

7770 50

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

JAN 05 2012

Department of Water Resources
Eastern Region

APPLICATION FOR TRANSFER OF WATER RIGHT – POINTS OF DIVERSION

This form may be used to apply to change and/or add points of diversion for existing water rights and to report an ownership change for an entire water right(s) in connection with the proposed point of diversion change(s). Do not use this form to apply for changes to other elements of a water right or to report an ownership change for a portion of a water right. See the *Application for Transfer Instructions* for help completing this form and for mailing addresses of Department offices where your application can be submitted.

Check all that apply:

- ☒ Change Point of Diversion ☐ Add diversion point(s) ☐ Ownership change

1. **APPLICANT(S)** D & C Properties LLC, c/o Dave or James Walters Phone (208) 356-5491/Fax 356-55532. **MAILING ADDRESS** 342 W 4th N, P.O. Box 390 City RexburgState Idaho Zip 83440 Email _____c/o Keith C. Wilson Rocky Mountain Environmental Associates, Inc. Email kwilson@rockymountainenvironmental.comRocky Mountain
ENVIRONMENTAL
ASSOCIATES, INC.482 Constitution Way, Ste 303, Idaho Falls ID 83402 (208) 524-2353 Fax (208) 524-1795

- ☐ If the applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign for the applicant.
- ☐ If the applicant is not the current water right(s) owner, attach documentation of authority to file the application.
- ☐ If the application includes a change in ownership of water right(s), attach a copy of the conveyance document, such as a warranty deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property conveyed or description of the water right if no land is conveyed. Additional Fee(s) required for water right ownership changes; see fee Schedule.
- ☐ If the application is not signed by the applicant, attach a Power of Attorney or other documentation providing authority to sign for the applicant.

3. **LIST OF WATER RIGHT NUMBER(S)** 27-12215

- ☒ Attach a copy of the water right(s) as recorded, available at www.idwr.idaho.gov, *Water Right Transfers, Step 1*, or by contacting any Department office.

4. **TOTAL AMOUNT OF WATER** transferred is 0.05 cubic feet per second and/or _____ acre-feet per annum
(diversion rate) (storage volume)5. **POINT OF DIVERSION** – Describe all the point(s) of diversion to be included on the water right(s) after the proposed change.

- ☐ Attach Eastern Snake Plain Aquifer (ESPA) analysis if this transfer proposes to change a point of diversion affecting the ESPA.

N/A ESPA analysis information is available at www.idwr.idaho.gov, *Water Right Transfers, Online Resources*. **P/D With-in Same Cell**

Twp	Rge	Sec	Govt Lot	¼	¼	¼	County	Source	Local Name or tag #
01N	37E	15			NE	SW	Bonneville	Ground Water	D0059954

7770 5

RECEIVED

JAN 11 2012

Department of Water Resources
Eastern Region

Transfer No.

77705

6. 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:

Control Valve or Electrical panel can be used as a controlling works for the system

- b. Who owns the property at the point(s) of diversion? Valley Ready Mix

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

See attached "Water Lease Agreement"

- c. 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:

7. **MAP** – ☒ Attach a map of the diversion, measurement, control, and distribution system. Clearly label the map with township, range, section and ¼ ¼ of section information. The *Map Tool*, available at <http://maps.idwr.idaho.gov/TransferApplicationLayouts/> provides a satisfactory template for creating the required map.
8. **SIGNATURE** – The information in this application is true to the best of my knowledge. I understand any willful misrepresentations in this application may result in rejection of the application or cancellation of an approval.

Signature of applicant or authorized agent

James Walters – Manager
Print Name and Title if applicable

Date

Signature of applicant or authorized agent

David Z. Walters
Print Name and Title if applicable

Date

9. **FEE** – ☒ The application filing fee provided in Section 42-221, Idaho Code, must be submitted with the application for transfer. The Application fee is based on the total amount of water proposed for transfer in Item 4: the larger fee for either cubic feet per second (diversion rate) or acre-feet per annum (storage volume). The *Fee Schedule* is available at www.idwr.idaho.gov, *Water Right Transfers, Step 4* and in the *Application for Transfer Instructions*.

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages of attachments.

Received by

Date

Fee Paid \$200 or \$300

Date

01/11/2012

Received by

B/ake

Receipt #

E037241

Preliminary review completed by

Date

77705

77705

6. 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:

Control Valve or Electrical panel can be used as a controlling works for the system

- b. Who owns the property at the point(s) of diversion? Valley Ready Mix

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

See attached "Water Lease Agreement"

- c. 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: _____

7. **MAP** – ☒ Attach a map of the diversion, measurement, control, and distribution system. Clearly label the map with township, range, section and ¼ ¼ of section information. The *Map Tool*, available at <http://maps.idwr.idaho.gov/TransferApplicationLayouts/> provides a satisfactory template for creating the required map.

8. **SIGNATURE** – The information in this application is true to the best of my knowledge. I understand any willful misrepresentations in this application may result in rejection of the application or cancellation of an approval.



Signature of applicant or authorized agent

James Walters – Manager
Print Name and Title if applicable

1-5-12
Date

Signature of applicant or authorized agent

Print Name and Title if applicable

Date

9. **FEE** – ☒ The application filing fee provided in Section 42-221, Idaho Code, must be submitted with the application for transfer. The Application fee is based on the total amount of water proposed for transfer in Item 4: the larger fee for either cubic feet per second (diversion rate) or acre-feet per annum (storage volume). The *Fee Schedule* is available at www.idwr.idaho.gov, *Water Right Transfers, Step 4* and in the *Application for Transfer Instructions*.

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages of attachments.

Received by _____

Date _____

Fee Paid \$200 of \$300.00 Date 01/11/2012

Receipted by B/ma

Receipt # E037241

Preliminary review completed by Hale

Date _____

77705

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

Current Water Right No.: 27-12215

Current Owner: D & C PROPERTIES LLC

Priority Date: 8/19/1952

Origin: Water Right

Status: Active

Basis: Decreed

Source

Tributary

GROUND WATER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Annual Volume</u>
IRRIGATION	04/01 to 10/31	0.04 CFS	8.4 AF
INDUSTRIAL	04/01 to 10/31	0.01 CFS	2.5 AF
	<u>Total Diversion</u>	0.05 CFS	10.9 AF

Location of Point(s) of Diversion

GROUND WATER	SE1/4SW1/4	Sec. 15,	Twp 01N,	Rge 37E B.M.
BONNEVILLE County				

Place of Use

IRRIGATION Within BONNEVILLE County

T01N R37E S15	NESW	0.80	T01N R37E S15	SWSW	0.50
T01N R37E S15	SESW	0.80			

Total Acres: 2.1

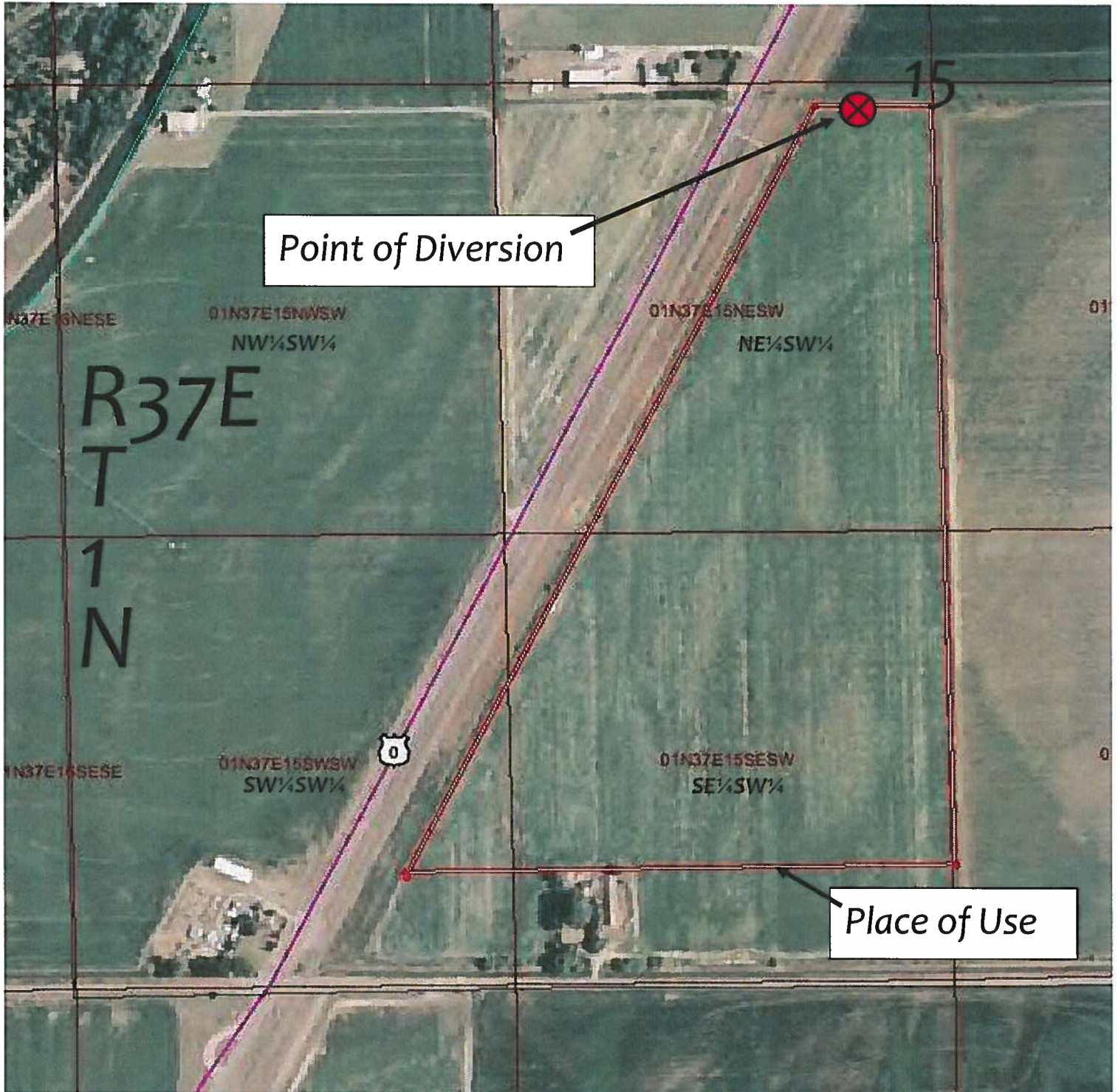
INDUSTRIAL Within BONNEVILLE County

T01N R37E S15	NESW	T01N R37E S15	SWSW
T01N R37E S15	SESW		

Conditions of Approval:

1. R68 This right when combined with all other rights shall provide no more than 0.03 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
2. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
3. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
4. 115 Prior to the diversion and use of water under this right, the right holder shall install and maintain acceptable measuring device(s), including data logger(s), at the authorized point(s) of diversion, in accordance with Department specifications.
5. Industrial use is for the evaporative losses from a gravel/sand washing infiltration pond.
6. 205 The approval of this transfer redefines all of the elements of this water right, and the new use of water authorized by this approval shall constitute the full extent of the right.
7. 219 The industrial use under this right authorizes the diversion of an annual total of 2.5 acre-feet to be used for the replacement of losses caused by evaporation.
8. 046 Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.
9. The surface area of the gravel/sand washing infiltration pond shall not exceed a total surface area of 1.0 acre.
10. 004 This right does not grant any right-of-way or easement across the land of another.
11. R05 Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
12. T07 The right holder shall accomplish the change authorized by this transfer within one year(s) of the date of this approval.
13. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.

Decreed Date: 1/31/2002



WATER LEASE AGREEMENT

THIS AGREEMENT, Made and entered into this ____ day of September, 2009, by and between D&C Properties, LLC, an Idaho limited liability company with its principal place of business located at P.O. Box 390, Rexburg, Idaho 83440, hereinafter called "Landlord", and Walters Ready Mix, Inc., an Idaho corporation, with its principal place of business located at P.O. Box 390, Rexburg, Idaho 83440, hereinafter called "LESSEE",

WITNESSETH:

1. Water Rights Leased.

Landlord does hereby lease to Lessee and Lessee hereby leases from Landlord an application for permit in the name of the Landlord for 4.99 cfs and the following described portion of water right as proposed in accompanying transfer to be appurtenant to the real property owned by Lessee described as Parcel 2 located in Bonneville County, State of Idaho, to-wit:

See Attached Exhibit "A" Warranty Deed Parcel 2

See Attached Exhibit "B" Proposed transfer of three (3) acres of right 35-2241A to Lessee's property with sale agreement for of those (3) acres of water right.

See Attached Exhibit "C" Application for Permit for 4.99 cfs

2. Term of Lease.

This lease shall run for five years, automatically renewing if not terminated by either party prior to March 1 of the following year.

3. Cash Rental.

Lessee shall pay Landlord as cash rent for the Lease, the following:

The sum of , payable on or before July 1 of each rental year.

Tenant agrees to assume and pay all water assessments which are assessed against the water rights associated with the premises for each year of the lease.

4. Remedies for Default of Tenant.

a. In the event Tenant shall fail to comply with any of the covenants, terms, or conditions of this lease (which failure is not corrected by Tenant within 20 days notice in writing by Landlord to Tenant, personally delivered or mailed certified mail, return receipt requested) or shall abandon or vacate the premises, Tenant shall not have the right to continue to divert the water rights upon the premises, and Landlord shall have the right to repossess the water rights and do any and all things lawfully necessary to insure that no water rights are lost or jeopardized.

b. In the event of default of Tenant, Landlord may elect, in lieu of or prior to termination for default, to remedy the default for Tenant and in each case Tenant shall forthwith upon demand repay the cost to Landlord with interest at thirteen percent per annum until repaid.

c. Waiver by Landlord of any breach by Tenant hereunder shall not be deemed a waiver of any subsequent breach; failure of Landlord to insist upon strict performance shall not relinquish his right to thereafter enforce such performance.

d. Tenant shall pay all costs, expenses, and reasonable attorneys' fees incurred by Landlord in enforcing the covenants of this lease or collecting damages for the breach thereof, with or without suit, in trial or appellate courts.

e. In addition to the remedies herein recited, Landlord shall also have such other remedies as are afforded in law or equity in event of any breach by Tenant.

5. Remedies for Default of Landlord.

a. In the event of any default by Landlord hereunder (not corrected by Landlord within 10 days notice in writing by Lessee to Landlord, personally delivered or mailed certified mail, return receipt requested) Lessee at his option may remedy such breach and the costs thereof may be deducted by Lessee, from unpaid rental owing hereunder.

b. Landlord shall pay all costs, expenses and reasonable attorneys' fees incurred by Lessee in enforcing the covenants of this lease or collecting damages for the breach thereof, with or without suit, in trial or appellate courts.

6. Miscellaneous.

a. This lease cannot be assigned by Lessee, nor the leased water or any part thereof sublet, without the written consent of Landlord.

b. All the provisions of this lease shall be binding upon the successors, heirs, administrators and assigns of the parties hereto.

c. Landlord shall have the right to enter upon Tenant's premises at any reasonable time to inspect and examine any and all parts thereof to insure the proper use of these water rights.

d. Upon termination of the lease, Lessee shall surrender possession of the water rights leased herein.

e. The terms "Landlord" and "Lessee" shall be construed as used herein, to include singular and plural, and the masculine gender shall be construed to include the feminine.

IN WITNESS WHEREOF, The parties have executed this lease this ____ day of September, 2009.

"LANDLORD"
D&C Properties, LLC

David Z. Walters, Member

"LESSEE"
"Walters Ready Mix, Inc."

David Z. Walters, President

STATE OF IDAHO)
 ss.
County of _____)

On this _____ day of September, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared **David Z. Walters**, known to me to be a Member, of **D&C Properties, LLC**, an Idaho limited liability company, the limited liability company that executed the foregoing document, and acknowledged to me that such limited liability company executed the same.

Notary Public for Idaho
Residing at _____
My Commission expires: _____

Corporate Acknowledgment

STATE OF IDAHO)
 ss.
County of _____)

On this _____ day of September, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared **David Z. Walters**, known to me to be the President of **Walters Ready Mix, Inc.**, the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

Notary Public for Idaho
Residing at _____
My Commission expires: _____

BONNEVILLE COUNTY RECORDER

1189691 JUN20'05 PM 3:21

WARRANTY DEED

Order No.:3030511463

FOR VALUE RECEIVED

David LeRoy Johnson, ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ and Wrena Johnson,
 husband and wife

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

D & C Properties, LLC and Valley Ready Mix, Inc., an Idaho Corporation—(as to Parcel 2)
 (as to Parcels 1 & 3)
 whose current address is

P.O. Box 390 Rexburg, ID 83440

the grantee(s), the following described premises, in Bonneville County, Idaho, TO WIT:

Parcel 1 - D & C Properties, LLC

Part of Section 15, Township 1 North, Range 37 East of the Boise Meridian, Bonneville County,
 Idaho described as:

Beginning at a point that is South 89°05'27" East 1,318.74 feet along the East West centerline of
 Section 15 from the West ¼ corner of said Section 15 and running thence South 89°05'27" East 1.83
 feet along said centerline to the West line of Lot 15, Block 1 Carriage Row Division No. 1; thence
 South 00°04'15" East 50.97 feet along said West line to the Southwest corner of said Lot 15; thence
 South 89°45'36" East 680.73 feet along the South line of said Lot 15 to the West right of way of
 State Highway 191; thence South 29°16'21" West 1,395.86 feet along said West right of way to a
 point on the West line of the East ½ Southwest ¼; thence North 00°00'15" West 1,271.46 feet; to the
 POINT OF BEGINNING.

Parcel 2 - (Valley Ready Mix, Inc.)

Part of Section 15, Township 1 North, Range 37 East of the Boise Meridian, Bonneville County,
 Idaho described as:

Beginning at a point that is North 00°02'05" East 440.02 feet along the North South centerline of
 Section 15 from the South ¼ corner of said Section 15 and running thence North 89°24'41" West
 1,608.79 feet to the East right of way of Union Pacific Railroad; thence North 29°16'21" East
 2,582.55 feet along said right of way to the East West centerline of said Section 15; thence South
 89°05'27" East 347.35 feet along said centerline to the Northeast corner of the East ½ Southwest ¼;
 thence South 00°02'05" West 2,263.78 feet along the East line of said East ½ Southwest ¼; to the
 POINT OF BEGINNING.

Parcel 3 - (D & C Properties, LLC)

Part of Section 15, Township 1 North, Range 37 East of the Boise Meridian, Bonneville County,
 Idaho described as:

Commencing at the South ¼ corner of Section 15 and running thence North 89°24'41" West
 1,853.78 feet along the South line of said Section 15 to the East right of way of Union Pacific
 Railroad; thence North 29°16'21" East 501.55 feet along said right of way; thence South 89°24'41"
 East 1,608.79 feet to the North South centerline of said Section 15; thence South 00°02'05" West
 440.02 feet along said centerline; to the POINT OF COMMENCEMENT.

Alliance Title & Escrow Corp.
 451 Park Ave. P.O. Box 50642
 Idaho Falls, ID 83405-0642

INSTRUMENT NO.	1189691
DATE	6-20-05
INST. CODE	205
IMAGED PGS	6-00
FEE	6.00
STATE OF IDAHO COUNTY OF BONNEVILLE	
I hereby certify that the within instrument was recorded.	
Ronald Longman, County Recorder	
By	<i>[Signature]</i>
Deputy Request of	ATEC

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that (s)he will warrant and defend the same from all lawful claims whatsoever.

Dated: 6/10/2005

David LeRoy Johnson
David LeRoy Johnson

Wendy Johnson
~~Wendy Johnson~~ Wendy Johnson

~~Known to Me~~

State of Idaho

County of Bonneville ss.

On this 11th day of June, in the year 2005 before me, a Notary Public in and for said state, personally appeared David LeRoy Johnson and Wendy Johnson known or identified to me to be the persons whose names is subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have set my hand and affixed my official seal the day and year first above written.



M. Croft
Notary Public for the State of Idaho
Residing at: Residing in Bonneville County
Commission Expires: 2-27-10



b. Landlord shall pay all costs, expenses and reasonable attorneys' fees incurred by Lessee in enforcing the covenants of this lease or collecting damages for the breach thereof, with or without suit, in trial or appellate courts.

6. Miscellaneous.

a. This lease cannot be assigned by Lessee, nor the leased water or any part thereof sublet, without the written consent of Landlord.

b. All the provisions of this lease shall be binding upon the successors, heirs, administrators and assigns of the parties hereto.

c. Landlord shall have the right to enter upon Tenant's premises at any reasonable time to inspect and examine any and all parts thereof to insure the proper use of these water rights.

d. Upon termination of the lease, Lessee shall surrender possession of the water rights leased herein.

e. The terms "Landlord" and "Lessee" shall be construed as used herein, to include singular and plural, and the masculine gender shall be construed to include the feminine.

IN WITNESS WHEREOF, The parties have executed this lease this 24th day of September, 2009.

"LANDLORD"
D&C Properties, LLC

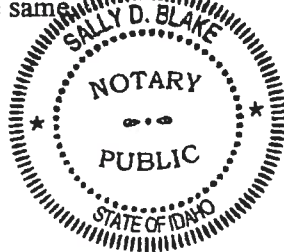
David Z. Walters
David Z. Walters, Member

"LESSEE"
"Walters Ready Mix, Inc."

David Z. Walters
David Z. Walters, President

STATE OF IDAHO)
)
 ss.
 County of Madison)

On this 24 day of September, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared **David Z. Walters**, known to me to be a Member, of **D&C Properties, LLC**, an Idaho limited liability company, the limited liability company that executed the foregoing document, and acknowledged to me that such limited liability company executed the same.

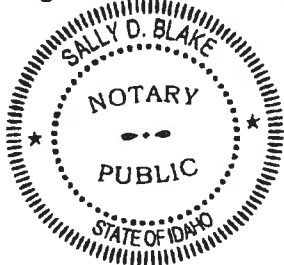


Sally Blake
 Notary Public for Idaho
 Residing at Shemont Cnt
 My Commission expires: 12-11-11

Corporate Acknowledgment

STATE OF IDAHO)
)
 ss.
 County of Madison)

On this 24 day of September, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared **David Z. Walters**, known to me to be the President of **Walters Ready Mix, Inc.**, the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.



Sally Blake
 Notary Public for Idaho
 Residing at Shemont Cnt
 My Commission expires: 12-11-11



IDAHO SECRETARY OF STATE

Viewing Business Entity

Ben Ysursa, Secretary of State

D & C PROPERTIES, LLC

342 W 4TH N
REXBURG, ID 83440

Type of Business: LIMITED LIABILITY COMPANY
Status: EXISTING, 2ND AR NOTICE SENT 01 Jul 2009
State of Origin: IDAHO
Date of Origination/Authorization: 01 Jun 2004
Current Registered Agent: DAVID Z WALTERS
 342 W 4TH N
 REXBURG, ID 83440
File Number: W30950
Date of Last Annual Report: 14 Jul 2009

No. W 30950 Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		Due no later than Jun 30, 2009 Annual Report Form 1. Mailing Address: Correct in this box if needed. D & C PROPERTIES, LLC DAVID Z WALTERS 342 W 4TH N REXBURG ID 83440	2. Registered Agent and Address (NO PO BOX) DAVID Z WALTERS 342 W 4TH N REXBURG ID 83440 3. <u>New</u> Registered Agent Signature:*
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.			
Office Held	Name	Street or PO Address	City State Country Postal Code
MEMBER	DAVID Z WALTERS	577 S 5TH W	REXBURG ID USA 83440
MEMBER	CHARLENE B WALTERS	577 S 5TH W	REXBURG ID USA 83440
5. Organized Under the Laws of: ID W 30950		6. Annual Report must be signed.* Signature: David Z. Walters Name (type or print): David Z. Walters Date: 07/14/2009 Title: Manager	
Processed 07/14/2009		* Electronically provided signatures are accepted as original signatures.	



IDAHO SECRETARY OF STATE

Viewing Business Entity

Ben Ysursa, Secretary of State

VALLEY READY MIX, INC.

BOX 390
REXBURG, ID 83440-0390

Type of Business: CORPORATION, GENERAL BUSINESS
Status: GOODSTANDING, ANREPT SENT 05 Jun 2009
State of Origin: IDAHO
Date of Origination/Authorization: 06 Aug 1981
Current Registered Agent: DAVID Z. WALTERS
 2500 WEST 65 SOUTH
 IDAHO FALLS, ID 83401
Organizational ID / Filing Number: C67477
Number of Authorized Stock Shares: 1
Date of Last Annual Report: 16 Jun 2009

No. C 67477 Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		Due no later than Aug 31, 2009 Annual Report Form 1. Mailing Address: Correct in this box if needed. VALLEY READY MIX, INC. DAVID Z. WALTERS BOX 390 REXBURG ID 83440-0390		2. Registered Agent and Address (NO PO BOX) DAVID Z. WALTERS 2500 WEST 65 SOUTH IDAHO FALLS ID 83401 3. <u>New</u> Registered Agent Signature:*		
4. Corporations: Enter Names and Business Addresses of President, Secretary, Directors and(optional) Treasurer.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
SECRETARY	CHARLENE WALTERS	P.O. BOX 390	REXBURG	ID	USA	83440
PRESIDENT	DAVID Z WALTERS	P.O. BOX 390	REXBURG	ID	USA	83440
5. Organized Under the Laws of: ID C 67477		6. Annual Report must be signed.* Signature: David Z. Walters Name (type or print): David Z. Walters Date: 06/16/2009 Title: President				
Processed 06/16/2009		* Electronically provided signatures are accepted as original signatures.				

WATER LEASE AGREEMENT

THIS AGREEMENT, Made and entered into this 2nd day of August, 2010, by and between D & C Properties, LLC, and Idaho limited liability company with its principal place of business located at P.O. Box 390, Rexburg, Idaho 83440, hereinafter called "Landlord", and Valley Ready Mix Inc., and Idaho corporation, with its principal place of business at P.O. Box 390, Rexburg, Idaho 83440, hereinafter called "LESSEE".

WITNESSETH:

1. Water Rights Leased.

Landlord does hereby lease to Lessee and Lessee hereby leases from Landlord an Application for permit in the name of the Landlord for 4.99 cfs and the following portion of water right as proposed in accompanying transfer to be appurtenant to the real property owned by Lessee describes as Parcel 2 Located in Bonneville County, State of Idaho to-wit:

See Attached Exhibit "A" Warranty Deed Parcel 2

See Attached Exhibit "B" Proposed transfer of three (3) acres of right 35-2241A to Lessee's property with sale agreement for those (3) acres of water right.

See Attached Exhibit "C" application for permit for 4.99 cfs

2. Term of Lease.

This lease shall run for five years, automatically renewing if no terminated by either party prior to March 1 of the following year.

3. Cash Rental.

The lessee shall pay Landlord as cash rent for the Lease, the following:

The Sum of _____, payable on or before July 1 of each rental year.

Tenant agrees to assume and pay all water assessments which are assessed against the water rights associated with the premises for each year lease.

4. Remedies for Default of Tenant.

a. In the event Tenant shall fail to comply with any of the covenants, terms, or conditions of this lease (which failure is not corrected by Tenant within 20 days notice in writing by Landlord to Tenant, personally delivered or mailed certified mail, return receipt requested) or shall abandon or vacate the premises, Tenant shall not have the right to continue to divert the water rights upon the premises, and Landlord shall have the right to repossess the water rights and do any and all things lawfully necessary to insure that no water rights are lost or jeopardized.

b. In the event of default of Tenant, Landlord may elect, in lieu of or prior to termination for default, to remedy the default for Tenant and in each case Tenant shall forthwith upon demand repay the cost to Landlord with interest at thirteen percent per annum until repaid.

c. Waiver by Landlord of any breach by Tenant hereunder shall not be deemed a waiver of any subsequent breach; failure of Landlord to insist upon strict performance shall not relinquish his right to thereafter enforce such performance.

d. Tenant shall pay all costs, expenses, and reasonable attorneys' fees incurred by Landlord in enforcing the covenants of this lease or collecting damages for the breach thereof, with or without suit, in trial or appellate courts.

e. In addition to the remedies herein recited, Landlord shall also have such other remedies as are afforded in law or equity in event of any breach by Tenant.

5. Remedies for Default of Landlord.

a. In the event of any default by Landlord hereunder (not corrected by Landlord within 10 days notice in writing by Lessee to Landlord, personally delivered or mailed certified mail, return receipt requested) Lessee at his option may remedy such breach and the costs thereof may

be deducted by Lessee, from unpaid rental owing hereunder.

b. Landlord shall pay all costs, expenses and reasonable attorneys' fees incurred by Lessee in enforcing the covenants of this lease or collecting damages for the breach thereof, with or without suit, in trial or appellate courts.

6. Miscellaneous.

a. This lease cannot be assigned by Lessee, nor the leased water or any part thereof sub-let, without the written consent of Landlord.

b. All the provisions of this lease shall be binding upon the successors, heirs, administrators and assigns of the parties hereto.

c. Landlord shall have the right to enter upon Tenant's premises at any reasonable time to inspect and examine any and all parts thereof to insure the proper use of these water rights.

d. Upon termination of the lease, Lessee shall surrender possession of the water rights leased herein.

e. The terms "Landlord" and "Lessee" shall be construed as used herein, to include singular and plural, and the masculine gender shall be construed to include the feminine.

IN WITNESS WHEREOF, The parties have executed this lease this 2nd day of July, 2010.

"LANDLORD"
D&C Properties, LLC

David Z. Walters
David Z. Walters, Member

Charlene B. Walters
Charlene B. Walters, Member

"LESSEE"
"Valley Ready Mix, Inc."

David Z. Walters
David Z. Walters, President

Charlene B. Walters
Charlene B. Walters, Secretary

STATE OF IDAHO)
SS.
County of Madison)

On this 2nd day of ^{Aug.} ~~July~~, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared **David Z. Walters and Charlene B. Walters**, known to me to be the Members, of **D&C Properties, LLC**, an Idaho limited liability company, the limited liability company that executed the foregoing document, and acknowledged to me that such limited liability company executed the same.

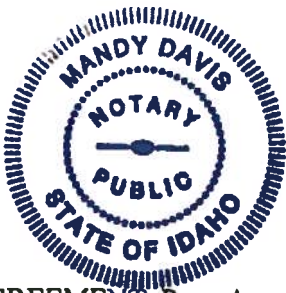


Mandy Davis
Notary Public for Idaho
Residing at: St. Anthony
My Commission expires: 6/24/2011

Corporate Acknowledgment

STATE OF IDAHO)
SS.
County of Madison.)

On this 2nd day of ^{Aug.} ~~July~~, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared **David Z. Walters and Charlene B. Walters**, known to me to be the President and Secretary, respectively, of **Valley Ready Mix, Inc.**, the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.



Mandy Davis
Notary Public for Idaho
Residing at: St. Anthony
My Commission expires: 6/24/2011

WARRANTY DEED	BONNEVILLE COUNTY RECORDER 1189691 JUN20'05 PM 3:21																		
Order No.: 3030511463																			
FOR VALUE RECEIVED																			
David LeRoy Johnson, ~~EXECUTOR OF THE ESTATE OF DAVID LE ROY JOHNSON~~ and Wrena Johnson, husband and wife																			
the grantor(s), do(es) hereby grant, bargain, sell and convey unto																			
<i>D & C</i> D & C Properties, LLC and Valley Ready Mix, Inc., an Idaho Corporation- (as to Parcel 2) (as to Parcels 1 & 3) whose current address is																			
P.O. Box 390 Rexburg, ID 83440																			
the grantee(s), the following described premises, in Bonneville County, Idaho, TO WIT:																			
Parcel 1 - D & C Properties, LLC																			
Part of Section 15, Township 1 North, Range 37 East of the Boise Meridian, Bonneville County, Idaho described as:																			
Beginning at a point that is South 89°05'27" East 1,318.74 feet along the East West centerline of Section 15 from the West 1/4 corner of said Section 15 and running thence South 89°05'27" East 1.83 feet along said centerline to the West line of Lot 15, Block 1 Carriage Row Division No. 1; thence South 00°04'15" East 50.97 feet along said West line to the Southwest corner of said Lot 15; thence South 89°45'36" East 680.73 feet along the South line of said Lot 15 to the West right of way of State Highway 191; thence South 29°16'21" West 1,395.86 feet along said West right of way to a point on the West line of the East 1/4 Southwest 1/4; thence North 00°00'15" West 1,271.46 feet; to the POINT OF BEGINNING.																			
Parcel 2 - (Valley Ready Mix, Inc.)																			
Part of Section 15, Township 1 North, Range 37 East of the Boise Meridian, Bonneville County, Idaho described as:																			
Beginning at a point that is North 00°02'05" East 440.02 feet along the North South centerline of Section 15 from the South 1/4 corner of said Section 15 and running thence North 89°24'41" West 1,608.79 feet to the East right of way of Union Pacific Railroad; thence North 29°16'21" East 2,582.55 feet along said right of way to the East West centerline of said Section 15; thence South 89°05'27" East 347.35 feet along said centerline to the Northeast corner of the East 1/4 Southwest 1/4; thence South 00°02'05" West 2,263.78 feet along the East line of said East 1/4 Southwest 1/4; to the POINT OF BEGINNING.																			
Parcel 3 - (D & C Properties, LLC)																			
Part of Section 15, Township 1 North, Range 37 East of the Boise Meridian, Bonneville County, Idaho described as:																			
Commencing at the South 1/4 corner of Section 15 and running thence North 89°24'41" West 1,853.78 feet along the South line of said Section 15 to the East right of way of Union Pacific Railroad; thence North 29°16'21" East 501.55 feet along said right of way; thence South 89°24'41" East 1,608.79 feet to the North South centerline of said Section 15; thence South 00°02'05" West 440.02 feet along said centerline; to the POINT OF COMMENCEMENT.																			
Alliance Title & Escrow Corp. 451 Park Ave. P.O. Box 50642 Idaho Falls, ID 83405-0642																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>INSTRUMENT NO.</td> <td>1189691</td> </tr> <tr> <td>DATE</td> <td>6-20-05</td> </tr> <tr> <td>INST. CODE</td> <td>205</td> </tr> <tr> <td>ISSUED PGS</td> <td>205</td> </tr> <tr> <td>FEE</td> <td>6.00</td> </tr> <tr> <td colspan="2">STATE OF IDAHO) COUNTY OF BONNEVILLE) I hereby certify that the within instrument was recorded. Ronald Longmire, County Recorder</td> </tr> <tr> <td>By</td> <td><i>R. Longmire</i></td> </tr> <tr> <td>Deputy</td> <td></td> </tr> <tr> <td>Request of</td> <td>AT&E</td> </tr> </table>		INSTRUMENT NO.	1189691	DATE	6-20-05	INST. CODE	205	ISSUED PGS	205	FEE	6.00	STATE OF IDAHO) COUNTY OF BONNEVILLE) I hereby certify that the within instrument was recorded. Ronald Longmire, County Recorder		By	<i>R. Longmire</i>	Deputy		Request of	AT&E
INSTRUMENT NO.	1189691																		
DATE	6-20-05																		
INST. CODE	205																		
ISSUED PGS	205																		
FEE	6.00																		
STATE OF IDAHO) COUNTY OF BONNEVILLE) I hereby certify that the within instrument was recorded. Ronald Longmire, County Recorder																			
By	<i>R. Longmire</i>																		
Deputy																			
Request of	AT&E																		

WATER LEASE AGREEMENT

Walters.wla

77705

