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AUG 02 2012

WATER RESOURCES
WESTERN REGION

July 27, 2012

Vicky Music
Western Regional Office
Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705-5082

RE: Change of Ownership for 61-2186, 61-2220, 61-7060 and 612-7222

Dear Ms. Music:

Enclosed is a Notice of Change in Water Right Ownership with supporting information and a check for \$100 for the above referenced water rights. We are trying to expedite this change of ownership since financing for the owner is being held up pending this water right ownership change. Please let me know if you need any additional information as completing this change is urgent.

All of the water rights are currently in the name of Broken Arrow Farms, Inc. and were decreed that way in the SRBA. Since the decrees were entered several transfers have been filed and approved, all in the name of Broken Arrow Farms, Inc. The transfers did not change the place of use or the PPU but changed part of right 61-2186 and all of right 61-7222 to stock water and commercial uses for a dairy. The dairy is located entirely within the footprint of the PPU decreed in the SRBA.

The first property transfer from Broken Arrow Farms, Inc. occurred sometime after March 8, 2005 and before September 1, 2005. This transfer was for the N½ Sec 8 Twp 5S Rge 6E, B.M. as shown on Attachment 1. This property sold through the exchange accommodator NWA Development II, Inc as indicated in the Water Rights Agreement dated March 8, 2005, copy attached. The exclusion from the property in the southeast corner is not covered by the water right PPU as shown in Transfer 3031 approved October 17, 1984, copy enclosed. This property was deeded to Thomas B. DeGroot and Jackie DeGroot, husband and wife on September 1, 2005, Corporate Warranty Deed copy enclosed. The DeGroots deeded the water rights to Sunview Dairy, L.L.C. on July 27, 2012, Quitclaim Deed copy enclosed.

Two property transfers occurred on December 18, 2009, one from Broken Arrow Farms, Inc. to Sunview Dairy, L.L.C. for the S½ Sec 6, NE¼ Sec 7 all in Twp 5S Rge 6E, B.M, copy of Corporate Warranty Deed attached. The second was from James Alan Blanksma and Kristine E. Blanksma, husband and wife, to Sunview Dairy, L.L.C. for the NE¼ Sec 12 Twp 5S Rge 5E, B.M., copy of Warranty Deed attached. Also attached is a Bill of Sale dated December 18, 2009 signed by the Blanksmas as officers of Broken Arrow Farms, Inc. and as individuals. This Bill of Sale should be sufficient evidence it was the intent of the Blanksmas to transfer the water rights on the NE¼ Sec 12 Twp 5S Rge 5E, B.M. to the Grantee even though the water right for this parcel was in the name of Broken Arrow Farms, Inc. instead of the Blanksmas.

On August 11, 2011 Sunview Dairy, L.L.C. purchased the E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec 7 Twp 5S Rge 6E, B.M., copy of Trustees' Deed attached. The owners of this property never appeared as owners of any of the water rights whose PPU covered the property. Since the new owner of the water rights acquired the property and the deed was silent as to water rights there should not be any question that Sunview Dairy, L.L.C. is the owner of any portion of the water rights appurtenant to this parcel.

The owner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ Sec 7 Twp 5S Rge 6E, B.M. does not appear as the owner of any portion of the water rights included in this change of ownership. The owner of this property provided a Quitclaim Deed dated July 26, 2012 making clear the ownership of the water rights does not go with this parcel of land, copy attached.

As I indicated, Sunview Dairy, L.L.C. is awaiting the change of ownership of the above referenced water rights in order to complete their refinancing and time is critical. If you have any questions or need any additional information, please let me know so this change can be completed expeditiously.

Thank you for your help.

Yours truly,



David Shaw

Enc.

cc: Ed DeGroot