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APR 03 2009

DEPARTMENT OF
WATER RESOURCES

Water Supply Bank No. _____

Water Right No. _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

Douglas J. Bradshaw, Trustee under the
Name of Seller/Lessor Will of Eleanor Reinheimer Phone (208) 734-1224
Post office address c/o Thomas M. Robertson, P.O. Box 525, Twin Falls, Idaho 83303-0525

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

a. Decree No. 03 Decreed to George W. McCoy
(Name)
in case of S.C. Frost, et al vs Alturas Water Company, et al
dated 12-13-09 in Lincoln county of Forth Judicial District
(Name of court)

b. License No. _____ issued by the Idaho Department of Water
Resources.

c. Permit No. _____ issued by the Idaho Department of Water
Resources.

Also SRBA Claims 37-457A and 37-457B

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (If the entire right is for sale or lease,
show "all" on line a. below and skip the remainder of part 2.)

a. Amount of water under right: 4.8 cubic feet per second &/or
_____ acre-feet per annum

b. Point of diversion: SW ¼ of SE ¼ of Section 7 Township 4N Range
18E, B.M. in Blaine County.

Additional points The McCoy ditch from TrailCreek conveys water to the property.

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4N	18E	19					40			40									80

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres 80

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

Lessor, as Trustee, acquired title to the rights (now 37-457A and 37-457B in the SRBA)

through the Will of Eleanor Reinheimer.

- b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Part of the property where the water is appurtenant (E1/2 NW1/4 §19, T 4N, R18 E.B.M., Blaine County) was left to the Idaho Parks Foundation. The water was to be used by Myrle Bowcutt so long as he continued leasing the property, which he discontinued in 2005, the water right thus returned for use by the lessor/trustee, as the legal title holder, and as provided in the Reinheimer will and the trust.

In 2006 an attempt was made by the Trustee to lease this water right to the water supply bank of the Idaho Water Resource Board (IWRB). The application was not formally accepted by the IWRB because of a then contest as to ownership of the right between the Trust and the Idaho Parks Foundation. That contest has been resolved in favor of the Trust as owner, as shown on the Court approved stipulation attached hereto.

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right.

Trail Creek, Water District 37, diversion 03, George W. McCoy, May 1, 1883 Priority - Water
available in all but the most severe of drought years.

- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

NONE

- e. If the water right is a permit, describe the work accomplished toward developing the right.

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

The Will and Trust of Eleanor Reinheimer provides that the property where the right is appurtenant
will be kept in a non-irrigated natural state after Myrle Bowcutt discontinued leasing. Lessor/
Trustee will attempt to lease through the water supply bank of the Idaho Water Resource Board.

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale;

X For lease for a period from April 1, 2009 to October 15, 2009
(Day, month, year) (Day, month, year)

(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the state of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

Current Rental Rate

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

4/1/2009
Date


Signature Douglas J. Bradshaw, Trustee
Under the Will of Eleanor Reinheimer

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

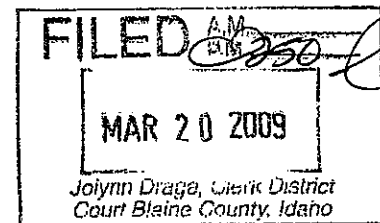
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DEPARTMENT OF
WATER RESOURCES

COPY

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Idaho State Bar No. 3219
Idaho State Bar No. 1790



Attorney for Plaintiff and Counterdefendant

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

DOUGLAS J. BRADSHAW as Trustee under
the will of ELEANOR REINHEIMER,
deceased,

Plaintiff and
Counterdefendant,

vs.

IDAHO FOUNDATION FOR PARKS AND
LANDS, INC.,

Defendant and
Counterclaimant.

Case No. CV-07-147

ORDER

This Court having reviewed the files and records in this case, having considered the Stipulation of the parties, a copy of which is attached hereto, and good cause appearing therefore:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the terms of the Stipulation attached hereto shall be the Order of the Court.

DATED this 20 day of March, 2009.



ROBERT J. ELGER
DISTRICT JUDGE

NOTICE OF FILING AND MAILING

Notice is hereby given by the Clerk of the above-entitled Court, pursuant to Rule 77(d) of the Idaho Rules of Civil Procedure, that the foregoing was filed on the 20 day of March, 2009, and was served to the following parties on the 20 day of March, 2009.

Plaintiff:

Thomas M. Robertson
John S. Ritchie
COLEMAN, RITCHIE & ROBERTSON
P. O. Box 525
Twin Falls, ID 83303-0525

Hand Deliver _____
U.S. Mail ✓
Court Folder _____
(Twin Falls Only)

Defendant:

Chas. F. McDevitt
McDevitt & Miller LLP
P.O. Box 2564
Boise, ID 83701-2564

Hand Deliver _____
U.S. Mail ✓
Court Folder _____
(Twin Falls Only)

CLERK OF THE DISTRICT COURT

By 15/
Deputy Clerk

THOMAS M. ROBERTSON
JOHN S. RITCHIE
COLEMAN, RITCHIE & ROBERTSON
Attorneys at Law
156 2nd Avenue West
P. Q. Box 525
Twin Falls, ID 83303-0525
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STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

DOUGLAS J. BRADSHAW as Trustee under
the will of ELEANOR REINHEIMER,
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Plaintiff and
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vs.

IDAHO FOUNDATION FOR PARKS AND
LANDS, INC.,

Defendant and
Counterclaimant.

Case No. CV-07-147

STIPULATION

IT IS HEREBY STIPULATED AND AGREED by and between the plaintiff
DOUGLAS J. BRADSHAW, as Trustee under the Will of Eleanor Reinheimer deceased
("Trust"); his attorney of record, Thomas M. Robertson of the firm of Coleman, Ritchie and
Robertson; the defendant IDAHO FOUNDATION FOR PARKS AND LANDS, INC.,

STIPULATION - 1

EXHIBIT "A"

("Parks"); and its attorney of record, Chas. F. McDevitt of the firm of McDevitt and Miller LLP, as follows:

A. Ownership of Water Right

1. Trust is the sole owner of both Water Right No. 37-457A and Water Right No. 37-457B.
2. Parks hereby relinquishes all claims to ownership of both Water Right No. 37-457A and Water Right No. 37-457B.
3. Parks will cooperate with Trust and shall execute such documents as may be necessary or convenient to establish that Trust is the owner of both Water Right No. 37-457A and Water Right No. 37-457B.

~~B. Snake River Basin Adjudication~~

1. Trust will file with the IDWR a Notice of Change of Ownership for Water Right No. 37-457B in order that Trust will become the record owner of Water Right No. 37-457B.
2. Trust will assume full responsibility for defending Water Right No. 37-457B, in addition to Water Right No. 37-457A, in the SRBA.
3. Parks will cooperate with Trust in defending Water Right Nos. 37-457A and 37-457B against any third party objection now filed in the SRBA, and as may be filed in the future, against either or both of these Water Rights, including providing affidavits, testimony or otherwise to confirm usage of water under Water Right Nos. 37-457A and/or 37-457B, to the extent that Parks has knowledge of such usage.

C. Definition of Natural State

1. The term "natural state" as used in the Will of Eleanor Reinheimer does not preclude irrigation of the real property received by Parks from the Estate of Eleanor Reinheimer.

D. Grant of Option to Purchase Water Right

1. Trust hereby grants Parks the option to purchase Water Right No. 47-357B upon the following terms and conditions:

a. Option Period. The option may be exercised at any time during the period commencing upon the date of death of Howard Reinheimer, Jr., and ending five years after the date of this Stipulation, or one year after the death of Howard Reinheimer, Jr., which ever occurs last. After the end of the option period, the option shall be of no further force or effect.

b. Means of Exercise. The option shall be exercised by Parks giving written notice to the trustee of Trust then in office, or, if the Trust has been sooner terminated, by giving written notice to the remainder beneficiaries of the Trust, or their successors in interest.

c. Price. The price shall be equal to the fair market value of Water Right No. 47-357B at the time the option is exercised by Parks, to be paid in cash at closing. Fair market value shall be determined by the agreement of the parties. If they cannot agree, the issue of the fair market value shall be settled by binding arbitration in Hailey, Idaho, in accordance with the rules of The American Arbitration Association. The arbitration panel shall consist of three members. One member shall be selected by Parks,

one member shall be selected by Trust and the third member shall be chosen by the two arbitrators selected by the parties. A decision in writing by any two of the arbitrators so selected shall be considered the fair market value. Once the fair market value is established, Parks shall have thirty (30) days to give written notice to Trust whether it desires to proceed to closing. If so, a closing date shall be set. If not, the option and all rights of Parks pursuant thereto shall be terminated.

d. Closing. If the option is exercised the sale will close within nine months after the date the option is exercised; provided that the closing date may be extended as necessary to allow for securing any approvals of the transfer of ownership by the Idaho Department of Water Resources.

e. Cooperation. Prior to the commencement of the option period the parties will cooperate in discussing ways of reaching agreement upon the fair market value of Water Right No. 37-457 B.

f. Contingency. The grant of this option shall be contingent upon confirmation and adjudication by the Court that it does not violate the provision under Article Fifteenth E of the Will of Eleanor Reinheimer that during the term of the Trust, Parcel No. 1 of Eleanor Reinheimer's Idaho Property (which is the real property presently owned by the Trust) not be conveyed, or that if it does violate that provision, the Trustee may deviate from that provision.

g. SRBA. The parties acknowledge that Right No. 37-457B as recommended by the Director of the Idaho Department of Water Resources in the Snake River Basin Adjudication has been objected to by certain third parties and that quantity of

the right is subject to final determination in the SRBA.

E. Grant of Right of First Refusal to Purchase Water Right

1. Trust hereby grants Parks the right of first refusal to purchase Water Right No. 47-357B at the price and upon the terms offered to Trust by any third party for the purchase of Water Right No. 47-357B. Upon the receipt of any written offer to purchase, the Trust shall provide Parks with a copy of the offer and Parks shall have ninety (90) days to advise the Trust in writing that it wishes to exercise its right of first refusal.

2. The term of the right of first refusal shall be for a period of five (5) years from the date of death of Peter Reinheimer.

3. The grant of right of first refusal shall be contingent upon confirmation and adjudication by the Court that it does not violate the provision under Article Fifteenth E of the Will of Eleanor Reinheimer that during the term of the Trust, Parcel No. 1 of Eleanor Reinheimer's Idaho Property (which is the real property presently owned by the Trust) not be conveyed, or that if it does violate that provision, the Trustee may deviate from that provision.

F. Lease of Water Right

Until such time as Parks may exercise the option to purchase Water Right No. 47-357B Trust may lease Water Right No. 47-357B through the State Water Bank to Parks or other third party on an annual basis on such terms as the Trust and the lessee may agree.

G. Procedural Matters

1. Upon execution by the parties this Stipulation shall be filed with the Court together with a proposed Order to be signed by the Court incorporating this Stipulation as the

Order of the Court, a copy of which is attached hereto as Exhibit "A".

2. That Order shall be the final decision on the merits consistent with the Stipulation of the parties, and shall have the effect of dismissing Count I of the Complaint (definition of natural state) and granting Trust the relief prayed for in Count II of the Complaint (ownership of water right).

3. Each party shall pay their own costs and attorney's fees at all stages of the litigation.

DATED this 6th day of MARCH, 2009.


DOUGLAS J. BRADSHAW, as Trustee

----- DATED this 6 day of March, 2009.

COLEMAN, RITCHIE & ROBERTSON


THOMAS M. ROBERTSON

DATED this _____ day of _____, 2009.

IDAHO FOUNDATION FOR PARKS
AND LANDS, INC.

By _____

DATED this _____ day of _____, 2009.

MCDEVITT & MILLER LLP

CHAS F. MCDEVITT

Order of the Court, a copy of which is attached hereto as Exhibit "A".

2. That Order shall be the final decision on the merits consistent with the Stipulation of the parties, and shall have the effect of dismissing Count I of the Complaint (definition of natural state) and granting Trust the relief prayed for in Count II of the Complaint (ownership of water right).

3. Each party shall pay their own costs and attorney's fees at all stages of the litigation.

DATED this ____ day of ____, 2009.

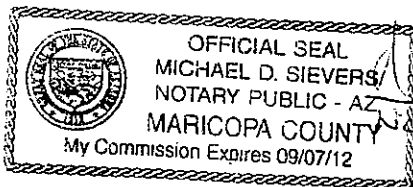
DOUGLAS J. BRADSHAW, as Trustee

DATED this ____ day of ____, 2009.

COLEMAN, RITCHIE & ROBERTSON

THOMAS M. ROBERTSON

DATED this 13 day of MARCH, 2009.



Michael D. Sievers
NOTARY PUBLIC

IDAHO FOUNDATION FOR PARKS
AND LANDS, INC.

By Donald R. W. [Signature]

DATED this 17 day of March, 2009.

MCDEVITT & MILLER LLP

Chas F. McDevitt
CHAS F. MCDEVITT