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Willis C. Moffatt, 1907-1980
Eugene C. Thomas, 1931-2010
John W. Barrett, 1931-2011
Richard C. Fields, 1931-2014
Kirk R. Helvie, 1956-2003

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May 12, 2014

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**Re: Assignment of Permit No. 65-22357, In The Name of Tamarack Resort LLC; and
Notice of Security Interest in Favor of Credit Suisse AG, Cayman Island Branch
MTBR&F File No. 23389.0000**

Dear John:

I am writing in follow-up to our phone conversations regarding the above-referenced matter. I write on behalf of New TR Acquisition Co. LLC ("Acquisition"), the new record owner of the property (both real and personal) commonly known as Tamarack Resort near Donnelly, Idaho for purposes of the enclosed Assignment of Permit. I also write on behalf of Credit Suisse AG, Cayman Islands Branch for purposes of the enclosed Notice of Security Interest.

As we discussed over the phone, Acquisition took ownership of the Tamarack Resort property (including water rights and permits) via judicial foreclosure proceedings and a subsequent Sheriff's sale held on March 10, 2014. Because of the foreclosure proceedings and the Sheriff's sale, there no longer is any viable signatory from Tamarack Resort LLC for purposes of assigning Permit No. 65-22357 to Acquisition. Because of this anticipated difficulty, you requested that I submit a "due diligence" letter explaining the history of this matter so that the Idaho Department of Water Resources can process the Assignment of Permit form absent Tamarack Resort LLC's signature.

On May 19, 2006, Tamarack Resort LLC and Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse, Cayman Islands Branch) ("Credit Suisse") executed a Mortgage, Leasehold Mortgage, Security Agreement, Assignment of Rents and Leases and Financing Statement ("First Mortgage"). I do not attach copies of the documents due to their relatively voluminous nature, but can provide the Department with copies upon request if the documentation is deemed necessary for processing. Also on May 19, 2006, Tamarack Whitewater Construction LLC, Village Plaza Construction LLC, and Credit Suisse executed an additional Mortgage, Leasehold Mortgage, Security Agreement, Assignment of Rents and

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Leases and Financing Statement ("Second Mortgage"). Again, I do not attach copies of the documents hereto, but can provide them to the Department upon request if deemed necessary.

The First and Second Mortgages granted to Credit Suisse a security interest in the real and personal property owned and used in connection with the businesses of Tamarack Resort LLC, Tamarack Whitewater Construction LLC, and Village Plaza Construction LLC. Tamarack Whitewater Construction LLC and Village Plaza Construction LLC were subsidiaries of Tamarack Resort LLC, and subsequently merged with Tamarack Resort LLC.

Due to default by Tamarack Resort LLC, Credit Suisse foreclosed on the First and Second Mortgages, the culmination of which resulted in a Valley County, Idaho Sheriff's sale of the Resort's real and personal property (collectively, the "Property") on March 10, 2014. Credit Suisse won the auction and the right to receive delivery of the Property from the Valley County Sheriff's Office.

Effective March 10, 2014, Credit Suisse expressly assigned its right to receive delivery of the Property to Acquisition. Therefore, the Valley County Sheriff's Office delivered the auctioned-off Property to Acquisition via a Sheriff's Certificate of Sale. As a result, Acquisition took ownership of the Property, including Permit No. 65-22357. This effectively means that Tamarack Resort LLC cannot assign what it no longer owns (*i.e.*, the March 10, 2014 Sheriff's sale involved the acquisition and conveyance of both the Resort's real *and* personal property, not just the real property). Consequently, Acquisition, by operation of the foreclosure and the subsequent Sheriff's sale, is the current owner of Permit No. 65-22357, and requests that the Department assign the permit to it and update the agency's records accordingly.

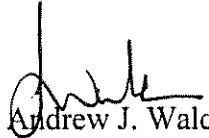
Please let me know if you have any questions, John. Hopefully, this correspondence meets the Department's processing needs. If the Department would like any of the documents referenced in this correspondence, I can provide them. In the meantime, however, I thought I would spare you the paper unless directed otherwise. At a minimum, your office is already in possession of: (1) the Sheriff's Certificate of Sale; and (2) the Mortgage, Leasehold Mortgage, Security Agreement, Assignment of Rents and Leases and Financing Statement executed by Acquisition and Credit Suisse AG, Cayman Islands Branch, dated March 10, 2014. Those documents were provided in connection with Acquisition's Notice in Change of Water Right Ownership for water right nos. 65-08702, 65-08703, and 65-22475.

Next, enclosed with this correspondence is a new Notice of Security Interest in a Water Right executed in favor of Credit Suisse AG, Cayman Islands Branch, covering water right nos. 65-08702, 65-08703, 65-22475, and Permit No. 65-22357. As you may recall, Credit Suisse AG, Cayman Islands Branch filed the same form against the same water rights in 2009, and renewed the filing in 2012, when Tamarack Resort, LLC was the owner. Credit Suisse AG, Cayman Islands Branch is simply renewing its filing against the same water rights now that New TR Acquisition Co. LLC is the owner. IDWR is already in possession of the documents evidencing the security interest (the Mortgage, Leasehold Mortgage, Security Agreement,

John Westra
May 12, 2014
Page 3

Assignment of Rents and Leases and Financing Statement, dated March 10, 2014) in the context of Acquisition's Notice of Change of Water Right Ownership filing. However, if IDWR would like additional copies of that documentation for purposes of the Notice of Security Interest, please let me know and I can provide them accordingly. As always, please feel free to contact me directly at (208) 385-5418 as necessary, John.

Very truly yours,



Andrew J. Waldera

AJW/dll
Enclosures