

AMENDED

Transfer No. 78152

Receipt No. 6038053**RECEIVED****SEP 26 2012**Department of Water Resources
Eastern Region

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

1. Applicant Information SPRING HOLLOW LLC
 56 SURRY DAM RD
 SURRY NH 03431

Will this transfer result in an ownership change? _____ Yes ☒ No

2. Current Water Right**Part 2 Attached for Each Right**

	Origin/Basis	Rate	Volume	Acre Limit	Total Acres	Source
22-7133	WR/Decreed	2.58	501.9	167.3	487.3	GROUND WATER

3. Purpose of Transfer (Change Proposed)**Part 3A Attached for Each Proposed Right****Part 3B Attached for Each Split Right**

Right	Split	POD	POU	Add POD	Period of Use	Nature of Use
22-7133	YES	YES	YES	NO	YES	YES

Describe the reason for the proposed changes

The applicant is the owner of a farm near Badger Creek that has been partially subdivided. The original place of use, which now consists of a 449.1 acre farm and 38.2 acres overlapping a platted subdivision, was irrigated with water rights from Badger Creek (22-56, 22-174A, 22-254B, and 22-501B) and two ground water rights (22-7049 and 22-7133). The water was comingled in a common system and distributed. All water rights together are limited to the irrigation of 487.3 acres. This transfer (transfer no. 1) proposes to un-stack 11.0 acres from water right 22-7133 (ground water) and use it solely within the subdivision for irrigation, fire protection storage, and aesthetic storage purposes. 10.0 acres of the ground water right will be used for irrigating the entrance and public spaces within the subdivision. The remaining 1.0 acre will be dried up and used to mitigate for the annual fill and evaporation losses of 3 storage ponds. Two of the ponds within the subdivision will be used for fire protection (SWNW and NESW of 06N, 45E, Section 16) and one for aesthetic purposes (SWSW of 06N, 45E, Section 16).

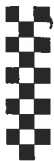
A second transfer (transfer no. 2) is being filed simultaneously which will consolidate the remaining groundwater rights (22-7049 and 22-7133) and surface water rights (22-56, 22-174A, 22-254B, and 22-501B) onto 449.1 acres.

4. FOR CHANGES IN NATURE OF USE ONLY**A. Describe the expected quantity of the return flows and location of discharge after the proposed Change****B. Describe the effects on other water uses resulting from the proposed change**

Badger Creek water rights 22-56, 22-174A, 22-254B, and 22-501B and ground water rights 22-7049 and 22-7133 (remaining portion) will be reduced and/or consolidated. A second transfer is being filed simultaneously which will reduce and consolidated these water rights.

5. Total Amounts Transferred

	Rate	Acre Limit	Total Acres	Volume
22-14058	0.06 cfs		10.0	32.0 af
TOTAL	0.06 cfs		10.0	32.0 af



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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. 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 voiding its approval.

Kathy Gross

(Signature of Applicant)

Manager

(Title or Office)

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

Current Water Right No. 22-7133

Priority Date: June 13, 1975

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	04/15 10/15	2.58 CFS	501.9 AFA	
Total Diversion		2.58 CFS	501.9 AFA	

Source and Point(s) of Diversion:

GROUND WATER SESESE Sec. 8 Twp 06N Rge 45E TETON County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06N 45E 8									21.0			14.0	22.0	34.0	40.0	29.0	160.0
06N 45E 16							2.1			8.9	9.1						20.1
06N 45E 17	40.0	40.0	38.0	40.0	5.8			.3					40.0	30.0	20.0	35.0	289.1
06N 45E 21						10.0	8.1										18.1

Total Acres: 487.3

Conditions/Remarks:

1. Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.
2. The use of water for irrigation under this right may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15 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. 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.
4. Right Nos. 22-56, 22-174A, 22-254B, 22-501B, 22-7049, and 22-7133 are limited to the irrigation of a combined total of 487.3 acres in a single irrigation season.
5. Right Nos. 22-7049 and 22-7133 are also diverted through point of diversion described above.
6. This right is limited to the irrigation of 167.3 acres within the place of use described above in a single irrigation season.

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7. Right includes accomplished change in point of diversion pursuant to Section 42-1425, Idaho Code.
8. Right Nos. 22-7049 and 22-7133 are limited to a total combined diversion rate of 2.66 cfs.

Documentation of Ownership of the Current Place of Use

Teton County taxlot data

Is this property subject to any liens, deeds of trust, mortgages, or contracts or other encumbrances?
NO

Describe the effect on the current place of use for this water right if the place of use is changed pursuant to this transfer

Drying up 1.0 acres in the NWSW of 06N, 45E, Section 16 to be used for pond fill and maintenance. The 10.0 acres located in the SWSW and NWSW will be used for irrigation

To your knowledge, has any portion of the water right undergone a period of five(5) or more consecutive years of non-use?
NO

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**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3A**

Proposed Water Right No. 22-14058

Priority Date: June 13, 1975

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	04/15 10/15	0.05 CFS	30.0 AFA	
DIVERSION TO STORAGE	01/01 12/31	0.01 CFS		
FIRE PROTECTION	01/01 12/31		2.0 AFA	
STORAGE				
AESTHETIC	01/01 12/31		2.0 AFA	
Total Diversion		0.06 CFS	32.0 AFA	

Source and Point(s) of Diversion:

GROUND WATER NESW Sec. 16 Twp 06N Rge 45E TETON County

Describe the proposed diversion system

Point of Diversion # 1 Pump to ponds and existing pipeline.

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06N 45E 16											.9	9.1					10.0

Total Acres: 10

PLACE OF USE: FIRE PROTECTION STORAGE

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06N 45E 16							X			X							

PLACE OF USE: AESTHETIC STORAGE

Twp Rge Sec	NE				NW				SW				SE				Totals
	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	
06N 45E 16											X						

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**IDAHO DEPARTMENT OF WATER RESOURCES
 APPLICATION FOR TRANSFER OF WATER RIGHT
 PART 3B**

Current Water Right No. 22-7133 Remaining Portion

Priority Date: June 13, 1975
 Origin: Water Right
 Basis: Decreed
 Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	04/15 10/15	2.41 CFS	468.9 AFA	
	Total Diversion	2.41 CFS	468.9 AFA	

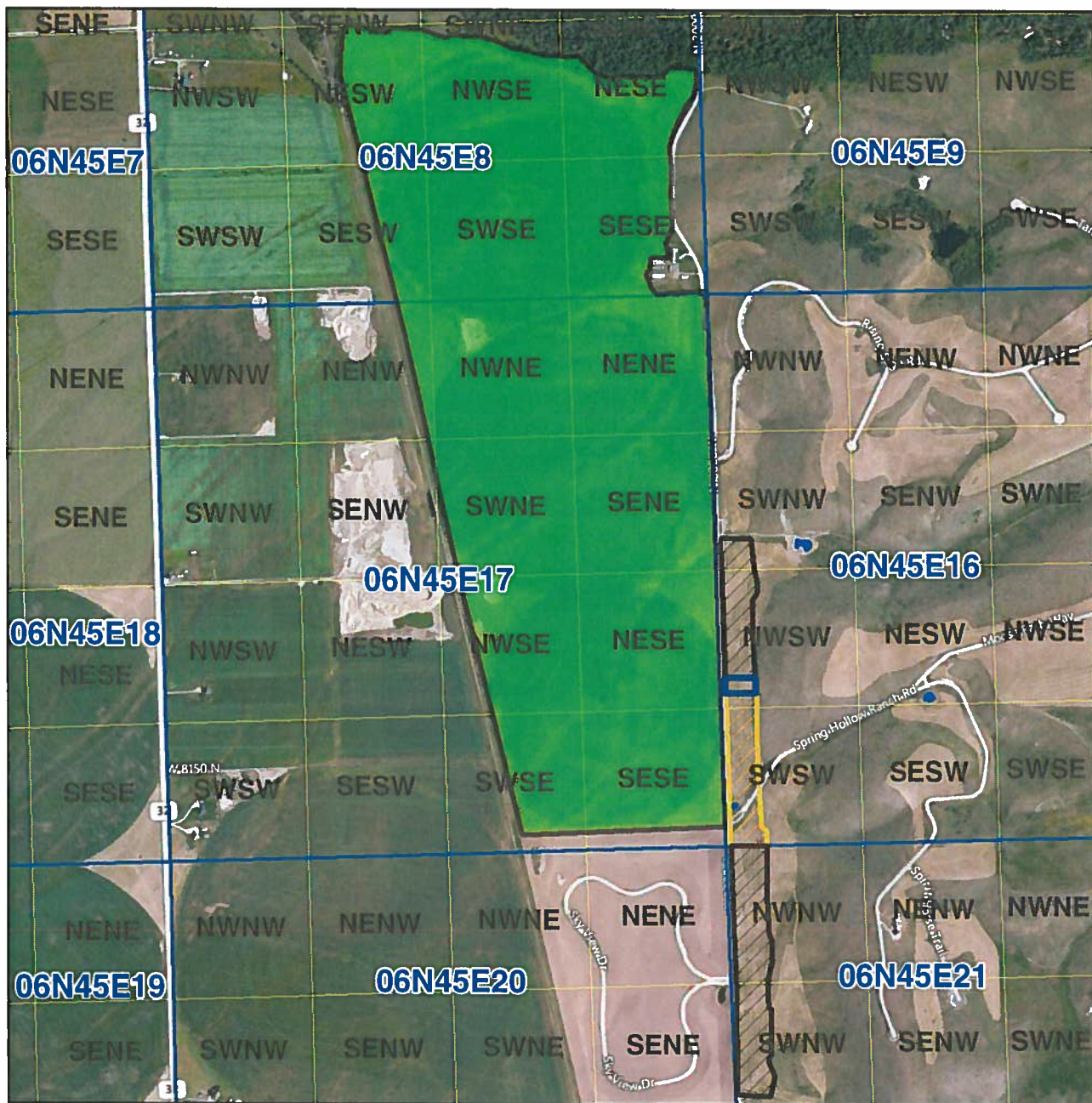
Source and Point(s) of Diversion:

GROUND WATER SESESE Sec. 8 Twp 06N Rge 45E TETON County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06N 45E 8									21.0			14.0	22.0	34.0	40.0	29.0	160.0
06N 45E 16							2.1				7.0						9.1
06N 45E 17	40.0	40.0	38.0	40.0	5.8			.3					40.0	30.0	20.0	35.0	289.1
06N 45E 21						10.0	8.1										18.1

Total Acres: 476.3



PLACE OF USE

- Ponds
- 1 acre dry up for ponds
- POU for subdivision (ground water)
- Acres being consolidated
- 449.1 acre POU
- Township/Range
- Sections
- QQ

0 0.15 0.3 0.6 Miles

1 inch = 0.3 miles



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2010 Aerial Photography

\$200.00

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SEP 19 2012

Department of Water Resources
Eastern RegionSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No.

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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 <http://www.idwr.idaho.gov/>.

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 transfer applicant as the current water right owner. Additional fee(s) required for water right ownership changes; see fee schedule.
- ☐ ☒ #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 <http://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: _____

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Sep. 19. 2012 1:01PM

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Rev. 07/17

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Department of Water Resources
Eastern Region

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. _____

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**

Name of Applicant Spring Hollow LLC Phone 860-729-7592
Mailing Address 56 Surry Dam Rd, Surry, NH 03431 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 Harvey Walker Phone 208-520-7880
Mailing address 2338 N 2930 W, Arco, ID 83213 Email why@atcnet.net

- ☐ 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.

Kathy Gross Kathy Gross, Mgr 9/19/12
Signature of Applicant or Authorized Representative 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: See the attached page immediately following.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

B. DESCRIPTION OF RIGHT(S) 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					
☐ ☒	22-7049	2.655 cfs	Irrigation	4/15 to 10/15	Ground Water
☐ ☐		0.005 cfs	Diversion to Storage	4/15 to 10/15	Ground Water
☐ ☐		1.3 AFA	Aesthetic Storage	4/15 to 10/15	Ground Water
☐ ☐		1.3 AFA	Fire Protection Storage	4/15 to 10/15	Ground Water
☐ ☒	22-7133	2.575 cfs	Irrigation	4/15 to 10/15	Ground Water
☐ ☐		0.005 cfs	Diversion to Storage	4/15 to 10/15	Ground Water
☐ ☐		0.7 AFA	Aesthetic Storage	4/15 to 10/15	Ground Water
☐ ☐		0.7 AFA	Fire Protection Storage	4/15 to 10/15	Ground Water

Total Authorized under rights 2.66 cfs cfs and/or 1307.9 ac-ft

2. Total amount of water being transferred or changed 0.005 cubic feet per second and/or 2.0 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 #
Y			NE	SW	16	6N	45E	TETON	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	
6N	45E	8									21			14	22	34	40	29	160
		16										1.0	9.0						10
									FJ		FJ		J						
		17	40	40	38	40	5.8			0.3					40	30	20	35	289.1

Total Acres (for irrigation use): 459.1

Part 1A.2 Narrative of Proposal

Applicant is the owner of a farm near Badger Creek that has been partially subdivided. The original place of use, which now consists of a 449.1 acre farm and 38.2 acres overlapping a platted subdivision, was irrigated with water rights from Badger Creek (22-56, 22-174A, 22-254B, and 22-501B) and two ground water rights (22-7049 and 22-7133). The water was comingled in a common system and distributed. All water rights together are limited to the irrigation of 487.3 acres. The two ground water rights 22-7049 and 22-7133 combine for a total of 487.3 acres, each right with an acre limit. They are also limited to a diversion rate of 2.66 cfs, which is the maximum diversion under water right 22-7049.

Applicant proposes to concentrate all ground water and surface water onto the 449.1 acre farm by retiring 27.2 acres overlapping the subdivision. The remaining 11.0 acres in the NWSW and SWSW of Section 16, irrigated by the ground water rights will be retained for the subdivision for irrigation and fire protection and aesthetic ponds. Of the 11 acres, 10 acres of the ground water rights will remain in the subdivision for irrigation of the entrance and other public spaces, and 1.0 acre for pond fill & evaporation.

Two ponds within the subdivision will serve for fire protection and one for aesthetic purposes. The two fire ponds total a surface area of 0.62 acres and a volume of 240,000 gallons. The aesthetic pond at the subdivision entrance is 0.08 acres in surface area, for a total pond surface area of 0.7 acres with all three ponds. Calculations in Attachment #8a delineate the water requirements to fill and maintain the ponds. According to the calculations, the 0.7 acres of ponds will require 0.6 acres of irrigated ground and 1.2 AFA to maintain the water level of the ponds due to evaporation. With an additional 0.4 acres of irrigated acres converted for filling the ponds, the total acres to be dried up for use in the ponds is 1.0 acre, which will be taken from the NWSW of Section 16, as illustrated in Attachment #7b..

Each ground water right constitutes a percentage of the original permissible place of use. As a result, a percentage of each ground water right has been applied to the acres to be changed for use in the pond. Notice in Attachment #8a that each right contributes to the total volume needed for the pond fill and evaporation. Right 22-7049 contributes 66% and right 22-7133 contributes 34% of the 1.0 acre needed.

Below is a table that identifies the distribution of the original place of use of 487.3 ac. Note the total acreage is reduced due to concentrating the water rights on the farm.

Location	Use	Acres	cfs	AFA
Farm				
	Irrigation	449.1	2.6	1278.4
Subdivision				
	Irrigation	10	0.055	26.8
	Ponds	1	0.005	2.0
Total		460.1	2.66	1307.3

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: A new well will be drilled closer to the ponds and within the boundaries of the subdivision. The well will connect to existing pipeline as well as new pipeline to access the ponds and the irrigated land.

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? No ☒ **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 affect on the land now irrigated if the place of use is changed pursuant to this transfer: This application proposes to dry up 1.0 acres of irrigated ground from the SWNW of Section 16, T6N R45E to be used for pond fill and maintenance. 27.2 acres from within Sections 16 and 21 will be dried up and concentrated on the land within Sections 8 and 17. The remaining irrigated acres should total 459.1 acres.

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) of use: There are four water rights from Badger Creek that are also appurtenant to the existing permissible place of use: 22-56, 22-174A, 22-254B, and 22-501B. The farm system will be separated from the subdivision system to enable the water rights to be independent. All Badger Creek water will be used solely on the acreage within Sections 8 and 17.

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: _____

WATER RIGHT NO. 22-7133

PART 2A**Owner Type Name and Address**

Current Owner SPRING HOLLOW LLC
 56 SURRY DAM RD
 SURRY, NH 03431
 603-352-2250

Priority Date: 06/13/1975

Basis: Decreed

Status: Active

Source Tributary

GROUND WATER

Beneficial Use From To Diversion Rate Volume

IRRIGATION 04/15 10/15 2.58 CFS 501.9 AFA

Total Diversion 2.58 CFS

Location of Point(s) of Diversion:

GROUND WATER SESESE Sec. 08 Township 06N Range 45E TETON County

IRRIGATION Use: Acre Limit: 167.3

Place of Use Legal Description: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
06N	45E	8		NESW 21		SESW 14								
				NESE 22		NWSE 34		SWSE 40		SESE 29				
		16		SWNW 2.1										
				NWSW 8.9		SWSW 9.1								
		17		NENE 40		NWNE 40		SWNE 38		SENE 40				
				NENW 5.8		SENE 0.3								
				NESE 40		NWSE 30		SWSE 20		SESE 35				
		21		NWNW 10		SWNW 8.1								

Total Acres: 487.3

Conditions of Approval:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the

1. C18 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. E55 Right Nos. 22-56, 22-174A, 22-254B, 22-501B, 22-7049, and 22-7133 are limited to the irrigation of a combined total of 487.3 acres in a single irrigation season.

3. F05 Right Nos. 22-7049 and 22-7133 are also diverted through point of diversion described above.

4. C05 Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.

5. C03 Right includes accomplished change in point of diversion pursuant to Section 42-1425, Idaho Code.

6. S46 The use of water for irrigation under this right may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15 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.

7. E60 Right Nos. 22-7049 and 22-7133 are limited to a total combined diversion rate of 2.66 cfs.

8. K06 This right is limited to the irrigation of 167.3 acres within the place of use described above in a single irrigation season.

WATER RIGHT NO. 22-7049

PART 2A

Owner Type **Name and Address**
 Current Owner SPRING HOLLOW LLC
 56 SURRY DAM RD
 SURRY, NH 03431
 603-352-2250

Priority Date: 09/03/1971

Basis: Decreed

Status: Active

Source **Tributary**
 GROUND WATER

Beneficial Use **From** **To** **Diversion Rate** **Volume**
 IRRIGATION 04/15 10/15 2.66 CFS 806 AFA
 Total Diversion 2.66 CFS

Location of Point(s) of Diversion:

GROUND WATER SESESE Sec. 08 Township 06N Range 45E TETON County

IRRIGATION Use: Acre Limit: 320

Place of Use Legal Description: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
06N	45E	8		NESW 21		SESW 14								
				NESE 22		NWSE 34		SWSE 40		SESE 29				
		16		SWNW 2.1										
				NWSW 8.9		SWSW 9.1								
		17		NENE 40		NWNE 40		SWNE 38		SENE 40				
				NENW 5.8		SENE 0.3								
				NESE 40		NWSE 30		SWSE 20		SESE 35				
		21		NWNW 10		SWNW 8.1								

Total Acres: 487.3

Conditions of Approval:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the

1. C18 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.

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2. E55 Right Nos. 22-56, 22-174A, 22-254B, 22-501B, 22-7049, and 22-7133 are limited to the irrigation of a combined total of 487.3 acres in a single irrigation season.
3. F05 Right Nos. 22-7049 and 22-7133 are also diverted through point of diversion described above.
4. C05 Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.
5. K06 This right is limited to the irrigation of 320 acres within the place of use described above in a single irrigation season.
6. C03 Right includes accomplished change in point of diversion pursuant to Section 42-1425, Idaho Code.
The use of water for irrigation under this right may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15 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.
7. S46
8. E60 Right Nos. 22-7049 and 22-7133 are limited to a total combined diversion rate of 2.66 cfs.

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 2B

☒ Complete and attach one copy of **Part 2B** for each right for which only a portion is proposed to be changed.

Right Number: 22-7133[illegible][illegible]

Total Acres (for irrigation use)	0.3
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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

Part 3

A. PLAT MAP (See Part 3A for 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.

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 supplemental, 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 _____ pages and _____ attachments.

Received by _____ Date _____ Prelim. Check by _____ Date _____

Fee Paid _____ Date _____ Received by _____ Receipt # _____

Add'l Fee Paid _____ Date _____ Received by _____ Receipt # _____

STATE OF WYOMING * SECRETARY OF STATE
MAX MAXFIELD
BUSINESS DIVISION

200 West 24th Street, Cheyenne, WY 82002-0200

Phone 307-777-7311 · Fax 307-777-5339

Website: <http://soswy.state.wy.us> · Email: business@wyo.gov

Filing Information



Please note that this form CANNOT be submitted in place of your Annual Report.

Name **Spring Hollow, LLC**
 Filing Type Limited Liability Company
 Status Active

General Information

Fictitious Name		ID	2005-000500339
Old Name		Standing - Tax	Good
Sub Status	Current	Standing - RA	Good
Sub Type	Close Limited Liability Company	Standing - Other	Good
Formation Locale	Wyoming	Name Consent	N
Filing Date	09/28/2005 12:00 AM	Term of Duration	Perpetual
Delayed Effective Date		Expiration Date	
Inactive Date			

Registered Agent Address

Glenn M Ford
 235 E Broadway
 PO Box 8498
 Jackson, WY 83002

Mailing Address

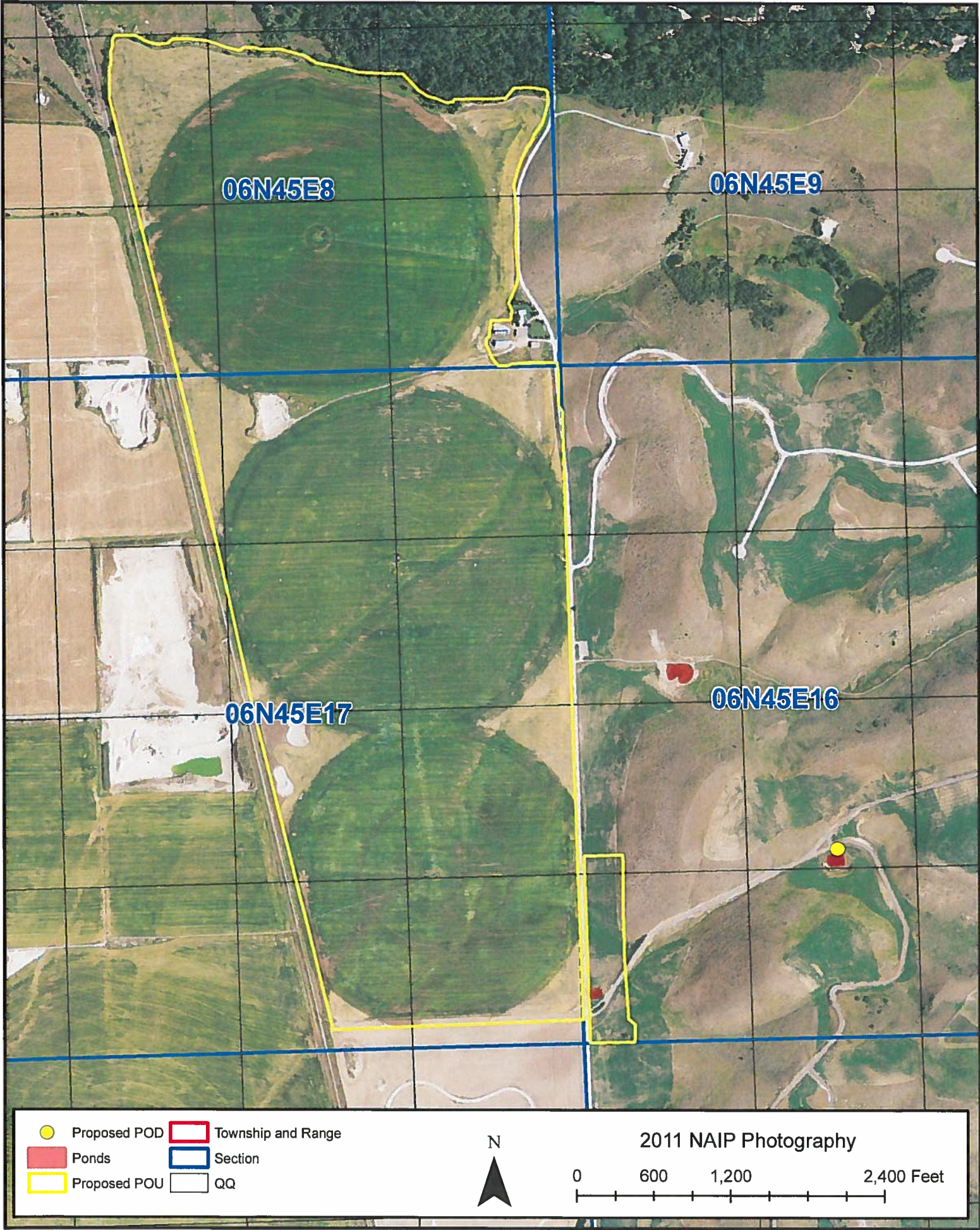
56 Surry Dam Rd
 Surry, NH 03431

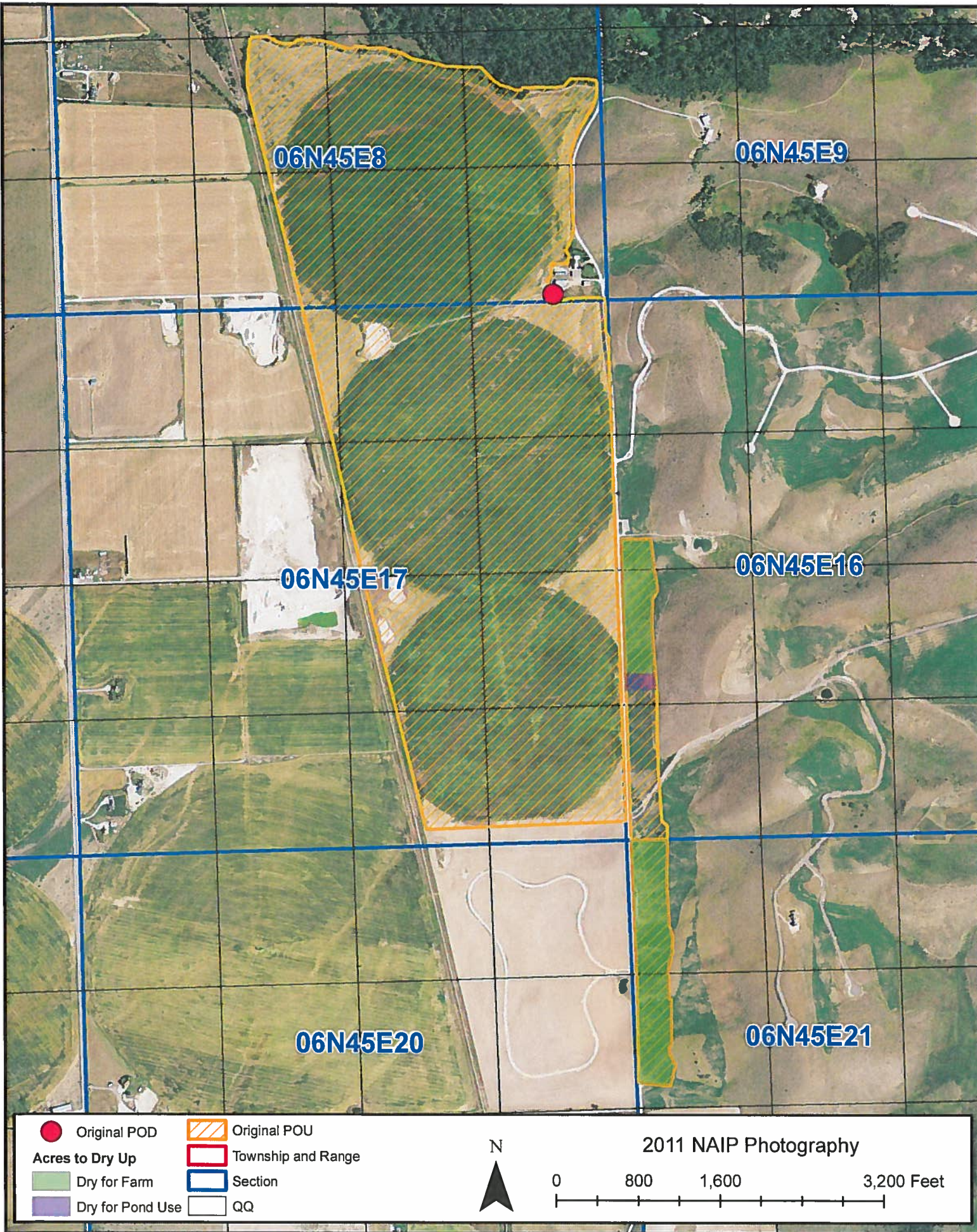
Parties

Type	Name / Organization / Address
Manager	Richard J. Reilly

Notes

Date	Recorded By	Note
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POND CALCULATIONS
 Climate Station: Driggs (NWS NOAA 102676)
 Project Name: Spring Hollow

Pond Consumptive Use Calculations													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Annual FWW Evaporation (inches)	35	35	35	35	35	35	35	35	35	35	35	35	35
Monthly Distribution (%) #1	1	2	4	7	12	15	19	16	11	6	4	3	100
Monthly FWS Evaporation (in/mo)	0.35	0.7	1.4	2.45	4.2	5.25	6.65	5.6	3.85	2.1	1.4	1.05	35
Avg. Total Precipitation (in/mo) #2	1.43	1.08	1.11	1.28	1.91	1.86	1.11	1.19	1.29	1.25	1.11	1.39	16.01
Pond Loss [(Evap.) - (Precip..in.)] #3	0	0	0.29	1.17	2.29	3.39	5.54	4.41	2.56	0.85	0.29	0	20.79
Pond Surface Area (acres)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total Pond Loss (ac-in)	0.0	0.0	0.2	0.8	1.6	2.4	3.9	3.1	1.8	0.6	0.2	0.0	14.6
Total Pond Loss (ac-ft)	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.3	0.1	0.0	0.0	0.0	1.2 #7
Irrigation Consumption Crop													
Alfalfa-less freq cuttings (mm/yr)	632												
Mean Irr. Requirement (ac-in/ac/seas.) =	24.9												
Mean Irr. Requirement (ac-ft/ac/seas.) =	2.07												
Acres to dry up for pond use =	0.58												

4 = (Precipitation Deficit Growing Season, Site & Crop Specific (mm))

5 = [(Precipitation Deficit (#4)) + (25.4) = ac-in/ac/season]

6 = [(Precipitation Deficit (#5)) + (12) = ac-ft/ac/season]

8 = [(Pond Loss Total (#7)) + (Mean Irrig.Req (#6))]

4 = (Precipitation Deficit Growing Season, Site & Crop Specific (mm))

5 = {[Precipitation Deficit (#4)] + (25.4) = ac-in/ac/season}

6 = {[Precipitation Deficit (#5)] + (12) = ac-ft/ac/season}

8 = {[Pond Loss Total (#7)] + [Mean Irrig. Req (#6)]}

Summary

	ACRES	CFS	CFS/AC	AFA	AF/ACCU AF/AC	% of Combined
22-7049	320	2.66	0.008	806.0	2.5	2.07
Original Ground Water Rights	167.3	2.58	0.015	501.9	3.0	2.07
Combined	487.3	2.66	0.005	1307.9	2.7	2.07
22-7049	0.4	0.003		0.8		
Amount of Water Needed For Evaporation	0.2	0.003		0.4		
Combined	0.6	0.003		1.2		
22-7049	0.3	0.002		0.5		
Amount of Water Needed for Pond Fill	0.1	0.002		0.3		
Combined	0.4	0.002		0.8		
22-7049	0.65	0.005		1.3		
Total Water Needed for Transfer	0.34	0.005		0.7		
Combined	1.0	0.005		2.0		

#1 - Molnau, Myron, Kpordze, Kojo C.S., and Craine, Katherine L., 1992. Monthly shallow pond evaporation in Idaho. ASAE paper PNW 92-111.

#2 - Data collected from the Western Regional Climate Summary, Monthly Climate Summary @ <http://www.wrcc.dri.edu/summary/Climsumid.html> - See attached:

#3 - Note: for months where precipitation exceeds evaporation, the resultant pond loss is set to zero

#4, 5 & 6 - <http://www.kimberly.uidaho.edu/ETIdaho/> Precipitation Deficit values used synonymously w/mean irrigation requirement. Values from Allen, Richard G. & Clarence W. Robison, 2006 (Revised 2007). Evapotranspiration & Consumptive Irrigation Water Requirements - Idaho, Research Technical Completion Report, Kimberly Research & Extension Center, University of Idaho, Moscow, ID.

OPERATING AGREEMENT OF SPRING HOLLOW, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made effective as of the 1st day of September 2005, by and among the persons who execute this Agreement as Members, the names of which are set forth on Exhibit A hereto, with respect to the operation of Spring Hollow, LLC, a Wyoming limited liability company (the "Company").

NOTICE OF RESTRICTIONS ON TRANSFERS AND WITHDRAWALS

The rights of members in a close limited liability company may differ materially from the rights of members in other limited liability companies. The Close Limited Liability Company Supplement, articles of organization, and operating agreement of a close limited liability company may restrict transfer of ownership interests, withdrawal or resignation from the company, return of capital contribution and dissolution of the company.

ARTICLE 1

DEFINITIONS

The following terms used in this Agreement shall have the meanings set forth below:

1.1 "Accounting Period" shall mean (a) a Fiscal Year if there are no changes in the Members' respective interests in Company income, gain, loss or deductions during such Fiscal Year except on the first day thereof; or (b) a period beginning on any other day during a Fiscal Year upon which occurs a change in such respective interests, and ending on the earlier of (i) the last day of a Fiscal Year; and (ii) the day before any subsequent change in such respective interests shall occur.

1.2 "Adjusted Asset Value" with respect to any asset shall be the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Adjusted Asset Value of any asset contributed by a Member to the Company shall be the fair market value of such asset at the time of contribution, as determined by the contributing Member and the Manager.

(b) In the discretion of the Managers, the Adjusted Asset Values of all Company assets shall be adjusted to equal their respective fair market values, as determined by the Managers, and the resulting unrecognized profit or loss allocated to the Capital Accounts of the Members pursuant to this Agreement as if such assets had been sold, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company assets, unless all Members receive simultaneous distributions of either undivided interests in the distributed property or identical Company assets in proportion to their interests in Company distributions; and (iii) a Dissolution Event.

1.3 "Adjusted Capital Account" shall mean, with respect to any Member, the Member's Capital Account as adjusted by the items described in Treasury Regulations 1.704-2(g)(3), 1.704-2(i)(5) and 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

1.4 "Capital Account" shall mean, with respect to a Member as of a given date, the account described in Section 4.1.

1.5 "Capital Commitment" shall mean the total amount a Member has agreed to contribute to the Company in cash or property as set forth on Exhibit A.

1.6 "Contributed Capital" shall mean the amounts actually contributed to the capital of the Company in cash or property by a Member.

1.7 "Certificate" shall mean the Company's Certificate of Formation, as the same exists or may hereafter be amended.

1.8 "Code" shall mean the Internal Revenue Code of 1986, as the same exists or may hereafter be amended.

1.9 "Company" shall mean Spring Hollow, LLC, a Wyoming limited liability company.

1.10 "Wyoming Act" shall mean the Wyoming Limited Liability Company Act as the same exists or may hereafter be amended.

1.11 "Dissolution Event" shall have the meaning ascribed to it in Section 13.1(a).

1.12 "Distributable Cash" shall mean all cash, receipts and funds received by the Company from Company operations, less the sum of the following (to the extent paid or set aside by the Company): (a) all cash expenditures incurred incident to the normal operation of the Company's business; and (b) such Reserves as the Manager considers reasonably necessary for, the proper operation of the Company's business.

1.13 "Economic Risk of Loss" shall have the meaning defined in Treasury Regulations 1.704-2(b)(4).

1.14 "Entity" shall mean any partnership, limited liability company, corporation, joint venture, trust, or other business association.

1.15 "Fair Value" shall have the meaning ascribed to it in Section 11.2.

1.16 "Fiscal Year" shall mean the period between the date hereof and December 31, and for all years thereafter shall commence on January 1 of each such year and end on December 31 of such year, except for the final fiscal year of the Company, which shall begin on January 1 of such final fiscal year and end on the date of termination of the Company.

1.17 "Indemnatee" shall have the meaning ascribed to it in Section 5.11.

1.18 "Interest" shall mean the equity ownership rights issued by the Company to its Members which represent the Member's Percentage Interest.

1.19 "Majority in Interest" shall mean Members holding at least sixty percent (60%) of the total outstanding Percentage Interests in the Company as of the relevant time.

1.20 "Managers" shall mean Richard J. Reilly and Kathleen Gross, and any successors elected by the Members pursuant to this Agreement.

1.21 "Member" shall mean, as of a given time, each of the Persons listed on Schedule A hereto as Members, additional Members and substituted Members which is a member of the Company at such time.

1.22 "Net Profit" or "Net Loss" shall be an amount computed for each Accounting Period as of the last day thereof that is equal to the Company's taxable income or loss for such Accounting Period, determined in accordance with Code 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profit or Net Loss pursuant to this paragraph shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code $\S$ 705(a)(2)(B) or treated as Code 705(a)(2)(B) expenditures pursuant to Treasury Regulations $\S$ 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Profit or Net Loss pursuant to this paragraph shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of a Company asset with respect to which gain or loss is recognized for federal income tax purposes and depreciation, amortization or other periodic cost recovery of an asset which is recognized for federal income tax purposes shall be computed by reference to the Adjusted Asset Value of the asset of rather than its adjusted federal income tax basis;

(d) The difference between the gross fair market value of all Company assets and their respective Adjusted Asset Values shall be added to such taxable income or loss upon the events set forth in Section 1.2;

(e) Upon any distribution in kind, the difference between the fair market value and the Adjusted Asset Value of the asset distributed shall be added to such taxable income or loss; and

(f) Items that are specially allocated pursuant to Section 8.1(c) through (f) shall not be taken into account in computing Net Profit or Net Loss.

1.23 "Percentage Interest" shall mean, with respect to a Member, the proportion that such Member's Interest bears to the aggregate outstanding Interests of all Members, as set forth on Schedule A hereto.

1.24 "Person" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so permits.

1.25 "Prime Rate" shall have the meaning ascribed to it in Section 4.4.

1.26 "Regulatory Allocations" shall mean the allocations pursuant to Section 8.1(b), (c), (d) and (e).

1.27 "Reserves" shall mean, with respect to any Fiscal Year, funds set aside or amounts allocated during such Fiscal Year to reserves that shall be maintained in amounts deemed sufficient by the Managers for working capital and to pay taxes, and other costs or expenses incident to the ownership or operation of the Company's business.

1.28 "Treasury Regulations" shall mean the Income Tax Regulations, including any temporary regulations, promulgated under the Code, as the same exists or may be amended from time to time.

ARTICLE 2 FORMATION OF THE COMPANY

2.1 Formation. On September 30, 2005, the Company was organized as a Wyoming close limited liability company pursuant to the Wyoming Act.

2.2 Name. The name of the Company is Spring Hollow, LLC. The Company may operate under that name or any other name designated by the Managers.

2.3 Term. The Company's existence commenced upon the filing with the Secretary of State of the State of Wyoming of the Company's Certificate and shall continue in perpetuity unless the Company is earlier dissolved in accordance with the provisions of this Agreement or the Wyoming Act.

2.4 Purpose and Power. The purpose of the Company is to engage in any lawful act or activity for which a limited liability company may be organized under the Wyoming Act. The Company shall have all powers available to limited liability companies under the Wyoming Act.

2.5 Principal Place of Business. The principal place of business of the Company shall be located at 235 East Broadway, Jackson, Wyoming, or such other place as designated by a vote of the Members holding a majority in interest of the Company.

2.6 Registered Agent and Office. The name of the registered agent for service of process on the Company and the address of the Company's registered office in the State of Wyoming is Glenn

M. Ford, 235 East Broadway, Jackson, Wyoming, or such other agent or office in the State of Wyoming as the Manager may from time to time designate in writing.

2.7 Other Filings. The Managers and/or the Members, as appropriate, shall execute all such certificates, amended certificates, fictitious business name statements and other documents, and shall effect such filings, recordings, publications and other acts as reasonably necessary or appropriate to perfect and maintain the status of the Company as a limited liability company under the Wyoming Act and the applicable law in all jurisdictions in which the Company shall do business.

ARTICLE 3 ADMISSION OF MEMBERS

3.1 Record of Members and Managers. The name and address of each Manager and each Member, the amount of such Member's Capital Commitment to the Company, such Member's Contributed Capital, and such Member's Percentage Interest are set forth on Exhibit A hereto. The Manager shall cause Exhibit A to be amended from time to time to reflect the receipt by the Company of any change of address of any Member, any contribution to capital by any Member, the change in any Member's Capital Commitment or Percentage Interest, the admission of any new Member, the withdrawal or substitution of any Member, or the transfer of interests by any Member.

3.2 Admission of Additional Members.

(a) An additional person may be admitted as a Member only with the consent of a Majority in Interest of the Members.

(b) Each Person admitted as an additional Member (i) shall execute and deliver to the Company a counterpart of this Agreement and shall take such other actions as the Managers shall consider appropriate for such additional Member to become bound by the terms of this Agreement, (ii) shall contribute that portion of its Capital Commitment which is equal to the portion of their respective Capital Commitments contributed to date by the Company's previously admitted Members, and (iii) shall execute a guarantee of the Company's indebtedness on the same terms as the previously admitted Members.

3.3 Prior to the admission of Additional Persons or the increase of any Member's Capital Commitment, each existing Member shall be offered the right to increase his Capital Commitment by his pro rata share of the additional Capital Commitment. The Member shall advise the Company in writing of his intent to exercise this right within fifteen (15) days after receiving written notice of the intent to increase Capital Commitment, and pay to the Company the additional Capital Commitment within fifteen (15) days thereafter.

3.4 Securities Laws. The Manager shall register, qualify or perfect an exemption from registration or qualification under applicable federal and state securities laws with respect to the offer and sale of all Interests in the Company.

3.5 Removal. A Member may be removed or otherwise expelled from the Company upon the occurrence of any of the following:

- (a) If the member materially breaches this Agreement and fails to cure the breach within a reasonable time after receiving notice of it;
- (b) If the member is convicted of a felony; or
- (c) If the member engages in fraudulent or illegal actions relating to the business or internal affairs of the LLC.

3.6 Voting requirements for expelling a member. The voting requirement for expelling a member shall be as follows:

- (a) LLC has at least three members. If the LLC has at least three members and one or more members wish to expel a member, the member may be expelled by the affirmative vote of other members holding a majority in interest (excluding the votes of the member sought to be removed).
- (b) LLC has two members. If the LLC has only two members, either member may petition an arbitrator to order the expulsion of the other.

3.7 Withdrawal of a Member. A Member may withdraw at any time upon written notice to the Company, with such withdrawal governed by Article 11.

ARTICLE 4 CAPITAL ACCOUNTS AND CAPITAL CONTRIBUTIONS

4.1 Capital Accounts.

(a) A separate Capital Account shall be maintained for each Member. Each Member's Capital Account shall be (i) increased by the amount of money contributed by such Member to the Company, the fair market value of property contributed by such Member to the Company, the amount of Net Profit or other items of income or gain allocated to such Member, and the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member, and (ii) decreased by the amount of money distributed to such Member by the Company, the fair market value of property distributed to such Member by the Company, the amount of Net Loss or other items of deduction or loss allocated to such Member, and the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company.

(b) In the event of a permitted sale or exchange of all or part of a Member's Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Interest.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Agreement is intended, and shall be construed so as, to comply with the requirements of Code 704(b) and the Treasury Regulations promulgated thereunder.

4.2 Capital Contributions of the Members. Upon admission, each initial Member shall contribute cash to the Company equal to one hundred percent (100%) of its Capital Commitment.

4.3 Manager May Purchase Membership Interests. The Managers, solely in its capacity as Manager, shall not be required to contribute capital to the Company. However, the Managers may also be a Member and shall have the same rights and obligations as all other Members with respect to any Interest held by it.

4.4 Noncontributing Members. The Company shall be entitled to enforce the obligations of each Member to make the contributions to capital set forth in this Agreement, and the Company shall have all remedies available at law or in equity in the event that any such contribution is not so made. If any legal proceedings relating to the failure of a Member to make such a contribution are commenced, such Member shall pay all costs incurred by the Company, including attorneys' fees, in connection with such proceedings. In addition, such defaulting Member shall pay interest on the amount of the contribution to the Company then due at an interest rate equal to the floating commercial rate of interest publicly announced by the Company's principal bank as its prime rate (the "Prime Rate") plus five percent (5%) per annum (or if less, the highest rate permitted by applicable law), such interest to accrue from the date the contribution to the Company was required to be made pursuant to this Agreement until the date the contribution is made by such defaulting Member. The accrued interest and the costs of collection shall be paid by the defaulting Member to the Company upon payment of such contribution. The accrued interest and the costs of collection so paid shall not be treated as an additional contribution to the capital of the Company, but shall be deemed to be income to the Company. Until such time as the unpaid contribution, accrued interest and costs of collection shall have been paid by the defaulting Member, the Manager may elect to withhold any or all distributions otherwise payable to such defaulting Member pursuant to this Agreement and recover any such unpaid amounts by set off against such distributions.

ARTICLE 5 MANAGEMENT OF THE COMPANY

5.1 Manager. The day-to-day management and control of the business and affairs of the Company shall be vested in one or more Persons, who shall serve as the Company's Managers under the Wyoming Act. The number of Managers of the Company shall be fixed initially at two (2). The Managers, if more than one, shall act by unanimous consent.

5.2 Tenure, Election and Qualifications of the Managers. The initial Managers shall be Richard J. Reilly and Kathleen Gross. A Manager may, but need not also, be a Member.

5.3 Resignation of Manager. A Manager may resign at any time by giving ninety (90) days' written notice to the Members. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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5.4 Removal of Managers. The Managers may be removed by a vote of a Majority in Interest of the Members.

5.5 Filling of Vacancy. Upon the death, dissolution, liquidation, resignation or removal of a Manager leaving no other Manager and naming no successor Manager, the Company shall operate as a Member-managed limited liability company with the Members acting by Majority in Interest until a new Manager is elected by a Majority in Interest of the Members.

5.6 Officers. The Managers may appoint one (1) or more officers to participate in the management of the Company as it may from time to time deem appropriate. The officers shall have the duties and titles established from time to time by the Managers. The Managers may adopt such rules and regulations for the management of the Company that are not inconsistent with this Agreement or the Wyoming Act.

5.7 Certain Powers of the Managers. Without limiting the generality of the foregoing, and subject to any limitation set forth in this Agreement, the Managers shall have the power and authority on behalf of the Company to:

(a) cause the Company to enter into, make and perform such contracts, agreements and other undertakings, and to do such other acts, as the Managers may deem necessary or advisable for, or as may be incidental to, the conduct of the business of the Company, including, without limitation, contracts, agreements, undertakings and transactions with any Member or with any other Person or entity related to any Member;

(b) cause to be executed, filed, recorded or amended any documents required or desirable to be executed, filed, recorded or amended in connection with the formation, operation or dissolution and winding up of the Company pursuant to applicable law;

(c) receive, buy, sell, exchange, trade and otherwise deal in and with property of the Company;

(d) borrow money or property on behalf of the Company, encumber Company property, and extend or modify any obligations of the Company;

(e) employ or retain any person to perform services for or provide advice on behalf of or to the Company and pay compensation therefore;

(f) compromise, arbitrate or otherwise adjust claims in favor of or against the Company, and commence or defend litigation with respect to the Company or any assets of the Company, at the Company's expense;

(g) open, conduct business regarding, draw checks or other payment orders upon, and close cash, checking, custodial or similar accounts with banks or brokers on behalf of the Company, and pay the customary fees and charges applicable for transactions in respect of all such accounts; and

(h) do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

5.8 Certain Actions Requiring Member Approval. Notwithstanding any other provision in this Agreement to the contrary, the approval of Majority in Interest of the Members shall be required for the following:

(a) the sale of any equity in the Company, including without limitation, the sale of any Interests to any Person and the related admittance of the purchaser thereof as an additional Member;

(b) increasing the compensation of the Manager;

(c) the merger, consolidation, liquidation or dissolution of the Company;

(d) the amendment of this Agreement.

5.9 Exculpation from Liability for Certain Acts. The duty of care of the Managers, each officer and each Member who provides services to the Company in the discharge of its duties to the Company and the other Members is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct or knowing violations of law. In discharging its duties, the Managers, officer or Member who provides services to the Company shall be fully protected in relying in good faith upon any records of the Company and upon such information, opinions, reports or statements by any Members or their agents, or by any other Person as to matters the Managers, officer or Member reasonably believes are within such Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid. Unless gross negligence, recklessness, intentional misconduct or a knowing violation of law shall be proved by a court order, judgment, decree or decision, which by its nature, terms or the expiration of time is not subject to appeal, the Managers shall not be liable or obligated to the Members or the Company for any mistake of fact or judgment or for the doing of any act or the failing to do any act in conducting the business, operations and affairs of the Company, which may cause or result in any loss or damage to the Company or its Members.

5.10 Indemnity.

(a) Each individual who is or was a Manager, an officer or a Member who provides services to the Company (and the heirs, executors, personal representatives or administrators of such individual) who was or is made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such Person is or was a Manager, an officer or a Member ("Indemnitee"), shall be indemnified and held harmless by the Company except to the extent that the Indemnitee shall have engaged in grossly negligent or reckless conduct, intentional misconduct or knowing violation of law. In addition to the indemnification conferred in this Section 5.11, the Indemnitee

shall also be entitled to have paid directly by the Company the expenses reasonably incurred in defending any such proceeding against such Indemnitee in advance of its final disposition, upon receipt by the Company of an undertaking of the Indemnitee to repay such amount if it shall be ultimately determined that no indemnification is payable pursuant to this Section 5.11. The right to indemnification conferred in this Section 5.11 shall be a contract right.

(b) The Company may, by action of the Managers, provide indemnification to such of the service providers and agents of the Company to such extent and to such effect as the Manager shall determine to be appropriate and authorized under the Wyoming Act.

(c) The rights and authority conferred in this Section 5.11 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement or otherwise.

(d) Any repeal or amendment of this Section 5.11 by the Members of the Company shall not adversely affect any right or protection of an Indemnitee existing at the time of such repeal or amendment.

ARTICLE 6 MANAGER COMPENSATION AND COMPANY EXPENSES

6.1 Management Fee. The Managers shall not be compensated by the Company for their services

6.2 Expenses.

(a) The Company shall bear all costs and expenses incurred in connection with the conduct of the Company's business.

(b) The Company agrees to reimburse the Managers as appropriate to give effect to the provisions of this Section 6.2 in the event that the Managers pay an obligation which is properly the responsibility of the Company.

ARTICLE 7 RIGHTS AND OBLIGATIONS OF MEMBERS

7.1 Meetings. Meetings of the Members, for any purpose or purposes, may be held at such date and at such time as may be designated from time to time by the Managers or by Members holding at least forty percent (40%) of the total Percentage Interests of all Members.

7.2 Place of Meetings. The Managers or the Members calling a meeting may designate any place within Teton County, Wyoming as the place of any meeting of the Members. If no designation is made, the place of meeting shall be the principal office of the Company. The Managers shall use their best efforts to facilitate participation by any Member who desires to participate via conference call at any meeting of the Members.

7.3 Notice of Meetings. Except as provided in Section 7.5, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the Managers or the Members calling the meeting, to each Member entitled to vote at such meeting. Such notice shall be delivered as provided in Section 14.2. A waiver of notice in writing signed by the person entitled to such notice, whether before, at or after the meeting described therein, shall be equivalent to the giving of such notice.

7.4 Voting Rights. Each Member shall be entitled to such number of votes as reflects such Member's Percentage Interest.

7.5 Meeting of All Members. If all of the Members entitled to vote on the subject matter shall meet at any time and place, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken with respect to any such matter.

7.6 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 7.6, such determination shall apply to any adjournment thereof.

7.7 Quorum. Members holding a majority of all Interests entitled to vote on the subject matter, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, Members holding a majority of the Interests so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting in accordance with Section 7.3. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. The Members present at a duly-organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of Members holding Interests whose absence would cause there to be less than a quorum.

7.8 Manner of Acting. If a quorum is present, the affirmative vote of Members holding a majority of all Interests present or represented and entitled to vote on the subject matter shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Wyoming Act or this Agreement.

7.9 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly-authorized attorney-in-fact. Such proxy shall be filed with the Manager before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

7.10 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all Members entitled to vote on that action were present and voted. All such consents shall be delivered to the Managers for inclusion in the minutes or for filing with the Company records. Action taken under this Section 7.10 is effective when such number of consents required to authorize the proposed action have been received by the Manager. Any Member giving a written consent may revoke the consent by a writing received by the Managers before written consents representing the number of votes required to authorize the proposed action have been received by the Manager. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

7.11 Limitation of Liability. Each Member's liability shall be limited as set forth in the Wyoming Act and other applicable law. Except as otherwise provided by the Wyoming Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Members of the Company (including any Member that is also a Manager or an officer of the Company) shall not be obligated personally for any of such debts, obligations or liabilities solely by reason of being a Member of the Company.

7.12 Nature of Rights and Obligations. Except as otherwise expressly provided herein, nothing contained in this Agreement shall be deemed to constitute a Member an agent or legal representative of the other Members. A Member shall not have any authority to act for, or create or assume any obligation or responsibility on behalf of, any other Member or the Company.

7.13 Member Access to Records. Upon written request of any Member, setting forth the purpose for such request, each Member shall have the right, during regular business hours, to inspect and copy such Company documents at the Member's expense as set forth in Section 12.1.

7.14 Other Activities. The Managers and Members shall have the right to engage in any other business activities, whether or not in competition with the Company. Neither the Company, nor the Managers or the other Members shall have any rights or claims as a result of such activities.

ARTICLE 8 ALLOCATIONS

8.1 Allocation of Profits and Losses.

(a) Except as otherwise provided in this Article 8, the Net Profit or Net Loss of the Company for each Accounting Period shall be allocated among the Members in proportion to their respective Percentage Interests.

(b) Notwithstanding the foregoing, no loss shall be allocated to a Member to the extent such allocation would cause such Member's Adjusted Capital Account to become negative or to increase the negative balance thereof.

(c) In the event that any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit balance of the Adjusted Capital Account of such Member as possible, provided that an allocation pursuant to this Section 8.1(c) shall only be made if and to the extent such Member would have a deficit balance in its Adjusted Capital Account after all other allocations provided for in this Section 8.1 have been made as if this Section 8.1(c) were not in this Agreement.

(d) In the event that any Member has a deficit balance in its Capital Account at the end of any Accounting Period which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement; and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 8.1(d) shall be made only if and to the extent that such Member would have a deficit balance in its Capital Account in excess of such sum after all other allocations provided for in this Section 8.1 have been made as if Section 8.1(c) and this Section 8.1(d) were not in this Agreement.

(e) This Section 8.1(e) hereby incorporates by reference the "minimum gain chargeback" provisions of Treasury Regulation 1.704-2. In general, upon a reduction of the Company's minimum gain, the preceding sentence shall require that items of income and gain be allocated among the Members in a manner that reverses prior allocations of Nonrecourse and Member Nonrecourse deductions (as defined in such Treasury Regulations) as well as reductions in the Members' Capital Account balances resulting from distributions that are allocable to increases in the Company's minimum gain. Subject to the provisions of Section 704 of the Code and the Treasury Regulations thereunder, if the Managers determine at any time that operation of such "minimum gain chargeback" provisions likely will not achieve such a reversal by the conclusion of the liquidation of the Company, the Managers shall adjust the allocation provisions of this Section 8.1(e) as necessary to preserve as best as possible the underlying economic objectives of the Members.

(f) The Regulatory Allocations are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 8.1(f). Therefore, notwithstanding any other provision of this Section 8.1 (other than the Regulatory Allocations), the Company shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner the Managers determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the

Capital Account balance such Member would have had the Regulatory Allocations not been part of the Agreement and all Company items were allocated pursuant to Section 8.1(a).

8.2 Income Tax Allocations.

(a) Except as otherwise provided in this paragraph or as otherwise required by the Code and the rules and Treasury Regulations promulgated thereunder, a Member's distributive share of Company income, gain, loss, deduction, or credit for income tax purposes shall be the same as is entered in the Member's Capital Account pursuant to this Agreement.

(b) In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any asset contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Members for federal income tax purposes and its initial Adjusted Asset Value.

(c) In the event that the Adjusted Asset Value of any Partnership asset is adjusted pursuant to the terms of this Agreement, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Adjusted Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

8.3 No Priority. No Member shall have priority over any other Member as to allocations of income, gain, loss, deduction or credit, or as to distributions.

ARTICLE 9 WITHDRAWALS BY AND DISTRIBUTIONS TO THE MEMBERS

9.1 No Interest. No Member shall be entitled to interest on Contributed Capital.

9.2 No Withdrawal of Contributions. No Member shall have the right to withdraw or demand the return of his Contributed Capital.

9.3 Mandatory Distributions. Subject to any limitations contained in any agreement pursuant to which the Company has borrowed money and to the extent of available Distributable Cash, at least five (5) days prior to April 15 following the end of any fiscal year, the Managers shall distribute cash to the Members pro rata based on the Percentage Interest held by the Members in an amount equal to the product of (a) the Tax Percentage and (b) the Company's taxable income for such prior tax quarter determined in accordance with Section 703(a) of the Code as estimated by the Manager. For purposes hereof, "Tax Percentage" shall mean initially thirty-five percent (35 %) and shall be adjusted from time to time by the Managers in response to changes in the tax rates applicable to individuals under the Code Distributions otherwise required under this Section 9.3 shall be reduced by the amount of distributions made under Section 9.4 with respect to such Fiscal Year.

9.4 Discretionary Distributions. Except as provided in Section 9.3, all distributions of Distributable Cash and property shall be made at such time as determined by the Managers in their sole discretion. Such distributions shall be made to the Members pro rata in proportion to their respective Percentage Interests on the record date for such distribution. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 9.4.

9.5 Member's Obligation to Repay or Restore. Except as required by law, no Member shall be obligated at any time to repay or restore to the Company all or any part of any distribution made to it from the Company in accordance with the terms of this Article 9.

9.6 Payment by Member of Company Indebtedness. If any Member shall pay all or part of any indebtedness of the Company pursuant to a guarantee of that indebtedness, such payment shall be considered indebtedness of the Company and be fully repaid prior to the payment of any distributions under this Article 9 or Article 13.

ARTICLE 10

INVESTMENT REPRESENTATIONS AND TRANSFER OF COMPANY INTERESTS

10.1 Investment Representation of the Members. This Agreement is made with each of the Members in reliance upon each Member's representation to the Company, which by executing this Agreement each Member represents and warrants, that such Member is purchasing its Interest in the Company for investment, and not with a view to the sale or distribution of any portion thereof, and that such Member has no present intention of selling, granting participation in, or otherwise distributing the Interest. Each Member understands that, in reliance upon the Members' representations, the Interests in the Company have not been registered under the Securities Act of 1933 or any comparable provision of state blue sky laws and that any transfer or other disposition of the Interests may not be made without registration under the Securities Act of 1933 or pursuant to an applicable exemption therefrom. Each Member further represents that it does not have any contract, undertaking, agreement, or arrangement with any Person to sell, transfer, or grant participations to such Person, or to any third Person, with respect to its Interest in the Company.

10.2 Transfer by Member. No Member shall sell, assign, pledge, mortgage, or otherwise dispose of or transfer its Interest in the Company without the prior written consent of the Managers which consent will not be unreasonably withheld. Notwithstanding the foregoing, after delivery of the opinion of counsel hereinafter described by this Article 10, a Member may sell, assign, pledge, mortgage, or otherwise dispose of or transfer its Interest in the Company without such consent (a) to any Entity or Person directly or indirectly holding eighty percent (80%) or more of the equity interests in the Member or any Entity of which eighty percent (80%) or more of the beneficial ownership are held directly or indirectly by the Member, (b) as may be required by any law or regulation, (c) by testamentary disposition or intestate succession, or (d) to a trust or other entity controlled by, or for the benefit of, such Member or one or more family members of such Member. A change in any trustee or fiduciary of the Member shall not be considered to be a sale, assignment, pledge, mortgage or other disposition or transfer under this Section 10.2. Any

purported sale, assignment, pledge, mortgage or other disposition or transfer that is not in compliance with this Section 10.2 shall be null and void and of no effect whatsoever.

10.3 Requirements for Transfer. At the Manager's discretion, no transfer or other disposition of the Interest of the Member shall be permitted until the Manager shall have received an opinion of counsel satisfactory to it that the effect of such transfer or disposition would not:

(a) result in the termination of the Company's tax year under Section 708(b)(1)(B) of the Code;

(b) result in violation of the Securities Act of 1933 or any comparable state law;

(c) result in a violation of or cause the need for any registration or qualification under any law, rule, or regulation by the Member, the Company or the Manager; or

(d) cause the Company to be deemed to be a "publicly traded Company" as such term is defined in Section 7704(b) of the Code.

Such legal opinion shall be provided to the Managers by the transferring Member or the proposed transferee. Any costs associated with such opinion shall be borne by the transferring Member or the proposed transferee. Upon request, the Managers will provide any information possessed by the Company and reasonably requested by a transferring Member to enable it to render the foregoing opinion. Notwithstanding any provision of this Article 10 to the contrary, the Managers may, in their sole discretion, waive the requirement of an opinion of counsel provided for in this Section 10.3.

10.4 Substitution as a Member. A transferee of a Member's Interest pursuant to this Article 10 shall become a substituted Member only if the underlying transfer is permitted by Section 10.2 and only if such transferee (a) elects to become a substituted Member and (b) executes, acknowledges and delivers to the Company such instruments as the Managers may deem necessary or advisable to effect the admission of such transferee as a substituted Member, including, without limitation, the written acceptance and adoption by such transferee of the provisions of this Agreement. No assignment by the Member of its Interest in the Company shall release the assignor from its liability to the Company for its Capital Commitment; provided that if the assignee becomes a substituted Member as provided in this Section 10.4, the assignor shall thereupon so be released (in the case of a partial assignment, to the extent of such assignment).

ARTICLE 11 WITHDRAWAL AND BUYOUT OF MEMBERS' INTERESTS

11.1 Events of Withdrawal. A Member may voluntarily withdraw upon written notice to the Company and shall be deemed to have withdrawn upon (a) a continuing default in payment of any amounts due and owing to the Company pursuant to Section 4.4 after ten (10) days written notice of such default, or (b) an event of bankruptcy of such Member as described in Section 18-304 of the Wyoming Act.

11.2 Purchase Option.

(a) In the event of the withdrawal of a Member, at the election of the Managers at any time after such withdrawal exercised by written notice to the withdrawn Member, the Company may repurchase the Interest of such withdrawn Member. The price paid by the Company for the repurchase of such Interest shall be equal to the balance of the withdrawn Member's Capital Account as of the date of withdrawal, determined as if the assets of the Company were sold at their fair market values and the Company liquidated as of such date (the "Fair Value") less a fifteen percent (15%) discount for nonmarketability and a fifteen percent (15%) discount for minority ownership, if applicable.

(b) The determination of the Fair Value shall be made by the Managers and provided by written notice to the withdrawn Member within thirty (30) days of the date of the Company's election to purchase the Interest. In the event that the withdrawn Member provides a written objection to such Fair Value within ten (10) days of the date of the Company's notice, the Manager and the Member shall have a thirty (30) day period to meet and confer in good faith regarding the disputed valuation. In the event that the dispute is not resolved within such period, each party shall appoint an independent valuation expert, and the two experts so appointed shall select a third expert. At the withdrawn Member's expense, the third expert shall review the circumstances of the valuation and materials from each party and shall make a determination regarding valuation of the Member's Interest which shall be binding on all parties. The Fair Value as so determined shall be final and binding upon the Company and the withdrawn Member.

(c) Payment to the withdrawn Member of the purchase price as determined pursuant to this Section 11.2 shall be payable (i) one-third (1/3rd) in cash, to the extent that of the Company has sufficient Distributable Cash to make such payment, and (ii) the remaining amount shall be payable by delivery of an unsecured promissory note. Any such promissory note shall have a term not exceeding ten (10) years, bearing interest at the applicable federal rate as of the date of such promissory note, and providing for the payment of principal and interest, amortized over the term of the promissory note, payable at least annually.

(d) The provisions of this Section 11.2 shall not apply to a withdrawal that occurs on or after a Dissolution Event.

11.3 Continuing Rights of Withdrawn Member. In the event that the Company does not repurchase the interest of a withdrawn Member as provided in Section 11.2 above, such withdrawn Member shall retain his economic interest in and obligations to the Company, but shall have no right to withdraw or receive any portion of his Capital Account or any other amount, except as otherwise specifically provided by this Agreement. Whether or not the interest of a withdrawn Member is repurchased pursuant to Section 11.2, following the date of withdrawal, a withdrawn Member shall not be a Member and shall have no voting rights or powers of a Member.

ARTICLE 12 RECORDS AND REPORTS

12.1 Records and Reports. At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company for a period of five (5) years from the end of the Fiscal Year during which the last entry was made on such record, the first two (2) years in the principal office of the Company. At a minimum the Company shall keep the following records:

(a) True and full information regarding the status of the business and financial condition of the Company, including financial statements of the Company for the three (3) most recent years;

(b) Copies of the Company's federal, foreign, state and local income tax returns and reports, if any, for each year;

(c) A current list of the full name and last known business, residence or mailing address of each Managers and each Member;

(d) A copy of the Certificate and copies of this Agreement and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the Certificate and this Agreement and all amendments thereto have been executed;

(e) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member; and

(f) Such other information regarding the affairs of the Company as the Managers determines is just and reasonable.

12.2 Returns and Other Elections. The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's Fiscal Year. All elections permitted to be made by the Company under federal or state laws shall be made by the Managers in their discretion.

12.3 Accounting Principles. The books and records of the Company shall be determined in accordance with generally accepted accounting principles consistently applied under the accrual method of accounting.

ARTICLE 13 DISSOLUTION

13.1 Dissolution Events.

(a) The Company shall be dissolved (i) upon the election of seventy-five percent (75%) in Interest of the Members; or (ii) upon the entry of a decree of judicial dissolution under the Wyoming Act (each a "Dissolution Event").

(b) The Company shall not be dissolved by reason of the death or complete withdrawal of any Member.

13.2 Winding Up. The Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, upon the occurrence of a Dissolution Event, but its separate existence shall continue until a Certificate of Cancellation has been filed with the Wyoming Secretary of State or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

13.3 Liquidation. Upon a Dissolution Event or a sale of the company and otherwise in settling accounts in dissolution, the assets of the Company shall be distributed in the following order:

(a) to creditors, in the order of priority as provided by law; and

(b) to Members, in accordance with their Capital Accounts.

Except as provided by law, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of each Member, no Member shall have recourse against any other Member.

13.4 Dissolution.

(a) When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, a Certificate of Cancellation shall be executed in such form as shall be prescribed by the Wyoming Secretary of State and same shall be filed with the Wyoming Secretary of State's office.

(b) Upon the acceptance of the Certificate of Cancellation, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Wyoming Act. The Managers, or in the absence of a Manager, a Majority in Interest of the Members, shall designate a person thereafter to be trustee for the Members and creditors of the Company and as such shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 Tax Matters Member. Kathleen Gross is hereby designated the "tax matters partner" of Company for purposes of Chapter 63 of the Code and the Treasury Regulations thereunder. The "tax matters partner" may be changed by the Managers in their sole discretion.

14.2 Notices. Any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed effectively given for all purposes (a) upon personal delivery to the party or to an executive officer of the party to whom the same is directed, (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient; if not, then on the next business day; (c) three (3) business days after having been sent by registered or certified mail, postage and charges prepaid, addressed to the intended recipient's address as it appears in the Company's records; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery with written verification of receipt.

14.3 Application of Wyoming Law. This Agreement, and the application and interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Wyoming, without regard to conflicts of law principles.

14.4 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

14.5 Amendments. A proposed amendment shall become effective at such time as it has been approved by a Majority in Interest of the Members; provided that any such amendment shall not have any material adverse effect on any Member that is materially different from the effects on the other Members.

14.6 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

14.7 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.

14.8 Waivers. The failure of any party to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of, this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

14.9 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude

or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14.10 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

14.11 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

14.12 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company.

14.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

In Witness Whereof the undersigned have executed this Operating Agreement.

Managers:

Richard J. Reilly
Richard J. Reilly

Kathleen Gross
Kathleen Gross

Members:

Richard J. Reilly
Richard J. Reilly

Kathleen Gross
Kathleen Gross

Mark Gross

Daniel Newton

Andrew Hawkes

James P. Reilly

In Witness Whereof the undersigned have executed this Operating Agreement.

Managers:

Richard J. Reilly

Kathleen Gross

Members:

Richard J. Reilly

Kathleen Gross

Mark Gross
Mark Gross

11/22/05

Daniel Newton

Andrew Hawkes

James P. Reilly

In Witness Whereof the undersigned have executed this Operating Agreement.

Managers:

Richard J. Reilly

Kathleen Gross

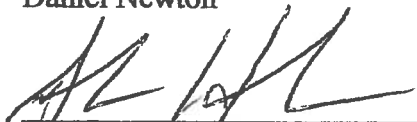
Members:

Richard J. Reilly

Kathleen Gross

Mark Gross

Daniel Newton



Andrew Hawkes

11/20/05

James P. Reilly

In Witness Whereof the undersigned have executed this Operating Agreement.

Managers:

Richard J. Reilly

Kathleen Gross

Members:

Richard J. Reilly

Kathleen Gross

Mark Gross

Daniel Newton

Andrew Hawkes


James P. Reilly

11/22/05

In Witness Whereof the undersigned have executed this Operating Agreement.

Managers:

Richard J. Reilly

Kathleen Gross

Members:

Richard J. Reilly

Kathleen Gross

Mark Gross

 11/22/05

Daniel Newton

Andrew Hawkes

James P. Reilly

EXHIBIT A

Member	Capital Contribution	Percentage Interest
Richard J. Reilly 4995 Foothill Road Big Fork, MT 59911 (406) 837-3396	\$300,000	21.66
Mark Gross 56 Surry Dam Road Surry, NH 03431 (603) 352-0402	\$700,000	50.54
Daniel Newton 605 Granite View Drive Kalispell, MT 59901 (406) 257-0816	\$185,000	13.36
Andrew Hawkes 33 Toppans Lane Newburyport, MA 01950	\$100,000	7.22
James P. Reilly 65 Coachlamp Lane Darien, CT 06820 (203) 656-8414	\$100,000	7.22

73152 1

Jordan, Blake

From: Harvey Walker [why@atcnet.net]
Sent: Tuesday, September 25, 2012 12:16 PM
To: Jordan, Blake
Subject: Fw: Spring Hollow Operating Agreement
Attachments: Spring Hollow Operating Agreement_251103.doc

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

From: Kathy
Sent: Tuesday, September 25, 2012 11:06 AM
To: why@atcnet.net
Subject: Spring Hollow Operating Agreement

Hi Harvey,
Item 5.2 on page 7 indicates that Kathleen R. Gross and Richard J. Reilly are managers. Item 5.7 specifies what we are authorized to do including executing documents pertaining to the company.

Hopefully this is the information the state requires. Thank you.

Kathy