

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 82110

MINIMUM REQUIREMENTS CHECKLIST
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

RECEIVED
JAN 29 2019

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 www.idwr.idaho.gov.

Name of Applicant(s) Rags 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 www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.
- ☐ ☒ #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 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: Deeds showing ownership of water right for Gary and Shannon Summers.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

JAN 29 2018

Department of Water Resources
Eastern Region

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1

Name of Applicant(s) Rags LLC Phone 208-317-0399

Mailing address 3869 Westminister Place, Idaho Falls, ID 83404 Email _____

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

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

☐ No Representative

Name of Representative Rocky Mountain Environmental Associates, Inc Phone (208) 534-2353

Mailing address 482 Constitution Way Ste 303, Idaho Falls, ID 83402 Email kristin.rmea@gmail.com

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

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


Signature of Applicant or Authorized Representative

Randy Anderson

Print Name and Title if applicable

1-26-18
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

- ☒ Change point of diversion
☐ Change nature of use

☐ Add diversion point(s)
☐ Change period of use

☒ Change place of use
☐ Other _____
- 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.2**.
 Applicant has contracted to purchase 7.0 acres of ground water right 22-14026 for the purpose of irrigation.
 Ownership of the transferred portion will be deeded upon approval of this transfer.

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.	<u>Right Number</u>	<u>Amount</u> (cfs/ac-ft)	<u>Nature of Use</u>	<u>Period of Use</u>	<u>Source & Tributary</u>
All or Part ☐ ☒	22-14026	0.09 cfs	Irrigation	04/15 to 10/15	Ground Water
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 0.09 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 0.09 cubic feet per second and/or _____ acre-feet per year.

3. Point(s) of Diversion:

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

New ?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #
N			NE	NW	7	5N	46E	TETON	Ground Water	0055140

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	
5N	46E	7					7												7
Total Acres (for irrigation use)																			7

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1 Continued

5. General Information:

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

Well to pump to irrigation system.

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

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:
Randy Anderson is the owner of Rags LLC

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?

If yes, ☐ attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien: _____

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

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

If yes, ☒ complete Attachment WSB.

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

The land now irrigated will be retired from irrigation under this ground water right.

- 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:

No other water rights at the existing place of use. Leigh Creek Canal Company overlaps the proposed place of use, but water is no longer accessible. The stock certificates will be surrendered upon approval of this transfer.

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

Yes No

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

If yes, describe:

Water Right has been enrolled in the Water Supply Bank since 2013. The current lease application expires 12/31/2020. The portion proposed to be transferred will be removed from the Bank prior to the closing of the sale of the water right.

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

11/2/2017

WATER RIGHT NO. 22-14026

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	GARY SUMMERS
Current Owner	SHANNON SUMMERS 1177 E 9TH N REXBURG, ID 83440 2083510077

Priority Date: 06/19/1961
Basis: Decreed
Status: Active
Water Supply Bank Status: Active

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

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/15	2.45 CFS	606.9 AFA
Total Diversion			2.45 CFS	

Location of Point(s) of Diversion:

GROUND WATER|NENE|Sec. 12|Township 05N|Range 45E|TETON County

Place(s) of use:

Place of Use Legal Description: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
05N	45E	11		SWNE	31.7		SENE	27.1						
		12		NENE	35		NWNE	37.8						

| SWNW | 35.7 |

| SENW | 35 |

Total Acres: 202.3

Conditions of Approval:

1. S37 The use of water for irrigation under this right may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than November 24, 2008.
2. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.

Dates:

Licensed Date:

Decreed Date: 11/24/2008

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector: AND

Water District Number:

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Water Supply Bank:

Lessor Name(s): GARY SUMMERS
SHANNON SUMMERS

Lease Status: Active

Lease Amount: 1.58cfs

Rental Availability: 1.58cfs

Date Received: 7/18/2016

Lease Begin Date: 1/1/2016

82110

251



CERTIFICATE OF ORGANIZATION LIMITED LIABILITY COMPANY

Title 30, Chapters 21 and 25, Idaho Code

Filing fee: \$100 typed, \$120 not typed

Complete and submit the application in duplicate.

FILED EFFECTIVE

2017 NOV 20 AM 9:25

SECRETARY OF STATE
STATE OF IDAHO

1. The name of the limited liability company is:

RAGS, LLC

(Remember to include the words "Limited Liability Company," "Limited Company," or the abbreviations L.L.C., LLC, or LC)

2. The complete street and mailing addresses of the principal office is:

3869 Westminister PI, Idaho Falls, Idaho 83404

(Street Address)

(Mailing Address, if different)

3. The name of the registered agent and the street address of the registered agent:

Randy C Anderson

3869 Westminister PI, Idaho Falls, Idaho 83404

(Name)

(Address cannot be a post office box or postal mail box.)

4. The name and address of at least one governor of the limited liability company:

Randy C Anderson

3869 Westminister PI, Idaho Falls, Idaho 83404

(Name)

(Address)

Gayle Sue Anderson

3869 Westminister PI, Idaho Falls, Idaho 83404

(Name)

(Address)

(Name)

(Address)

(Name)

(Address)

5. Mailing address for future correspondence (annual report notices):

3869 Westminister PI, Idaho Falls, Idaho 83404

(Address)

Signature of organizer(s).

Signature:

Printed Name: Randy Anderson

Signature:

Printed Name: Gayle Sue Anderson

Secretary of State use only

IDAHO SECRETARY OF STATE

11/20/2017 05:00

CK:8199 CT:348721 BH:1612950
10 100.00 = 100.00 ORGAN LLC #2

W192216

82110

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT (this "Agreement") is made and entered to be effective as of the ____ day of December, 2017 (the "Effective Date"), by and between **Gary Summers and Shannon Summers**, husband and wife, whose address is 1177 E. 9th N., Rexburg, Idaho 83440 (hereinafter "Seller"), and **RAGS, LLC**, an Idaho limited liability company, whose address is 3869 Westminister Place, Idaho Falls, Idaho 83404 (hereinafter "Buyer"). Buyer and Seller are individually a "Party" and together the "Parties".

RECITALS:

- A. Seller owns Water Right No. 22-14026 (the "Water Right"), which was decreed on November 24, 2008 in the Snake River Basin Adjudication by the District Court for the Fifth Judicial District of Idaho for irrigation purposes with a priority date of June 19, 1961. The Water Right is more fully described in the report obtained from the Idaho Department of Water Resources ("IDWR" or the "Department") attached hereto as **Exhibit 1**.
- B. Seller desires to sell, and Buyer desires to buy, a 7-acre portion of the Water Right. Buyer has agreed to purchase the 7-acre portion of the Water Right from Seller as set forth in the terms and provisions of this Agreement.

AGREEMENT:

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

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

Source:	Ground water
Purpose:	Irrigation
Priority:	June 19, 1961
Quantity (Diversion Rate):	0.09 cfs of the total authorized 2.45 cfs
Quantity (Volume):	21 acre-feet per annum
Place of Use (Acreage):	7 acres of the 202.3 authorized acres identified on Exhibit 2 .

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

2. Property Retained. Other than the Purchased Water Right, Seller reserves and retains unto Seller all remaining portions Water Right and any other water rights that may be appurtenant to the authorized place of use for the Water Right. No land, easements, or other property interests, other than the Purchased Water Right, are included in this Agreement.
3. Purchase Price. The purchase price for the Purchased Water Right is [REDACTED] (the "Purchase Price").
4. Earnest Money Deposit. Contemporaneous with the execution of this Agreement, Buyer shall deliver to Seller earnest money in the amount of 10% of the Purchase Price, which is [REDACTED] (the "Earnest Money"). The Earnest Money shall be applied towards the Purchase Price at closing, or otherwise disposed of as provided herein.
5. Transfer Application. Within 30 days after both Parties sign this Agreement, Buyer will file with IDWR an *Application for Transfer of Water Right* (the "Transfer") to amend and move the Purchased Water Right to Buyer's desired location. The Parties will cooperate in obtaining IDWR approval of the Transfer, and will provide and execute any necessary documents requested by IDWR. Buyer will be responsible for the costs to file the Transfer, including all attorney fees, consultant fees, and filing fees associated with preparation of the Transfer. In the event this Agreement is terminated pursuant to paragraph 6 of this Agreement, Buyer shall at its sole expense take such action as may be required to void or reverse the Transfer in order to return the Purchased Water Right to the condition it existed on the Effective Date, upon completion of which the Earnest Money will be returned by Buyer within 14 days of such completion.
6. Transfer Contingencies.
 - (a) No Protests. If no protests or other objections to the Transfer are filed with IDWR, but the Transfer is (i) denied, (ii) approved by IDWR for less than 7 acres, or (iii) approved by IDWR with conditions that materially devalue the Purchased Water Right for Buyer's intended use thereof; then Buyer may terminate this Agreement within 14 days after the date of the IDWR approval notice by providing written notice of termination to Seller. Within 14 days of receipt of the notice of termination, Seller shall refund the Earnest Money to Buyer. If Buyer does not terminate this Agreement as provided herein, the Parties shall proceed to Closing as set forth in paragraph 7.
 - (b) Protest Filed. If a protest or other objection to the Transfer is filed with IDWR, then Buyer may terminate this Agreement within 180 days after the protest is filed with IDWR. If Buyer does elect to terminate this Agreement, Seller shall refund the Earnest Money to Buyer within 14 days of receipt of the notice of termination.

7. Closing.

- (a) Water Bank Release. If necessary and prior to Closing, Seller shall undertake all necessary actions and file all necessary documents with the Department and the Idaho Water Resource Board to release the Purchased Water Right from the Idaho Water Supply Bank on or before April 15, 2018. If the Purchased Water Right is not released from the Idaho Water Supply Bank on or before April 15, 2018, Buyer may, in Buyer's sole and absolute discretion, terminate this Agreement, and in such instance, the Earnest Money shall be returned to Buyer within 14 days of receipt of notice of termination.
- (b) Closing Date. If (1) no protest to the Transfer is filed with IDWR; and (2) Buyer does not exercise the contingency set forth in paragraph 6(a) of this Agreement; and (3) the Idaho Water Supply Bank release is obtained prior to April 15, 2018, then Closing on the Purchased Water Right shall occur within 30 days after the date all of the above three items are satisfied. If a protest or other objection to the Transfer is filed with IDWR and Buyer does not exercise the contingency set forth in paragraph 6(b) of this Agreement, the Closing shall occur with 14 days after the 180-day termination period expires. Notwithstanding the above, the Parties may mutually agree to another date for the Closing.
- (c) Closing Location. The Closing shall occur at the offices of Holden, Kidwell, Hahn & Crapo, P.L.L.C, or at another location mutually agreed by the Parties.
- (d) Documents to be Delivered at Closing.
 - (1) At Closing, Buyer shall deliver the Purchase Price less the Earnest Money.
 - (2) At Closing, Seller shall deliver to Buyer the Special Warranty Deed (the "Deed") substantially in the form attached to this Agreement as **Exhibit 3** for the Purchased Water Right, and any lien release or other documents reasonably requested to confirm the conveyance of the Purchased Water Right free and clear of encumbrances.
- (e) Fees and Costs of Closing. The cost of recording the Deed after Closing shall be paid by Buyer. All other expenses not specifically referenced in this Agreement but related to the Transfer and incurred by Seller or Buyer with respect to this transaction shall be borne and paid exclusively by the Party incurring the same, without reimbursement.

- 8. Default. In addition to either Party's failure to perform any material term or condition of this Agreement or a Party's breach of any of such Party's representations or warranties (in which event the non-defaulting party may pursue any available remedy, including equitable relief), Buyer shall be deemed in default hereof if Buyer files a petition in bankruptcy or is adjudicated bankrupt or insolvent, Buyer makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver of itself or of its

property, or institutes proceedings for its reorganization, in which case, in addition to any other remedies or rights Seller might have, Seller shall have the power and authority to notify the Department that the Application for Transfer has been withdrawn.

9. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer, as of the Effective Date and again as of the Closing as follows:
 - (a) Authority. Seller has the full legal right, power and authority to enter into and perform this Agreement, and will obtain good marketable title to the Purchased Water Right in fee simple, and Seller (at its expense) shall remove, or shall exercise commercially reasonable efforts to cause to be removed, all liens, claims, or encumbrances, whether of record or not, upon or affecting the Purchased Water Right on or before Closing. If, after exercising commercially reasonable efforts, the liens, claims, or encumbrances are not removed by Closing, Seller may terminate this Agreement.
 - (b) Conveyance. Seller shall then convey the Purchased Water Right free and clear of all liens, encumbrances and restrictions, except such restrictions on the use of water as may appear on the Water Right Report contained at **Exhibit 1**.
 - (c) Appurtenance. The Purchased Water Right is appurtenant to and has been beneficially used as the water source to irrigate its place of use and/or been properly preserved for future use consistent with Idaho law.
 - (d) Not Forfeited. No portion of the Purchased Water Right has not been forfeited or abandoned in whole or in part.
 - (e) No Representation or Warranty Concerning Suitability for Buyer's Intended Use. Seller has not made, and hereby makes, no representation or warranty to Buyer except as expressly contained in this Agreement.
10. Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as of the Effective Date and again as of the Closing for the Purchased Water Right, as follows:
 - (a) Authority. Buyer has the legal power, right and authority to enter into this Agreement and to perform Buyer's obligations hereunder.
 - (b) Buyer's Due Diligence. Buyer and Buyer's consultants and counsel have had a full opportunity to review all documents, records and other information made available to Buyer by Seller and/or otherwise reasonably available to Buyer through public or other sources, related to the nature and extent of the Purchased Water Right, the laws and rules affecting their transfer and use by Buyer, and the suitability or fitness of the Purchased Water Right for Buyer's intended purposes.
11. Warranties to Survive Closing. All representations and warranties made by the Parties herein are also covenants, and each Party shall take all such actions as may be required to satisfy said covenants and to cause the representations and warranties to be true on and as

of the Closing. The Parties' respective obligations to close and consummate the transaction contemplated herein are contingent upon the representations, warranties and covenants contained in this Agreement being true, valid and satisfied on and as of the Closing. All such representations and warranties shall survive the Closing.

12. Miscellaneous.

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

<u>Seller</u>	<u>Buyer</u>
Gary Summers and Shannon Summers 1177 E. 9 th N. Rexburg, ID 83440	RAGS, LLC 3869 Westminister Place Idaho Falls, ID 83404
<u>Seller's Representative</u>	<u>Buyer's Representative</u>
	Robert L. Harris Holden, Kidwell, Hahn & Crapo, P.L.L.C. P.O. Box 50130 Idaho Falls, ID 83405

- (c) Merger. This Agreement supersedes any and all other written or verbal agreements between the Parties hereto regarding the Purchased Water Right. Neither Buyer nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specifically contained herein.
- (d) Broker.
- (1) Buyer shall and does hereby indemnify Seller against, and agrees to hold Seller harmless from, any claim, demand or suit for any brokerage commission, finder's fee or similar charge with respect to the execution of this Agreement or the transaction based on any act by or agreement or contract with Buyer, and for all losses, obligations, costs, expenses and fees (including attorneys' fees)

incurred by Seller on account of or arising from any such claim, demand or suit.

- (2) Seller shall and does hereby indemnify Buyer against, and agrees to hold Buyer harmless from, any claim, demand or suit for any brokerage commission, finder's fee or similar charge with respect to the execution of this Agreement or this transaction based on any act by or agreement or contract with Seller, and for all losses, obligations, costs, expenses and fees (including attorneys' fees) incurred by Buyer on account of or arising from any such claim, demand or suit.
- (e) Remedies Cumulative. Upon any breach, any and all rights and remedies which either Party may have under this Agreement or by operation of law or equity, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other. No such right or remedy, whether exercised by said Party or not, shall be deemed to be in exclusion of any other right or remedy, any two or more of all such rights and remedies may be exercised at the same time or separately as desired.
- (f) Further Documents. The Parties hereby agree that they shall sign such other and further documents as may be required to carry into effect the terms and conditions of this Agreement.
- (g) Enforceability. The validity or enforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or other provision hereof, shall in no way affect the validity or enforcement of the remaining provisions, or any part hereof.
- (h) Counterparts. This Agreement may be executed in any number of counterparts for all the convenience of the Parties, all of which, when taken together and after execution by all Parties hereto, shall constitute one and the same Agreement.
- (i) Governing Law. This Agreement shall be governed by the laws of the State of Idaho.
- (j) Successors. This Agreement is for the benefit only of the Parties hereto and shall inure to the benefit of and bind their respective heirs, agents, personal representatives, successors and assigns.
- (k) Essence of Time. Time is of the essence in this Agreement.

[SIGNATURES ON NEXT PAGE]

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

"SELLER"



Gary Summers



Shannon Summers

"BUYER"

RAGS, LLC

By: Randy Anderson
Its: Member

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

"SELLER"

Gary Summers

Shannon Summers

"BUYER"

RAGS, LLC



By: Randy Anderson
Its: Member

Exhibit 1

The "Water Right"

10/9/2017

Water Right Report

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

10/9/2017

WATER RIGHT NO. 22-14026

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	GARY SUMMERS
Current Owner	SHANNON SUMMERS
	1177 E 9TH N
	REXBURG, ID 83440
	2083510077

Priority Date: 06/19/1961
Basis: Decreed
Status: Active
Water Supply Bank Status: Active

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

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/15	2.45 CFS	606.9 AFA
Total Diversion			2.45 CFS	

Location of Point(s) of Diversion:

GROUND WATER|NENE|Sec. 12|Township 05N|Range 45E|TETON County

Place(s) of use:

Place of Use Legal Description: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
05N	45E	11		SWNE	31.7		SENE	27.1						
		12		NENE	35		NWNE	37.8						

<http://www.idwr.idaho.gov/apps/ExtSearch/RightReportAJ.asp?BasinNumber=22&SequenceNumber=14026&SplitSuffix=%20%20&TypeWaterRight=Tr...> 1/3

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT - 8

82110

Water Right Report

		SWNW 35.7	SEnw 35						
--	--	-----------	---------	--	--	--	--	--	--

Total Acres: 202.3

Conditions of Approval:

1. S37 The use of water for irrigation under this right may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than November 24, 2008.
2. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.

Dates:

Licensed Date:

Decreed Date: 11/24/2008

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal; S

Owner Name Connector: AND

Water District Number:

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Water Supply Bank:

Lessor Name(s): GARY SUMMERS
SHANNON SUMMERS

Lease Status: Active

Lease Amount: 1.58cfs

Rental Availability: 1.58cfs

Date Received: 7/18/2016

Lease Begin Date: 1/1/2016

<http://www.idwr.idaho.gov/apps/ExtSearch/RightReportAJ.asp?BasinNumber=22&SequenceNumber=14026&SplitSuffix=%20%20&TypeWaterRight=Tr...> 2/3

10/9/2017

Water Right Report

Expiration Date: 12/31/2020

Close

<http://www.idwr.idaho.gov/epps/ExtSearch/RightReportAJ.asp?BasinNumber=22&SequenceNumber=14026&SplitSuffix=%20%20&TypeWaterRight=Tr...> 3/3

Exhibit 2
Map of 7 Acres—the “Purchased Water Right”

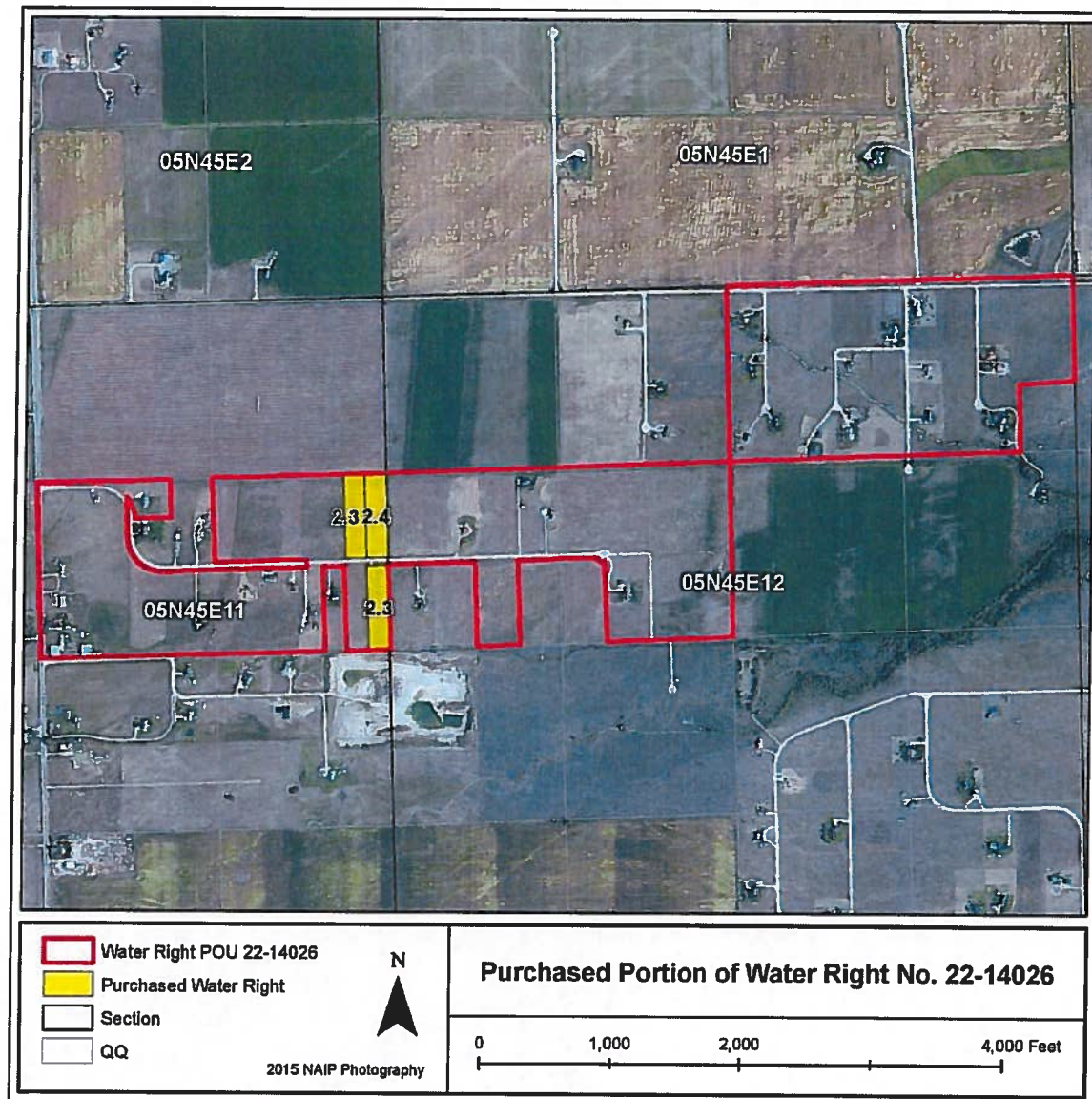


**Exhibit 3
Form of the Deed**

*RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:*

Robert L. Harris
Holden, Kidwell, Hahn & Crapo, P.L.L.C.
PO Box 50130
Idaho Falls, ID 83405

(Space Above for Recorder's Use)

SPECIAL WARRANTY DEED FOR WATER RIGHTS

Gary Summers and Shannon Summers, husband and wife, whose address is 1177 E. 9th N., Rexburg, Idaho 83440 (hereinafter "Grantor") does hereby grant, bargain, sell, assign, and convey unto **RAGS, LLC**, an Idaho limited liability company, whose address is 3869 Westminister Place, Idaho Falls, Idaho 83404 (hereinafter "Grantee") and to Grantee's heirs and assigns forever, all of Grantor's right, title, and interest in water right described on Exhibit A attached hereto (hereinafter the "Water Right").

Grantor hereby covenants and warrants to Grantee as follows:

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

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

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

DATED this _____ day of _____, 20____.

"GRANTOR"

Gary Summers

Shannon Summers

STATE OF IDAHO)
)ss.
County of _____)

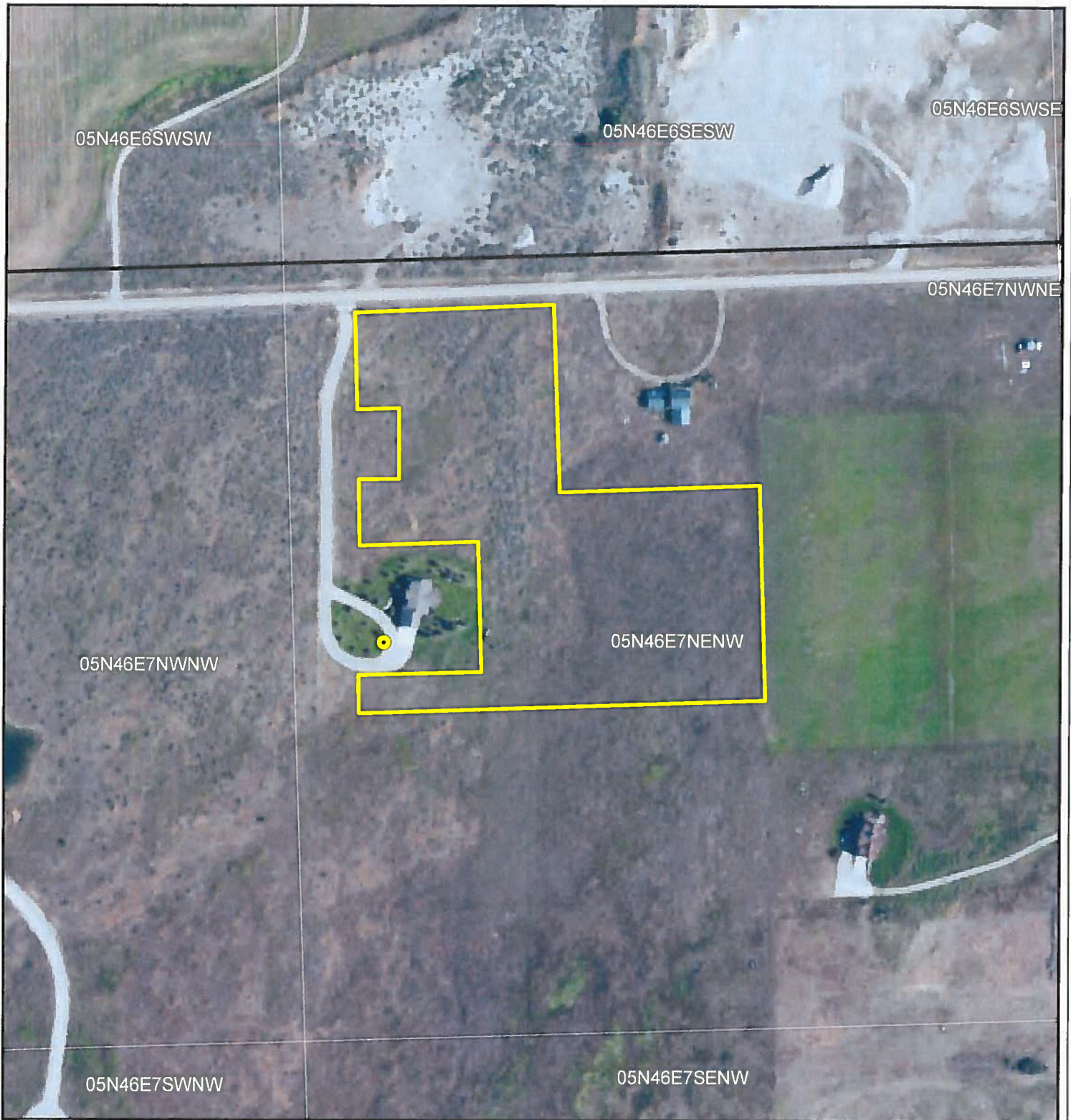
On the ____ day of _____, 2017, before me, the undersigned, a notary public in and for said State, personally appeared Gary Summers and Shannon Summers, husband and wife, known or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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

(seal)

Notary Public for _____
Residing at: _____
Commission Expires: _____

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

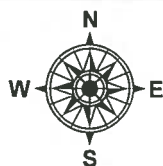


0 0.025 0.05 0.1 Miles

2015 Aerial Photography

Legend

- POD
- Proposed POU
- Twp & Rng
- Section
- QQ



Application for Transfer

Rags, LLC

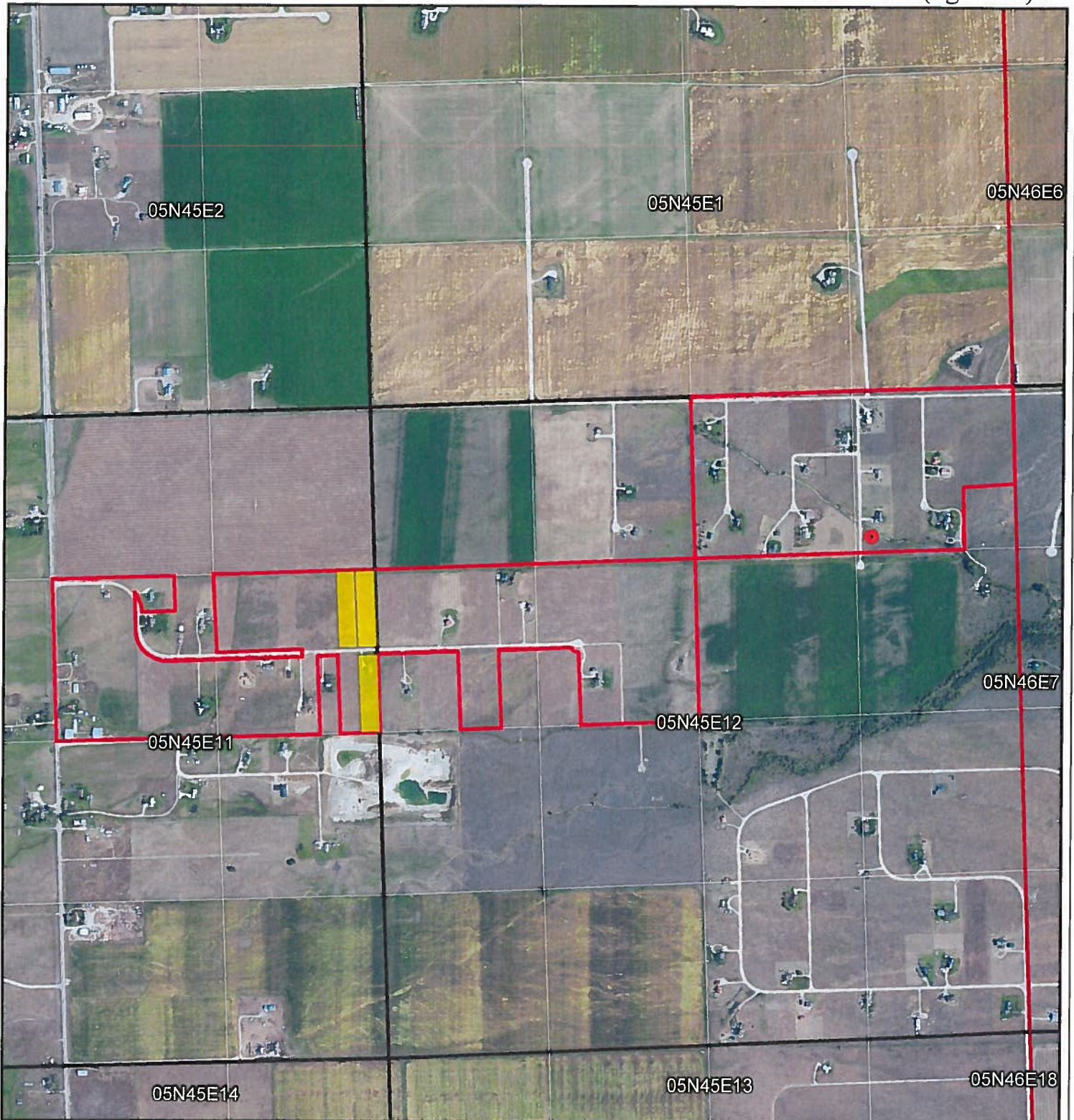
RMEA #17-0191

by: KM

Date: 1/9/2018



82110



0 700 1,400 2,800 Feet

2015 Aerial Photography

Existing Water Right

Rags, LLC

RMEA #17-0191

by: KM

Date: 1/9/2018



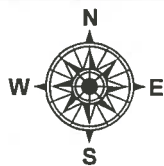
● WR POD 22-14026 □ QQ

■ Purchased Acres

□ WR POU 22-14026

□ Twp & Rng

□ Section



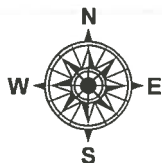
82110



0 150 300 600 Feet

2015 Aerial Photography

- WR POD 22-14026
- Purchased Acres
- WR POU 22-14026
- Twp & Rng
- Section
- QQ



Existing Water Right

Rags, LLC

RMEA #17-0191

by: KM

Date: 1/9/2018



APPLICATION FOR TRANSFER OF WATER RIGHT ATTACHMENT WSB: TRANSFERRING WATER RIGHTS LEASED TO THE WATER SUPPLY BANK

Approval of a transfer application will not impact the terms of a Water Supply Bank Lease Contract. Any transferred water right or portion of a water right that is leased to the Water Supply Bank (Bank) shall remain unused while the lease is active.

If the transfer proposes to relocate the place of use of an irrigation water right, and the relocated acres include land currently idled due to a Bank lease contract, the applicant is required to identify the areas that will be idled at the new place of use for the duration of the lease contract. The acres to be idled should be clearly identified on the map created for Attachment 7B of the transfer application. The applicant should confirm the map is attached when completing the table below. If the leased portion of the place of use is not proposed to be relocated, a map is not required.

A Bank lease contract shall remain in effect until it expires, a new lease proposal is processed to replace it, or the water right is released from the Bank through written confirmation issued by the Water Resource Board. If the proposed transfer is approved, the water right owner will be provided sufficient time to allow the lease contract to expire before beneficial use of water at the new place of use will be expected. Meanwhile, water rights leased to the Bank are protected from forfeiture for the duration of the lease contract.

Water right owners who would like to adjust the terms of their lease contracts can either submit a new lease proposal on an Application to Lease a Water Right to the Water Supply Bank form, or they can request early termination of their lease contracts by completing a Request to Release a Water Right from the Water Supply Bank form. If a water right is leased to the Bank, and it is currently being rented from the Bank, the lease cannot be reduced or terminated until the rental agreement concludes. A request to release a water right or to submit a new lease application should be sent to the Department's state office. To find out if there are any rentals associated with a leased water right, please call a Bank representative at the Department at 208-287-4800.

In the table below, please provide the requested information for any water right that is both proposed for transfer and leased to the Bank. The information needed to complete this table can be found in your Bank lease contract. A copy of your lease contract can be obtained using the 'Search Water Rights' option on the Department's internet page at www.idwr.idaho.gov or by contacting any Department office.

Water Right Number	Lease Contract Expiration Date	Water Right Quantities Leased to the Bank			Map Attachment 7B Clearly Identifies Idled Place of Use at New Location
		Rate (cfs)	Volume (AF)	Acres	
22-14026	12/31/2020	1.58	391	130.4	Attached? ☒ or No Change ☐
					Attached? ☐ or No Change ☐
					Attached? ☐ or No Change ☐
					Attached? ☐ or No Change ☐
					Attached? ☐ or No Change ☐
					Attached? ☐ or No Change ☐
					Attached? ☐ or No Change ☐

Is the ownership of the water right(s) leased to the Bank being changed? ☐ Yes ☒ No

- ☐ If yes and there are multiple owners, attach a Lessor Designation form.
☐ If yes, the individual owner or designated lessor must complete, sign and attach an IRS Form W-9.

Additional Information:

Water Right owners will amend the terms of the lease agreement by submitting a new lease proposal upon approval of the transfer application. The transferred acres will be removed from the WSB.

Agency Use Only: Personnel processing transfer applications should forward a copy of this attachment, the original Lessor Designation form and/or IRS Form W-9, if received, to the State Office.

Deeds

Instrument No. 222667 Cristina C. Mellon to
June 11, 2012 Gary Summers and Shannon Summers

*Any and all interest in Water Right No. 22-14026 within
Four Peaks Estates, Teton County, Idaho
Applies to Lot 11 in this transaction.*

Instrument No. 248277 Gary and Shannon Summers Living Trust to
November 17, 2017 Gary Summers and Shannon Summers

*Any and all interest in Water Right No. 22-14026 within
Four Peaks Estates, Teton County, Idaho
Applies to Lot 34 in this transaction.*

Instrument No. 222277 Michael T Massebeau and Lori L Massebeau to
May 10, 2012 Gary Summers and Shannon Summers

*Any and all interest in Water Right No. 22-14026 within
Four Peaks Estates, Teton County, Idaho
Applies to Lot 35 in this transaction.*

Instrument # 222667

TETON COUNTY, IDAHO

6-21-2012 01:01:15 No. of Pages: 2

Recorded for : RIGBY ANDRUS & RIGBY

MARY LOU HANSEN

Fee: 13.00

Ex-Officio Recorder Deputy

Index to: DEED, GRANT

GRANT DEED

17296.001

C.
FOR VALUE RECEIVED, Cristina ~~G.~~ Mellon, of 215 W. Butler Lane, Driggs, ID 83422, hereinafter called "Grantor"; does hereby grant and convey, to Gary Summers and Shannon Summers, husband and wife, of 27 N 3000 E, Sugar City, ID 83448, hereinafter called "Grantees".

WITNESSETH, that the Grantor, for and in consideration of the sum of Five Hundred Dollars (\$500.00), lawful money of the United States of America, and other good and valuable consideration, to the Grantor in hand paid by the Grantees, the receipt whereof is hereby acknowledged, has granted, and by these presents does grant and confirm unto the Grantees, and to Grantees' successors and assigns forever, the following described water property right, to-wit:

Any and all Grantor's interest in Water Right No. 22-14026 (together with its parent right numbers 22-12527 & 22-2208) attributed to Four Peaks Estates, located within the NE1/4 of Section 11 and the N1/2 of Section 12, Twp. 5 N., Rge. 45 E.B.M., Teton County, Idaho.

IN WITNESS WHEREOF, The Grantor has hereunto set her hand and seal this day.

DATED this 11th day of June, 2012


Cristina G. Mellon

STATE OF WY,)
 ss.
 County of Teton.)

On this 11th day of June, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared **Cristina G. Mellon**, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

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

Phon Savanh Jones
 Notary Public for Wells Fargo Bank
 Residing at: Jackson WY
 My Commission Expires: 6-13-15



Instrument # 240211

TETON COUNTY, IDAHO

11-28-2017 09:00:22 AM No. of Pages: 1

Recorded for : ROCKY MOUNTAIN ENVIRONMENTAL

MARY LOU HANSEN

Fee: 15.00

Ex-Officio Recorder Deputy

Index to: DEED, QUIT-CLAIM

Shell

QUITCLAIM DEED

FOR VALUE RECEIVED, **Gary D Summers and Shannon L Summers, Trustees, under the Gary and Shannon Summers Living Trust**, of 1177 E 9th N, Rexburg, ID 83440, hereinafter called "Grantors", do hereby grant and convey, to **Gary Summers and Shannon Summers**, of 1177 E 9th N, Rexburg, ID 83440, hereinafter called "Grantees."

WITNESSETH, that the Grantors, for and in consideration of the esteem he holds for the Grantee, by these presents, does give, convey and confirm unto the Grantee, the following described water right property, located in Teton County, Idaho, to-wit:

Any and all Grantor's interest in Water Right No. 22-14026 (together with its parent right numbers 22-12527 & 22-2208) attributed to Four Peaks Estates, located within the NE1/4 of Section 11 and the N1/2 of Section 12, Twp. 5N, Rng. 45E, B.M., Teton County, Idaho

IN WITNESS WHEREOF, The Grantors have hereunto set their hands and seals this day.

DATED this 17 day of November, 2017.

Gary Summers
Gary Summers, Trustee

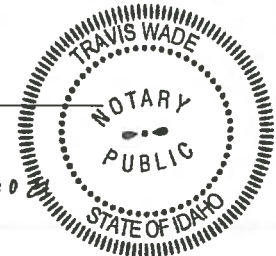
Shannon Summers Trustee
Shannon Summers, Trustee

STATE OF IDAHO,)
ss.
County of Madison .)

On this 17 day of November 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared **Gary and Shannon Summers**, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she 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.

Travis Wade
Notary Public for Idaho
Residing at: Madison
My Commission Expires: 4/21/2018



Instrument # 222277

TETON COUNTY, IDAHO

5-25-2012 01:38:00 No. of Pages: 2

Recorded for : RIGBY ANDRUS & RIGBY CHTD

MARY LOU HANSEN

Ex-Officio Recorder Deputy

Index to: DEED, GRANT

Fee: 13.00

GRANT DEED

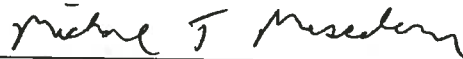
FOR VALUE RECEIVED, Michael T. Massebeau and Lori L. Massebeau, husband and wife, of 1789 County Road, Bunnell, FL 32110, hereinafter called "Grantors"; do hereby grant and convey, to Gary Summers and Shannon Summers, husband and wife, of 27 N 3000 E, Sugar City, ID 83448, hereinafter called "Grantees".

WITNESSETH, that the Grantors, for and in consideration of the sum of One Thousand Dollars (\$1,000.00), lawful money of the United States of America, and other good and valuable consideration, to the Grantors in hand paid by the Grantees, the receipt whereof is hereby acknowledged, have granted, and by these presents do grant and confirm unto the Grantees, and to Grantees' successors and assigns forever, the following described water property right, to-wit:

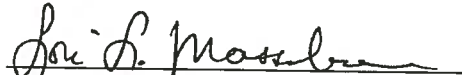
Any and all Grantors' interest in Water Right No. 22-14026 (together with its parent right numbers 22-12527 & 22-2208) attributed to Four Peaks Estates, located within the NE1/4 of Section 11 and the N1/2 of Section 12, Twp. 5 N., Rge. 45 E.B.M., Teton County, Idaho.

IN WITNESS WHEREOF, The Grantors have hereunto set their hands this day.

DATED this 10th day of May, 2012



Michael T. Massebeau



Lori L. Massebeau

STATE OF FL,)
)
) ss.
County of Flagler.)

On this 10th day of May, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared **Michael T. Massebeau and Lori L. Massebeau**, 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:
Residing at: 1771  32110
My Commission Expires 8/8/12