

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) Lyle or Karlene Shupe

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 #1-9

- ☐ ☒ #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.
- ☐ ☒ #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 Other. Please describe: _____

JAN 22 2014

Department of Water Resources
Eastern Region

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1

Name of Applicant(s) Lyle or Karlene Shupe Phone (208)662-5501

Mailing address 2296 E 1950 N, Hamer, ID 83425-0188 Email _____

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

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

☐ No Representative

Name of Representative _____ Phone _____

Mailing address _____ Email _____

- ☐ 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.

Karlene S. Shupe
Signature of Applicant or Authorized Representative

Print Name and Title if applicable

1/20/14
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**.

This transfer proposes to change the point of diversion and place of use for water right 30-11427 to complete a land/
water right swap between neighbors. Land currently not covered by a water right will be covered.

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 ☒ ☐	31-11427	1.11 / 167.1	Irrigation	04/01 to 11/01	Ground Water
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 1.11 cfs and/or 167.1 acre-feet.

2. Total amount of water proposed to be transferred or changed 1.11 cubic feet per second and/or 167.1 acre-feet per annum.

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 #
		NW	NW	SE	29	07N	36E	JEFFERSON	GROUND WATER	

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

- ☐ No changes to place of use are proposed - the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	36E	29			33.5	18.6													52.1
07N	36E	28							3.6										3.6
Total Acres (for irrigation use)																			55.7



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 well.

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

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
If yes, ☐ Attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien:

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. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:
The land will not be affected, it is currently covered by other water rights.

- e. 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:
Water rights 31-12305, 31-12307, 31-2432, 31-4017 & 31-4018 all share the proposed POD. There are no water rights associated with the proposed POU.

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

Yes No

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

If yes, describe:

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

12/18/2013

Water Right 31-11427

Owner Type **Name and Address**
Current Owner LYLE R SHUPE
2296 E 1950 N
HAMER, ID 83425
(208)662-5228

Current Owner KARLENE SHUPE
2296 E 1950 N
HAMER, ID 83425

Priority Date: 1/25/1974

Basis: Decreed

Status: Active

Source
GROUND WATER

Tributary

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	1.110 CFS	167.1 AF
	<u>Total Diversion</u>		1.110 CFS	167.1 AF

Source and Point(s) of Diversion

GROUND WATER NWSWSE Sec. 21, Twp 07N, Rge 36E, JEFFERSON County

Place Of Use

IRRIGATION within JEFFERSON County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	36E	21													22.7	33.0			55.7

POU Total Acres: 55.7

Conditions of Approval:

1. 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.
2. F06 THE FOLLOWING RIGHTS ARE DIVERTED THROUGH POINT OF DIVERSION DESCRIBED ABOVE: 31-02291B, 31-10534, 31-11427.
3. C03 RIGHT INCLUDES ACCOMPLISHED CHANGE IN POINT OF DIVERSION PURSUANT TO SECTION 42-1425, IDAHO CODE.
4. C05 RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

12/18/2013

Dates and Other Information

Decreed Date: 2/22/2002
Civil Case Number: 39576
Judicial District: FIFTH
State or Federal: S
Owner Name Connector: Or
Water District Number: 110
Mitigation Plan: False

Combined Use Limits

N/A

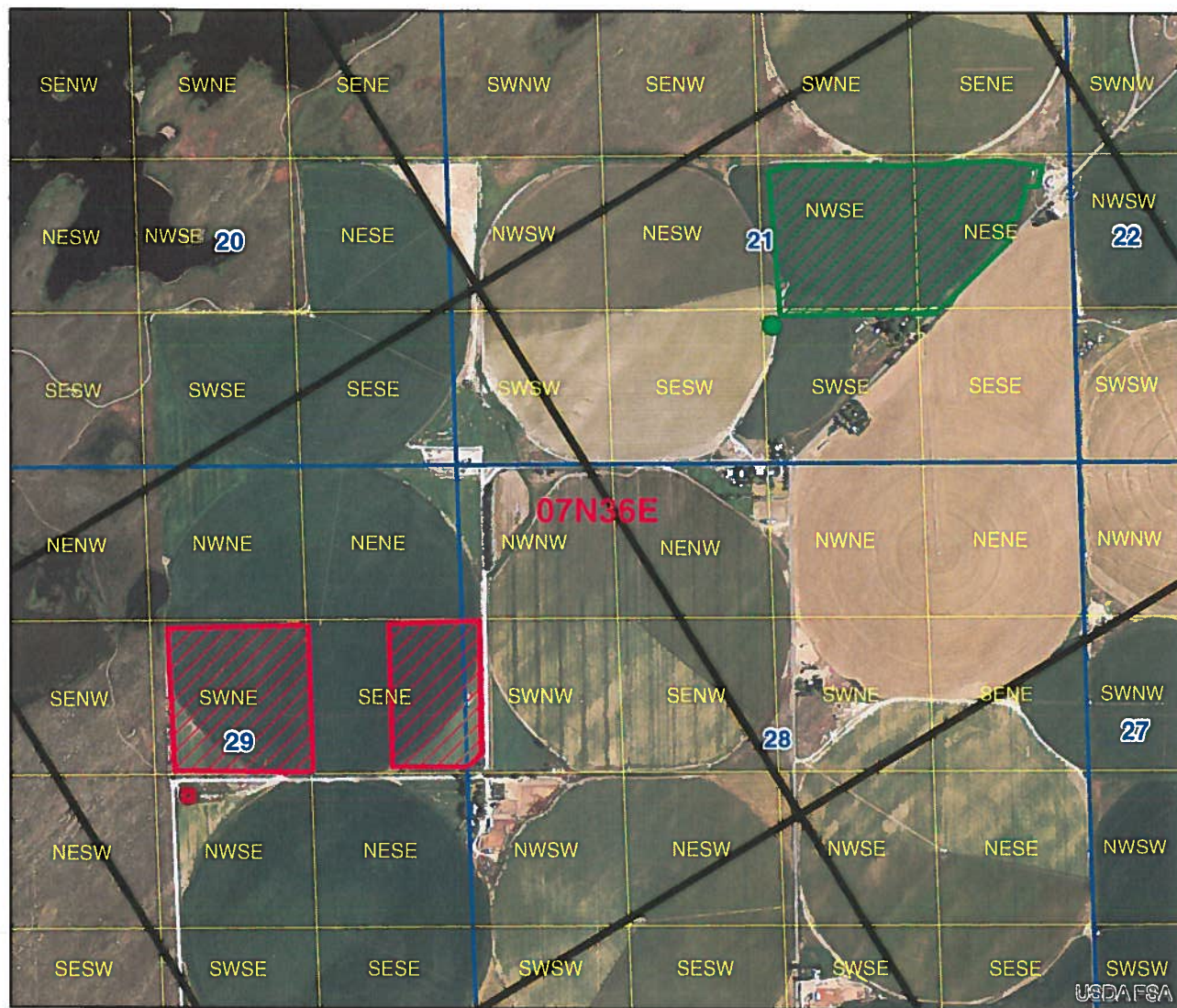
SubCase:

N/A

Water Supply Bank:

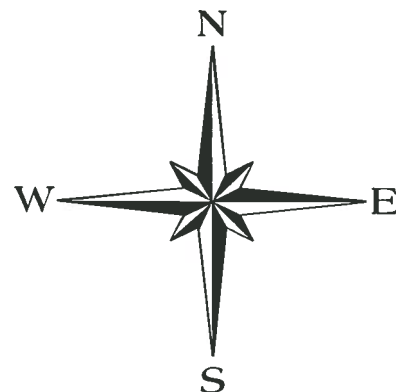
N/A

31-11427 Proposed Transfer



Legend

- Current Point of Diversion
- Proposed Point of Diversion
- Current Place of Use
- Model Grid
- Proposed Place of Use
- Township/Range
- Sections
- QQ



0 0.125 0.25 0.5 0.75 Miles

79 05 6

Image: 2011 NAIP

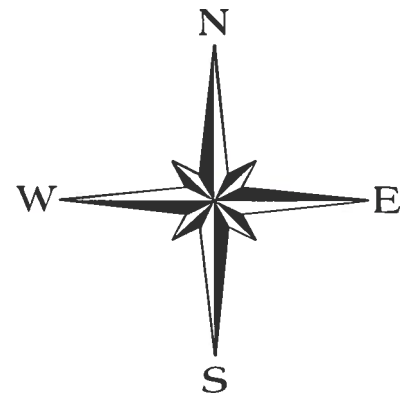
Idaho Department of Water Resources

31-11427 Proposed Transfer



Legend

-  Proposed Point of Diversion
-  Proposed Place of Use
-  Township/Range
-  Sections
-  QQ



0 0.04 0.08 0.16 0.24
Miles

79056

Image: 2011 NAIP

Idaho Department of Water Resources

REAL ESTATE EXCHANGE AGREEMENT

THIS REAL ESTATE EXCHANGE AGREEMENT ("Agreement"), dated this ____ day of April, 2011, by and between The Arlin and Coralle Knight Living Trust, of 2379 E. 2050 N. Hamer, ID 83425, (hereinafter "Knights"), and Lyle Shupe and Karleen Shupe, husband and wife, of 2296 E 1950 N, Hamer, Idaho 83425, (hereinafter "Shupes").

RECITALS

A. The Knights own an undivided interest in a certain parcel of real property located in Jefferson County, Idaho (the "Knight Property").

B. The Shupes own an undivided interest in certain parcels of real property located in Jefferson County, Idaho (the "Shupe Property").

C. The Knights desire to acquire the Shupe property, and the Shupes are willing to allow the Knights to acquire the Shupe Property, in exchange for the Shupes acquiring the Knight Property.

D. Accordingly, the parties hereto hereby agree as follows:

Section 1. THE EXCHANGED PROPERTY.

Section 1.1. Legal Description of the Knight Property.

The Knight Property is more particularly described as follows:

The S1/2NE1/4 of Sec. 29, Twp. 7N., Rge. 36 E., Boise Mer.

Section 1.2. Legal Description of the Shupe Property.

The Shupe Property is more particularly described as follows:

Township 7 North, Range 36 East of the Boise Meridian, Jefferson County, Idaho. Section 21: Commencing at a point where the South line of the North half of the Southeast Quarter intersects with the West right of way line of the Farm to market

Road commencing known and designated as the Hamer and Mud Lake Road and running thence in a Northeasterly direction along said right of way of said Hamer-Mud Lake Road a distance of 350 feet thence West 1005 feet thence South 247 feet thence East 758 feet to the point of beginning.

Section 2. TITLE.

Section 2.1. Title.

The Knights shall convey or cause to be conveyed by the legal owner or owners to The Shupes good and marketable title to the the Knight Property in fee simple, subject to the permitted exceptions. The Shupes shall convey or cause to be conveyed by the legal owner or owners to the Knights good and marketable title to the Shupe Property in fee simple, subject to the permitted exceptions.

Section 2.2. Permitted Exceptions.

"Permitted Exceptions" as used herein shall mean:

- (a) The Knights printed exceptions in a The Knights Owner's Form of Title Insurance Policy.
- (b) Subject to all existing easements or claims of easements, patent reservations, rights of way, applicable building codes, laws and regulations, encroachments, overlaps, boundary line disputes and other matters which would be disclosed by an accurate survey or inspection of the premises.
- (c) Current taxes, not yet due and payable.

(d) Such other exceptions as listed on the date each party acquired title to their respective Property, excluding, however, any mortgage, deed of trust, or financing security encumbrances.

Section 2.3. No Title Insurance.

Neither party shall be required to provide the other with any form of Title Insurance.

Section 3. PURCHASE PRICE.

The Knights together with the Shupes agree that the value of the Knights' interest in the Knight Property shall be equal to the value of the Shupes' interest in the Shupe Property. The Shupes shall credit the Knights in exchange for receipt of the Knights Property in an amount equal to the value received by the Shupes in the Knights Property ("The Knights's Exchange Price") and the Knights shall credit the Shupes in exchange for receipt of the Shupe Property in an amount equal to the value received by The Knights in the Shupe Property ("Shupe Exchange Price").

The difference shall be paid by The Knights to The Shupes as "Boot" and in the following manner:

None.

Section 4. LIKE-KIND EXCHANGE

(INTERNAL REVENUE CODE Sec. 1031)

Section 4.1. Exchange of Properties.

The Knights agrees to transfer and convey the Knight Property in consideration and in exchange for the transfer and conveyance by the Shupes to the Knights of the Shupe's property of like-kind.

Section 4.2. Terms for Acquisition of Properties.

Simultaneously with the conveyance of the Knight Property, The Shupes shall convey the Shupe Property.

SECTION 5. INDEMNIFICATION BY THE PARTIES.

The parties hereby agree to indemnify and hold each other harmless from any and all claim, demands or liabilities of any kind or nature that arise from their ownership and use of the demised exchanged premises from and after the date of closing.

Section 6. CONDITION AND USE OF EXCHANGED PROPERTIES.

(1) Except as otherwise stated in this Agreement, The parties hereto make no representations and warranties to each other regarding the physical condition of the exchanged properties. The exchanged properties are being exchanged on an "as is, where is" basis.

(2) ANY WARRANTY AS TO CONDITION OF ANY PROPERTY IS EXPRESSLY DISCLAIMED.

(3) EACH PARTY HERETO MAKES NO WARRANTIES OF ANY KIND AS TO ANY ADVERSE ENVIRONMENTAL CONDITION OR HAZARD REGARDING THE PREMISES.

(4) Each Party hereto covenants that they have thoroughly and carefully inspected the exchanged property, and all parts and portions of the property included in this exchange, and accept the same in the condition and state of repair the same are now in; further,

that in executing this contract, each party hereto has relied solely upon information and knowledge obtained from such personal inspection and investigation of said exchanged property, and they also acknowledge that no agent or employee of the other party has any power or authority to make any warranties, agreements, or representations as to said exchanged Property which are not contained in this contract, and it is further understood and agreed that this contract constitutes the whole agreement between the parties hereto and that no warranties, agreements, or representations have been made or shall be binding upon the parties hereto unless the same are set forth herein; the parties hereto further agree to maintain said exchanged property and improvements thereon in as good condition as the same are now in, reasonable wear and tear excepted, during the term of this agreement.

Section 7. THE CLOSING.

Section 7.1. Place and Date.

~~The closing of the sale and exchange contemplated hereunder (the "Closing") shall take place at the offices of RIGBY, ANDRUS & RIGBY, Chartered, of 25 N. 2nd E., Rexburg, Idaho 83440, (the "Closing Agent"), at a time mutually agreeable between the parties.~~

Section 7.2. Deposit with Sales Escrow.

On or before the closing date, The Knights will deposit with the Closing agent a good and sufficient Grant Deed to convey fee simple title to the Knight Property to the Shupes.

On or before the closing date, the Shupes will deposit with the Closing agent a good and sufficient Grant Deed to convey fee simple title to the Shupe Property to The Knights.

The Grant Deeds shall be free from all encumbrances and the deeds shall be delivered to the respective parties at the time of closing.

Section 7.3. Exchange Closing Instructions.

The Knights and The Shupes will deposit with the Closing agent whatever closing instructions that Closing agent may reasonably require.

Upon receipt of all of the items required to be deposited hereunder, the Closing Agent is authorized to close this original exchange transaction on the exchange closing date.

Section 7.4. Default Remedies.

(a) Should either party hereto default in his obligations under this Agreement, the defaulting party agrees to pay all damages and all actual costs and expenses incurred in enforcing this Agreement by the non-defaulting party, including but not limited to attorney's fees reasonably incurred whether incident to litigation or not.

Section 7.5. Closing Costs.

Closing costs shall be portioned between the parties as follows:

Expense	The Knights Ratio	The Shupes Ratio
Closing fees	50	50
Document preparation	50	50

Section 7.6. Pro-rations and Encumbrances.

It is recognized that neither party shall be obligated to pay any real property taxes to the other party or for the exchanged property as it is hereby agreed that each party's assumption of such obligation for the property exchanged is equal to each other's. Rents,

insurance, interest, and all other expenses of the exchanged properties shall also be pro-rated as of the date of Closing. Pro-rations shall be based on the most recent figures available. All other assessments, mortgages, liens, encumbrances, and charges to the property of any nature shall be paid by respective parties on the parcel they are transferring at or before closing.

Section 8. CONDITIONS OF PARTIES' OBLIGATIONS.

The Parties's obligation to perform their obligations under this Agreement is conditioned on the fulfillment of each of the following:

Section 8.1. No Defective Title.

Each party hereto shall have a reasonable time in which to examine the title to the respective premises prior to closing. If title is defective, either party hereto shall have the right to terminate this Agreement and all other agreements by and between the parties hereto; provided, however, that if the defective title to the exchanged property is subject to the ability to be cleared within a reasonable time, not to exceed ninety (90) days, the party desiring to transfer the parcel with the defective title may elect to so repair, in which case the closing date shall be extended by the amount of time necessary to clear title.

Section 9. REPRESENTATIONS AND WARRANTIES OF THE KNIGHTS.

The following representations and warranties on and as of the date hereof and shall be deemed to be made again at and as of the closing. The Knights represents and warrants to The Shupes as follows:

Section 9.1 Authorization: Binding Effect.

The Knights has full power to perform his obligations hereunder and to consummate the transactions contemplated hereby.

Section 9.2 Title to The Knight Property.

The Knights owns directly the Knight Property and have good and marketable title to the Knight Property, and, upon closing, the Knight Property shall not be subject to any mortgage, pledge, lien, lease, security interest, encumbrance or other charge of any nature whatsoever except the permitted encumbrances. The Knights have not employed contractors, workman, or suppliers upon the property within the last six months in activities which would give rise to mechanic's or supplier's liens upon the property.

Section 9.3 Hazardous Waste.

The Knights have no knowledge of the presence of any hazardous wastes or substances on the Knight Property.

Section 10. REPRESENTATION AND WARRANTIES OF The Shupes.

The Shupes represent and warrant to The Knights as follows:

Section 10.1 Authorization: Binding Effect

The Shupes have full power to perform their obligations hereunder and to consummate the transactions contemplated hereby.

Section 10.2 Title to the Shupe Property.

The Shupes own directly the Shupe Property and have good and marketable title to the Shupe Property, and, upon closing, the Shupe Property shall not be subject to any mortgage, pledge, lien, lease, security interest, encumbrance or other charge of any nature whatsoever except the permitted encumbrances. The Shupes have not employed contractors, workman, or suppliers upon the property within the last six months in activities which would give rise to mechanic's or supplier's liens upon the property.

Section 10.3 Hazardous Waste.

The Shupes have no knowledge of the presence of any hazardous wastes or substances on the Shupe Property.

Section 11. RESERVATION OF WATER RIGHTS

The Knights shall reserve water right 31-10534 and transfer and apply it to the Shupe Property. The Shupes shall reserve water right 31-11427 and transfer and apply it to the Knight Property. Each party agrees to transfer their reserved water right to their by complying with the transfer requirements of the Idaho Department of Water Resources, or by complying with whatever requirements the Idaho Department of Water Resources requires to transfer the water rights.

Section 12. POSSESSION.

The Shupes shall be entitled to possession of the Knight Property following closing of this Exchange Agreement.

The Knights shall be entitled to possession of the Shupe Property following closing of this Exchange Agreement.

Section 13. MUTUAL COVENANTS.

From time to time after the closing, the parties hereto shall deliver to each other such information and data as the each may reasonably request, including that required in order to enable the parties hereto to complete and file all Federal and State forms which may be required to be filed by them and otherwise to enable each party hereto to satisfy its internal accounting, tax and other requirements.

Section 14. SURVIVAL OF REPRESENTATIONS.

All representations, warranties, agreements and indemnification obligations contained in this Agreement shall survive the closing and shall remain in full force and effect.

Section 15. NOTICES.

All notices, requests, demands and other communications made hereunder shall be in writing and shall be deemed duly given when delivered in person or transmitted by telex or facsimile or on receipt after dispatch by registered or certified mail, postage prepaid, return receipt requested, as follows, or to such other address or person as either party may designate by notice to the other party hereunder:

If to The Shupes: The Shupes
 2296 E 1950 N,
 Hamer, Idaho 83425

If to The Knights: The Knights
 2379 E. 2050 N.
 Hamer, ID 83425

Section 16. AMENDMENTS; TERMINATION; WAIVER.

This Agreement can not be changed or terminated orally and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the proper party or parties. This Agreement may be terminated at any time prior to the closing by mutual written agreement of the parties hereto. Either party may waive any of the conditions to its obligations by a notice given at any time on or prior to the closing date.

Section 17. EFFECT OF THIS AGREEMENT, HEADINGS;

GOVERNING LAWS; COUNTERPARTS; PARTIES.

This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof. The section headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intentions of the parties. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Idaho. This Agreement may be executed in two or more counterparts, in any such counterparts bearing the signatures of the parties hereto shall, when taken together, constitute one of the same instrument. When used herein in reference to this Agreement, the term "Party" shall mean either The Knights or The Shupes, as the contacts may require. Time is of the essence of this Agreement.

Section 18. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and inure to the benefits of the parties and their respective successors, legal representatives, assigns, and heirs, but this Agreement may not be assigned by any party without the written consent of the other.

Section 19. ATTORNEYS' FEES.

In the event of any action or proceeding arising out of or in connection with this Agreement, the prevailing or non-breaching party will be entitled to all costs, expenses and reasonable attorneys' fees incurred by such party with or without suit and on appeal, which shall be paid on the non-prevailing or breaching party on demand.

IN WITNESS WHEREOF, each party hereto has executed this

Arlin and Coralle Knight Living Trust

"The Shupes"

Arlin Knight
Arlin Knight

Coral Knight
Coral Knight

Lyle R. Shupe
Lyle Shupe

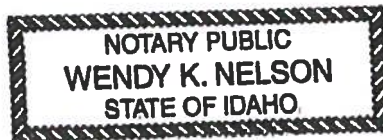
Karleen Shupe
Karleen Shupe

STATE OF IDAHO)

County of Bonneville ^{SS.})

On this 24 day of Sept., 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Arlin and Coralle Knight, as representatives of the Arlin and Coralle Knight Living Trust, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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



Wendy K. Nelson
Notary Public for Idaho
Residing at: Rigby ID
My Commission Expires: 5/28/2015

The Knights shall reserve 60 acres of water rights 31-10534 and 31-11452 and transfer and apply it to the Shupe Property. The Knights agree to leave 20 acres of water rights 31-10535 and 31-11452 with the Knight property. In addition, the Knights assign Permit No. 31-7444 (7/1/1985, 0.82 cfs, 41 acres) to the Shupes. The Shupes shall reserve water right 31-11427 and transfer and apply it to the Knight property. Each party agrees to transfer their reserved water right(s) to their property by complying with the transfer requirements of the Idaho Department of Water Resources, or by complying with whatever requirements the Idaho Department of Water Resources may have.

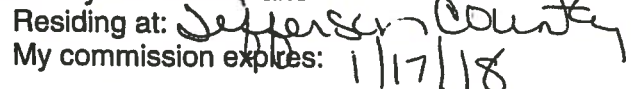
Coral Knight

Lyle Shupe

Karleen Shupe

County of Jefferson SS.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on
this 16 day of April, 2012



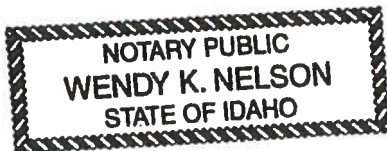
My commission expires: 12/31/2015

STATE OF IDAHO)

County of Bonneville) SS.

On this 24th day of Sept, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Lyle Shupe and Karleen Shupe, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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



Wendy K. Nelson
Notary Public for Idaho
Residing at: Rigby, ID
My Commission Expires: 5/28/2015