

WD 01

RECEIVED

NOV 17 2009

STATE OF IDAHO
IDAHO DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE OF WATER RIGHT OWNERSHIP

Department of Water Resources
Eastern Region

Please print or type. Attach pages with additional information. Instructions are on the back of this page.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
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ix
22-7684

Split into ✓

22-13970 + 22-13971

2. The following **REQUIRED** information must be submitted with this form:

SUPPORT DATA

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water rights(s) or claims(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
 IN FILE # 22-7684
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use your water rights(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county.)
OR
 If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former
Owner/Claimant

Lynn E. Smith

382 W. McReynolds Ave., Felt, ID 83424

4. New Owner/Claimant(s)

Teton River Holdings, LLC

Name connector (check one): [] and [] or, [] and/or

New Mailing Address

PO Box 516

City, State and ZIP Code

Driggs, ID 83422

New Telephone Number

208-860-3836

5. Date you acquired the property

Oct. 13, 2006

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock,
Water right and/or Adjudication Claim Number 22-7684		
Irrigation	5.83 cfs	631
Stock		
Domestic		
Other		
Totals		
Water right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water right and/or Adjudication Claim Number		
Irrigation		
Stock		
Domestic		
Other		
Totals		

For Snake River Basin Adjudication Claims: Please attached a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him or her for all matters related to your claims.

7. Signature of New Owner(s) Or Claimant(s) Ryan R. , Managing Member
(include title if applicable)

For IDWR Office Use Only

Received by BMK Date 11/18/09 Fee \$100.00
 Receipted by BMK Date 11/18/09 Receipt No. ED 35461
 Processed by _____ Date _____ WR _____ Date _____

0907620 10/9/2009
4:21 PM

**QUITCLAIM : to
FOR
WATER RIGHTS**

THIS INDENTURE is made this 8th day of October, 2009, between Lynn E. Smith, referred to herein as the "GRANTOR" and Teton River Holdings, LLC, whose mailing address is PO Box 408, Victor, ID 83455, the referred to as the "GRANTEE",

WITNESSETH, that the GRANTOR, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) lawful money of the United States of America and other good and valuable consideration to GRANTOR, in hand paid by the GRANTEE, the receipt whereof is hereby acknowledged, does by these presents remise, release and forever QUITCLAIM unto the GRANTEE, and to GRANTEE's successors and assigns forever, all right, title and interest now owned or hereafter acquired by the Grantor in all the following described portions of Water Right No. 22-7684 thereof in the County of Teton, State of Idaho, to-wit:

Section 2:

The South half of the South half of Section 2, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, with 121.92 acres to be irrigated with 1.1263944 CFS.

Section 3:

East half of the East half and commencing at the Southeast corner of the Southwest quarter of the Southeast quarter of Section 3, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho; and running thence North 1,900 feet; thence West 900 feet; thence South 1,900 feet; and thence East 900 feet to the place of beginning, with 114.5 acres to be irrigated with 1.0578426 CFS.

Section 10:

West half of the Northeast quarter of Section 10, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, with 074.5 acres to be irrigated with 0.6882906.

Section 11:

West half of Section 11, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, with 320.0 acres to be irrigated with 2.9564160.

TOGETHER, with the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and any reversions, remainders, or rents, issues and profits therefrom.

Instrument # 207620

TETON COUNTY, IDAHO

10-9-2009 04:21:00 No. of Pages: 2

Recorded for : RYAN ARNOLD

MARY LOU HANSEN

Ex-Officio Recorder Deputy

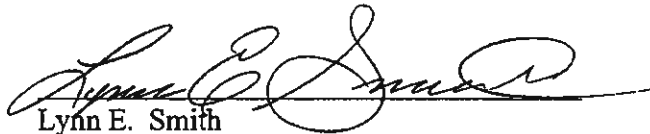
Index to: DEED, QUIT-CLAIM

[Signature]

TO HAVE AND TO HOLD the said water rights unto the GRANTEE, and to GRANTEE's successors and assigns forever.

In construing this Quitclaim Deed and where the context so requires, the singular includes the plural.

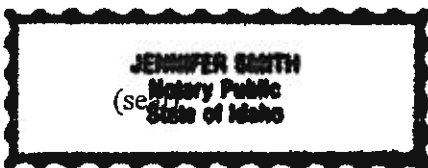
IN WITNESS WHEREOF, the GRANTOR has executed the within instrument the day and year first above written.

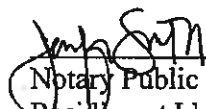

Lynn E. Smith

STATE OF IDAHO)
County of Teton)ss.

On the 8th day of October, 2009, before me, the undersigned, a notary public in and for said State, personally appeared Lynn E. Smith, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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




Notary Public for Idaho Tetonia
Residing at Idaho Falls, Idaho
My Commission Expires: September 12, 2014

G:\WPDATA\RLH\14043 Teton River\QCD, WR.fm.cdv

**ARTICLES OF ASSOCIATION
of
SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, all citizens of the United States of America, of legal age, have this day voluntarily associated ourselves together under the provisions of Chapter 13, Title 42, Idaho Code, for the purpose of forming a lateral ditch water users' association. (A copy of said Code provisions are attached hereto and made a part hereof by reference.)

FIRST

The name of this association shall be SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION.

SECOND

This Association is not formed for profit, but is a nonprofit, mutual association.

THIRD

This association shall not have stockholders but shall have members and each of the members shall have one vote on all matters submitted to this association requiring action to be taken by said members.

FOURTH

The existence of this association shall be perpetual unless otherwise disorganized pursuant to law, and a copy of these Articles shall be recorded to form a part of the chain of title to the lands involved and all covenants herein contained shall be construed as covenants running with the land.

FIFTH

The place where the principal business of this association is to be transacted shall be at Felt, Idaho, with the specific address of the association to be determined from time to time, as determined by the members of said association.

SIXTH

A. In general, the nature of the business and the objects and purposes for which this association is formed are to exercise all the powers, functions, and duties authorized by Chapter 13, Title 42, Idaho Code, all laws amendatory thereto, and all other rights, powers, and duties authorized by the laws of the State of Idaho.

B. In particular, this association is organized to provide a system by which each member's proportionate share of the water authorized by the Idaho Department of Water

**ARTICLES OF ASSOCIATION OF
SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION**

Resources license no. 22-8674⁷⁶⁸⁴, as specified in the following paragraph, will be provided and delivered to said member; providing, however, each member shall maintain ownership to his, hers, or its share of said water right, with said water right to be split in due time by the Idaho Department of Water Resources upon the request of this association and its members. Each member owns the same proportionate share of the well, electrical panels, buried mainline, 300 horsepower main pump, and 100 power booster pump, as that member's acres to be irrigated are to the total number of acres irrigated by all members. Water rights are based on owned irrigated agricultural acres (canyon acres not included, as they are not licensed).

SEVENTH

The names of the parties, together with their addresses, and the descriptions and acreage of their properties which shall be irrigated from the system, and the amount of water that each member owns are as follows:

Name of Member	Land Description	Acres	CFS
JT, Inc.	A. Section 2: The South half of the South half of Section 2, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, with 121.92 acres to be irrigated with 1.1263944 CFS. B. Section 3: East half of the East half and commencing at the Southeast corner of the Southwest quarter of the Southeast quarter of Section 3, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho; and running thence North 1,900 feet; thence West 900 feet; thence South 1,900 feet; and thence East 900 feet to the place of beginning, with 114.5 acres to be irrigated with 1.0578426 CFS. C. Section 10: West half of the Northeast quarter of Section 10, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, with 074.5 acres to be irrigated with 0.6882906. D. Section 11: West half of Section 11, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, with 320.0 acres to be irrigated with 2.9564160.	630.92	5.8289436

ARTICLES OF ASSOCIATION OF SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION

Ray Beerman	Section 2: A portion of the South half of Section 2, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho, being further described as: From the Southwest section corner of said Section 2, North 00°02'49" West, 647.34 feet along the Western Section line of said Section 2 to the point of beginning; Thence North 00°02'49" West, 647.34 feet further along the Section line to a point; Thence South 89°42'22" East, 1,335.44 feet to a point; Thence South 00°14'55" West, 648.28 feet to a point; Thence North 89°39'55" West, 1,332.10 feet to the point of beginning. SUBJECT to a 60 foot county road and utility easement along the Western property line.	038.08	0.3518135
Loren Niklason	Section 3: Beginning at the Northeast corner of Section 3, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho and running South 00°02'49" East, 342.45 feet to a point; thence South 60°56'18" West, 1,448.75 feet to a point; thence North 00°25'41" East, 1,040 feet to a point; thence North 89°43'02" East, 1,258.31 feet to said Northeast corner, the point of beginning. Together with .12 CFS of underground water for the irrigation of approximately 13 acres of the above described property, which right is a part of IDWR water right number 22-07684, but does not include any interest in the well, pump, panel, main line, lateral lines and sprinklers, and any other parts of the distribution system, ownership of all of the same except the water right specified above is reserved to the Grantor.	013.0	0.1201044

ARTICLES OF ASSOCIATION OF
SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION

Lynn E. Smith	Section 14: East half of the Northwest quarter of Section 14, Township 6 North, Range 44 East, Boise Meridian, Teton County, Idaho.	080.0	0.7391040
	TOTAL:	762	7.0399655

EIGHTH

Following is a list and description of the irrigation system parts and equipment:

<u>Quantity</u>	<u>Description</u>
	300HP pump with electrical panel
	125HP booster pump with electrical panel
	Portable aluminum 10" mainline (1/2 mi)
River	Buried mainline north (1/2mi6", 1/2mi4")
160	Buried mainline South (1/4mi8", 1/4mi6") and center pivots
	Portable aluminum mainline (1/4mi5"&6")
264 pipes	Handlines & access (McDowell 4") 8 lines
66 pipes	Handlines & access (McDowell 4") 2 lines
76 pipes	Handlines & access (Gheen H&L 4") 2+lines
33 pipes	Handlines & access (Western H&L 4") 6 lines
198 pipes	Handlines & access (A&M H&L 4") 6 lines
132 pipes	Handlines & access (A&M H&L 4") 4 lines
320	1/2mi 12" buried PVC mainline south along county road
320	4 mi 10" buried steel mainline east
320	1/2 mi 85" buried steel mainline, 1/4 mi N & 1/4 mi S from center field
	1/2 mi E. 10" buried PVC mainline (east of pump) (shed)
	1/4 mi N. 8" buried PVC mainline (shed)
	140' E. 12" across road S.E. from pump

One line (33 pipes) shall be provided for each 40 acres with water right

NINTH

All costs of installation, repair and maintenance, replacement, overhead, taxes, power, electrical and otherwise, all filing fees and costs associated with the Idaho Department of Water Resources in the Snake River Basin Adjudication, and any other expenditure deemed to be properly charged to that association by the members shall be assessed and charged to the members on the basis of the acreage irrigated by the members as specified in Paragraph Seventh above, whether a member uses that water or not.

TENTH

Failure to use said system, or any part thereof, by any of the members of the Association, because

ARTICLES OF ASSOCIATION OF
SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION

they have obtained water by some other means, or for any reason, shall not excuse that member or members from fulfilling all obligations to the Association, and may be collected pursuant to the provisions of said Chapter 13, Title 42, Idaho Code, and the provisions of these Articles of Association, and non-use and abandonment by any member of the Association shall result in that member's or members' rights reverting to the Association and no member or members may transfer membership, his, hers, or its interest, or any part thereof, in the Association to any person or entity, other than the person or entity that may acquire, by any means, property within the above-described property, and by becoming a member of the Association. An equal cash offer for sale of water rights or storage water by a water user in this Association shall have preference over a water user's cash offer outside of this system. Smith Farms Well and Irrigation Users' Association reserves to it the first right to purchase any decreed water for sale by any member or members in this in this Association in behalf of its members, on a pro-rata basis, according to the water rights owned at the time by each member.

ELEVENTH

The Association is empowered to borrow money for the purpose of maintaining, constructing, and reconstructing, said delivery system, or any part or enlargement or extension or change thereof by a resolution of its Board of Directors duly adopted after said notice of said intended action has been given to the members of the Association and the members given an opportunity to appear and be heard on said matter before said board. It shall be the duty of the Association to annually assess each member water user in the manner provided by Chapter 13, Title 42, Idaho Code and these Articles of Association; such assessment to be also made against the above described lands owned by each member water user. No irrigation water will be delivered until such assessment is paid. The Association shall be entitled to a lien against said land and shall foreclose said lien against the land for nonpayment of assessments.

TWELFTH

Each of the parties to this Association, together with his or her spouse, hereby grants to each of the other parties and for and in behalf of the Association, an easement for the establishment and maintenance of any of said lateral ditches, and pipelines over and upon the properties above described as are necessary, including the reasonable right of ingress and egress for installation, replacement, alteration, repair and maintenance thereof.

THIRTEENTH

Additional lands shall only become a part of the system of the Association by the unanimous vote of the members. If included, then the Board of Directors shall so specify in the minutes of their meetings and they shall amend this agreement to reflect the number of acres and the amount of water the owner of each new parcel of ground added to the system shall get, and a copy of the amendment shall be recorded in the records of Teton County, Idaho.

FOURTEENTH

The following people shall serve as the Board of Directors and as officers of the Association until the first annual meeting of the Association, which shall be held sometime between the first day of January and the last Monday in March of each year, or as often as needed, the time and place of which shall be designated by the Secretary in the notice given of said meeting:

ARTICLES OF ASSOCIATION OF SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION

Chairman, Director
Vice-Chairman, Director
Secretary-Treasurer, Director
Director

Lynn E. Smith
Ray Beerman

FIRTEENTH

Lynn E. Smith shall serve as the Lateral Ditch Manager without compensation until the first annual meeting of the members. He shall be entitled to his actual expenses, which are approved by the Board of Directors.

SIXTEENTH

The Association may adopt rules and regulations for the management of the water delivery system, including the pumps and the lateral ditches and pipelines, and the delivery of water therefrom, as it deems best, to insure an equitable distribution of the water, not inconsistent with applicable laws. Irrigation conjunctive management conserving practices is a high priority in this association.

IN WITNESS WHEREOF, the parties designated as members in these articles accept the provisions of these said Articles of Association and sign their names hereto this ____ day of October, 2006.

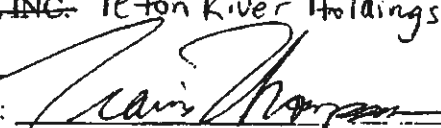

LYNNE E. SMITH

LOREN NIKLASON

RAY BEERMAN

TRD, INC. Teton River Holdings, LLC

By:


President Manager

TRD


Secretary Manager

TRD

ARTICLES OF ASSOCIATION OF
SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION

W:\P\DK\SMITH\ART

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STATE OF IDAHO,)

ss.

County of Madison.)

On this ____ day of October, 2006, before me, the undersigned a Notary Public in and for said State, personally appeared LYNN E. SMITH, _____, LOREN NIKLASON, _____, RAY BEERMAN, and _____ known to me to be the persons whose names are 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 in this certificate first above written.

Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission Expires: 03-12-2011

STATE OF IDAHO)

ss.

County of Madison.)

On this ____ day of October, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared Travis Thompson and Ryan Arnold known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that he/she executed the same as ~~President and Secretary of JT, Inc.~~ managers of Teton River Holdings, LLC

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

TT RA

Notary Public for Idaho
Residing at: Rexburg, ID
My Commission expires: 03-12-2011

ARTICLES OF ASSOCIATION OF
SMITH FARMS WELL AND IRRIGATION USERS' ASSOCIATION

CHAPTER 13

LATERAL DITCH WATER USERS' ASSOCIATIONS

SECTION		SECTION	
42-1301.	Organization - Officers - Rules.		maintenance - Assessment of costs.
42-1302.	Lateral manager - Election - Duties.	42-1304.	Assessments - Notice -- Penalties for delinquency.
42-1308.	Lateral ditches -- Repairs, improvements, and	42-1305.	Delinquent users not entitled to water.

42-1301 EAGATON, DRAINAGE WATER RIGHTS 116

section:
42-1303 Collection and disbursement of funds. Association authorized to borrow money, mortgage or pledge.
42-1307 Action for association — assets.
42-1308 Operation of lateral if association an organization.

42-1301. Organization — Officers — Rules. — Where three (3) or more parties take water from same canal or reservoir at the same point to be conveyed to their respective premises for any distance through a lateral or distributing ditch or lateral or distributing ditches such parties shall constitute a water users' association known as "Water Users' Association of Lateral or Laterals." Such water users' association may meet and organize at any time after thirty (30) days after this chapter takes effect, and shall meet annually thereafter between January first and the last Monday in March of each year, at the call of the secretary of such association, said secretary to give ten (10) days notice by mail of such annual meeting; provided that if for any reason the secretary should fail to call a meeting, then the annual meeting of such association shall be held on the last Monday in March of each year. At each annual meetings each water user shall be entitled to one (1) vote in person, for each inch and a fractional vote for each fraction of an inch of water which such water user is entitled to receive from such lateral, and a corporation shall vote by one (1) of its officers designated by it. Such association shall organize by the election of a chairman, vice-chairman and a secretary-treasurer, which officers shall also constitute the board of directors of such association, and shall hold office for one (1) year and until their successors are elected. Such association at the annual meeting shall also elect a manager of said lateral or laterals to be known as "lateral manager" for the succeeding season and shall fix the compensation of said manager, and of all officers. Such association may adopt such rules and regulations for the management of said lateral or laterals or distributing ditch or ditches and the delivery of water therefrom as they deem best, and may, by majority vote, if it be deemed for the best interests of the association, combine one or more laterals and abandon laterals not in use, and do any and all things not in conflict with the provisions of this chapter or the laws of this state wherein the best interests of the association will be furthered. [1927, ch. 213, § 1, p. 285; 1 C. A., § 41-1201; am. 1941, ch. 99, § 1, p. 178; am. 1947, ch. 172, § 1, p. 429.]

Comptroller's note. The chapter (S.L. 1927, ch. 213) was approved March 12, 1927, and carried no emergency clause. Section 2 of S.L. 1941, ch. 99 declared an emergency. Approved March 6, 1941.

Cross ref. Election of directors by water users' association, § 30-141.

Water users' association organized in conformity with provisions of federal reclamation laws, associations from taxes, § 30-934; record of articles and subscriptions, § 30-935.

See, also, ref. This chapter is referred to in § 33-404.

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42-1302. Lateral manager — Election — Duties. — Should any water users' association at its annual meeting fail to elect a lateral manager or fix the compensation such lateral manager may be elected by the board of directors of such association, who may also fix his compensation. The manager of any lateral shall, in addition to the duties prescribed by the association, perform all duties fixed for such lateral manager under the provisions of sections 42-907 and 42-910, except as modified by this chapter. [1927, ch. 213, § 2, p. 285; 1 C. A., § 41-1202.]

Cross ref. Appointment of manager of distributing lateral, § 30-141.
Duties of manager of distributing lateral, § 42-910.
94 C.J.S. Water, § 34.

42-1303. Lateral ditches — Repairs, improvements, and maintenance — Assessment of costs. — Immediately after the annual meeting of any such association the directors thereof and the lateral manager shall make an examination of the lateral or distributing ditch or ditches, and make an estimate as to the cost of the necessary repairs and improvements thereon, and the maintenance thereof for the succeeding season, including the compensation of officers and lateral manager and such local cost and charges shall be assessed pro rata to each water user from said lateral, in the following manner, if agricultural land in proportion to the water which the owner is entitled to receive from such lateral or ditch, and if not within any city or village, then the assessment may be made upon the basis of each lot, the same to be uniform upon lots of the same size. The improvement, repair and maintenance of any such lateral or distributing ditch shall be under the direction of the directors of the association. [1927, ch. 213, § 3, p. 285; 1 C. A., § 41-1203.]

See, also, ref. This section is referred to in § 33-404.

42-1304. Assessments — Notice — Penalties for delinquency. — On or before the fifteenth day of April in each year the secretary of the association shall notify each water user of the amount assessed against him for that year as herein authorized, and the same shall be due and payable on the first day of May of each year and if not so paid on or before the fifteenth day of October of such year, a penalty of ten per cent (10%) shall be added thereto, and the total amount due shall then draw interest at the rate of ten per cent (10%) per annum from said fifteenth day of October of such year until paid. [1927, ch. 213, § 4, p. 285; 1 C. A., § 41-1204.]

Cross ref. Penalties for delinquency in payment of assessments, 40 C.J.S. Water, § 33-407.
Penalty of amount to cover delinquency in assessment for public improvement, as contrary to constitutional guarantee, 40 A.L.R. 1262; 42 A.L.R. 1183.

42-1305. Delinquent water not entitled to water. — No water user shall be entitled to demand or receive water from said lateral whenever any such assessment is due and unpaid, and the lateral manager shall not distribute any water to such water user while delinquent in such payment except

3. —
if the
lateral
is the
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7, ch.

42-1302

IRRIGATOR DRAINAGE WATER RIGHTS

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upon order of the board of directors of the association who shall have authority to cause such water to be delivered; provided, the water user shall give such security for the payment of such assessment against him as shall be required by the board of directors. [1927, ch. 213, § 6, p. 295; I. C. A., § 41-1205.]

42-1306. Collection and disbursement of funds. — The lateral manager shall collect all assessments so made and pay the same to the secretary-treasurer taking his receipt therefor. The secretary-treasurer of the association shall keep the funds of the association in the name of the association and shall draw warrants or checks thereon to pay the costs and expenses of the management of said lateral as herein provided for upon the order of the board of directors, and shall perform such other duties as the association may prescribe. [1927, ch. 213, § 6, p. 295; I. C. A., § 41-1206.]

42-1307. Action for assessment — Attorneys' fees. — In case any assessment, as herein provided for is due and unpaid the association may sue to collect the same, in the name of its secretary-treasurer as such, in any court of competent jurisdiction, and in addition to the amount due including all penalties and interest, and all costs incurred in said action, may collect a reasonable attorney's fee in such action to be fixed by the court. [1927, ch. 213, § 7, p. 295; I. C. A., § 41-1207.]

Civilized Water Right
Amount of attorney's compensation for services in actions involving water rights. 145 A.L.R. 533, 65 & L.R. 28 13.

42-1308. Operation of lateral if association not organized. — Should the water users of any such lateral or ditch not co-operate and organize as herein provided so as to operate under the provisions of this chapter then such lateral or ditch shall continue to operate under present existing laws. [1927, ch. 213, § 8, p. 295; I. C. A., § 41-1208.]

Compiler's notes Section 9 of S.L. 1927, ch. 213 devoted to mortgages.

42-1309. Association authorized to borrow money, mortgage or pledge assets. — Lateral ditch water users' associations are expressly authorized to borrow money from any private or governmental source, to be repaid over a period of years, and to levy assessments over such period of years for the purpose of repaying said loan, and they are also authorized and empowered to mortgage and/or pledge any of the assets of said associations as security for said loan; provided, however, that before any money can be borrowed or any mortgage or pledge can be made and entered into, all members of said association shall be notified of an election by two (2) weekly publications in a legally authorized newspaper, as defined in section 60-106, Idaho Code, within the county in which the association is located, said notice to provide that an election is being called to determine whether or not the association shall be authorized to borrow money and mortgage and/or pledge its assets.

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and shall also state the date, time and place of said election, which shall be held within ten days after the date of the last publication of said notice.

If a majority of the total outstanding shares shall vote at said election in favor of borrowing said money and mortgaging and/or pledging said assets, then said association, through its president and secretary, shall be authorized to borrow said money and mortgage and/or pledge its assets [I. C., § 42-1309, as added by 1937, ch. 56, § 1, p. 101].

Compiler's notes Section 2 of S.L. 1937, ch. 56 declared an emergency. Approved February 20, 1937.

CHAPTER 13

LATERAL DITCH WATER USERS' ASSOCIATIONS

SECTION 42-1304. Assessments — Notice — Penalties. (Repealed)
Laws for delinquency.

42-1304. Assessments — Notice — Penalties for delinquency. — On or before the fifteenth day of April in each year the secretary of the association shall notify each water user of the amount assessed against him for that year as herein authorized, and the same shall be due and payable on the first day of May of each year and if not so paid on or before the fifteenth day of June of each year, a penalty of ten per cent (10%) shall be added thereto, and the total amount due shall then draw interest at the rate of ten per cent (10%) per annum from said fifteenth day of June of such year until paid. [1927, ch. 213, § 4, p. 295; I. C. A., § 41-1204; am. 1977, ch. 247, § 1, p. 724.]

Compiler's notes Section 2 of S.L. 1977, ch. 247 declared an emergency. Approved March 31, 1977.
ch. 247 contained a repeal.

ADDENDUM

This Addendum is executed in connection with that certain Real Estate Contract among Teton River Holdings LLC ("Buyer") and Nellie Smith Irrevocable Trust, Arlo J. Smith, Mary H. Smith, Reva S. George, Revell George, Lynn E. Smith, and Colleen F. Smith (collectively "Sellers").

Buyer and Sellers agree to amend the Article of Incorporation of the water company holding the water rights for irrigation of the property as follows:

1. Buyer may transfer water from the property without consent of the company or any member of the company if Buyer meets the following requirements:
 - a. The transfer must at all times and in all manner conform with applicable Idaho State law and be subject to all restrictions and requirements of the Idaho Department of Water Resources.
 - b. Buyer shall be responsible to cover any increased operating costs that may accrue as a result of such transfer to the remaining members of the company.
 - c. Buyer shall take whatever steps are necessary so that the transfer does not injure the delivery of the water to the lands of other members of the company.
2. The company shall agree to any such transfer if the foregoing requirements are met.

Dated this 13 day of October, 2006.

TETON RIVER HOLDINGS LLC

By: Travis Thompson

Travis Thompson, Manager

Ryan Arnold

Ryan Arnold, Manager

NELLIE SMITH IRREVOCABLE TRUST

By: _____

Its: _____

Arlo J. Smith

Arlo J. Smith

Mary H. Smith

Mary H. Smith

Reva S. George by Colleen F. Smith POA
~~Reva S. George by Lynn E. Smith POA~~
 Reva S. George

Revell George by Colleen F. Smith POA
~~Revell George by Lynn E. Smith POA~~
 Revell George

Lynn E. Smith

Lynn E. Smith

Colleen F. Smith

Colleen F. Smith

CHWPDATACOLLEEN F. SMITH