

MEMORANDUM

To: Water Right File No(s). 37-410 and 37-411

From: Monica Van Bussum

Date: October 22, 2012

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On August 20, 2012, we received applications to lease all of 37-410 and 37-411 to the Bank, along with other applications from the same owner. Those other applications will be handled under another approval.

AUTHORITY TO FILE: The applications were signed by Chris Pollak of Diamond/Soldier Properties.

WATER RIGHT VALIDITY: The rights were partially decreed in the Snake River Basin Adjudication in 2009, so the five-year period of non-use would not have elapsed anyway.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

LOCAL PUBLIC INTEREST:

Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The leases appear consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The watermaster indicates no concerns.

Van Bussum, Monica

From: Jennifer Talmadge [jenntalmadge@gmail.com]
Sent: Monday, October 22, 2012 4:28 PM
To: Van Bussum, Monica
Cc: Jim Speck
Subject: Re: FW: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications
Attachments: Manager Delegation of Authority - Diamond-Soldier Properties LLC.pdf

Attached is a Manager Delegation of Authority listing Chris as secretary/treasurer of Diamond Soldier Properties LLC. Let me (or Jim) know if this is not sufficient.

Thank you,
Jennifer

On Mon, Oct 22, 2012 at 3:21 PM, Van Bussum, Monica <Monica.VanBussum@idwr.idaho.gov> wrote:

Excellent! Thanks.

From: Jennifer Talmadge [mailto:jenntalmadge@gmail.com]
Sent: Monday, October 22, 2012 3:20 PM
To: Van Bussum, Monica
Subject: Re: FW: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications

Got it! I'll print it out for Jim so he at least has a hard copy...

On Mon, Oct 22, 2012 at 3:18 PM, Van Bussum, Monica <Monica.VanBussum@idwr.idaho.gov> wrote:

-----Original Message-----

From: Van Bussum, Monica
Sent: Monday, October 22, 2012 3:17 PM
To: 'Jim Speck'
Subject: RE: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications

-----Original Message-----

From: Van Bussum, Monica
Sent: Monday, October 22, 2012 3:14 PM
To: 'Jim Speck'
Cc: 'Greg Vik'; 'Nancy Lukacs'; 'Rodney Ray Gonsales'
Subject: RE: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications

Resending because the email to Jim was sent back as undeliverable.

-----Original Message-----

From: Van Bussum, Monica

Sent: Monday, October 22, 2012 3:13 PM

To: 'Jim Speck'

Cc: 'Greg Vik'; 'Nancy Lukacs'; 'Rodney Ray Gonsales'

Subject: RE: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications

Hi Jim,

I do have one question. The applications are signed by Chris Pollak, listed as Secretary-Treasurer of Diamond/Soldier Properties LLC. However, a check of the Idaho Secretary of State's Business Entities listing shows National Registered Agents, Inc., as the Registered Agent for Diamond/Soldier Properties LLC. That document is signed by Greg Vik. A check of the Idaho Secretary of State's Business Entities listing for National Registered Agents, Inc., turns up a list of names, but none of those are Chris Pollak. Do you have documentation showing Chris Pollak is an authorized representative for Diamond/Soldier Properties LLC? Thanks.

Monica

-----Original Message-----

From: Jim Speck [mailto:jim@speckandaanestad.com]

Sent: Monday, October 22, 2012 2:38 PM

To: Van Bussum, Monica

Cc: 'Greg Vik'; 'Nancy Lukacs'; 'Rodney Ray Gonsales'

Subject: RE: RE: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications

Monica,

Thanks for getting right back to me. Please contact me right away if you have any questions about these applications.

Jim

-----Original Message-----

From: Van Bussum, Monica

Sent: Monday, October 22, 2012 12:15 PM

To: Jim Speck

Cc: Greg Vik; Nancy Lukacs; Rodney Ray Gonsales

Hi Jim,

What fortuitous timing. The lease applications were data entered under the old water right ID number and when we moved the data over from the

SRBA records to the water right, the connection between the Water Supply Bank application field and the water right broke - that's what happens when we have old data systems. I sent an email to IT on Friday asking for the Diamond Soldier connections to be fixed and received word early this morning that they were fixed. This should show up online tomorrow morning. In the meantime, I have the Diamond Soldier applications on my desk and I am processing them as we speak.

Monica

-----Original Message-----

From: Jim Speck [mailto:jim@speckandaanestad.com]
Sent: Monday, October 22, 2012 11:41 AM
To: Van Bussum, Monica
Cc: Greg Vik; 'Nancy Lukacs'; Rodney Ray Gonsales
Subject: Re: Diamond/Soldier Properties/37-410 & 37-411 WSB Lease Applications

Monica,

Per the attached you received these lease applications at the end of August. However, a search of the lease database today shows nothing as having been filed. Please let me know the status of these applications as soon as you can. Thanks.

Jim

James P. Speck
SPECK & AANESTAD
A Professional Corporation
120 East Avenue
P.O. Box 987
Ketchum, ID 83340
[208.726.4421](tel:208.726.4421)
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jim@speckandaanestad.com

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DIAMOND/SOLDIER PROPERTIES LLC

Manager Delegation of Authority

Effective April 6, 2007

Diamond/Soldier Properties LLC (the "Company") is managed by a Manager as provided in the Company's Limited Liability Company Agreement (the "Agreement"). For efficient administration of the Company's affairs, however, the Manager is executing this document to appoint certain officers to assist in the administration of the Company's affairs. The Manager retains the right to manage the affairs of the Company as provided in the Company's Agreement. The Manager shall have the right to revoke this Delegation of Authority at any time, or to overrule any decision of any officer.

1. Officers.

1.1 Number, Election and Term. Officers of the Company shall be a President, a Vice President, a Secretary and a Treasurer, and may include such other officers as the Company may designate from time to time. Officers shall be appointed by the Manager from time to time. Each officer shall hold office until removed as provided below. Any one person may hold more than one office if it is deemed advisable by the Manager.

1.2 Appointment of Officers. The Manager appoints the following persons to the offices designated below:

<u>Name</u>	<u>Office</u>
Greg Vik	President
David Brady	Vice President
Chris J. Pollak	Secretary and Treasurer

1.3 Resignation or Removal. Any officer or agent of the Company may resign from such position by delivering written notice of the resignation to the Company, but such resignation shall be without prejudice to the contract rights, if any, of the Company. Any officer or agent of the Company may be removed by the Manager, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract

rights. Vacancies in any office caused by any reason may be filled by the Manager by selecting a suitable and qualified person to act during the unexpired term.

1.4 Salaries. The compensation of all the officers, agents and other employees of this Company shall be fixed by the Manager and may be changed from time to time by the Manager.

1.5 President. The President shall have general charge and control of the day to day affairs of the Company subject to the ultimate control of the Manager of the Company, shall perform all duties as may be delegated from time to time by the Manager of the Company, and shall make such reports to the Manager and the Members of the Company as may be required. The President shall be authorized to execute all documents on behalf of the Company.

1.6 Vice Presidents. The Vice Presidents shall perform such duties as shall be assigned by the President or Manager of the Company. In the case of absence, disability or death of the President, the Vice Presidents shall perform and be vested with all the duties and powers of the President, until the President shall have resumed such duties or the President's successor is elected. In the event there is more than one Vice President, the Manager of the Company may designate one of the Vice Presidents as a Senior Vice President, who, in event of the absence, disability or death of the President shall perform such duties as shall be delegated by the Manager of the Company. Each Vice President shall also have authority to execute documents on behalf of the Company and bind the Company.

1.7 Secretary. The Secretary shall keep a record of the proceedings at the meetings of the Members of the Company, shall have custody of all the books, records and papers of the Company, except such as shall be in charge of the Treasurer or some other person authorized to have custody or possession thereof, shall from time to time make such reports to the Manager, the officers and the Members of the Company as may be required, and shall perform such other duties as the Manager of the Company may from time to time delegate. In addition, if no Treasurer is elected, the Secretary shall perform all the duties required of the Office of Treasurer.

1.8 Treasurer. The Treasurer shall keep accounts of all monies of the Company received or disbursed, shall from time to time make such reports to the Manager, the officers and the Members of the Company as may be required, and shall perform such other duties as the Managers of the Company may from time to time delegate. The Treasurer shall have authority to execute banking documents required for the operation of the business of the Company.

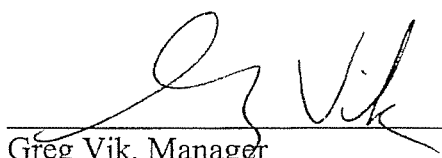
2. Liability; Indemnification. None of the Company's officers or agents shall be liable to the Company, the Manager or the Members for any act or omission based upon

errors of judgment, negligence, or other fault in connection with the business or affairs of the Company so long as the person against whom the liability is asserted acted in good faith on behalf of the Company and in a manner reasonably believed by such person to be within the scope of his or her authority under this Agreement and in the best interests of the Company, but only if such action or failure to act does not constitute gross negligence or willful misconduct. The Company agrees to indemnify the Company's officers and agents to the fullest extent permitted by law and to save and hold them harmless from and in respect of all (a) fees, costs, and expenses incurred in connection with or resulting from any claim, action, or demand against the Company or any of its agents that arise out of or in any way relate to the Company, its properties, business, or affairs and (b) such claims, actions and demands and any losses or damages resulting from such claims, actions and demands, including amounts paid in settlement or compromise (if recommended by attorneys for the Company) of any such claim, action or demand; provided, however, that this indemnification shall apply only so long as the person against whom a claim, action or demand is asserted has acted in good faith on behalf of the Company and in a manner reasonably believed by such person to be within the scope of its authority and in the best interests of the Company, but only if such action or failure to act does not constitute gross negligence or willful misconduct. The termination of any action, suit, or proceeding by judgment, order, settlement, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that any person acted with gross negligence or willful misconduct. The rights of any officer or agent under this paragraph are in addition to any rights such person may have under any other agreement with the Company or any affiliate of the Company.

The Manager of the Company hereby approves this Manager Delegation of Authority.

MANAGER:

INVESTMENTS MANAGER LLC

By: 
Greg Vik, Manager