

DEC 11 2014

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 79727

WATER RESOURCES
WESTERN REGIONMINIMUM 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 www.idwr.idaho.gov.

Name of Applicant(s) Idaho Water Company, 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 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)
- ☐ ☒ SUPPORT DATA describe: _____

IN FILE #

2-10420

Page 1 of Transfer No. 79727

ORIGINAL APPLICATION CURRENT
AMENDED APPLICATION WITHDRAWN 9/25/15

Superseded by Amended Transfer Recd 6/22/15

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

DEC 11 2014

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

WATER RESOURCES

WESTERN REGION

Name of Applicant(s) Idaho Water Company LLCPhone (208) 312-1135Mailing address Delbert G. Kohtz, 1135 Valley Rd. S., Eden, ID 83325

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 RepresentativeName of Representative Roxanne Brown, SPF Water Engineering LLCPhone (208) 383-4140Mailing address 300 E. Mallard Dr., Suite 350, Boise, ID 83706Email rbrown@spfwater.comAttorney: Michael C. Creamer, Givens Pursley, P.O. Box 2720, Boise, ID 83701-2720 (208) 388-1200

- ☐ 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

Del Kohtz, Member

Print Name and Title if applicable

Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

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. 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 seeks authorization to change the point of diversion and place of use for water right 2-10422 and the point of diversion and a portion of the place of use for water right 2-10420. No other element of the subject water rights will be changed.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1 Continued

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

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☐ ☒	2-10420	0.50	irrigation	3-1 to 10-31	Snake R./Columbia R.
☒ ☐	2-10422	2.00	irrigation	3-1 to 10-31	Snake R./Columbia R.
☐ ☐	Unchanged Portion			to	
☐ ☐	2-10420	1.24	irrigation	3-1 to 10-31	Snake R./Columbia R.
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 3.74 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 2.50 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 #
	8		SE	SE	4	6S	8E	Owyhee	Snake River	Hoodco/A0008103

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

- ☐ 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	
Total Acres (for irrigation use)																			

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
SUPPLEMENTAL PAGE - PART 1.B.4 (PLACE OF USE)

Place of Use

IRRIGATION Within OWYHEE County

T06S R08E S4	NWSW	40.00	T06S R08E S4	SWSW	40.00
T06S R08E S4	SESW	40.00	T06S R08E S4	SWSE	40.00
T06S R08E S5	Lot 4 NWNW	44.00	T06S R08E S5	SWNW	40.00
T06S R08E S5	SENW	40.00	T06S R08E S5	NESW	40.00
T06S R08E S5	NWSW	40.00	T06S R08E S5	SWSW	40.00
T06S R08E S5	SESW	40.00	T06S R08E S5	NESE	40.00
T06S R08E S5	NWSE	40.00	T06S R08E S5	SWSE	40.00
T06S R08E S5	SESE	40.00	T06S R08E S6	Lot 1 NENE	44.00
T06S R08E S6	SENE	40.00	T06S R08E S7	SWNE	40.00
T06S R08E S7	SENE	40.00	T06S R08E S7	NESW	40.00
T06S R08E S7	SESW	40.00	T06S R08E S7	NESE	40.00
T06S R08E S7	NWSE	40.00	T06S R08E S7	SWSE	40.00
T06S R08E S7	SESE	40.00	T06S R08E S8	NENE	40.00
T06S R08E S8	NWNE	40.00	T06S R08E S8	SWNE	40.00
T06S R08E S8	SENE	40.00	T06S R08E S8	NENW	40.00
T06S R08E S8	NWNW	40.00	T06S R08E S8	SWNW	40.00
T06S R08E S8	SENW	40.00	T06S R08E S8	NESW	40.00
T06S R08E S8	NWSW	40.00	T06S R08E S8	SWSW	40.00
T06S R08E S8	SESW	40.00	T06S R08E S8	NESE	40.00
T06S R08E S8	NWSE	40.00	T06S R08E S8	SWSE	40.00
T06S R08E S8	SESE	40.00	T06S R08E S9	NENE	40.00
T06S R08E S9	NWNE	40.00	T06S R08E S9	SWNE	40.00
T06S R08E S9	SENE	40.00	T06S R08E S9	NENW	40.00
T06S R08E S9	NWNW	40.00	T06S R08E S9	SWNW	40.00
T06S R08E S9	SENW	40.00	T06S R08E S9	NESW	40.00
T06S R08E S9	NWSW	40.00	T06S R08E S9	SWSW	40.00
T06S R08E S9	SESW	40.00	T06S R08E S9	NESE	40.00
T06S R08E S9	NWSE	40.00	T06S R08E S9	SWSE	40.00
T06S R08E S9	SESE	40.00	T06S R08E S10	SWNW	40.00
T06S R08E S10	NESW	40.00	T06S R08E S10	NWSW	40.00
T06S R08E S10	SWSW	40.00	T06S R08E S10	SESW	40.00
T06S R08E S10	NWSE	40.00	T06S R08E S10	SWSE	40.00
T06S R08E S15	NENW	40.00	T06S R08E S15	NWNW	40.00
T06S R08E S15	SWNW	40.00	T06S R08E S15	SENW	40.00

T06S R08E S15	NESW	40.00	T06S R08E S15	NWSW	40.00
T06S R08E S15	SWSW	40.00	T06S R08E S15	SESW	40.00
T06S R08E S16	NENE	40.00	T06S R08E S16	NWNE	40.00
T06S R08E S16	SWNE	40.00	T06S R08E S16	SENE	40.00
T06S R08E S16	NENW	40.00	T06S R08E S16	NWNW	40.00
T06S R08E S16	SWNW	40.00	T06S R08E S16	SENW	40.00
T06S R08E S16	NESW	40.00	T06S R08E S16	NWSW	40.00
T06S R08E S16	SWSW	40.00	T06S R08E S16	SESW	40.00
T06S R08E S16	NESE	40.00	T06S R08E S16	NWSE	40.00
T06S R08E S16	SWSE	40.00	T06S R08E S16	SESE	40.00
T06S R08E S17	NENE	40.00	T06S R08E S17	NWNE	40.00
T06S R08E S17	SWNE	40.00	T06S R08E S17	SENE	40.00
T06S R08E S17	NENW	40.00	T06S R08E S17	NWNW	40.00
T06S R08E S17	SENW	40.00	T06S R08E S17	NESW	40.00
T06S R08E S17	NWSW	40.00	T06S R08E S17	SWSW	40.00
T06S R08E S17	SESW	40.00	T06S R08E S17	NESE	40.00
T06S R08E S17	NWSE	40.00	T06S R08E S17	SWSE	40.00
T06S R08E S17	SESE	40.00			

120 acres within an existing 4,128-acre permissible place of 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:

Existing pump station from the Snake River to distribution piping and pivot irrigation system, which will comply with all water measurement and reporting requirements of Water District 02, as and when imposed.

- b. Who owns the property at the point(s) of diversion? USDI-Bureau of Land Management (BLM)

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:
Right-of-way Serial No. I-21930.

- 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: No liens, deeds of trust, mortgages or contracts

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:

Land at original place of use that is the subject of this transfer application will no longer be irrigated.

- 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:

There are partial overlaps of water rights 2-10420 and 2-10422 with water right 57-11710. Non-overlapping acres of 2-10420 are proposed for this transfer. Thirty-nine acres of water right 57-11710 overlap with 2-10422 and will no longer be irrigated. Existing water rights at the new place of use include 2-2260, 2-7019B, 2-7019D, 2-7022B, 2-7023B, 2-7102B, and 2-10053 (800 acres within the 4,128-acre permissible place of 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:

Water rights 2-10420 and 2-10422 are currently leased to the Idaho Water Supply Bank. The rights were not rented for the 2015 season as of November 20, 2014 (per conversation with IDWR staff). Water rights 2-10420 and 2-10422, and overlapping portions of water right 57-11710 (39 acres) will be removed from the Idaho Water Supply Bank and the overlapping portion of 57-11710 will be relinquished upon transfer approval.

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

Current Water Right No.: 2-10420

Current Owner: MICHAEL B IHLE
LINDA M IHLE
Priority Date: 7/30/1969
Origin: Water Right
Status: Water Supply Bank Active
Basis: Decreed

Source

SNAKE RIVER

Tributary

COLUMBIA RIVER

Beneficial Use

IRRIGATION

From To

03/01 to 10/31

Total Diversion

Diversion Rate

1.74 CFS

1.74 CFS

Annual Volume

Location of Point(s) of Diversion

SNAKE RIVER

OWYHEE County

L7(SW1/4SW1/4)

Sec. 26, Twp 03S, Rge 01E B.M.

Place of Use

IRRIGATION Within OWYHEE County

T04S R01E S1	SWNE	12.00	T04S R01E S12	NENE	24.00
T04S R01E S12	SENE	2.00	T04S R01E S12	NESE	4.00
T04S R01E S12	SESE	12.00	T04S R01E S13	NENE	15.00

Total Acres: 69

Conditions of Approval:

1. 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 may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
2. S39 The use of water for irrigation under this right may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
3. F06 The following rights are also diverted through point of diversion described above: 2-2357A, 2-2357B, 2-2173, 2-7046E, and 2-10398.

Decreed Date: 6/8/2009

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

Current Water Right No.: 2-10422

Current Owner: MICHAEL B IHLI
LINDA M IHLI

Priority Date: 7/30/1969

Origin: Water Right

Status: Water Supply Bank Active

Basis: Decreed

Source

SNAKE RIVER

Tributary

COLUMBIA RIVER

Beneficial Use

IRRIGATION

From To

03/01 to 10/31

Diversion Rate

2 CFS

Annual Volume

Total Diversion

2 CFS

Location of Point(s) of Diversion

SNAKE RIVER

L7(SW1/4SW1/4)

Sec. 26, Twp 03S, Rge 01E B.M.

OWYHEE County

Place of Use

IRRIGATION Within OWYHEE County

T04S R01E S1	NWSE	20.00	T04S R01E S12	SWNE	20.00
T04S R01E S12	NWSE	20.00	T04S R01E S12	SWSE	20.00
T04S R01E S13	NWNE	20.00			

Total Acres: 100

Conditions of Approval:

1. S39 The use of water for irrigation under this right may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
2. C18 This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
3. E53 Use of this right with Right Nos. 57-7034A, 57-11708, 57-11709 and 57-11710 is limited to a total combined annual diversion volume of 2220 AF.
4. F06 The following rights are also diverted through point of diversion described above: 2-2357A, 2-2357B, 2-2173, 2-7046E, and 2-10398.

Decreed Date: 6/9/2009

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 @ www.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 @ www.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: 2-10420

- [illegible]

2. Lands irrigated or place of use: (If irrigation, identify with number of acres irrigated per $\frac{1}{4}$ $\frac{1}{4}$ tract.)

[illegible]

Idaho Water Company - Cam

RECEIVED

OCT 14 2015

WATER RESOURCES
WESTERN REGION

OPTION AGREEMENT

FOR PURCHASE AND SALE OF WATER RIGHT

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT ("Agreement") is made and entered into this 26th day of September, 2014 ("Effective Date"), by and between Michael B. Ihli and Linda M. Ihli, whose address is 625 South School Avenue Kuna, Idaho 83634. (hereinafter "Seller") and Idaho Water Company LLC, an Idaho limited liability company, whose address is 1135 Valley Road, So. Eden, Idaho 83325 (hereinafter "Buyer").

RECITALS

A. WHEREAS, Seller is the owner of water right(s) designated as Right No(s). 2-10422 and 2-10420 ("Water Rights") in the records of the Idaho Department of Water Resources ("Department") more particularly described in Exhibit A hereto.

B. Seller offers to sell and Buyer wishes to purchase the Water Rights, or the following described portion(s) of the Water Rights: 120 acres consisting of 100 acres of 2-10422 at 2.0 cfs and 20 acres of 2-10420 at 0.5 cfs. Further, the parties intend to change the point of diversion and place of use thereof to other lands ("Transfer"). To the extent Buyer is purchasing only a portion of the Water Rights, then as used hereafter in this Agreement the term "Water Rights" shall refer to such portions of the Water Rights subject to purchase by Buyer.

C. Seller and Buyer acknowledge that the Transfer will require formal application to and approval by, the Idaho Department of Water Resources.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the sums to be paid by Buyer to Seller, and the covenants and conditions set forth below, the parties hereby agree as follows:

1. Purchase and Sale. Seller, in consideration of the terms contained herein, agrees to sell and convey to Buyer, and Buyer does hereby agree to buy from Seller the Water Rights. No land is included in this Agreement.

2. Purchase Price. The purchase price for the acres of the Water Rights are Two Hundred Seventy Thousand Dollars (\$270,000.00) ("Purchase Price"), which is based on \$2250.00 per acre of water ("Per-Acre Price") for each of the 120 acres currently authorized to be irrigated under the Portion of the Water Rights. The Purchase Price shall be payable upon satisfaction of the option period and final approval of the transfer. '

Earnest Money Deposit. Upon execution of this Agreement by Seller and Buyer, Buyer shall pay to Seller \$1,000.00 earnest or option money.

Balance of Purchase Price. The balance of the Purchase Price following the feasibility And Option Period , being Two Hundred Sixty Nine Thousand Dollars (\$269,000.00), shall be due and payable to Seller at Closing.

Adjustment to Purchase Price. Seller and Buyer acknowledge the Purchase Price is based upon the Per-Acre Price, which in turn is based upon an assumed transferable volume of 4.5 acre feet and a transferable diversion rate of .02 cubic feet per second (cfs) per each irrigated acre. If the Department approves the Transfer but with conditions limiting the total annual diversion volume to less than the above described per acre volume and diversion rate and provided Buyer, in Buyer's sole discretion, has waived the conditions precedent herein, then the parties agree the Purchase Price shall be adjusted at Closing based on the number of acres that could be supplied with the above described per acre volume and diversion rate approved by the per acre price.

3. Option. Upon execution of this agreement by the parties, Buyer shall deliver to Seller the sum of \$1000.00 as option or earnest money. The option money shall be applied to the Purchase Price at Closing. Payment of the option money entitles the Buyer to a sixty (60) day feasibility period in which to investigate the Water Rights. During the feasibility period, Seller agrees to provide any necessary and proper documentation, in a reasonably expedient manner, as requested to aid Buyer's investigation. Upon completion of the Buyer's investigation and expiration of the feasibility period, Buyer shall, within ten days, pay to Seller an additional non-refundable amount of \$5000.00 (Five Thousand Dollars) Option Money for a six month extension of the Option Period. Buyer shall provide Seller timely notice upon expiration of, or at any time during the six month Option Period that he intends to complete the Purchase and file a transfer of the Water Rights or that Buyer intends, at his election, not to exercise the Option. If Buyer completes the transfer and Closes the contract, the \$5000.00 Option Money shall be applied against the Purchase Price.

4. Pre-Closing Obligations. Seller and Buyer agree to cooperate in obtaining Department approval of the Transfer. Within thirty (30) days following the notice to exercise the Option,

to Page 3

Buyer shall file with the Department an application to transfer the Water Rights in Seller's name using Buyer's intended place of use and point of diversion with Buyer being responsible for the costs to prepare, file and prosecute the Transfer application with the Department, including all consultant fees for preparation of the Transfer application, calculation of mitigation, and Buyer's attorney fees in the case of protests and hearings on the Transfer. Buyer and Seller shall use best efforts to obtain timely Transfer approval. Seller authorizes Buyer to make needed changes to the Transfer application to facilitate the process of transferring the water provided such changes made will not materially change the amount of money Buyer has to pay, or the amount of water Buyer receives. Seller agrees to promptly provide to Buyer any necessary Seller approvals or authorizations required in connection with the Transfer, including but not limited to authorizations to file, amend and prosecute the Transfer application, or to request records of historical power consumption, water diversion records and cropping from state or federal agencies related to the Water Rights or the lands to which they are appurtenant.

5. Conditions Precedent. The Closing and Buyer's obligation to purchase the Water Rights are subject to: (i) Department approval of the Transfer on terms acceptable to Buyer, in Buyer's sole discretion, including but not limited to authorizing diversion and use of 480 acre-feet per annum and a total diversion rate of 2.4 cfs at such location(s) and for such purpose(s) as requested in the Transfer.

6. Termination: If the foregoing condition(s) precedent is/are neither satisfied nor waived by Buyer, or in the event of any default by Seller, and provided Buyer is not in default hereunder, Buyer may terminate this Agreement by giving written notice of termination to Seller. Buyer also may terminate this Agreement prior to issuance of an order approving or denying the Transfer, if Buyer determines, in Buyer's sole discretion, not to go forward with the Transfer based on the cost of the Transfer process, anticipated conditions of IDWR's approval of the Transfer (other than the transferrable quantity conditions set forth in section 5 above) or the probability of success of the Transfer. In such case, upon written notice to Seller, Buyer may halt the Transfer process and terminate this Agreement with no liability to Seller; provided however, that if Buyer terminates this Agreement for any such reasons, Seller shall be entitled to retain the balance of Option Money as consideration for Seller entering into this Agreement.

7. Buyer's Waiver of Transfer Approval. Provided all other conditions precedent to Seller's obligation to close have been met, Buyer has the right to waive the Transfer approval condition precedent and close the Water Rights purchase, to the extent that the Department's Transfer Approval reduces the rate or annual volume authorized to be diverted at the intended point of diversion and place of use, and Buyer, in Buyer's sole discretion, deems the diversion rate and/or volume actually authorized by the Transfer Approval nevertheless to be sufficient for Buyer's intended use. If Buyer so waives such condition precedent, then Buyer shall remain obligated to pay the balance of the Purchase Price subject to any adjustments provided for above. If Buyer completes the Closing of this transaction, all conditions precedent shall be deemed waived.

8. Closing. Closing shall occur within thirty (30) days following issuance of a final order by the Department approving the Transfer. Possession and use of the Water Rights shall pass to Buyer on Closing. At Closing, the Buyer shall deliver the balance of the Purchase Price to the Seller, less any permitted adjustments, and Seller shall deliver to Buyer a fully-executed Special Warranty Deed substantially in the form attached hereto as Exhibit B conveying the Water Rights to Seller.

9. Attorney Fees. In the event of any suit or proceeding by either party against the other party, in any way arising out of this Agreement, the prevailing party shall be awarded their reasonable attorney fees and costs.

10. Binding. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, representatives, successors and assigns.

11. Entire Agreement. This Agreement contains the entire agreement between the parties related to the purchase and sale of the Water Rights, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

12. Modification. No modification of this Agreement shall be valid unless the same is in writing and signed by both parties.

13. Essence of Time. Time is of the essence to this Agreement.

14. Notices. All notices to be given to the parties shall be in writing, delivered in hand, or by U.S. Mail, postage pre-paid directed to such parties address as contained herein unless such party shall have directed in writing that notice be sent to a different address.

15. Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF the parties have caused their names to be subscribed on the dates set forth above.

BUYER

Idaho Water Company LLC.
an Idaho limited liability company


Delbert G. Kohtz, Member

SELLER


Michael B. Ihli

SELLER


Linda M. Ihli

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT is made and entered into this 17th day of November, 2014, by and between the IDAHO WATER COMPANY LLC, an Idaho Limited Liability Company (hereafter "Seller") whose address is 1135 Valley Rd. So, Eden, Idaho, 83325, Delbert G. Kohtz, an individual ("Guarantor"), and MIDNIGHT SUN, INC. VIII, a Delaware Corporation (hereinafter "Buyer") whose address is c/o Charles W. Bryan, Jr., UBS AgriVest LLC, 1314 12th Ave. South, Suite 5, Nampa, Idaho, 83651. A member of the Seller, Del Kohtz discloses that he is a licensed real estate agent acting herein as principal for his own account and not representing or acting as an agent for the Buyer.

TERMS AND CONDITIONS

1. The Seller, in consideration of the terms contained herein, does hereby contract and agree to sell and convey to the Buyer and the Buyer does hereby agree to buy from the Seller a 120 acre portion of Idaho Water Right Nos. 02-10422 (100 acres) and 02-10420 (20 acres) and the water appurtenant thereto (the "Water Rights") for \$[REDACTED] per acre. There are 120 acres of water included in this agreement. No land is included in this agreement.
2. The total purchase price shall be \$[REDACTED] ([REDACTED] Thousand Dollars). The entire purchase price shall be paid at closing, less a 20% down payment in the amount of \$[REDACTED] ("Down Payment") to be paid to Seller at signing of this agreement.
3. This agreement is contingent upon and subject to approval of the application for transfer by the Idaho Department of Water Resources ("Department"), and such transfer approval shall be a condition precedent to Buyer's obligation to close the purchase and sale.

SCANNED
OCT 02 2015

A36

4. If the foregoing condition precedent is neither satisfied nor waived by Buyer, or in the event of any default by Seller, and provided Buyer is not in default hereunder, Buyer may terminate this agreement by giving written notice of termination to Seller, and Buyer shall be entitled to return of the Down Payment within twenty (20) days of Buyer's receipt of such notice.

5. Guarantor hereby personally guarantees Seller's obligation to return the Down Payment to Buyer as, if and when required by this agreement.

6. The closing of this transaction shall take place at the law offices of Givens Pursley LLP, 601 W. Bannock St., Boise, Idaho, 83702, within ten days of Buyer's receipt of a final order from the Department approving the application for transfer. At the closing, Buyer shall deliver to Seller the balance of the purchase price and Seller shall deliver to Buyer a fully-executed Special Warranty Deed for Water Rights conveying the Water Rights free and clear of liens and encumbrances. The Buyer shall be given possession and use of the Water Rights and the water appurtenant thereto upon closing.

7. Non-payment of the purchase price after the transfer has been approved shall constitute a lien on the Buyer's property, in the name of the Seller.

8. The Buyer's place of use and point of diversion will be used for the transfer. The Seller has a legally binding option contract with the original owner of the Water Rights and has the legal right to sell the Water Rights to Seller.

9. In the event of any suit or proceeding by either party against the other party, in any way arising out of this agreement, the prevailing party shall be awarded their reasonable attorney fees and costs.

10. This agreement shall be binding upon and shall inure to the benefit of the

SCANNED

OCT 02 2015

A37

heirs, personal representatives, administrators, successors and assigns to the parties hereto.

11. All consultant and filing fees for preparation and filing of the transfer application, calculation of mitigation, and attorney fees in the case of protests and hearings on the water transfer are to be paid by the Seller.

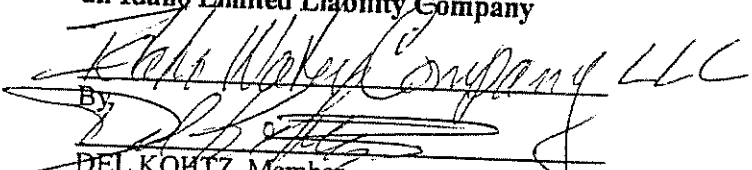
12. The Seller has the Buyer's permission to make needed changes to the Water Rights transfer application to facilitate the process of transferring the water to comply with the IDWR Transfer Model. The changes made will not materially change the amount of money Buyer has to pay, or the amount of water Buyer receives. Buyer will have notice of any changes made to the transfer application.

13. If, during the Buyer's due diligence period of not more than 30 days from the date this agreement is signed by both parties, the Buyer finds the Water Rights are deficient for the Buyer's intent, this agreement is void and the Down Payment will be refunded to Buyer.

IN WITNESS WHEREOF the parties have caused their names to be subscribed on the dates set forth above.

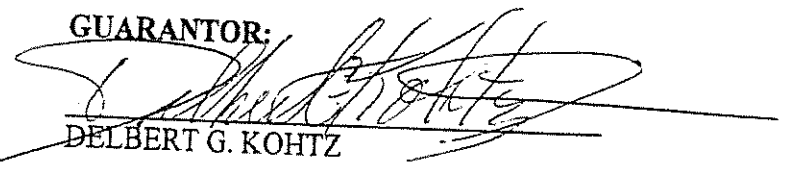
SELLER

Idaho Water Company, LLC,
an Idaho Limited Liability Company

By 

DEL KOHTZ, Member

GUARANTOR:


DELBERT G. KOHTZ

SCANNED

OCT 02 2015

A38

BUYER
Midnight Sun, Inc. VIII,
a Delaware Corporation

By

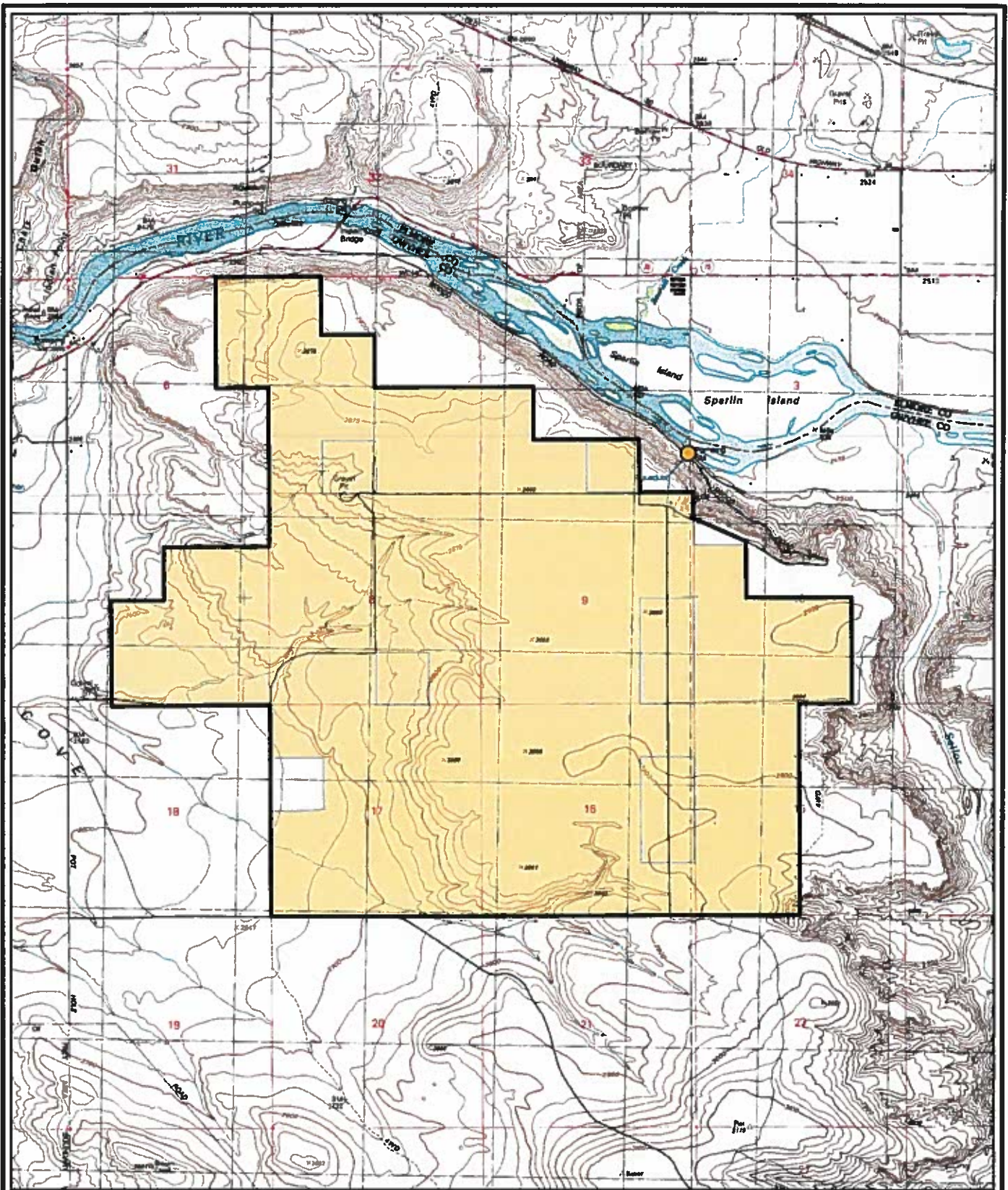


CHARLES M. BRYAN, JR.
Vice President, Midnight Sun, Inc. VIII

SCANNED

OCT 02 2015

A39



 Farm Boundary

 Existing Point of Diversion

 Existing Permissible Place of Use

Attachment 7a - Proposed Point of Diversion
and Permissible Place of Use



1

Miles

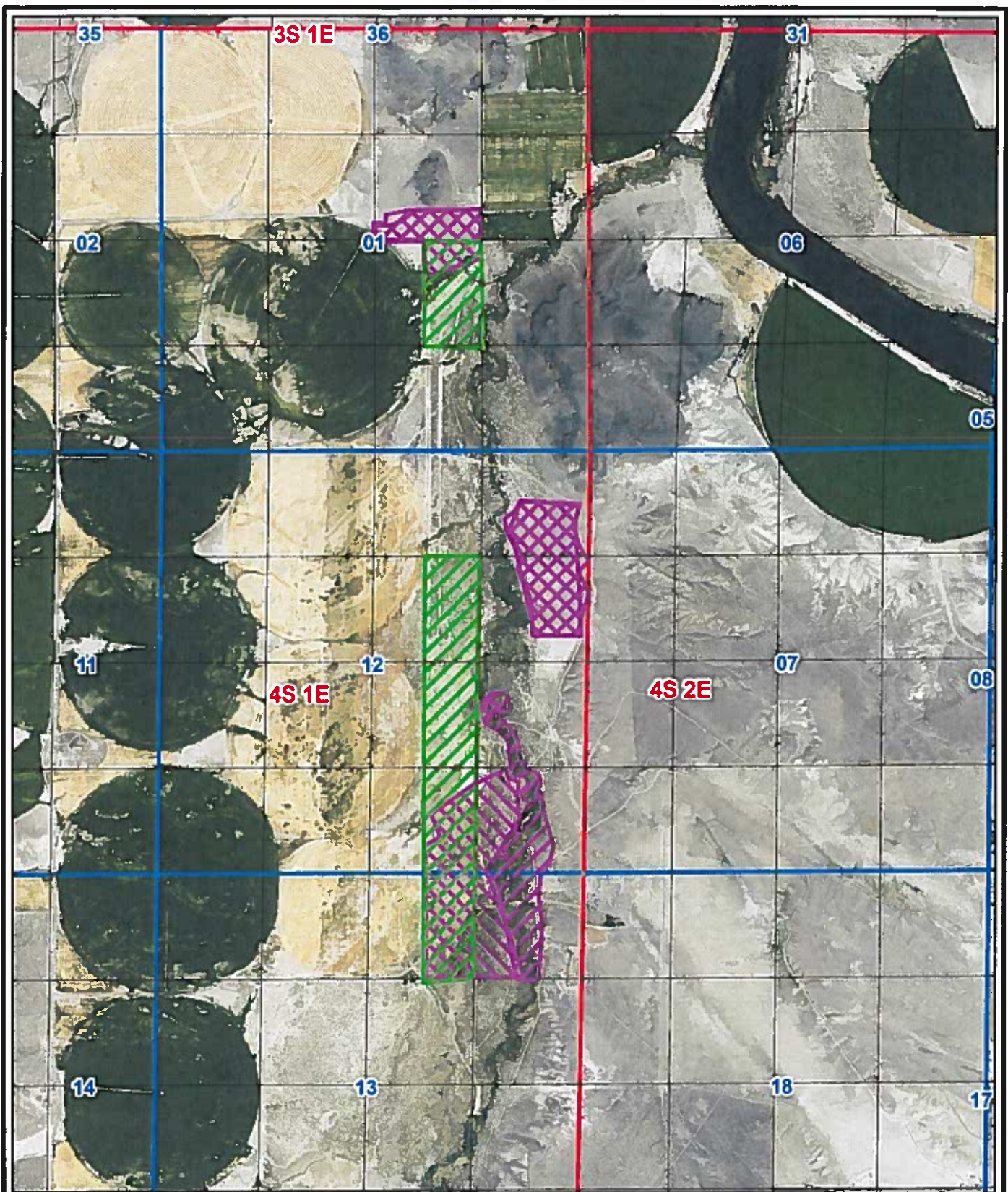


SPF WATER
ENGINEERING

TRANSFER NO. 79727

SCANNED

OCT 0 2015



EXPLANATION - PLACE OF USE

 2-10420
 2-10422

 57-11710

Attachment 7b(1) - Place of Use
 Before Proposed Transfer
 2013 NAIP Photography



0.5

Miles



SPF WATER
 ENGINEERING

NED
 2015

TRANSFER No. 79727



EXPLANATION - PLACE OF USE

 2-10420

 57-11710

Attachment 7b(2) - Place of Use
After Proposed Transfer
2013 NAIP Photography



0.5



Miles



SPF WATER
ENGINEERING

SCANNED
OCT 02 2015

Transfer No. 79727

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 79727

**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	
2-10420	12/31/2016	1.74		69.0	Attached? ☐ or No Change ☒
2-10422	12/31/2016	2.00		100.0	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:

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.

No. W 29874		Due no later than Apr 30, 2014		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 WATER COMPANY, LLC DELBERT G KOHTZ 1135 VALLEY RD SOUTH EDEN ID 83325 USA		DELBERT G KOHTZ 1135 VALLEY RD SOUTH EDEN ID 83325		3. <u>New</u> 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	
MEMBER	DELBERT G KOHTZ	1135 VALLEY RD SOUTH	EDEN	ID	USA	83325	
MEMBER	FRANCES L KOHTZ	1135 VALLEY RD SOUTH	EDEN	ID	USA	83325	
5. Organized Under the Laws of: ID W 29874		6. Annual Report must be signed.* Signature: Delbert Kohtz Name (type or print): Delbert Kohtz Date: 02/11/2014 Title: Managing Member					
Processed 02/11/2014		* Electronically provided signatures are accepted as original signatures.					

SCANNED

OCT 02 2015

Attachment #10

TRANSFER No. 7972

SUPERSEDED BY
REVISED AGREEMENT
RECEIVED 10/14/15. -AE

OPTION AGREEMENT

FOR PURCHASE AND SALE OF WATER RIGHT

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT ("Agreement") is made and entered into this 26th day of September, 2014 ("Effective Date"), by and between Michael B. Ihli and Linda M. Ihli, whose address is 625 South School Avenue Kuna, Idaho 83634. (hereinafter "Seller") and Idaho Water Company LLC, an Idaho limited liability company, whose address is 1135 Valley Road, So. Eden, Idaho 83325 (hereinafter "Buyer").

RECITALS

A. WHEREAS, Seller is the owner of water right(s) designated as Right No(s). 2-10422 and 2-10420 ("Water Rights") in the records of the Idaho Department of Water Resources ("Department") more particularly described in Exhibit A hereto.

B. Seller offers to sell and Buyer wishes to purchase the Water Rights, or the following described portion(s) of the Water Rights: 120 acres consisting of 100 acres of 2-10422 at 2.0 cfs and 20 acres of 2-10420 at 0.4 cfs. Further, the parties intend to change the point of diversion and place of use thereof to other lands ("Transfer"). To the extent Buyer is purchasing only a portion of the Water Rights, then as used hereafter in this Agreement the term "Water Rights" shall refer to such portions of the Water Rights subject to purchase by Buyer.

C. Seller and Buyer acknowledge that the Transfer will require formal application to, and approval by, the Idaho Department of Water Resources.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the sums to be paid by Buyer to Seller, and the covenants and conditions set forth below, the parties hereby agree as follows:

1. Purchase and Sale. Seller, in consideration of the terms contained herein, agrees to sell and convey to Buyer, and Buyer does hereby agree to buy from Seller the Water Rights. No land is included in this Agreement.

2. Purchase Price. The purchase price for the acres of the Water Rights are Two Hundred Seventy Thousand Dollars (\$██████████) ("Purchase Price"), which is based on \$██████████ per acre of water ("Per-Acre Price") for each of the 120 acres currently authorized to be irrigated under the Portion of the Water Rights. The Purchase Price shall be payable upon satisfaction of the option period and final approval of the transfer. '

Earnest Money Deposit. Upon execution of this Agreement by Seller and Buyer, Buyer shall pay to Seller \$1██████████ earnest or option money.

Balance of Purchase Price. The balance of the Purchase Price following the feasibility And Option Period , being ██████████, shall be due and payable to Seller at Closing.

Adjustment to Purchase Price. Seller and Buyer acknowledge the Purchase Price is based upon the Per-Acre Price, which in turn is based upon an assumed transferable volume of 4.5 acre feet and a transferable diversion rate of .02 cubic feet per second (cfs) per each irrigated acre. If the Department approves the Transfer but with conditions limiting the total annual diversion volume to less than the above described per acre volume and diversion rate and provided Buyer, in Buyer's sole discretion, has waived the conditions precedent herein, then the parties agree the Purchase Prices shall be adjusted at Closing based on the number of acres that could be supplied with the above described per acre volume and diversion rate approved by the per acre price.

3. Option. Upon execution of this agreement by the parties, Buyer shall deliver to Seller the sum of \$██████████ as option or earnest money. The option money shall be applied to the Purchase Price at Closing. Payment of the option money entitles the Buyer to a sixty (60) day feasibility period in which to investigate the Water Rights. During the feasibility period, Seller agrees to provide any necessary and proper documentation, in a reasonably expedient manner, as requested to aid Buyer's investigation. Upon completion of the Buyer's investigation and expiration of the feasibility period, Buyer shall, within ten days, pay to Seller an additional non-refundable amount of \$██████████ (██████████) Option Money for a six month extension of the Option Period. Buyer shall provide Seller timely notice upon expiration of, or at any time during the six month Option Period that he intends to complete the Purchase and file a transfer of the Water Rights or that Buyer intends, at his election, not to exercise the Option. If Buyer completes the transfer and Closes the contract, the \$5000.00 Option Money shall be applied against the Purchase Price.

4. Pre-Closing Obligations. Seller and Buyer agree to cooperate in obtaining Department approval of the Transfer. Within thirty (30) days following the notice to exercise the Option,

to Page 3

~~Buyer shall file with the Department an application to transfer the Water Rights in Seller's name using Buyer's intended place of use and point of diversion with Buyer being responsible for the costs to prepare, file and prosecute the Transfer application with the Department, including all consultant fees for preparation of the Transfer application, calculation of mitigation, and Buyer's attorney fees in the case of protests and hearings on the Transfer. Buyer and Seller shall use best efforts to obtain timely Transfer approval. Seller authorizes Buyer to make needed changes to the Transfer application to facilitate the process of transferring the water provided such changes made will not materially change the amount of money Buyer has to pay, or the amount of water Buyer receives. Seller agrees to promptly provide to Buyer any necessary Seller approvals or authorizations required in connection with the Transfer, including but not limited to authorizations to file, amend and prosecute the Transfer application, or to request records of historical power consumption, water diversion records and cropping from state or federal agencies related to the Water Rights or the lands to which they are appurtenant.~~

5. Conditions Precedent. The Closing and Buyer's obligation to purchase the Water Rights are subject to: (i) Department approval of the Transfer on terms acceptable to Buyer, in Buyer's sole discretion, including but not limited to authorizing diversion and use of 480 acre-feet per annum and a total diversion rate of 2.4 cfs at such location(s) and for such purpose(s) as requested in the Transfer.

6. Termination: If the foregoing condition(s) precedent is/are neither satisfied nor waived by Buyer, or in the event of any default by Seller, and provided Buyer is not in default hereunder, Buyer may terminate this Agreement by giving written notice of termination to Seller. Buyer also may terminate this Agreement prior to issuance of an order approving or denying the Transfer, if Buyer determines, in Buyer's sole discretion, not to go forward with the Transfer based on the cost of the Transfer process, anticipated conditions of IDWR's approval of the Transfer (other than the transferrable quantity conditions set forth in section 5 above) or the probability of success of the Transfer. In such case, upon written notice to Seller, Buyer may halt the Transfer process and terminate this Agreement with no liability to Seller; provided however, that if Buyer terminates this Agreement for any such reasons, Seller shall be entitled to retain the balance of Option Money as consideration for Seller entering into this Agreement.

7. Buyer's Waiver of Transfer Approval. Provided all other conditions precedent to Seller's obligation to close have been met, Buyer has the right to waive the Transfer approval condition precedent and close the Water Rights purchase, to the extent that the Department's Transfer Approval reduces the rate or annual volume authorized to be diverted at the intended point of diversion and place of use, and Buyer, in Buyer's sole discretion, deems the diversion rate and/or volume actually authorized by the Transfer Approval nevertheless to be sufficient for Buyer's intended use. If Buyer so waives such condition precedent, then Buyer shall remain obligated to pay the balance of the Purchase Price subject to any adjustments provided for above. If Buyer completes the Closing of this transaction, all conditions precedent shall be deemed waived.

8. Closing. Closing shall occur within thirty (30) days following issuance of a final order by the Department approving the Transfer. Possession and use of the Water Rights shall pass to Buyer on Closing. At Closing, the Buyer shall deliver the balance of the Purchase Price to the Seller, less any permitted adjustments, and Seller shall deliver to Buyer a fully-executed Special Warranty Deed substantially in the form attached hereto as Exhibit B conveying the Water Rights to Seller.

9. Attorney Fees. In the event of any suit or proceeding by either party against the other party, in any way arising out of this Agreement, the prevailing party shall be awarded their reasonable attorney fees and costs.

10. Binding. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, representatives, successors and assigns.

11. Entire Agreement. This Agreement contains the entire agreement between the parties related to the purchase and sale of the Water Rights, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

12. Modification. No modification of this Agreement shall be valid unless the same is in writing and signed by both parties.

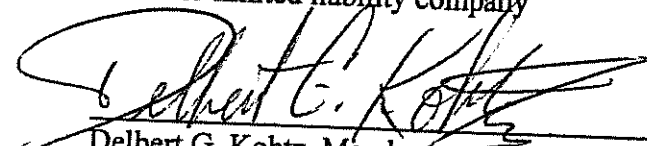
13. Essence of Time. Time is of the essence to this Agreement.

14. Notices. All notices to be given to the parties shall be in writing, delivered in hand, or by U.S. Mail, postage pre-paid directed to such parties address as contained herein unless such party shall have directed in writing that notice be sent to a different address.

15. Counterparts. This Agreement may be executed in counterparts.
IN WITNESS WHEREOF the parties have caused their names to be subscribed on the
dates set forth above.

BUYER

Idaho Water Company LLC.
an Idaho limited liability company


Delbert G. Kohtz, Member

SELLER


Michael B. Ihli

SELLER


Linda M. Ihli

RECEIVED



JUN 22 2015

WATER RESOURCES
WESTERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 79727

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 www.idwr.idaho.gov.

Name of Applicant(s) Idaho Water Company, 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 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: _____

SCANNED

OCT 02 2015

THIS AMENDED APPLICATION WITHDRAWN PER LETTER RECEIVED 9/25/15. -AL

RECEIVED

JUN 22 2015

WATER RESOURCES
WESTERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCESAPPLICATION FOR TRANSFER OF WATER RIGHT
PART 1Name of Applicant(s) Idaho Water Company LLCPhone (208) 312-1135Mailing address Delbert G. Kohtz, 1135 Valley Rd. S., Eden, ID 83325

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 RepresentativeName of Representative Roxanne Brown, SPF Water Engineering LLCPhone (208) 383-4140Mailing address 300 E. Mallard Dr., Suite 350, Boise, ID 83706Email rbrown@spfwater.comAttorney: Michael C. Creamer, Givens Pursley, P.O. Box 2720, Boise, ID 83701-2720 (208) 388-1200

- ☐ 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

Del Kohtz, Member

Print Name and Title if applicable

Date

Signature of Applicant or Authorized Representative

Delbert Kohtz

Print Name and Title if applicable

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. 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 seeks authorization to change the point of diversion and place of use for water right 2-10422 and the point of diversion and a portion of the place of use for water right 2-10420. No other element of the subject water rights will be changed.

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
SUPPLEMENTAL PAGE - PART 1.B.4 (PLACE OF USE)

Place of Use

IRRIGATION Within OWYHEE County

T06S R08E S4	NWSW	40.00	T06S R08E S4	SWSW	40.00
T06S R08E S4	SESW	40.00	T06S R08E S4	SWSE	40.00
T06S R08E S5	Lot 4 NWNW	44.00	T06S R08E S5	SWNW	40.00
T06S R08E S5	SENW	40.00	T06S R08E S5	NESW	40.00
T06S R08E S5	NWSW	40.00	T06S R08E S5	SWSW	40.00
T06S R08E S5	SESW	40.00	T06S R08E S5	NESE	40.00
T06S R08E S5	NWSE	40.00	T06S R08E S5	SWSE	40.00
T06S R08E S5	SESE	40.00	T06S R08E S6	Lot 1 NENE	44.00
T06S R08E S6	SENE	40.00	T06S R08E S7	SWNE	40.00
T06S R08E S7	SENE	40.00	T06S R08E S7	NESW	40.00
T06S R08E S7	SESW	40.00	T06S R08E S7	NESE	40.00
T06S R08E S7	NWSE	40.00	T06S R08E S7	SWSE	40.00
T06S R08E S7	SESE	40.00	T06S R08E S8	NENE	40.00
T06S R08E S8	NWNE	40.00	T06S R08E S8	SWNE	40.00
T06S R08E S8	SENE	40.00	T06S R08E S8	NENW	40.00
T06S R08E S8	NWNW	40.00	T06S R08E S8	SWNW	40.00
T06S R08E S8	SENW	40.00	T06S R08E S8	NESW	40.00
T06S R08E S8	NWSW	40.00	T06S R08E S8	SWSW	40.00
T06S R08E S8	SESW	40.00	T06S R08E S8	NESE	40.00
T06S R08E S8	NWSE	40.00	T06S R08E S8	SWSE	40.00
T06S R08E S8	SESE	40.00	T06S R08E S9	NENE	40.00
T06S R08E S9	NWNE	40.00	T06S R08E S9	SWNE	40.00
T06S R08E S9	SENE	40.00	T06S R08E S9	NENW	40.00
T06S R08E S9	NWNW	40.00	T06S R08E S9	SWNW	40.00
T06S R08E S9	SENW	40.00	T06S R08E S9	NESW	40.00
T06S R08E S9	NWSW	40.00	T06S R08E S9	SWSW	40.00
T06S R08E S9	SESW	40.00	T06S R08E S9	NESE	40.00
T06S R08E S9	NWSE	40.00	T06S R08E S9	SWSE	40.00
T06S R08E S9	SESE	40.00	T06S R08E S10	SWNW	40.00
T06S R08E S10	NESW	40.00	T06S R08E S10	NWSW	40.00
T06S R08E S10	SWSW	40.00	T06S R08E S10	SESW	40.00
T06S R08E S10	NWSE	40.00	T06S R08E S10	SWSE	40.00
T06S R08E S15	NENW	40.00	T06S R08E S15	NWNW	40.00
T06S R08E S15	SWNW	40.00	T06S R08E S15	SENW	40.00

T06S R08E S15	NESW	40.00	T06S R08E S15	NWSW	40.00
T06S R08E S15	SWSW	40.00	T06S R08E S15	SESW	40.00
T06S R08E S16	NENE	40.00	T06S R08E S16	NWNE	40.00
T06S R08E S16	SWNE	40.00	T06S R08E S16	SENE	40.00
T06S R08E S16	NENW	40.00	T06S R08E S16	NWNW	40.00
T06S R08E S16	SWNW	40.00	T06S R08E S16	SENW	40.00
T06S R08E S16	NESW	40.00	T06S R08E S16	NWSW	40.00
T06S R08E S16	SWSW	40.00	T06S R08E S16	SESW	40.00
T06S R08E S16	NESE	40.00	T06S R08E S16	NWSE	40.00
T06S R08E S16	SWSE	40.00	T06S R08E S16	SESE	40.00
T06S R08E S17	NENE	40.00	T06S R08E S17	NWNE	40.00
T06S R08E S17	SWNE	40.00	T06S R08E S17	SENE	40.00
T06S R08E S17	NENW	40.00	T06S R08E S17	NWNW	40.00
T06S R08E S17	SENW	40.00	T06S R08E S17	NESW	40.00
T06S R08E S17	NWSW	40.00	T06S R08E S17	SWSW	40.00
T06S R08E S17	SESW	40.00	T06S R08E S17	NESE	40.00
T06S R08E S17	NWSE	40.00	T06S R08E S17	SWSE	40.00
T06S R08E S17	SESE	40.00			

120 acres within an existing 4,128-acre permissible place of 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:
Existing pump station from the Snake River to distribution piping and pivot irrigation system, which will comply with all water measurement and reporting requirements of Water District 02, as and when imposed.

- b. Who owns the property at the point(s) of diversion? USDI-Bureau of Land Management (BLM)
If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:
Right-of-way Serial No. I-21930.

- 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: No liens, deeds of trust, mortgages or contracts

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:
Land at original place of use that is the subject of this transfer application will no longer be irrigated.

- 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:
There are partial overlaps of water rights 2-10420 and 2-10422 with water right 57-11710. Non-overlapping acres of 2-10420 are proposed for this transfer. Thirty-nine acres of water right 57-11710 overlap with 2-10422 and will no longer be irrigated. Existing water rights at the new place of use include 2-2260, 2-7019B, 2-7019D, 2-7022B, 2-7023B, 2-7102B, and 2-10053 (800 acres within the 4,128-acre permissible place of 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:

Water rights 2-10420 and 2-10422 are currently leased to the Idaho Water Supply Bank. The rights were not rented for the 2015 season as of November 20, 2014 (per conversation with IDWR staff). Water rights 2-10420 and 2-10422, and overlapping portions of water right 57-11710 (39 acres) will be removed from the Idaho Water Supply Bank and the overlapping portion of 57-11710 will be relinquished upon transfer approval.

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

Current Water Right No.: 2-10420

Current Owner: MICHAEL B IHLI
LINDA M IHLI
Priority Date: 7/30/1969
Origin: Water Right
Status: Water Supply Bank Active
Basis: Decreed

Source

SNAKE RIVER

Tributary

COLUMBIA RIVER

Beneficial Use

IRRIGATION

From To

03/01 to 10/31

Total Diversion

Diversion Rate

1.74 CFS

1.74 CFS

Annual Volume

Location of Point(s) of Diversion

SNAKE RIVER

OWYHEE County

L7(SW1/4SW1/4)

Sec. 26, Twp 03S, Rge 01E B.M.

Place of Use

IRRIGATION Within OWYHEE County

T04S R01E S1	SWNE	12.00	T04S R01E S12	NENE	24.00
T04S R01E S12	SENE	2.00	T04S R01E S12	NESE	4.00
T04S R01E S12	SESE	12.00	T04S R01E S13	NENE	15.00

Total Acres: 69

Conditions of Approval:

1. 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 may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
2. S39 The use of water for irrigation under this right may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
3. F06 The following rights are also diverted through point of diversion described above: 2-2357A, 2-2357B, 2-2173, 2-7046E, and 2-10398.

Decreed Date: 6/8/2009

SCANNED

OCT 02 2015

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

Current Water Right No.: 2-10422

Current Owner: MICHAEL B IHLI
LINDA M IHLI
Priority Date: 7/30/1969
Origin: Water Right
Status: Water Supply Bank Active
Basis: Decreed

Source

SNAKE RIVER

Tributary

COLUMBIA RIVER

Beneficial Use

IRRIGATION

From To

03/01 to 10/31

Total Diversion

Diversion Rate

2 CFS

2 CFS

Annual Volume

Location of Point(s) of Diversion

SNAKE RIVER

OWYHEE County

L7(SW1/4SW1/4)

Sec. 26, Twp 03S, Rge 01E B.M.

Place of Use

IRRIGATION Within OWYHEE County

T04S R01E S1	NWSE	20.00	T04S R01E S12	SWNE	20.00
T04S R01E S12	NWSE	20.00	T04S R01E S12	SWSE	20.00
T04S R01E S13	NWNE	20.00			

Total Acres: 100

Conditions of Approval:

1. S39 The use of water for irrigation under this right may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
2. C18 This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
3. E53 Use of this right with Right Nos. 57-7034A, 57-11708, 57-11709 and 57-11710 is limited to a total combined annual diversion volume of 2220 AF.
4. F06 The following rights are also diverted through point of diversion described above: 2-2357A, 2-2357B, 2-2173, 2-7046E, and 2-10398.

Decreed Date: 6/9/2009

SCANNED
OCT 07 2015

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 3

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

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

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

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

B. CHANGES IN NATURE OF USE (Water Balance)

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

C. PLACE OF USE CHANGES TO SUPPLEMENTAL IRRIGATION RIGHTS

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

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

FOR DEPARTMENT USE ONLY

Transfer contains 10 pages and 4 attachments.

Received by WESTERN REGION Date 6/22/15 Preliminary check by AA Date 9/10/15

* Fee paid \$660.00 Date 12/11/14 Received by CJ Receipt # W042685

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

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

*FEE PAID W/ ORIGINAL FILING RECEIVED 12/11/14. Page 010
-AG

SCANNED

007 0 2 2015

OPTION AGREEMENT

FOR PURCHASE AND SALE OF WATER RIGHT

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT ("Agreement") is made and entered into this 26th day of September, 2014 ("Effective Date"), by and between Michael B. Ihli and Linda M. Ihli, whose address is 625 South School Avenue Kuna, Idaho 83634. (hereinafter "Seller") and Idaho Water Company LLC, an Idaho limited liability company, whose address is 1135 Valley Road, So. Eden, Idaho 83325 (hereinafter "Buyer").

RECITALS

A. WHEREAS, Seller is the owner of water right(s) designated as Right No(s). 2-10422 and 2-10420 ("Water Rights") in the records of the Idaho Department of Water Resources ("Department") more particularly described in Exhibit A hereto.

B. Seller offers to sell and Buyer wishes to purchase the Water Rights, or the following described portion(s) of the Water Rights: 120 acres consisting of 100 acres of 2-10422 at 2.0 cfs and 20 acres of 2-10420 at 0.1 cfs. 242.5K Further, the parties intend to change the point of diversion and place of use thereof to other lands ("Transfer"). To the extent Buyer is purchasing only a portion of the Water Rights, then as used hereafter in this Agreement the term "Water Rights" shall refer to such portions of the Water Rights subject to purchase by Buyer.

C. Seller and Buyer acknowledge that the Transfer will require formal application to, and approval by, the Idaho Department of Water Resources.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the sums to be paid by Buyer to Seller, and the covenants and conditions set forth below, the parties hereby agree as follows:

1. Purchase and Sale. Seller, in consideration of the terms contained herein, agrees to sell and convey to Buyer, and Buyer does hereby agree to buy from Seller the Water Rights. No land is included in this Agreement.

SCANNED

OCT 02 2015

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHTS - 1

ATTACHMENT # 3 (9 PAGES)

TRANSFER No. 79727 A3.

2. Purchase Price. The purchase price for the acres of the Water Rights are [REDACTED] ("Purchase Price"), which is based on [REDACTED] per acre of water ("Per-Acre Price") for each of the 120 acres currently authorized to be irrigated under the Portion of the Water Rights. The Purchase Price shall be payable upon satisfaction of the option period and final approval of the transfer. '

Earnest Money Deposit. Upon execution of this Agreement by Seller and Buyer, Buyer shall pay to Seller [REDACTED] earnest or option money.

Balance of Purchase Price. The balance of the Purchase Price following the feasibility And Option Period, being [REDACTED], shall be due and payable to Seller at Closing.

Adjustment to Purchase Price. Seller and Buyer acknowledge the Purchase Price is based upon the Per-Acre Price, which in turn is based upon an assumed transferable volume of 4.5 acre feet and a transferable diversion rate of .02 cubic feet per second (cfs) per each irrigated acre. If the Department approves the Transfer but with conditions limiting the total annual diversion volume to less than the above described per acre volume and diversion rate and provided Buyer, in Buyer's sole discretion, has waived the conditions precedent herein, then the parties agree the Purchase Price shall be adjusted at Closing based on the number of acres that could be supplied with the above described per acre volume and diversion rate approved by the per acre price.

3. Option. Upon execution of this agreement by the parties, Buyer shall deliver to Seller the sum of [REDACTED] as option or earnest money. The option money shall be applied to the Purchase Price at Closing. Payment of the option money entitles the Buyer to a sixty (60) day feasibility period in which to investigate the Water Rights. During the feasibility period, Seller agrees to provide any necessary and proper documentation, in a reasonably expedient manner, as requested to aid Buyer's investigation. Upon completion of the Buyer's investigation and expiration of the feasibility period, Buyer shall, within ten days, pay to Seller an additional non-refundable amount of [REDACTED] Option Money for a six month extension of the Option Period. Buyer shall provide Seller timely notice upon expiration of, or at any time during the six month Option Period that he intends to complete the Purchase and file a transfer of the Water Rights or that Buyer intends, at his election, not to exercise the Option. If Buyer completes the transfer and Closes the contract, the [REDACTED] Option Money shall be applied against the Purchase Price.

4. Pre-Closing Obligations. Seller and Buyer agree to cooperate in obtaining Department approval of the Transfer. Within thirty (30) days following the notice to exercise the Option,

to Page 3

Buyer shall file with the Department an application to transfer the Water Rights in Seller's name using Buyer's intended place of use and point of diversion with Buyer being responsible for the costs to prepare, file and prosecute the Transfer application with the Department, including all consultant fees for preparation of the Transfer application, calculation of mitigation, and Buyer's attorney fees in the case of protests and hearings on the Transfer. Buyer and Seller shall use best efforts to obtain timely Transfer approval. Seller authorizes Buyer to make needed changes to the Transfer application to facilitate the process of transferring the water provided such changes made will not materially change the amount of money Buyer has to pay, or the amount of water Buyer receives. Seller agrees to promptly provide to Buyer any necessary Seller approvals or authorizations required in connection with the Transfer, including but not limited to authorizations to file, amend and prosecute the Transfer application, or to request records of historical power consumption, water diversion records and cropping from state or federal agencies related to the Water Rights or the lands to which they are appurtenant.

5. Conditions Precedent. The Closing and Buyer's obligation to purchase the Water Rights are subject to: (i) Department approval of the Transfer on terms acceptable to Buyer, in Buyer's sole discretion, including but not limited to authorizing diversion and use of 480 acre-feet per annum and a total diversion rate of 2.4 cfs at such location(s) and for such purpose(s) as requested in the Transfer.

6. Termination: If the foregoing condition(s) precedent is/are neither satisfied nor waived by Buyer, or in the event of any default by Seller, and provided Buyer is not in default hereunder, Buyer may terminate this Agreement by giving written notice of termination to Seller. Buyer also may terminate this Agreement prior to issuance of an order approving or denying the Transfer, if Buyer determines, in Buyer's sole discretion, not to go forward with the Transfer based on the cost of the Transfer process, anticipated conditions of IDWR's approval of the Transfer (other than the transferrable quantity conditions set forth in section 5 above) or the probability of success of the Transfer. In such case, upon written notice to Seller, Buyer may halt the Transfer process and terminate this Agreement with no liability to Seller; provided however, that if Buyer terminates this Agreement for any such reasons, Seller shall be entitled to retain the balance of Option Money as consideration for Seller entering into this Agreement.

7. Buyer's Waiver of Transfer Approval. Provided all other conditions precedent to Seller's obligation to close have been met, Buyer has the right to waive the Transfer approval condition precedent and close the Water Rights purchase, to the extent that the Department's Transfer Approval reduces the rate or annual volume authorized to be diverted at the intended point of diversion and place of use, and Buyer, in Buyer's sole discretion, deems the diversion rate and/or volume actually authorized by the Transfer Approval nevertheless to be sufficient for Buyer's intended use. If Buyer so waives such condition precedent, then Buyer shall remain obligated to pay the balance of the Purchase Price subject to any adjustments provided for above. If Buyer completes the Closing of this transaction, all conditions precedent shall be deemed waived.

8. Closing. Closing shall occur within thirty (30) days following issuance of a final order by the Department approving the Transfer. Possession and use of the Water Rights shall pass to Buyer on Closing. At Closing, the Buyer shall deliver the balance of the Purchase Price to the Seller, less any permitted adjustments, and Seller shall deliver to Buyer a fully-executed Special Warranty Deed substantially in the form attached hereto as Exhibit B conveying the Water Rights to Seller.

9. Attorney Fees. In the event of any suit or proceeding by either party against the other party, in any way arising out of this Agreement, the prevailing party shall be awarded their reasonable attorney fees and costs.

10. Binding. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, representatives, successors and assigns.

11. Entire Agreement. This Agreement contains the entire agreement between the parties related to the purchase and sale of the Water Rights, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

12. Modification. No modification of this Agreement shall be valid unless the same is in writing and signed by both parties.

13. Essence of Time. Time is of the essence to this Agreement.

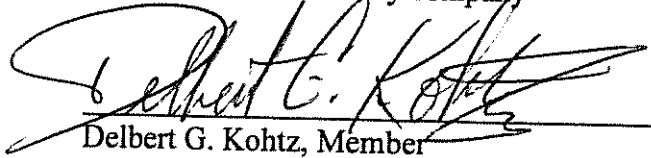
14. Notices. All notices to be given to the parties shall be in writing, delivered in hand, or by U.S. Mail, postage pre-paid directed to such parties address as contained herein unless such party shall have directed in writing that notice be sent to a different address.

15. Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF the parties have caused their names to be subscribed on the dates set forth above.

BUYER

Idaho Water Company LLC.
an Idaho limited liability company

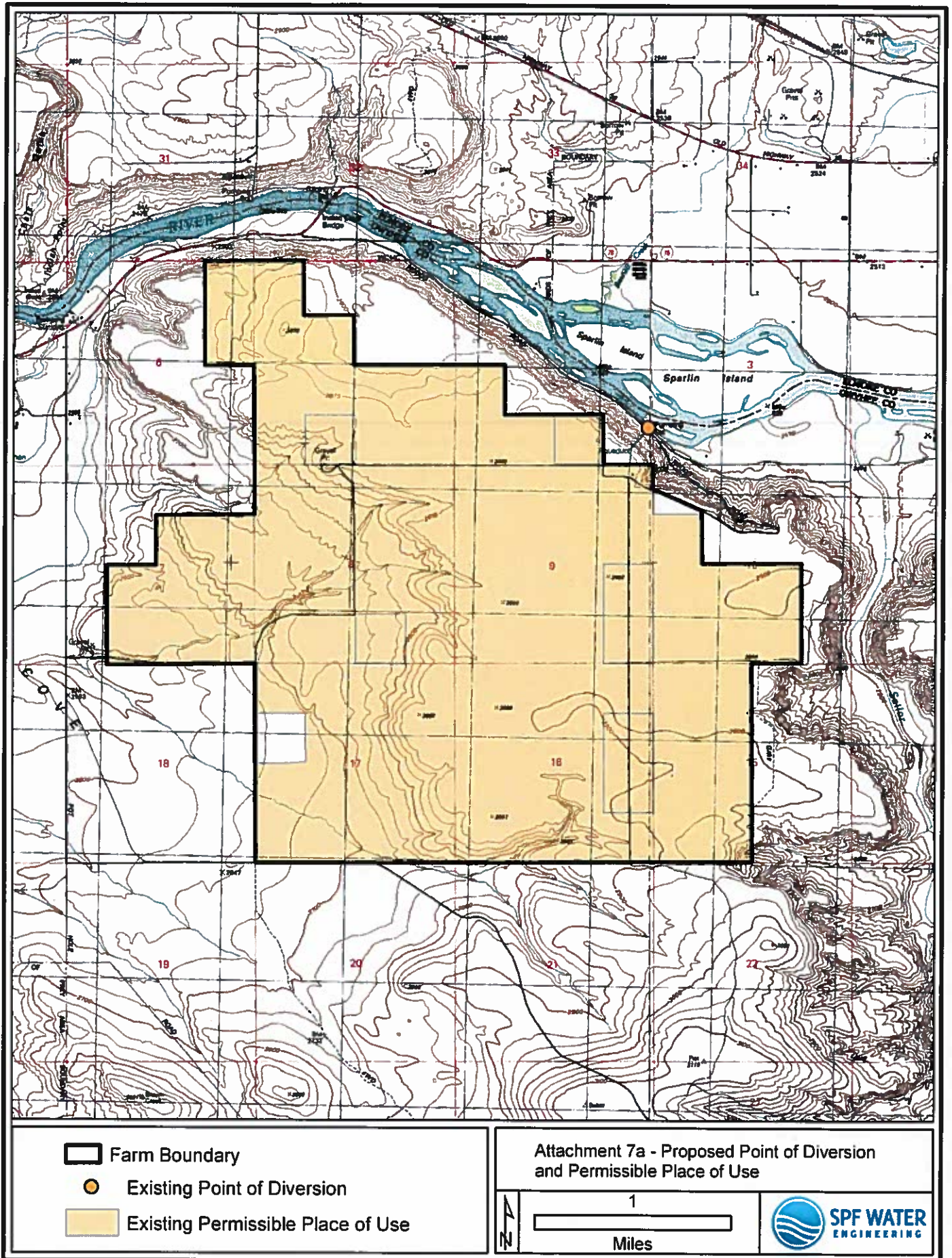

Delbert G. Kohtz, Member

SELLER


Michael B. Ihli

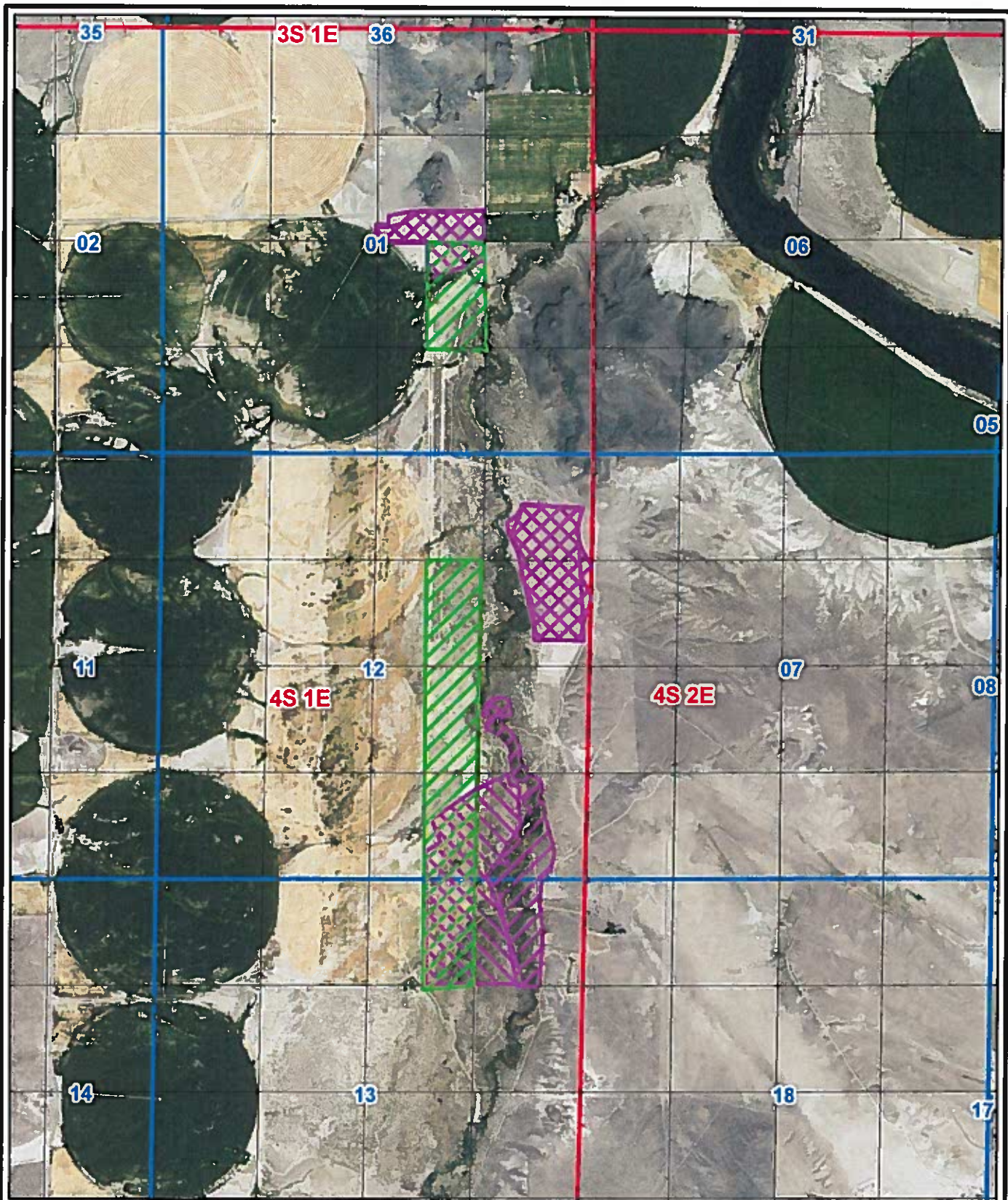
SELLER


Linda M. Ihli



TRANSFER No. 79727 CANNE

OCT 02 20



EXPLANATION - PLACE OF USE

 2-10420

 57-11710

 2-10422

Attachment 7b(1) - Place of Use
Before Proposed Transfer
2013 NAIP Photography



0.5

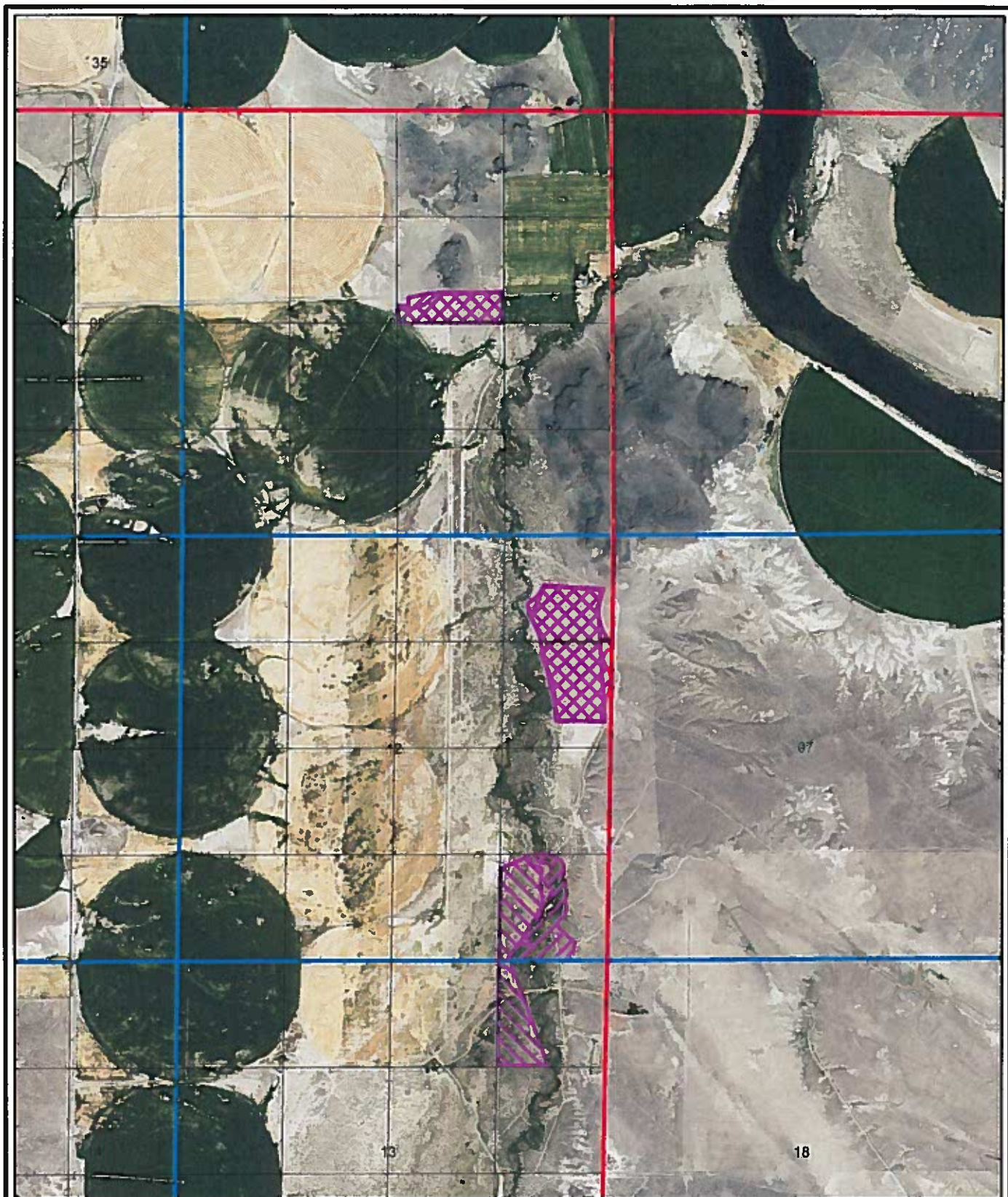
Miles



SCANNED

OCT 02 2015

TRANSFER No. 79227



EXPLANATION - PLACE OF USE



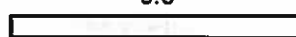
2-10420



57-11710

Attachment 7b(2) - Place of Use
After Proposed Transfer
2013 NAIP Photography

0.5



Miles



**SPF WATER
ENGINEERING**

SCANNED
OCT 02 2015

TRANSFER No. 7978

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESTransfer No. 79727**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	
2-10420	12/31/2016	1.74*		69.0	Attached? ☐ or No Change ☒
2-10422	12/31/2016	2.00		100.0	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:

* The rate of diversion for water right 2-10420 is shown as 1.74 cfs in IDWR's records. This appears to be an error created during processing of Transfer No. 74511. The correct diversion rate for water right 2-10420 is 1.46 cfs (a proportionate share of water right 2-10397).

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.

Attachment #9 (WSB)

SCANNED
OCT 02 2015