

Y-3 II
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RECEIVED
SEP 11 2014
DEPT OF WATER RESOURCES
SOUTHERN REGION

September 10, 2014

Attn: Corey Skinner
IDWR Southern Region
650 Addison Avenue W., Suite 500
Twin Falls, ID 83301-5858

Re: Notice of Change in Water Right Ownership

Dear Mr. Skinner:

Enclosed herewith is the Notice of Change in Water Right Ownership form which you and I discussed concerning the water rights relating to the South Mule Creek Ranch (the ranch formerly owned by Thomas Leno, aka Thomas G.A. Leno) which is located in Twin Falls County.

As noted during our telephone conversation of August 28, 2014, the Y-3 II, an Idaho general partnership, acquired ownership of the subject ranch from Mr. Leno effective July 30, 2014 with qualifications concerning the water rights to be transferred. Those qualifications are set forth in the Purchase and Sale Agreement; a copy of which is attached. As referenced during our telephone conversation and in the Purchase and Sale Agreement, Y-3 II is to receive all water rights which are appurtenant to the property subject to pending applications for the transfer of a portion of the water rights under Water Right No. 47-17589 and the correlated modifications that will result in surface water rights relating to Water Right Nos. 47-7287, 47-2118, 47-2048 and 47-14285 if the transfer of a portion of the ground water rights relating to Water Right No. 47-17589 are approved. As noted in the Purchase and Sale Agreement to the extent that a transfer of ground water rights under Water Right No. 47-17589 does not exceed a total of 93.2 acres of assigned water rights Thomas Leno and Y-3 II have agreed to that transfer.

In accordance with our telephone conversation, enclosed herewith you will find our Notice of Change in Water Right Ownership reflecting the transfer of all eight of the appurtenant water rights for the subject property without any reference to any split or transfer of the same. You advised me to submit our notice of change in this format since the transfer applications submitted by Thomas Leno (and the various dairy interests that are attempting to acquire a portion of his water rights) are presently in process and the final determination of whether or not a transfer or split of Water Right No. 47-17589 will be approved has not yet been made. Accordingly, also

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enclosed is our check in the amount of \$200.00 (\$25.00 per water right) as the application fee for the Y-3 II's Notice of Change in Water Right Ownership.

If you have any questions or concerns please contact me.

Best regards,



CHRISTOPHER W. "KIT" CLARK
General Counsel

CWC/lo

Enc.