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June 5, 2007

HAND-DELIVERED

RECEIVED

Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705

JUN 05 2007
WATER RESOURCES
WESTERN REGION

Re: Application for Transfer of Water Right/
Water Right Nos. 65-11141 and 65-2035

Dear Department Representative:

I write as attorney for Sands, LLC, an Idaho limited liability company regarding transfer of two water rights in water basin 65. I am enclosing an Application for Transfer of the two above-referenced water rights. Also enclosed is a copy of the Application to be file stamped and returned. Please direct all communications regarding this transfer application to Sands, LLC, c/o Jerry A. Kiser at the above address. I have enclosed a \$500.00 check payable to the Idaho Department of Water Resources for the application transfer fee.

With the Application are a number of Deeds and transfers of the real property and associated water rights appurtenant thereto. To assist in this transfer please note, Sands, LLC received a conveyance of water right nos. 65-02035; 65-03504; and, 65-11141 consisting of water rights only by Warranty Deed, Instrument No. 199332 records of Boise County, Idaho in which the Grantor, DR&J Investments Limited Partnership conveyed to Sands, LLC all right, title and interest in those water rights. Sands, LLC seeks to transfer the point of diversion and place of use of two of those water rights to other real property Sands, LLC owns in the area. A copy of the Warranty Deed from DR&J Investments to Sands, LLC conveying the water rights only is attached to the transfer application as Exhibit A.

Attached to the transfer application as Exhibit B are a number of Deeds which establish the chain of title to the real property and appurtenant water rights from the water right owner on record with the Department of Water Resources, being Joe A. Webster and Iva E. Webster, husband and wife. The following is the chain of property conveyances leading from the Websters to Sands, LLC:

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1. Joseph A. Webster and Iva E. Webster, Grantors to Frank D. Callender, Grantee by Warranty Deed, Instrument No. 176010, records of Boise County, Idaho.
2. Frank D. Callender, Grantor to Callenders, Inc., an Idaho corporation, Grantee by Instrument No. 176011, records of Boise County, Idaho.
3. Frank D. Callender, Grantor to Callenders, Inc., an Idaho corporation, Grantee, by Instrument No. 176015, records of Boise County, Idaho.
4. Callender & Beckman, a partnership, Grantor to Callenders, Inc., Grantee by Deed, Instrument No. 176016, records of Boise County, Idaho.
5. Callenders, Inc., an Idaho corporation, Grantor to Donald J. Rumsey and Elizabeth E. Rumsey, husband and wife, and Dale M. Rumsey and Betty M. Rumsey, husband and wife, Grantees, by Instrument No. 176013, records of Boise County, Idaho.
6. Callenders, Inc., an Idaho corporation, Grantor to Donald J. Rumsey and Elizabeth E. Rumsey, husband and wife, and Dale M. Rumsey and Betty M. Rumsey, husband and wife, Grantees, by Instrument No. 176017, records of Boise County, Idaho.
7. The interests of Betty E. Rumsey, Dale Rumsey and Betty M. Rumsey were quit claimed to Donald J. Rumsey by Quitclaim Deeds, Instrument Nos. 171890 and 171891, records of Boise County, Idaho.
8. Donald J. Rumsey, Grantor to DR&J Investments Limited Partnership by Instrument No. 176949, records of Boise County, Idaho.
9. Donald J. Rumsey, Grantor to DR&J Investments Limited Partnership, Grantee, a correction deed correcting the legal description of the Deed recorded as Instrument No. 176949, recorded as Instrument No. 178472, records of Boise County, Idaho.

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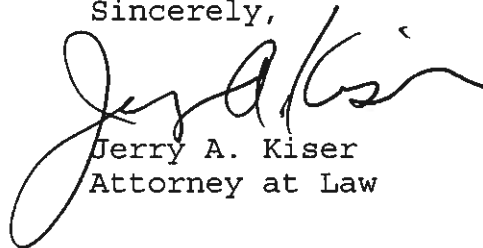
10. DR&J Investments Limited Partnership, Grantor to Sands, LLC, Grantee by Instrument No. 200784, records of Boise County, Idaho. This Deed is proof of ownership of the new place of use for the water rights, the subject of this transfer application. Exhibit A, the Deed from DR&J conveying the water rights, the subject of this transfer application, is proof of ownership of the water rights.

If you have any questions regarding transfer of title or ownership of these rights or the real property to which they are appurtenant, please feel free to contact me.

On a final matter, if you could kindly advise me as to anticipated processing time for this transfer application, I would appreciate it.

Your assistance in processing this transfer application is appreciated.

Sincerely,



Jerry A. Kiser
Attorney at Law

JAK:jf

Enclosures