaluate the validity of a water right in accordance with Idaho Code § 42-222(2), which states in pertinent part, "All rights to the use of water acquired under this chapter or otherwise shall be lost and forfeited by a failure for the term of five (5) years to apply it to the beneficial use for which it was appropriated…". Upon preliminary review I was unable to confirm the validity of water right no. 98-2083, it is at risk of forfeiture. Through an initial review of satellite imagery it appears there was no use at the place of use between 2004 and 2014. There are two options available:

1. Submit information demonstrating protection from forfeiture.
2. Withdraw the application for transfer and submit an application for permit.

Please let me know how you would like to proceed. A response or a request for more time must be received within thirty (30) days. Application processing can be suspended to allow additional time to provide a defense against forfeiture. An extension of up to 6 months can be granted upon request.

Please contact me at 208-762-2800 if you have any questions or need additional information. Thank you for your attention to these matters.

Sincerely,

Adam Frederick
Senior Water Resource Agent

Cc: Clive J. Strong, Attorney at Law