

Appendix I
(Purchase Agreements)

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e-mail delkohtzidwc@mindspring.com

Idaho Water Company

fax

To: Brockway Eng.
Jason Helms From: Del Kohtz
Fax: 738-8506 Pages: 7 w/cover
Phone: _____ Date: 8/15/07
Re: Idaho Water Co. to Kohtz

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• Comments:

Kohtz contracts.

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AUG 15 2007

IDAHO WATER COMPANY **AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT**

THIS AGREEMENT is made and entered into this Mar 30, 2006 by and between Del Kohtz Idaho Water Company (hereinafter "Seller") and KBC Farms & Boulder Ranch, Inc hereinafter ("Buyer"). The seller, 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 _____ acre feet/anum consumptive of Idaho Water Right 43-13368 # 43-13365 # 35-2242 and the water appurtenant thereto, for \$ _____ per acre foot consumptive or 2.00 per acre. There are 327 acres or _____ Acre Feet of water included in this agreement. No land is included in this agreement

2. The total purchase price shall be \$ 11,850.00. The entire purchase price shall be paid on the closing date described in paragraph 5 below, less 15% finders fee and down payment paid at signing. Payment of 11,850.00 paid at signing.

3. This Agreement for Purchase and Sale of said license is contingent upon and subject to approval of the application for transfer by the Department of Water Resources. If the application is not approved, this Agreement shall become null and void.

4. The closing of this transaction and delivery of the executed Assignment to Buyer and the entire purchase price for the contract to Seller shall take place at the law offices of Givens Pursley, 277 N 6th St. Boise, Idaho, within thirty days of Buyers receipt of approval from the Department of the application for transfer. The Buyers shall be given possession and use of the water right and the water appurtenant thereto, upon closing.

6. This transfer will remain in the name of Idaho Water Co. until the contract is closed and paid for by the buyer. The buyer's place of use and point of diversion will be used for the transfer. When the contract is closed a change of ownership form will be signed by Idaho Water Co. (Del Kohtz)

7. In the event of any suit 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.

8. Each party agrees to pay one-half of any costs incurred in executing this document. These costs shall not be more than \$150.00 each.

9. 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.

10. If Kohtz fails to accomplish the desired transfer with this or other water rights the upfront money will be refunded. Buyer understands consultant fees for preparation of transfer, calculation of mitigation, and attorney fees in the case of protests and hearings on their water transfer are to be paid by the Buyer.

11. Del Kohtz has my permission to make needed changes to the Water transfer application that is the result of this contract to facilitate the process of transferring the water. The changes made will not materially change the amount of money buyer has to pay, or the amount of water buyer receives.

12. Kohtz (Idaho Water Company) has no control over the amount of mitigation or writedown IDWR will require of Buyers particular transfer therefore the amount Buyer pays is based on the amount of water transferred out of the original Water Right. Buyer understands that all mitigation rights provided by Idaho Water Co. LLC and all Reach credits accrued by this transfer shall remain the property of Idaho Water Co. LLC.

OTHER PROVISIONS

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

SELLERS

Idaho Water Co. LLC
Del Kottz

BUYERS

BC Farm LLC by
James Thompson

Development Lease

This Development Lease – entered into between Bowler Ranches, Inc. and KBC Farms LLC on this the 31st day of May, 2006 – will include those parcels located in Sections 26 & 27 of Township 8S Range 29E in Power County in the state of Idaho – consisting of approximately 327 acres irrigated land and some range land. Bowler Ranches being the land owner and KBC Farms being the developer agree to jointly develop and own the above irrigated land and the water rights and irrigation equipment on a cost share basis to be determined at a later date.


Bowler Ranches, Inc.


KBC Farms LLC

IDAHO WATER COMPANY

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

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT is made and entered into this 7/11/03

by and between Druidland

(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 + 43-4037 and the water appurtenant thereto, for \$ per acre.

2. The total purchase price shall be \$. 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.

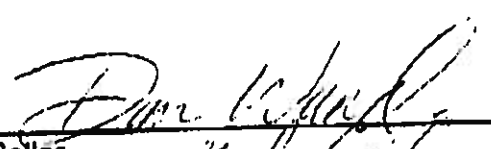
5. In the event of any suit or proceeding by either party against the other party, in any way arising out of this agreement the prevailing party shall be awarded their reasonable attorney fees and costs.

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.

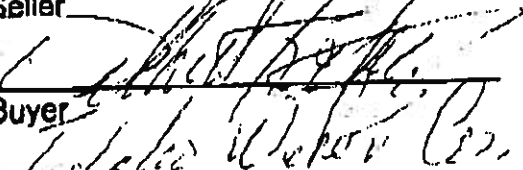
7. This agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, administrators, successors and assigns to the parties hereto.

OTHER PROVISIONS

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



Seller



Buyer

1135 Valley Rd. South • Eden, Idaho 83325
Ph. 825-5817
Fax 825-5063
Cell 208-312-1135
e-mail delkohtzldwc@mindspring.com

Idaho Water Company

fax

To: Jason Nelson From: Del Kohtz
Fax: _____ Pages: _____
Phone: _____ Date: _____
Re: Stoker CC: _____

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• Comments:

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AUG 15 2007

IDAHO WATER COMPANY LLC

1135 Valley Road South
Eden, Idaho 83326
Office (208) 825-5617
Cells 410-0438 or 312-1135

OPTION AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT is made and entered into this March 30 2006
by and between Alliance Land & Livestock
(hereinafter "Seller") and Idaho Water Co LLC 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 end 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 43-13368, 43-13365 and
the water appurtenant thereto, for \$ [REDACTED] per acre. 202.8 acres in this
agreement

2. The total purchase price shall be \$ [REDACTED] The entire purchase
price shall be paid on the closing dates described in paragraph 4 below. Buyer will pay
seller \$ earnest money at signing.

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 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. Seller shall allow all transfers in process to be finished and paid for with the provisions of this contract. If buyer does not have all of the Water Rights in the transfer process by 365 days from the date of signing of this contract, Buyer and Seller may extend this contract by mutual agreement on the balance of the water rights.

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. Seller also understands any reach credits resulting from this contract and transfer shall be the property of Idaho Water Co. LLC.

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

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT -2

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

3492 and 6.4.0
Alliance Feed & Livestock Inc
Paul D. Allen
 Seller
Idaho Water Council
 Buyer
Delbert Kohtz

STATE OF IDAHO

)
) S.
 County of _____)

On this _____ day of January 2006, before me the undersigned Notary Public in and for said state, personally appeared Delbert Kohtz and Terry Wilcox known or identified to me to be the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that executed the same.

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

 Notary public for _____

Residing at _____

My commission expires _____

IDAHO WATER COMPANY
AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHT

THIS AGREEMENT is made and entered into this March 30, 1990 by and between Del Kohtz Idaho Water Company (hereinafter "Seller") and Allison Landt Livestock hereinafter ("Buyer"). The seller, 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 _____ acre feet/anum consumptive of Idaho Water Right 36-16115 # 36-16212 # 36-16216 and the water appurtenant thereto, for \$ _____ per acre foot consumptive of \$650.00 per acre. There are 40 acres or _____ Acre Feet of water included in this agreement. No land is included in this agreement.
2. The total purchase price shall be \$ 26,000.00. The entire purchase price shall be paid on the closing date described in paragraph 5 below, less _____% finders fee and down payment paid at signing. Payment of \$ _____ paid at signing.
3. This Agreement for Purchase and Sale of said license is contingent upon and subject to approval of the application for transfer by the Department of Water Resources. If the application is not approved, this Agreement shall become null and void.
4. The closing of this transaction and delivery of the executed Assignment to Buyer and the entire purchase price for the contract to Seller shall take place at the law offices of Givens Pursley, 277 N 6th St. Boise, Idaho, within thirty days of Buyers receipt of approval from the Department of the application for transfer. The Buyers shall be given possession and use of the water right and the water appurtenant thereto, upon closing.

6. This transfer will remain in the name of Idaho Water Co. until the contract is closed and paid for by the buyer. The buyer's place of use and point of diversion will be used for the transfer. When the contract is closed a change of ownership form will be signed by Idaho Water Co. (Del Kohtz)
7. In the event of any suit 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.
8. Each party agrees to pay one-half of any costs incurred in executing this document. These costs shall not be more than \$150.00 each.
9. 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.
10. If Kohtz fails to accomplish the desired transfer with this or other water rights the upfront money will be refunded. Buyer understands consultant fees for preparation of transfer, calculation of mitigation, and attorney fees in the case of protests and hearings on their water transfer are to be paid by the Buyer.
11. Del Kohtz has my permission to make needed changes to the Water transfer application that is the result of this contract to facilitate the process of transferring the water. The changes made will not materially change the amount of money buyer has to pay, or the amount of water buyer receives.
12. Kohtz (Idaho Water Company) has no control over the amount of mitigation or writedown IDWR will require of Buyers particular transfer therefore the amount Buyer pays is based on the amount of water transferred out of the original Water Right. Buyer understands that all mitigation rights provided by Idaho Water Co. LLC and all Reach credits accrued by this transfer shall remain the property of Idaho Water Co. LLC.

OTHER PROVISIONS

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

SELLERS

Isabel W. W. P.
Isabel W. W. P.

BUYERS

Alliance Land & Livestock
Barclay D. Allen

Project No. 286-09-2007 (311-04-2004 & 630-01-2003)

ESPA Combined Transfer

Eastern Snake River Plain Aquifer



Prepared for:

Idaho Water Co.,
KBC Farms,
Alliance Land & Livestock

August 8, 2007

For information concerning this report, contact
Jason C. Helms, P.E.



CHARLES E. BROCKWAY, PH.D., P.E.
CHARLES G. BROCKWAY, PH.D., P.E.

2016 NORTH WASHINGTON, SUITE 4
TWIN FALLS, IDAHO 83301

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- I.** Purchase Agreements

ESPA Combined Transfer Analysis

Prepared by: Brockway Engineering, PLLC
Date: August 8, 2007

A. Introduction

This analysis was performed to demonstrate that modeled credits and depletions accumulating from the proposed transfer of water rights owned by the applicants listed above are balanced within 5% of modeled historical projected depletions. The analysis was performed using the most recent Enhanced Eastern Snake River Plain Aquifer Model Transfer Spreadsheet. Additionally, a steady state analysis was performed to demonstrate that even long-term impacts resulting from the proposed change in diversion locations is within 5% of depletions that would result from the continuing use of the water rights at their current points of diversion.

B. Intent of Transfers

The intent of the proposed transfers is to change the place of use for the listed portions of water rights to existing farms owned by the applicants. There are 8 individual transfer applications combined for ESPA mitigation purposes as outlined below and attached as appendices:

1. Stoker – Add 370 afa to existing dairy in 11S, 24E, Sec. 21.
2. Stoker – Provide 120 acres of water rights for irrigation in 11S, 24E, Sec. 21.
3. Alliance – Add 135 afa to existing feedlot in 11S, 22E, Sec. 8.
4. Alliance – Add 40 acres of water rights to existing PPU in 11S, 21E and 22E.
5. KBC Farms – Add 73.8 acres of water rights to existing PPU in 8S, 29E.

6. KBC Farms – Provide 283.3 acres of water rights for new irrigation in 8S,29E.
7. Bowler Ranches – Add 17 acres of water rights to existing PPU in 8S,29E.
8. Bowler Ranches – Add 9.2 acres of water rights to existing PPU in 8S, 29E.

Proposed transferred portions were carefully selected to maintain transient and steady state reach impacts within 5% of calculated historical depletions

C. Water Right Ownership and Reach Credits

All water rights are either owned or under contract by the applicants. Previous analysis estimated that transfer of water rights 43-13365 and 43-13368 to the Alliance and Stoker properties alone would have required a pumping reduction of up to 34% to maintain reach depletions within 5% of historical levels. By combining the KBC Farms and Bowler Ranches transfers to the Alliance and Stoker transfers for purposes of mitigating the ESPA reach impacts, the credits which would have been developed can instead be utilized. The movement of the remaining portions of 43-13365 and 43-13368 east to the KBC and Bowler properties cause additional impacts in the Blackfoot-Neeley reach, however by including the portion of 35-7448 moving generally southerly, those impacts are also mitigated to within 5%. The net result of all the transfers, as proposed and when considered in combination, maintains both transient and steady state impacts for all reaches within 5% as required by current IDWR transfer processing guidelines

D. Transient ESPA Analysis Methodology

Determination of the impact of historical diversion of the portions of the water rights proposed for transfer was calculated using the Version 2.0 Ground Water

Rights Transfer Spreadsheet based on Enhanced Snake Plain Aquifer Model (February 2005) was utilized. For each set of water rights, the staged historical development was modeled based on a 100 afa diversion rate. The results calculated for the set were then scaled based on the actual proposed transfer volume.

For each historical diversion location, two time dependent arrays of calculated reach depletions for each of the 11 modeled river reaches was recorded. The first array portrays the residual impacts compounded from the historical diversion of the water right assuming the water right ceased to be diverted either in the spring of 2008 for active water rights, or at the time the water right was placed into CRP. The second array estimates the projected impacts of the water right diversion if no transfer occurred and the water right continued to be diverted at the historical location throughout the time extent of the transfer spreadsheet. This second array provides the baseline to compare the potential change in impacts of transfer approval.

The impacts of proposed diversions (assuming transfer approval) were also modeled individually for each transferred portion based strictly on the location of the proposed diversion and an initial diversion start date of spring of 2008. These spreadsheet analyses also considered a base withdrawal of 100 acre-ft per year with the calculated results from the spreadsheet scaled to match proposed annual diversions at each of the new locations. The results from the first array described above (calculated from the historical diversion location) were then added to the proposed impacts in order to account for residual impacts of historical diversions.

The total estimated change in impacts for each Snake River Reach was then evaluated for each reach and timestep by comparing the total proposed impacts

(impacts of proposed diversions plus the residual impacts of historical diversion) against the projected historical diversions.

E. Steady State ESPA Analysis

Due to the apparent slow stabilization of impacts calculated from the transient ESPA Transfer Spreadsheet, an analysis of projected steady state impacts was performed to minimize potential reach depletion changes. The results of this analysis are attached as Table III. The upper table shows total calculated steady state depletions due to diversions at current authorized locations and the lower table shows steady state depletions at the proposed diversion locations.

A final row at the bottom displays the calculated change in reach depletions resulting from the proposed change in diversion locations. In all reaches, total change in impacts is within 5% of calculated historical depletions.

F. Results and Conclusions

As demonstrated by both the transient and steady state ESPA analyses, the transfers as proposed meet the current IDWR guidelines for maintaining ESPA river reach impacts to within 5% of historical calculated depletions. Due to the careful selection of water rights for transfer and proposed transfer portions, no mitigation by volume reduction is required due to the mitigating effects of the combined transfers.