

Form No. 204
10/07

JUN 09 2010

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

FOR OFFICE USE ONLY:
 \$50 Fee Received by SBT
 Date 6-9-2010
 Receipt No. C091032

REQUEST FOR EXTENSION OF TIME

TO PROVIDE ADDITIONAL TIME IN WHICH TO SUBMIT PROOF OF BENEFICIAL USE FOR A WATER RIGHT PERMIT

The Idaho Department of Water Resources will consider this form as a request that the permit holder(s) be granted an additional period of time under the provisions of Section 42-204, Idaho Code in which to complete development of a water right and file proof of beneficial use of water. There is a **FILING FEE** of \$50.00 to be included with this form when filed with IDWR.

Permit No. 63-32235 Date Proof is Due: July 15, 2010
 Name(s) of Permit Holder: Orion Holdings, LLC
 Address: 618 N. Pioneer Oak City Salt Lake City State UT Zip 84108
 Telephone No. (801) 381-6950 Email: ashton.homes@hotmail.com

Describe what work has been completed toward the development of this water right:
 (This must be filled out! If no work has been completed, show "none".)

See narrative

Costing \$ See narrative

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

See narrative

Permit holder(s) request an extension to July 15, 2015

(Signature) [Signature] If other than permit holder, Power of Attorney must be supplied.

(Date) 6/1/2010

ACTION OF THE DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above request for extension of time be
APPROVED and the time within which to submit proof of beneficial use
 is extended to JULY 15, 2015.

Signed this 29th day of June, 2010

[Signature]
 Jeff Peppersack, Chief
 Water Allocation Bureau

Narrative
Request for Extension of Time
Water Right No. 63-32235
Permit Holder: Orion Holdings, LLC

Describe what work has been completed toward the development of this water right:

The water right permit authorizes aesthetic storage of 215 acre-ft of groundwater that naturally fills seven excavated ponds. Six ponds have been constructed in their entirety and the seventh pond is partially constructed. Taken together, pond construction to-date represents approximately 85% of the storage authorized under the permit.

The water right also authorizes 60 acre-ft of aesthetic groundwater from storage that represents recirculation of groundwater through the interconnected pond system. The recirculation system infrastructure including a pump station and gravity and pressure piping has been constructed and is operational.

Condition of approval #10 in the permit requires mitigation of evaporative losses from the ponds from water rights 63-132, 63-31313, 63-31312, 63-4695 and Transfer 72596. The infrastructure needed to deliver the mitigation water has been constructed and is operational.

On December 7, 2009, Orion Holdings completed a change of ownership on water right No. 63-32235 to reflect acquisition of The Shores development from the prior owner, South Channel LLC.

Costing:

The cost for developing the water right to-date is: \$818,000. The cost is estimated as it includes the significant components of pond construction and recirculation infrastructure and excludes minor components and appurtenances.

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

Ownership Changes – The water right permit was approved August 16, 2007 in the name of South Channel LLC, the project owner at that time. South Channel LLC held the project until December 31, 2008 at which time the project was conveyed to Marshall & Ilsley Bank. Orion Holdings acquired the project in August 2009. In total, the current permit holder, Orion Holdings, did not own the project and therefore did not have control over development of the water right for approximately 2 years out of the 3 years authorized on the permit.

Economic Conditions – Page 1 of 6 of the Application for Permit describes how the seven ponds are incident to excavation to provide fill material for site grading. The need to complete excavation of the seventh pond is determined by demand for fill material for the remaining lots in Phase 2, the final phase of the development. The downturn in the

housing market conditions that began in late 2006 has continued into 2010 and has resulted in reduced demand for lots.

Other Activities & Entitlements – After acquiring the project in August 2009, Orion Holdings has transitioned into management and operations of the project, finalized re-listing as of October 2009 with ongoing marketing of available lots within The Shores, and is continuing or renewing entitlements. Those entitlements include having obtained a time extension for the final plat for Phase 2 (the final phase) from the City of Eagle, a time extension for the joint 404 permit the U.S. Army Corps of Engineers, and finalizing the required wetland mitigation in Phase 2 to obtain final approval on the 404 permit.

Permit holder(s) request an extension to July 15, 2015.

Orion Holdings, LLC is requesting a 5-year extension of time to complete development of the water right. The request for a five-year time extension anticipates sufficient time, based on current conditions, for the land development market to recover and result in demand for completing excavation of the seventh pond to place fill material on the remaining lots in Phase 2. Orion Holdings has not requested any previous time extensions for water right No. 63-32235.