

RECEIVED

SEP 14 2010

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESDEPARTMENT 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?
02-10384	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name:

Edward Montierth, Susan Montierth, Herbert Montierth, Estate of Golden Montierth
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s):

Craig C. Barnes, Mary Nancy Barnes
Name of each new owner as listed on the conveyance document

New owner continued

Name connector

☒ and ☐ or ☐ and/or881 Trail Creek Rd.

Mailing address

Lake George

City

State

ZIP

719-748-3111

Telephone

cbarnes530ymail.com

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: May 22nd 2006

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):
 - o \$25 per *undivided* water right.
 - o \$100 per *split* water right.
 - o No fee is required for pending adjudication claims.

7. Signature:

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

Date

Receipt No.

Receipt Amt.

Approved by

Processed by

Date



PC 602405
Pioneer Title Co.
 GOING BEYOND

8151 W. Rifleman Ave. / Boise
 Idaho 83704 / (208) 377-2700

REQUESTED
 TYPE Warranty Fee 30-
 PIONEER-CALDWELL
 REQUESTED BY W. R. Montierth
 CANYON CITY REQUESTER
 2006 MAY 5 PM 4 49
 6 NORTH HAVES

200634525

WARRANTY DEED

For Value Received EDWARD RAY MONTIERTH AND SUSAN MONTIERTH,
 HUSBAND AND WIFE

hereinafter referred to as Grantor, does hereby grant, bargain, sell, warrant and convey unto

CRAIG C. BARNES AND MARY NANCY BARNES, HUSBAND AND WIFE

hereinafter referred to as Grantee, whose current address is 5215 E. MONTE CRISTO, SCOTTSDALE,
 AZ 85254

the following described premises, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

SUBJECT TO THE FOLLOWING RESTRICTION, EACH OF WHICH IS A
 RESTRICTION ON USE RUNNING WITH THE LAND:

No residential building having less than 1,800 square feet of living area shall be
 constructed on the premises;

No residential building constructed off the premises will be located on the premises; and

Each residential building constructed on the premises will have a garage large enough for the
 storage of not less than two passenger vehicles.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, his heirs
 and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that Grantor
 is the owner in fee simple of said premises; that said premises are free from all encumbrances except
 current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of
 record, and easements visible upon the premises, and that Grantor will warrant and defend the same from
 all claims whatsoever.

Dated: May 3, 2006

Edward R. Montierth Susan Montierth
 EDWARD RAY MONTIERTH SUSAN MONTIERTH

STATE OF ID. County of ADA, ss.

On this 5th day of MAY, in the year of 2006, before me THE UNDERSIGNED, notary public
 personally appeared EDWARD RAY MONTIERTH AND SUSAN MONTIERTH known or
 identified to me to be the person/persons whose name is/are subscribed to the within instrument, and
 acknowledged to me that he/she/they executed the same.



Kathy Coontz
 KATHY COONTZ
 Notary Public of ID
 Residing at BOISE
 Commission expires: August 15, 2009

File No.: 200602405

EXHIBIT A

The East half of the Northeast Quarter of the Southwest Quarter of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho described as:

COMMENCING at the West quarter corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

North 89° 54' 35" East 1,988.47 feet to the POINT OF BEGINNING; thence

South 00° 10' 30" West 1,326.75 feet; thence

North 89° 54' 26" East 662.86 feet; thence

North 00° 10' 35" East 1,326.72 feet; thence

South 89° 54' 35" West 662.89 feet to the POINT OF BEGINNING. (Known as Parcel 12)

SUBJECT TO AND TOGETHER WITH: A 60 foot wide ingress-egress and irrigation easement along the North side of the above described property and which lies 30 foot each side of the following described centerline:

COMMENCING at the Northeast corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

South 00° 10' 17" West 2,599.16 feet along the East line of said Section to the POINT OF BEGINNING; thence

South 89° 54' 20" West 1,325.54 feet; thence

South 00° 10' 22" West 30.00 feet; thence

South 89° 54' 35" West 3,976.84 feet to the West line of said Section.

ALSO: A 30 foot wide irrigation easement along the South side of the above described property and which lies 15 feet each side of the following described centerline:

COMMENCING at the Southeast corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

North 00° 09' 44" East 1,327.03 feet along the East line of said Section to the POINT OF BEGINNING; thence

South 89° 53' 53" West 2,651.35 feet; thence

South 89° 54' 26" West 2,651.45 feet to the West line of said Section.

ALSO: A 60 foot wide ingress-egress easement which lies 30 feet each side of the following described centerline:

COMMENCING at the Southwest corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

North 89° 54' 17" East 1,988.71 feet along the South line of said Section to the POINT OF BEGINNING; thence

North 00° 10' 30" East 1,326.75 feet.

ARTICLES OF INCORPORATION

OF

SKY RANCH WATER USERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation under the Idaho Nonprofit Corporations Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE 1. NAME: The name of the corporation shall be Sky Ranch Water Users Association, Inc. This corporation is a nonprofit corporation.

ARTICLE 2. DURATION: The duration of this corporation shall be perpetual.

ARTICLE 3. REGISTERED OFFICE AND AGENT: The registered office of the corporation is 825 Heartland Dr., Nampa, ID 83686 and its registered agent is Ray Montierth.

ARTICLE 4. INCORPORATOR: The name of the incorporator is Ray Montierth and the incorporator's address is 825 Heartland Dr., Nampa, ID 83686.

ARTICLE 5. PURPOSE AND POWERS: The specific purposes for which the Association is organized are to engage in all such activities as are incidental or conducive to the maintenance and preservation of the common irrigation system works, including but not limited to the common pump and systems for delivery of water from Hat Butte Mutual Canal Company to the individual parcels of property described in the "Sky Ranch Water Users' Agreement," and any other activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this corporation.

ARTICLE 6. MEMBERSHIP: The corporation will have members as provided in the "Sky Ranch Water Users' Agreement," as the same may be amended from time to time.

ARTICLE 7. BOARD OF DIRECTORS: The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Sky Ranch Water Users' Agreement. Each Director of the Corporation shall, at all times, be a member of the Corporation. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected by the members of the Corporation in the manner and for the term provided in the Bylaws of the Corporation.

The names and street addresses of the persons constituting the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Ray Montierth	825 Heartland Dr., Nampa, ID 83686.
Herbert Montierth	825 Heartland Dr., Nampa, ID 83686.
Mike Whipple	1311 11 th South, Nampa, Idaho 83651

ARTICLE 8. SELECTION OF OFFICERS AND DIRECTORS: Officers and directors of this corporation shall be elected by the members at the annual meeting. The number of officers and directors and all other matters relating to the management of the Association shall be set out in the Agreement.

ARTICLE 9. VOTING RIGHTS: The Association shall have one class of voting membership in this Association. Each Member shall be entitled to one vote in proportion to the number of water shares that the Member holds with Hat Butte Mutual Canal Company.

ARTICLE 10. ASSESSMENT: Each member shall be liable for the payment of assessments as provided for in the Bylaws of the Association or in the "Sky Ranch Water Users' Agreement," as the same may be amended from time to time.

ARTICLE 11. AMENDMENTS: Amendments of these Articles shall require the approval of seventy-five percent (75%) of the entire membership.

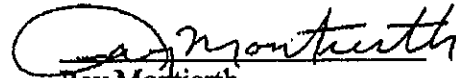
ARTICLE 12. DISSOLUTION: Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.

ARTICLE 13. BENEFICIAL INTEREST: No part of the net earnings of the Association shall inure to the benefit of or be distributable to its members, directors officers or other private persons, except that this Association shall be authorized and empowered to reimburse members for out of pocket expenses incurred on behalf of the Association and to make payments and distributions in furtherance of the purposes set forth in these Articles.

ARTICLE 14. BYLAWS. Provisions for the regulation of the internal affairs of the Corporation shall be set forth in its bylaws.

ARTICLE 15. QUORUM. For purpose of all meetings of Members, a quorum shall consist of one-third (1/3) of the Members entitled to vote.

EXECUTED in duplicate this 26th day of October, 2005, by the undersigned incorporator.


Ray Montierth

SKY RANCH WATER USERS' AGREEMENT

ARTICLE I. PURPOSE

This Agreement is by and between certain parcel owners located in Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho (the "Section"). Parcels 1 through 14, 16 thru 22 and A thru K of the Section as designated on the map attached as Exhibit A (the "Member Parcels"), and their successors and assigns. The signing and adherence to this Agreement is a condition of purchasing property from Ray and Herbert Montierth (the "Montierths") in said section. The purpose of this Agreement is to establish an Association that will place orders for water from Hat Butte Mutual Canal Company ("Hat Butte") rather than each parcel owner placing an order for water individually.

ARTICLE II. DEFINITIONS

The following terms shall have the following meanings:

Section 1. "ASSOCIATION" shall mean and refer to Sky Ranch Water Users' Association consisting of all Members, their successors and assigns. Said Association may be incorporated as a non-profit corporation by the Members.

Section 2. "MEMBER" shall mean and refer to only those persons owning real property within the Member Parcels. Persons owning property within the Section but without the Member Parcels may be added only by the Montierths in their sole discretion.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Annual Meetings: The first annual meeting of the Members shall be held within one (1) year from the date of the first receipt of ownership in fee by a Member. The annual meeting of the Members shall be held at such hour and on such day as shall be determined by the Members.

Section 2. Special Meetings: Special meetings of the Members may be called at any time upon written request of the Members who constitute one-fourth (1/4) of all the votes in the Association.

Section 3. Notice of Meetings: Written notice of any meeting shall be sent at least fifteen (15) days before such meeting to each Member entitled to vote, addressed to the Member's address supplied by such Member to the Association for the purpose of notice. Written notice shall specify the place, day and hour of the meeting and, in the case of a Special Meeting, the purpose of the meeting. The initial address for notice for

each Member is set forth on the signature page hereof, but may be changed by providing written notification of the new address to the Association. Until changed by notice to all Members, the address of the Association is 825 Heartland Dr., Nampa, ID 83686.

Section 4. Quorum: The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, of not less than one-third (1/3) of all the votes in the Association shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, by vote of a majority of the membership votes entitled to be cast then present or represented therein, the meeting may be adjourned from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his fee interest in property to another individual.

ARTICLE IV. VOTING

The Association shall have one class of voting membership in this Association. Each Member shall be entitled to one vote in proportion to the number of water shares that the Member holds with Hat Butte.

ARTICLE V. POWERS AND DUTIES OF ASSOCIATION AND MEMBERS

Section 1. It shall be the Association's Power and Duty to:

- A. Fix the amount of the annual assessment against each Member based on their pro rata share of water ordered from Hat Butte
- B. Collect assessments from Members and remit the same to Hat Butte;
- C. Send written notice to every Member subject thereto at least thirty (30) days in advance of each annual assessment period;
- D. Appoint a water master for operation and delivery of water to each Member's property. The appointed water master shall have the sole duty and authority for the operation and delivery of water and no other Member of the Association shall hold that same authority.
- F. Give orders to the water master on a periodic basis or from time to time as to how much water he will order from Hat Butte.

Section 2. It shall be the duty of each Member to:

- A. Make timely election of the amount of water to be used by such Member for the following water year.
- B. Make payments assessed by the Association for delivery of water as set forth in Article (VII) Section (1).
- C. Install on each Member's parcel, as approved by the water master, monitoring devices, flow meters or other reasonable means to monitor water usage of each Member for the purpose of fixing the amount of the annual assessment to be charged to each Member.
- D. Each Member shall be responsible for the delivery of water to their parcel, and the cost thereof, from the point of delivery by Hat Butte.

ARTICLE VI. POWERS AND DUTIES OF WATER MASTER

Section 1. Election of Water Master. The Association shall have a water master, who shall have the powers and duties set forth in this Agreement. The water master shall be elected by a two-thirds (2/3) vote of the Members at a meeting of Members at which a quorum is present, and shall serve for a period of one year or until a new water master is properly elected and qualified. A water master may be removed at any time by a two-thirds (2/3) vote of the Members present at a meeting of the Members called for that purpose, provided that a quorum is present.

Section 2. Power. As set forth in Article V Paragraph E, the appointed water master will be the sole responsible party for water delivery and no Member shall receive water except under the authority and direction of said water master.

Section 3. Duties. The water master shall withhold delivery of water to any Member unless and until such Member shall tender to the Association payment in full for the Member's proportionate share of costs assessed by the Association, including but not limited to, the appropriate amounts for operation and maintenance and required prepayments by Hat Butte for the current irrigation season. Strict adherence to this requirement is necessary to assure the required prepayment to Hat Butte and to guarantee to Hat Butte that no water will be used without advance payment therefore.

ARTICLE VII. ASSESSMENT

Section 1. Determination of Assessed Amount. The assessed amount that each Member shall pay to the Association will be based upon that Member's pro rata share of the charges from Hat Butte for (1) the delivery of that amount of water as elected by the

Member in accordance with Article (V) Section (2) hereof that is delivered to that Member's acreage, together with the power costs associated with the delivery of such water, (2) that Member's pro rata share of operating and maintenance costs charged by Hat Butte, and (3) any special assessments required by the Association for purposes of management and delivery of water to the respective parcels, as approved by two-thirds (2/3) vote of the Members present in person or by proxy and voting at a meeting of the Members at which a quorum is present.

Section 2. Payment Due Date. For the first year, assessed amounts shall be paid in full to the Association no later than 60 days following the closing date of each respective parcel. However, for parcels with closing dates in December 2005 or January 2006, payment shall be made no later than February 1, 2006. For each calendar year thereafter, assessed amounts shall be paid in full no later than February 1st or at such date as may be determined by the Members.

Section 3. Credits or Refunds. Any unused portions of amounts prepaid by each member will be refunded at the end of each irrigation season, or, at the election of the Member, credited to the account of such Member's prepayment obligation for the subsequent year.

Section 4. Late Payment. Each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Member personally obligated to pay the same and or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment.

ARTICLE VIII. AMENDMENTS

This Agreement may be altered, amended or a new agreement adopted at any regular meeting or at any special meeting of the Members thereof, called for that purpose, by the affirmative vote of two-thirds (2/3) of the votes in the Association as held by Members present at such meeting; provided that a quorum be present. For purposes of this Agreement, a quorum shall mean the presence of Members or proxies entitled to cast equal to not less than two-thirds (2/3) of all the votes in the Association.

ARTICLE IV. SEVERABILITY

In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The foregoing Agreement shall be effective the day of 2005.

(Signature) _____
(Print Name) _____, Member
Address: _____

(Signature) _____
(Print Name) _____, Member
Address: _____

(Signature) _____
(Print Name) _____, Member
Address: _____



8151 W. Rifleman Ave. / Boise
Idaho 83704 / (208) 377-2700

PC 602406

RECORDED
INDEXED
FILED
MAR 29 2006
PIONEER-CALDWELL

CANYON COUNTY RECORDER
BY [Signature]

MAR 29 PM 4 45

RECORDED

200622926

WARRANTY DEED

For Value Received HERBERT R. MONTIERTH, A MARRIED MAN AS HIS SOLE
AND SEPARATE PROPERTY

hereinafter referred to as Grantor, does hereby grant, bargain, sell, warrant and convey unto

CRAIG C. BARNES AND MARY NANCY BARNES, HUSBAND AND WIFE

hereinafter referred to as Grantee, whose current address is 5215 E. MONTE CRISTO AVE.,
SCOTTSDALE, AZ 85254

the following described premises, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

SUBJECT TO THE FOLLOWING RESTRICTION, each of which is a restriction on use
running with the land:

No residential building having less than 1,800 sq. feet of living area shall be constructed
on the premises;

No residential building constructed off the premises will be located on the premises; and

Each residential building constructed on the premises will have a garage large enough for the
storage of not less than two passenger vehicles.

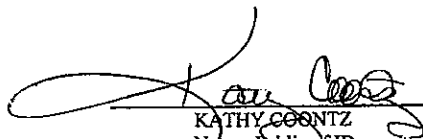
To HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, his heirs
and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that Grantor
is the owner in fee simple of said premises; that said premises are free from all encumbrances except current
years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record,
and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims
whatsoever.

Dated: March 22, 2006

[Signature]
HERBERT R.
MONTIERTH

STATE OF ID. County of ADA, ss.

On this 22ND day of MAY, in the year of 2006, before me THE UNDERSIGNED, notary public personally appeared HERBERT R. MONTIERTH known or identified to me to be the person/persons whose name is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.



KATHY COONTZ
Notary Public of ID
Residing at BOISE
Commission expires: August 15, 2009



File No.: 200602406

EXHIBIT A

The West half of the Northeast Quarter of the Southwest Quarter of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho described as:

COMMENCING at the West quarter corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

North 89° 54' 35" East 1,325.65 feet to the POINT OF BEGINNING; thence

South 00° 10' 36" West 1,326.78 feet; thence

North 89° 54' 26" East 662.86 feet; thence

North 00° 10' 30" East 1,326.75 feet; thence

South 89° 54' 35" West 662.82 feet to the POINT OF BEGINNING. (Known as Parcel 11)

SUBJECT TO AND TOGETHER WITH: A 60 foot wide ingress-egress and irrigation easement along the North side of the above described centerline:

COMMENCING at the Northeast corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

South 00° 10' 17" West 2,599.16 feet along the East line of said Section to the POINT OF BEGINNING; thence

South 89° 54' 20" West 1,325.54 feet; thence

South 00° 10' 22" West 30.00 feet; thence

South 89° 54' 35" West 3,976.84 feet to the West line of said Section.

ALSO: A 30 foot wide irrigation easement along the South side of the above described property and which lies 15 feet each side of the following described centerline:

COMMENCING at the Southeast corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

North 00° 09' 44" East 1,327.03 feet along the East line of said Section to the POINT OF BEGINNING; thence

South 89° 53' 53" West 2,651.35 feet; thence

South 89° 54' 26" West 2651.45 feet to the West line of said Section.

ALSO: A 60 foot wide ingress-egress easement which lies 30 feet each side of the following described centerline:

COMMENCING at the Southwest corner of Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho and running thence

North 89° 54' 17" East 1,988.71 feet along the South line of said Section to the POINT OF BEGINNING; thence

North 00° 10' 30" East 1,326.75 feet.

ARTICLES OF INCORPORATION
OF
SKY RANCH WATER USERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation under the Idaho Nonprofit Corporations Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE 1. NAME: The name of the corporation shall be Sky Ranch Water Users Association, Inc. This corporation is a nonprofit corporation.

ARTICLE 2. DURATION: The duration of this corporation shall be perpetual.

ARTICLE 3. REGISTERED OFFICE AND AGENT: The registered office of the corporation is 825 Heartland Dr., Nampa, ID 83686 and its registered agent is Ray Montierth.

ARTICLE 4. INCORPORATOR: The name of the incorporator is Ray Montierth and the incorporator's address is 825 Heartland Dr., Nampa, ID 83686.

ARTICLE 5. PURPOSE AND POWERS: The specific purposes for which the Association is organized are to engage in all such activities as are incidental or conducive to the maintenance and preservation of the common irrigation system works, including but not limited to the common pump and systems for delivery of water from Hat Butte Mutual Canal Company to the individual parcels of property described in the "Sky Ranch Water Users' Agreement," and any other activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this corporation.

ARTICLE 6. MEMBERSHIP: The corporation will have members as provided in the "Sky Ranch Water Users' Agreement," as the same may be amended from time to time.

ARTICLE 7. BOARD OF DIRECTORS: The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Sky Ranch Water Users' Agreement. Each Director of the Corporation shall, at all times, be a member of the Corporation. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected by the members of the Corporation in the manner and for the term provided in the Bylaws of the Corporation.

The names and street addresses of the persons constituting the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Ray Montierth	825 Heartland Dr., Nampa, ID 83686.
Herbert Montierth	825 Heartland Dr., Nampa, ID 83686.
Mike Whipple	1311 11 th South, Nampa, Idaho 83651

ARTICLE 8. SELECTION OF OFFICERS AND DIRECTORS: Officers and directors of this corporation shall be elected by the members at the annual meeting. The number of officers and directors and all other matters relating to the management of the Association shall be set out in the Agreement.

ARTICLE 9. VOTING RIGHTS: The Association shall have one class of voting membership in this Association. Each Member shall be entitled to one vote in proportion to the number of water shares that the Member holds with Hat Butte Mutual Canal Company.

ARTICLE 10. ASSESSMENT: Each member shall be liable for the payment of assessments as provided for in the Bylaws of the Association or in the "Sky Ranch Water Users' Agreement," as the same may be amended from time to time.

ARTICLE 11. AMENDMENTS: Amendments of these Articles shall require the approval of seventy-five percent (75%) of the entire membership.

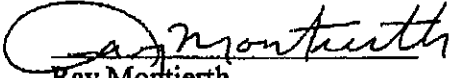
ARTICLE 12. DISSOLUTION: Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.

ARTICLE 13. BENEFICIAL INTEREST: No part of the net earnings of the Association shall inure to the benefit of or be distributable to its members, directors officers or other private persons, except that this Association shall be authorized and empowered to reimburse members for out of pocket expenses incurred on behalf of the Association and to make payments and distributions in furtherance of the purposes set forth in these Articles.

ARTICLE 14. BYLAWS. Provisions for the regulation of the internal affairs of the Corporation shall be set forth in its bylaws.

ARTICLE 15. QUORUM. For purpose of all meetings of Members, a quorum shall consist of one-third (1/3) of the Members entitled to vote.

EXECUTED in duplicate this ^{17th}26 day of October, 2005, by the undersigned incorporator.


Ray Montierth

SKY RANCH WATER USERS' AGREEMENT

ARTICLE I. PURPOSE

This Agreement is by and between certain parcel owners located in Section 2, Township 1 North, Range 3 West of the Boise Meridian, Canyon County, Idaho (the "Section"). Parcels 1 through 14, 16 thru 22 and A thru K of the Section as designated on the map attached as Exhibit A (the "Member Parcels"), and their successors and assigns. The signing and adherence to this Agreement is a condition of purchasing property from Ray and Herbert Montierth (the "Montierths") in said section. The purpose of this Agreement is to establish an Association that will place orders for water from Hat Butte Mutual Canal Company ("Hat Butte") rather than each parcel owner placing an order for water individually.

ARTICLE II. DEFINITIONS

The following terms shall have the following meanings:

Section 1. "ASSOCIATION" shall mean and refer to Sky Ranch Water Users' Association consisting of all Members, their successors and assigns. Said Association may be incorporated as a non-profit corporation by the Members.

Section 2. "MEMBER" shall mean and refer to only those persons owning real property within the Member Parcels. Persons owning property within the Section but without the Member Parcels may be added only by the Montierths in their sole discretion.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Annual Meetings: The first annual meeting of the Members shall be held within one (1) year from the date of the first receipt of ownership in fee by a Member. The annual meeting of the Members shall be held at such hour and on such day as shall be determined by the Members.

Section 2. Special Meetings: Special meetings of the Members may be called at any time upon written request of the Members who constitute one-fourth (1/4) of all the votes in the Association.

Section 3. Notice of Meetings: Written notice of any meeting shall be sent at least fifteen (15) days before such meeting to each Member entitled to vote, addressed to the Member's address supplied by such Member to the Association for the purpose of notice. Written notice shall specify the place, day and hour of the meeting and, in the case of a Special Meeting, the purpose of the meeting. The initial address for notice for

each Member is set forth on the signature page hereof, but may be changed by providing written notification of the new address to the Association. Until changed by notice to all Members, the address of the Association is 825 Heartland Dr., Nampa, ID 83686.

Section 4. Quorum: The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, of not less than one-third (1/3) of all the votes in the Association shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, by vote of a majority of the membership votes entitled to be cast then present or represented therein, the meeting may be adjourned from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his fee interest in property to another individual.

ARTICLE IV. VOTING

The Association shall have one class of voting membership in this Association. Each Member shall be entitled to one vote in proportion to the number of water shares that the Member holds with Hat Butte.

ARTICLE V. POWERS AND DUTIES OF ASSOCIATION AND MEMBERS

Section 1. It shall be the Association's Power and Duty to:

- A. Fix the amount of the annual assessment against each Member based on their pro rata share of water ordered from Hat Butte
- B. Collect assessments from Members and remit the same to Hat Butte;
- C. Send written notice to every Member subject thereto at least thirty (30) days in advance of each annual assessment period;
- D. Appoint a water master for operation and delivery of water to each Member's property. The appointed water master shall have the sole duty and authority for the operation and delivery of water and no other Member of the Association shall hold that same authority.
- F. Give orders to the water master on a periodic basis or from time to time as to how much water he will order from Hat Butte.

Section 2. It shall be the duty of each Member to:

- A. Make timely election of the amount of water to be used by such Member for the following water year.
- B. Make payments assessed by the Association for delivery of water as set forth in Article (VII) Section (1).
- C. Install on each Member's parcel, as approved by the water master, monitoring devices, flow meters or other reasonable means to monitor water usage of each Member for the purpose of fixing the amount of the annual assessment to be charged to each Member.
- D. Each Member shall be responsible for the delivery of water to their parcel, and the cost thereof, from the point of delivery by Hat Butte.

ARTICLE VI. POWERS AND DUTIES OF WATER MASTER

Section 1. Election of Water Master. The Association shall have a water master, who shall have the powers and duties set forth in this Agreement. The water master shall be elected by a two-thirds (2/3) vote of the Members at a meeting of Members at which a quorum is present, and shall serve for a period of one year or until a new water master is properly elected and qualified. A water master may be removed at any time by a two-thirds (2/3) vote of the Members present at a meeting of the Members called for that purpose, provided that a quorum is present.

Section 2. Power. As set forth in Article V Paragraph E, the appointed water master will be the sole responsible party for water delivery and no Member shall receive water except under the authority and direction of said water master.

Section 3. Duties. The water master shall withhold delivery of water to any Member unless and until such Member shall tender to the Association payment in full for the Member's proportionate share of costs assessed by the Association, including but not limited to, the appropriate amounts for operation and maintenance and required prepayments by Hat Butte for the current irrigation season. Strict adherence to this requirement is necessary to assure the required prepayment to Hat Butte and to guarantee to Hat Butte that no water will be used without advance payment therefore.

ARTICLE VII. ASSESSMENT

Section 1. Determination of Assessed Amount. The assessed amount that each Member shall pay to the Association will be based upon that Member's pro rata share of the charges from Hat Butte for (1) the delivery of that amount of water as elected by the

Member in accordance with Article (V) Section (2) hereof that is delivered to that Member's acreage, together with the power costs associated with the delivery of such water, (2) that Member's pro rata share of operating and maintenance costs charged by Hat Butte, and (3) any special assessments required by the Association for purposes of management and delivery of water to the respective parcels, as approved by two-thirds (2/3) vote of the Members present in person or by proxy and voting at a meeting of the Members at which a quorum is present.

Section 2. Payment Due Date. For the first year, assessed amounts shall be paid in full to the Association no later than 60 days following the closing date of each respective parcel. However, for parcels with closing dates in December 2005 or January 2006, payment shall be made no later than February 1, 2006. For each calendar year thereafter, assessed amounts shall be paid in full no later than February 1st or at such date as may be determined by the Members.

Section 3. Credits or Refunds. Any unused portions of amounts prepaid by each member will be refunded at the end of each irrigation season, or, at the election of the Member, credited to the account of such Member's prepayment obligation for the subsequent year.

Section 4. Late Payment. Each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Member personally obligated to pay the same and or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment.

ARTICLE VIII. AMENDMENTS

This Agreement may be altered, amended or a new agreement adopted at any regular meeting or at any special meeting of the Members thereof, called for that purpose, by the affirmative vote of two-thirds (2/3) of the votes in the Association as held by Members present at such meeting; provided that a quorum be present. For purposes of this Agreement, a quorum shall mean the presence of Members or proxies entitled to cast equal to not less than two-thirds (2/3) of all the votes in the Association.

ARTICLE IV. SEVERABILITY

In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The foregoing Agreement shall be effective the day of 2005.

(Signature) _____
(Print Name) _____, Member
Address: _____

(Signature) _____
(Print Name) _____, Member
Address: _____

(Signature) _____
(Print Name) _____, Member
Address: _____

200616111

RECORDED

2006 MAR 7 PM 4:17

CORRELL HALL

CANYON CTRY RECORDER

BY

PIONEER-CALDWELL

REQUEST

TYPE FEE

READ AND APPROVED BY

Mary Nancy Barnes

SKY RANCH ROAD EASEMENT AND MAINTENANCE AGREEMENT

THIS ROAD EASEMENT AND MAINTENANCE AGREEMENT (the "Agreement") is entered into by and between the undersigned Owners of parcels 2 through 14, more particularly described in Exhibits A-2 through A-14 attached hereto and incorporated herein by reference, for their benefit and for the benefit of the successors in interest to their respective Parcels. Each of the above-identified owners is referred to herein individually as an "Owner" and collectively as the "Owners." Each of the above-identified parcels is referred to herein individually as a "Parcel" and collectively as the "Parcels."

The purpose of this Agreement is to establish a mechanism for operating, maintaining, repairing and as necessary, replacing a private road (the "Road") within a non-exclusive private access easement for ingress and egress (the "Easement") described on Exhibit B and depicted on Exhibit C, attached hereto and incorporated herein by reference. This Agreement is binding upon the undersigned Owners and their respective successors in interest, and upon recording will be a covenant and restriction running with the land.

GRANT OF EASEMENT

In exchange for good and valuable consideration, the receipt and sufficiency of which is acknowledged, each of the Owners, as grantor, hereby grants, bargains and conveys to the other Owners, and their invitees and guests, as grantee, a permanent and perpetual easement for ingress, egress, irrigation works and utilities over and across the easement area on each grantor's respective Parcel(s) as described in Exhibit B and depicted on Exhibit C.

ARTICLE 1 DEFINITIONS

The following terms shall have the following meanings: