



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

August 22, 2008

Sands, LLC
c/o Jerry A. Kiser
Stoppello & Kiser
620 W Hays St
Boise, ID 83702

Re: Application for Transfer No. 73847

Dear Mr. Kiser:

The Idaho Department of Water Resources (Department) is currently reviewing the above referenced application for transfer of water rights 65-2035 and 65-11141. The transfer application proposes to change the place of use for these water rights. A warranty deed signed Nov 8, 2004 was submitted with the above referenced application documenting ownership of the two water rights proposed for transfer as well as water right 65-3504.

On March 20, 2008, the Department received a Notice of Change in Water Right Ownership for the above referenced water rights (65-2035, 65-3504, and 65-11141) submitted by Timothy S. and/or Jennifer Swenson. Two warranty deeds signed October 27, 2004 were submitted with this application documenting ownership of the current place of use for these water rights. I have enclosed a copy of these deeds for your reference. Both of these deeds contain language referencing water rights stating the water rights, if any, are not transferred with the deed, but that it is the grantee's (Timothy S. Swenson) responsibility to transfer water rights associated with the property. The Notice of Change in Water Right Ownership was processed by the Department. As a result, the water rights involved are currently in the name of Timothy S. and/or Jennifer Swenson.

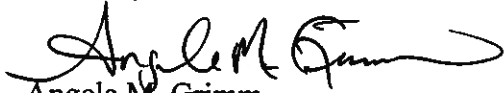
DR & J Investments Limited Partnership was the Grantor for all three of the warranty deeds involved in the sale of the property and associated water rights. The true intention of the language used in the two deeds signed October 27, 2004 is unclear. The deed granted to Sands, LLC appears to contradict the deeds granted to Timothy S. Swenson. Additional documentation demonstrating Sands, LLC has full title to the water rights proposed for transfer must be received before further processing of the application can continue.

Sands, LLC
August 22, 2008
Page 2 of 2

Please submit the requested documentation to allow for further processing of your transfer application. A statement or a request for more time must be received within the next thirty (30) days. The application will be voided without a timely written reply.

IDWR rules, forms and other information are available on the Internet at www.idwr.idaho.gov. Please contact me at (208) 334-2190 if you have any questions or need additional information. Thank you for your attention in this matter. I look forward to your reply.

Sincerely,

A handwritten signature in black ink, appearing to read "Angela M. Grimm", with a long, sweeping horizontal line extending to the right.

Angela M. Grimm
Water Resource Agent, Sr.

cc: Timothy S. and/or Jennifer Swenson

Enclosure(s): Warranty Deeds DR&J Investments Limited Partnership to Timothy S. Swenson 10/27/04

Instrument # 199333

IDAHO CITY, BOISE COUNTY, IDAHO

2004-11-10

04:37:34 No. of Pages: 3

Recorded for: SANDS LLC

RORA A. CANODY

Fee: 9.00

Ex-Officio Recorder Deputy

next to: DEEDS

*Subscribing***WARRANTY DEED**

FOR VALUE RECEIVED, DR&J INVESTMENTS LIMITED PARTNERSHIP, a Nevada limited partnership, the Grantor, does hereby grant, bargain, sell, and convey unto Timothy S. Swenson and Jennifer Swenson, husband and wife, Grantee, whose current address is 50 Webster Lane, Horseshoe Bend, Idaho, 83629, the following described real property situated in Boise County, Idaho, to-wit:

Parcel 29B of Webster Ranch No. 3, Boise County, Idaho, as more particularly set forth in Exhibit A attached hereto and made a part hereof by reference.

Subject to all easements, rights-of-way, existing and natural watercourses, covenants, restrictions, reservations, encumbrances, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by the parties above. This deed does not transfer any water rights. The transfer of water rights associated with the property, if any, will be Grantee's responsibility.

To have and to hold the said premises, together with improvements and appurtenances, unto the said Grantee, its heirs and assigns forever. And the said Grantor hereby covenants to and with said Grantee, that it is the owner in fee simple of said premises; that the said premises are free from all encumbrances except as aforesaid and except for : (1) current year's taxes, levies, and assessments, (2) U.S. Patent reservations, (3) restrictions, easements and encumbrances of record, by virtue of statute, or visible or in use on the premises, and (4) those certain matters, restrictions, easements and encumbrances shown on that certain Commitment for Title Insurance (Order # 5000423647) issued on September 27, 2004, by Stewart Title Guaranty Company; and, that it will warrant and defend the same from all lawful claims whatsoever.

DATED this 27th day of October, 2004.

DR&J INVESTMENTS LIMITED PARTNERSHIP,
a Nevada Limited Partnership

By:

Donald J. Rumsey
DR Holdings, Inc., General Partner,
Donald J. Rumsey, President

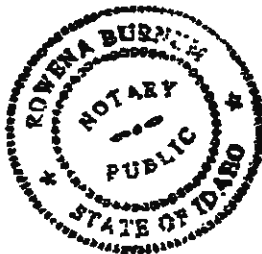
STATE OF IDAHO,

County of Ada.

)
) ss.
)

On this 8th day of November, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared DONALD J. RUMSEY, known and/or identified to me to be President of DR Holdings, Inc., the corporation which is a general partner of the partnership of DR&J Investments Limited Partnership, and subscribed said partnership name to the foregoing instrument and acknowledged to me that he executed the same in said partnership name.

WITNESS MY HAND AND OFFICIAL SEAL.





NOTARY PUBLIC: Rowena Burnum
Residing at: Boise, Idaho
My Commission Expires: June 10, 2006

W10

**LEGAL DESCRIPTION
EXHIBIT 'A'**

Order No.: 5000423856LWF

Parcel 29 B of Webster Ranch No. 3

A parcel of land located in the Northwest One Quarter of Section 9, and in the Southwest One Quarter of Section 4, Township 6 North, Range 2 East, Boise Meridian, Boise County, Idaho, as shown on the Record of Survey of Webster Ranch No. 3, Boise County Recorder's Instrument No. 198933 and more particularly described as follows:

Commencing at the one quarter corner common to Sections 4, and 9, Township 6 North, Range 2 East, Boise Meridian, thence 110
North 89° 30' 22" West a distance of 419.17 feet to a point; thence
South 31° 27' 49" West a distance of 293.13 feet to a point; thence
South 24° 54' 05" West a distance of 520.06 feet to a point; thence
South 49° 40' 05" West a distance of 146.28 feet to a point, said point being the POINT OF
BEGINNING; thence
South 49° 40' 05" West a distance of 382.29 feet to a point; thence
North 49° 16' 24" West a distance of 561.14 feet to a point; thence
North 44° 04' 43" East a distance of 630.51 feet to a point; thence along a curve to the left a
distance of 134.03 feet, said curve having a central angle of 102° 23' 29", a radius of
75.00 feet, and a chord which bears
South 76° 46' 35" East a distance of 116.89 feet to a point; thence
North 52° 01' 41" East a distance of 64.60 feet to a point; thence
South 33° 33' 01" West a distance of 90.78 feet to a point; thence
South 61° 19' 34" East a distance of 157.06 feet to a point; thence
South 03° 23' 37" East a distance of 434.40 feet to a point, said point being the POINT OF
BEGINNING.

Instrument # 199264

IDAHO CITY, BOISE COUNTY, IDAHO

2004-11-05

04:11:38 No. of Pages: 3

Recorded for: ALLIANCE TITLE

RORA A. CANGDY

Fee: 0.00

Ex-Officio Recorder Deputy

Instruments: DEEDS

Read and approved: 

WARRANTY DEED

5000423652 LWF
4032744 RB

FOR VALUE RECEIVED, DR&J INVESTMENTS LIMITED PARTNERSHIP, a Nevada limited partnership, the Grantor, does hereby grant, bargain, sell, and convey unto Timothy S. Swenson, a ~~single man~~ Grantee, whose current address is ~~P.O. Box 153, Donnelly, ID 83626~~, the following described real property situated in Boise County, Idaho, to-wit: ~~50 Webster Lane as his separate property~~ ~~Horseshoe Bend, ID 83627~~ ~~property~~ ~~Parcel 29 of Webster Ranch No. 3, Boise County, Idaho, as more particularly set forth in Exhibit A attached hereto and made a part hereof by reference.~~ ~~***a married man,~~

Parcel 29 of Webster Ranch No. 3, Boise County, Idaho, as more particularly set forth in Exhibit A attached hereto and made a part hereof by reference.

Subject to all easements, rights-of-way, existing and natural watercourses, covenants, restrictions, reservations, encumbrances, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by the parties above. This deed does not transfer any water rights. The transfer of water rights associated with the property, if any, will be Grantee's responsibility. The Grantee is advised to contact the Idaho Department of Water Resources regarding water rights.

To have and to hold the said premises, together with improvements and appurtenances, unto the said Grantee, its heirs and assigns forever. And the said Grantor hereby covenants to and with said Grantee, that it is the owner in fee simple of said premises; that the said premises are free from all encumbrances except as aforesaid and except for: (1) current year's taxes, levies, and assessments, (2) U.S. Patent reservations, (3) restrictions, easements and encumbrances of record, by virtue of statute, or visible or in use on the premises, and (4) those certain matters, restrictions, easements and encumbrances shown on that certain Commitment for Title Insurance (Order # 5000423652) issued on September 27, 2004, by Stewart Title Guaranty Company; and, that it will warrant and defend the same from all lawful claims whatsoever.

DATED this 27th day of October, 2004.

DR&J INVESTMENTS LIMITED PARTNERSHIP,
a Nevada Limited Partnership

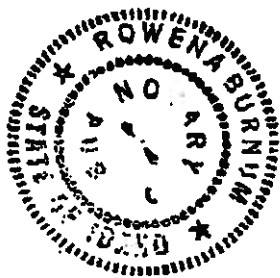
By: 

DR Holdings, Inc., General Partner,
Donald J. Rumsey, President

STATE OF IDAHO,)
) ss.
County of Ada.)

On this 27th day of October, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared DONALD J. RUMSEY, known and/or identified to me to be President of DR Holdings, Inc., the corporation which is a general partner of the partnership of DR&J Investments Limited Partnership, and subscribed said partnership name to the foregoing instrument and acknowledged to me that he executed the same in said partnership name.

WITNESS MY HAND AND OFFICIAL SEAL.





NOTARY PUBLIC: Rowena Burnum
Residing at: Boise, Idaho
My Commission Expires: June 10, 2006

EXHIBIT A**Parcel 29 A of Webster Ranch No. 3**

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South 31° 27' 49" West a distance of 293.13 feet to a point, said corner being the POINT OF BEGINNING; thence

South 24° 54' 05" West a distance of 520.06 feet to a point; thence

South 49° 40' 05" West a distance of 146.28 feet to a point; thence

North 03° 23' 37" West a distance of 434.40 feet to a point; thence

North 61° 19' 34" West a distance of 157.06 feet to a point; thence

North 33° 33' 01" East a distance of 90.78 feet to a point; thence

South 52° 01' 41" West a distance of 64.60 feet to a point; thence along a curve to the right a distance of 134.03 feet, said curve having a central angle of 102° 23' 29", a radius of 75.00 feet, and a chord which bears

North 76° 46' 35" West a distance of 116.89 feet to a point; thence

South 44° 04' 43" West a distance of 630.51 feet to a point; thence

North 49° 16' 24" West a distance of 70.94 feet to a point; thence

North 33° 25' 21" West a distance of 849.05 feet to a point; thence

North 64° 57' 21" East a distance of 664.60 feet to a point; thence

North 68° 11' 22" East a distance of 196.46 feet to a point; thence

North 68° 11' 22" East a distance of 351.42 feet to a point; thence

South 86° 41' 56" East a distance of 609.69 feet to a point; thence

South 38° 23' 12" East a distance of 283.81 feet to a point; thence

South 31° 27' 49" West a distance of 626.71 feet to a point, said point being the POINT OF BEGINNING.