

DC ok
Blake/ArM

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column.

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
27-12215	Yes ☐		Yes ☐		Yes ☐
~~35-14032~~	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: IDAHO WATER CO LLC
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): D & C Properties, LLC
Name of each new owner as listed on the conveyance document
c/o Dave Z Walters
New owner continued Name connector ☐ and ☐ or ☐ and/or
PO Box 390
Mailing address
Rexburg Idaho 83440
City State ZIP
(208) 356-5491
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: January 7, 2011
6. This form must be signed and submitted with the following **REQUIRED** items:
- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
 - Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
 - Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

7. Signature: Dave Z Walters Member 1-25-11
Signature of new owner/claimant Title, if applicable Date

Signature: _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by [Signature] Date 1/28/2011 Receipt No. E0316384 Receipt Amt. \$25.-
Approved by _____ Processed by _____ Date _____

Instrument # 1383327

IDAHO FALLS, BONNEVILLE, IDAHO

1-24-2011 03:57:13 No. of Pages: 4

Recorded for : KEITH WILSON

RONALD LONGMORE

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

Fee: 19.00

SPECIAL WARRANTY DEED FOR WATER RIGHTS

Idaho Water Company LLC, an Idaho Limited Liability Company registered to do business in Idaho as Idaho Water Company LLC, a/k/a Idaho Water Co. LLC whose address is 1135 Valley Rd. So. Eden, Idaho 83325, (Grantor) does hereby grant, bargain, sell, assign, and convey unto D&C Properties whose address is _____ (Grantee) and to Grantees heirs and assigns forever, all of Grantor's right title and interest in the portions of water rights described in Exhibit A hereto (collectively the "Water Rights").

Grantor hereby covenants and warrants to Grantee as follows:

- (A) Grantor is the owner of the Water Rights;
- (B) Grantor has not conveyed any of the Water Rights to anyone other than Grantee;
- (C) The Water Rights are free from all liens, claims, or encumbrances; and
- (D) Grantor has the authority to convey the Water Rights to Grantee.

Grantor makes no other covenants or warranties as to the Water Rights.

IN WITNESS WHEREOF, the undersigned authorized officer of Grantor, acting on behalf of Grantor, has caused his name to be hereunto subscribed.

DATED this 7th day of January, 2011.

IDAHO WATER COMPANY, LLC

By: Idaho Water Company LLC
Delbert G. Kohtz, Member

by Delbert G. Kohtz

STATE OF IDAHO)
County of Jerome) ss.

On this 10th day of January 2011, before me, a Notary Public for said County and State, personally appeared DELBERT G. KOHTZ, known or identified to me, to be one of the members of the limited liability company of IDAHO WATER COMPANY, LLC, and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

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



Lori D Steadham

NOTARY PUBLIC FOR IDAHO

Residing at: Jerome, ID

My commission expires: 03/17/11

EXHIBIT A
WATER RIGHTS DESCRIPTION

Three acres of Water Rights 35-2241A (original number) from the NW1/4NE1/4 Sec 36
T01S R33E. Map is included as part of Exhibit A. No land is included in this Deed.

A handwritten signature in black ink, appearing to read "Robert K. Kott". The signature is written in a cursive style with a large, looping initial "R".

Original Place of Use



27-12215: D & C Properties Inc.
0.04 cfs/2.1 acres/8.4 afa Irrigation
0.01 cfs/2.5 afa Industrial (Pond Evaporation)

WATER RIGHT NO. **27-12215**

Water Right Report

12/28/2010

Owner Type	Name and Address
Current Owner	IDAHO WATER CO LLC, C/O DEL KOHTZ
	1135 VALLEY RD S, EDEN, ID 83325
	(208) 825-5617

Priority Date: 08/19/1952

Basis: Decreed

Status: Active

Source	Tributary
GROUND WATER	

Pedigree

35-2241A /Parent

Beneficial Use	From	To	Diversion Rate	Volume
IRRIGATION	04/01	10/31	0.04 CFS	8.4 AFA
INDUSTRIAL	04/01	10/31	0.01 CFS	2.5 AFA
Total Diversion			0.05 CFS	

35-14032: 4.10 cfs/273 ac

35-14033 Renumbering to 27-12215 0.05 cfs/3.0 ac and 12.0 afa Irr

27-12215: D & C Properties Inc.
0.04 cfs/2.1 acres/8.4 afa Irrigation
0.01 cfs/2.5 afa Industrial (Pond Evaporation)

Location of Point(s) of Diversion:

GROUND WATER	SESW	Sec. 15	Township 01N	Range 37E	BONNEVILLE County
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Place of Use Legal Description: IRRIGATION Same as INDUSTRIAL BONNEVILLE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	37E	15		NESW	0.8		SWSW	0.5		SESW	0.8			

Total Acres: 2.1

Conditions of Approval:

1.	004	This right does not grant any right-of-way or easement across the land of another.
2.	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.
3.	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.
4.		The surface area of the gravel/sand washing infiltration pond shall not exceed a total surface area of 1.0 acre.
5.	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.
6.	T07	The right holder shall accomplish the change authorized by this transfer within one year(s) of the date of this approval.
7.		Industrial use is for the evaporative losses from a gravel/sand washing infiltration pond.
8.	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.
9.	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.
10.	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.
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.	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.
13.	046	Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.

Decreed Date: 01/31/2002

Water District Number: 120

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

IDAHO WATER COMPANY
AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT is made and entered into this 12th day of August, 2009 by and between Del Kohtz, Idaho Water Company LLC, of 1135 Valley Rd. So. Eden, Idaho (hereinafter 'Seller') and D & C Properties, LLC, of 342 West 4th North, Rexburg, Idaho (hereinafter "Buyer"). The seller, Del Kohtz discloses that he is a licensed real estate agent acting herein as principal for his own account and not representing or acting as an agent for the buyer.

TERMS AND CONDITIONS

1. The Sellers, in consideration of the terms contained herein, do hereby contract and agree to sell and convey to the Buyers and the Buyer does hereby agree to buy from the Sellers 12.0 acre feet/anum of Idaho Water Rights #35-2241A and the water appurtenant thereto, for \$[] per acre foot or \$[] per acre. There are 3.0 acres or 12.0 Acre Feet per year of water right included in this agreement. No land is included in this agreement

2. The total purchase price shall be \$[] The balance of the purchase price shall be paid on the closing date described in paragraph 5 below, less 33% down payment paid at signing. A Payment of \$[] shall be paid at signing.

3. This Agreement for Purchase and Sale of said license is contingent upon and subject to approval of the application for transfer by the Department of Water Resources. If the application is not approved, this Agreement shall become null and void.

4. The closing of this transaction and delivery of the executed Assignment to Buyer and the entire purchase price for the contract to Seller shall take place at the offices of Rocky Mountain Environmental Associates, Inc. of Idaho Falls, Idaho, within thirty days of Buyers receipt of approval from the Department of the application for transfer. The Buyers shall be given possession and use of the water right and the water appurtenant thereto, upon closing.

5. This transfer will remain in the name of Idaho Water Co. until the contract is closed and paid for by the buyer. The buyer's place of use and point of diversion will be used for the transfer. When the contract is closed a change of ownership form will be signed by Idaho Water Co. (Del Kohtz)

6. In the event of any suit proceeding by either party against the other party, in any way arising out of this agreement, the prevailing party shall be awarded their reasonable attorney fees and costs.

7. Each party agrees to pay one-half of any costs incurred in executing this document. These costs shall not be more than \$ each.

8. This agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, administrators, successors and assigns to the parties hereto.

9. If Kohtz fails to accomplish the desired transfer with this or other comparable water rights the upfront money will be refunded. Buyer understands consultant fees for preparation of transfer, calculation of mitigation, and attorney fees in the case of protests and hearings on their water transfer are to be paid by the Buyer.

10. Del Kohtz has my permission to make needed changes to the Water transfer application that is the result of this contract to facilitate the process of transferring the water. The changes made will not materially change the amount of money buyer has to pay, or the amount of water buyer receives.

11. Kohtz (Idaho Water Company) has no control over the amount of mitigation or writedown IDWR will require of Buyers particular transfer therefore the amount Buyer pays is based on the amount of water transferred out of the original Water Right. Buyer understands that all mitigation rights provided by Idaho Water Co. LLC and all Reach credits accrued by this transfer shall remain the property of Idaho Water Co. LLC.

OTHER PROVISIONS

IN WITNESS WHEREOF the parties have caused their names to be subscribed
on the dates set forth above.

SELLERS

Idaho Water Co. LLC
Dalhart Roberts

BUYERS

David J. Walker
Manager D.C. Properties

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.

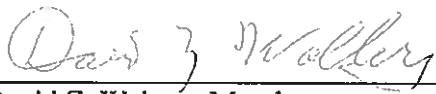
c. Landlord shall have the right to enter upon Tenant's premises at any reasonable time to inspect and examine any and all parts thereof to insure the proper use of these water rights.

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

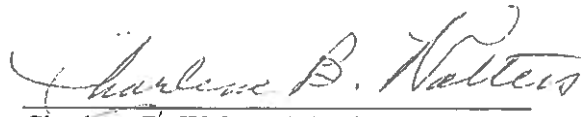
e. The terms "Landlord" and "Lessee" shall be construed as used herein, to include singular and plural, and the masculine gender shall be construed to include the feminine.

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

"LANDLORD"
D&C Properties, LLC



David Z. Walters, Member



Charlene B. Walters, Member

"LESSEE"
"Valley Ready Mix, Inc."

David Z. Walters

David Z. Walters, President

Charlene B. Walters

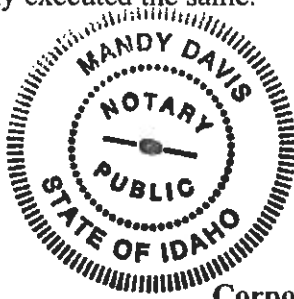
Charlene B. Walters, Secretary

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

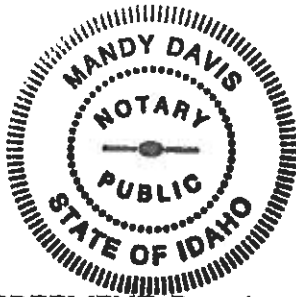
Corporate Acknowledgment

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, ~~WILLIAM J. JOHNSON AND WRENA JOHNSON~~ 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	205
FEES	16.00
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

WATER LEASE AGREEMENT

Walters.wla

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

Wrena Johnson
~~Wrena Johnson~~ Wrena Johnson

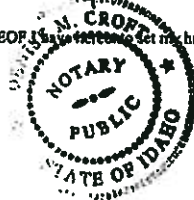
~~Kenneth B. Bate~~

State of Idaho

County of Bonneville ss.

On this 10th day of June, in the year 2005 before me, a Notary Public in and for said state, personally appeared David LeRoy Johnson and Wrena Johnson known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same.

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



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