

IDAHO WATER COMPANY

1135 Valley Road South
Eden, Idaho 83325
(208) 825-5617
Cells 410-0438 or 431-5617

RECEIVED

OCT 28 2009

Department of Water Resources

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT is made and entered into this

7/11/03

by and between

Del Kohtz Glenn A. Wor.

{hereinafter "Seller") and

Del Kohtz

hereinafter "Buyer").

The buyer, 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 Idaho Water Right 106 acres of 43-7126 and 43-4037 the water appurtenant thereto, for \$ 700⁰⁰ per acre.

2. The total purchase price shall be \$ 74200⁰⁰ \$2500⁰⁰ down. The entire purchase price shall be paid on the closing dates described in paragraph 4 below.

3. This Agreement for Purchase and Sale of said license is contingent upon and subject to the IDWR finding that the Water Right is valid and transferable. If the Water Right is invalid or non-transferable, this Agreement shall become null and void.

4. The Buyer desires to buy the personal property, the Water Rights, in separate tracts in order as agreed upon by both parties. Each transfer will be closed separately as they are paid for. This contract will be the standard contract and price for each transfer. The Buyers shall be given possession and use of the portion of the water right and the water appurtenant thereto, upon the closing of each transfer.

The remaining Water Rights shall remain the property of the seller until they are paid for and so forth until the entire Water Right is sold.

5. In the event of any suit or 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.

6. Option: Seller understands Buyer is transferring the water appurtenant to Sellers property to another property. Buyer shall have 365 days from the date of signing this contract to complete and close the transfers. If IDWR has not completed the transfers by the end of the option period the contract may be extended by the Buyer to complete the transfers by paying interest of 4.5 % on the unpaid balance.

7. 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.

OTHER PROVISIONS

This contract is being signed by Glenn Ward instead of Dan Ward for the purpose of the transfer in process. Ownership will now be in Glenn Ward's name until transfer is approved.

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

Glenn Ward
D.W.
Dan Ward
Seller

John P. [Signature]
Buyer
Solo Water Co.