

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 74119

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 1

Name of Applicant Targhee Hill Estates, LLC Phone (435) 645-9005

Post Office address 1777 Sun Peak Dr., Park City, Utah 84098

A. PURPOSE OF TRANSFER

1. ☐ Change point of diversion ☐ Add diversion point(s) ☐ Change place of use
☒ Change nature of use ☒ Change period of use ☐ Other _____
2. Describe the reason for the proposed changes To account for the filling of and evaporation from four small ponds that will be constructed in connection with the Targhee Hill Estates subdivision.

B. DESCRIPTION OF RIGHT(S) OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

<u>1. Right Number</u>	<u>Priority</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>	
<u>22-13630</u>	<u>1-22-1916</u>	<u>0.1 cfs</u>	<u>diversion to storage</u>	<u>April 15</u>	<u>to October 31</u>
<u>22-13630</u>	<u>1-22-1916</u>	<u>13.8 acre-feet</u>	<u>aesthetic storage</u>	<u>January 1</u>	<u>to December 31</u>
<u>22-13628</u>	<u>9-1-1891</u>	<u>0.05 cfs</u>	<u>diversion to storage</u>	<u>April 15</u>	<u>to October 31</u>
<u>22-13628</u>	<u>9-1-1891</u>	<u>13.8 acre-feet</u>	<u>aesthetic storage</u>	<u>January 1</u>	<u>to December 31</u>

2. Total amount of water being transferred 0.15 cubic feet per second and/or 13.8 acre-feet per annum.
3. Source of water Teton Creek tributary to Teton River
4. Point(s) of Diversion:

[illegible]

5. Lands irrigated or place of use:

[illegible]

RECEIVED

SEP 7 2007

Department of Water Resources
Eastern Region

Total Acres 73.7

74119

PART 1

6. General Information:

a. Description of diversion system Water will be diverted from Teton Creek through the Waddell Ditch as heretofore. It will be diverted from the Waddell Ditch into the first pond, then conveyed through a small canal to the second, third and fourth ponds.

b. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
X Yes _____ No. If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes.

c. Describe the affect on the land now irrigated if the place of use is changed pursuant to this transfer:
6.3 acres of land currently irrigated with these water rights will be taken out of production and no longer irrigated.

d. Remarks:
See attached explanatory.

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Transfer of Water Rights No. _____

And the said application is hereby _____, subject to the following conditions:

Witness my hand this _____ day of _____, 20 _____.

 For the Director

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESAPPLICATION FOR TRANSFER OF WATER RIGHT
PART 2

(Attach one copy for each right)

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right as evidenced by:

- a. Decree No. _____ Decreed to _____
in case of _____ vs. _____
dated _____ in _____ county of _____
- b. License No. _____ issued by the Idaho Department of Water Resources.
- c. Claim No. 22-13630 on file with the Idaho Department of Water Resources.
- d. Transfer No. _____ which produced this right.

2. Attach copy of last year's tax notice for the property to which the water right is appurtenant or other documents which show ownership. Label document as attachment A. Check appropriate box below:

☐ Tax Notice ☒ Warranty Deed ☐ Other _____
3. Source of water Teton Creek tributary to Teton River4. Date or priority 1-22-1916

5. Water is used for the following purposes:

amount 1.32 cfs for irrigation purposes from April 15 to October 31
(cfs/ac-ft)

amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

6. Total amount of water under right 1.32 cubic feet per second and/or _____ acre-feet per annum.

7. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion
2		SW	NE	20	5N	46E	Teton	Teton Creek

8. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	46E	20											17	34			29		80

Total Acres 809. Describe any other water rights used for the same purpose as described above 22-13628

74119

PART 2

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of non-use?

No If yes, describe _____**B. DESCRIPTION OF PORTION OF RIGHT BEING TRANSFERRED**

(If the entire right is to be changed by the applicant, omit part B and C.)

1. amount 0.1 cfs for irrigation purposes from April 15 to October 31
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion
2		SW	NE	20	5N	46E	Teton	Teton Creek

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	46E	20											1.3	2.7			2.3		6.3

Total Acres 6.3**C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT (omit if there is no change)**

1. amount 1.22 cfs for irrigation purposes from April 15 to October 31
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion
2		SW	NE	20	5N	46E	Teton	Teton Creek

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	46E	20											15.7	31.3			26.7		73.7

Total Acres 73.7

74119

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESAPPLICATION FOR TRANSFER OF WATER RIGHT
PART 2

(Attach one copy for each right)

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right as evidenced by:

- a. Decree No. _____ Decreed to _____
in case of _____ vs. _____
dated _____ in _____ county of _____
- b. License No. _____ issued by the Idaho Department of Water Resources.
- c. Claim No. 22-13628 on file with the Idaho Department of Water Resources.
- d. Transfer No. _____ which produced this right.

2. Attach copy of last year's tax notice for the property to which the water right is appurtenant or other documents which show ownership. Label document as attachment A. Check appropriate box below:

☐ Tax Notice ☒ Warranty Deed ☐ Other _____
3. Source of water Teton Creek tributary to Teton River4. Date or priority 9-1-1891

5. Water is used for the following purposes:

amount 0.61 cfs for irrigation purposes from April 15 to October 31
(cfs/ac-ft)

amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

6. Total amount of water under right 0.61 cubic feet per second and/or _____ acre-feet per annum.

7. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion
2		SW	NE	20	5N	46E	Teton	Teton Creek

8. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	46E	20											17	34			29		80

Total Acres 809. Describe any other water rights used for the same purpose as described above 22-13630

74119

PART 2

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of non-use?

No If yes, describe _____**B. DESCRIPTION OF PORTION OF RIGHT BEING TRANSFERRED**

(If the entire right is to be changed by the applicant, omit part B and C.)

1. amount 0.5 cfs for irrigation purposes from April 15 to October 31
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	1/4	1/4	1/4	Sec	Twp	Rge	County	Local name for diversion
2		SW	NE	20	5N	46E	Teton	Teton Creek

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	46E	20											1.3	2.7			2.3		6.3

Total Acres 6.3**C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT (omit if there is no change)**

1. amount 0.56 cfs for irrigation purposes from April 15 to October 31
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	1/4	1/4	1/4	Sec	Twp	Rge	County	Local name for diversion
2		SW	NE	20	5N	46E	Teton	Teton Creek

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	46E	20											15.7	31.3			26.7		73.7

Total Acres 73.7

74119

PART 3

B. CHANGES IN NATURE OF USE

1.	<u>New Nature of Use</u>	<u>Amount(cfs/af-ft)</u>	<u>Hours/days/year</u>	<u>Period of Use</u>
	<u>diversion to storage</u>	<u>0.15 cfs</u>	<u>year</u>	<u>April 15 to October 31</u>
				<u>to</u>

2. Quantity and quality of return flows and location of discharge: N/A

3. Describe effects on other water uses resulting from the proposed change:

No effects on other water users will result from the proposed change. No additional water will be diverted, and depletion will not be increased.

I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. The information contained in this application is true to the best of my knowledge.

I understand that any willful misrepresentations made in this application may result in voiding its approval.



TARGHEE HILL ESTATES, LLC

BY: MICHAEL D. STEWART, MEMBER

(Signature of Applicant)

Subscribed and sworn to before me this 11th day of September, 20 07.

(Notary Public)

My commission expires 3/10/2010LORRI M. WOLD
Notary Public, State of Utah
My Commission ExpiresMarch 10, 2010
2500 Lower Landa Lane, Park City, UT 84098

FOR DEPARTMENT USE ONLY

Transfer contains 8 pages and 8 attachmentsReceived by _____ Date 9/17/07 Protest filed by _____Prelim. Check by _____ Fee 100-Receipted by sc Date 9/18/07 E033360Published in Teton Valley News Copies of protest forwarded by _____

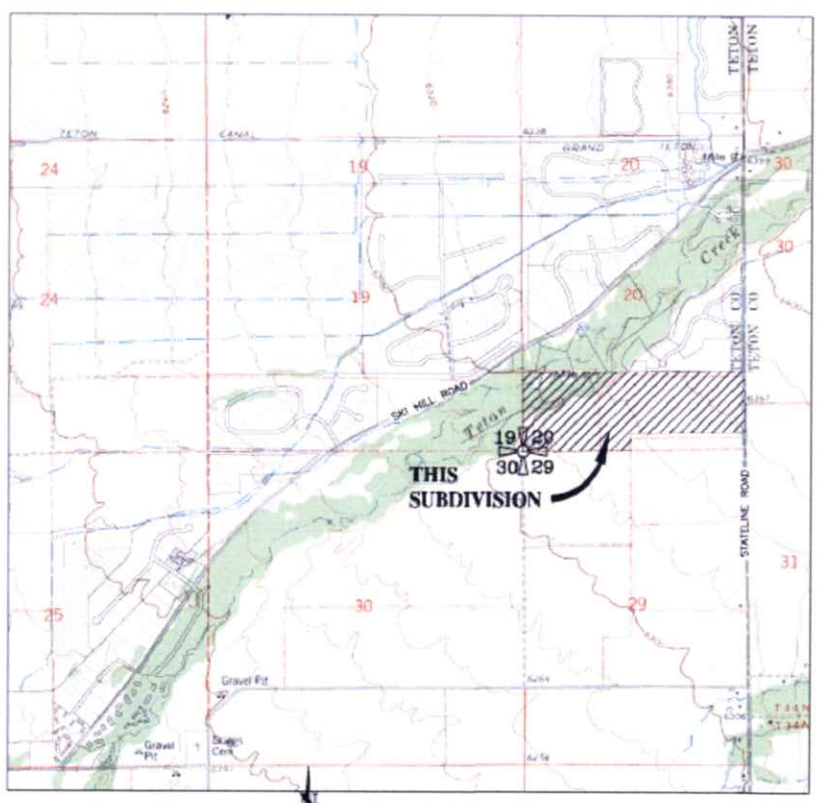
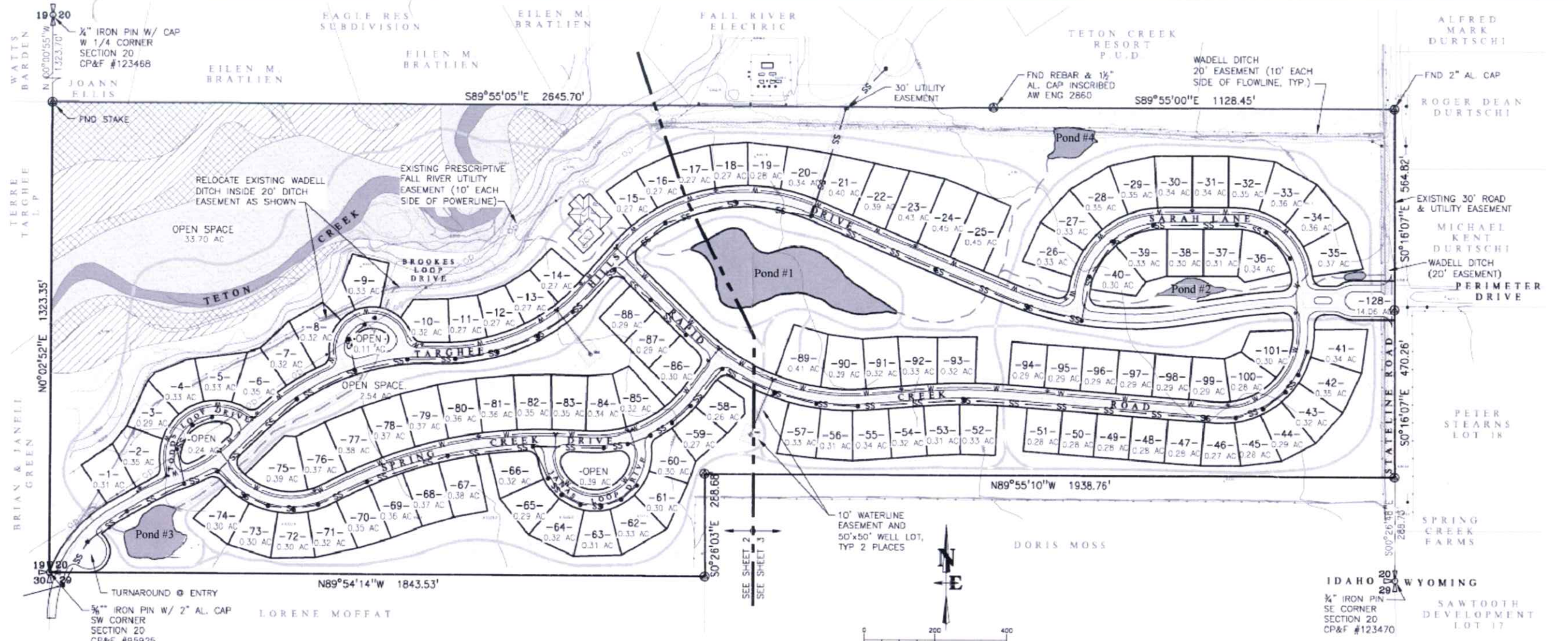
Pub. Dates _____ Hearing held by _____ Date _____

Watermaster recommendations requested on _____ Recommended for ☐ approval ☐ denial

_____ received _____ by _____

Copy of transfer sent to lien holder _____

74119



LEGEND

- SITE BOUNDARY
- SECTION LINE
- R-O-W LINE
- BUILDING SETBACK LINE
- PROPOSED LOT
- PROPOSED ROAD (60' ROAD AND UTILITY R-O-W 24' ROAD WIDTH)
- EASEMENT OR R-O-W AS NOTED
- PROPERTY CORNER AS NOTED
- SECTION CORNER AS NOTED
- PATHWAY/TRAIL
- PROPOSED DITCH
- WATER FEATURE
- SEWER MAIN
- WATER MAIN
- SEWER MANHOLE
- WATER VALVE
- FIRE HYDRANT
- SET 3/4"x24" REBAR W/ ALUMINUM CAP "NELSON ENGR. PLS 11543"
- SET 3/4"x30" REBAR W/ ALUMINUM CAP "NELSON ENGR. PLS 11543"

BASIS OF BEARING IS N 00°02'52" E FOR THE WEST PROPERTY LINE FOLLOWING THE SOUTHWEST QUARTER OF SECTION 20.

SCALE: 1"=200'

FLOOD ZONES AS DEFINED BY FEMA MAP PER FEMA MAP #16081C0092C

- 100 YEAR FLOOD (ZONE AE)
- FLOODWAY IN ZONE (AE)
- 500 YEAR FLOOD (ZONE X)
- NO BUILDING LOTS IN FLOOD ZONES

PROJECT TOTAL:
TOTAL ACRES = 101.95
101 LOTS @ 0.32 AVG = 32.67 AC
REC CENTER (17000 SF) = 0.40 AC
OPEN SPACE LOTS = 54.09 AC (53.0%)

ROADS = 1.71 MILES (9028 LF)
NEW ROAD R-O-W = 14.06 AC
EX. ROAD EASEMENT = 0.73 AC
TRAILS = 3.17 MILES (16,720 LF)

ZONED: A2.5 URBAN SERVICE
BUILDING SETBACKS:
FRONT - 20
SIDES - 10
BACK - 20

NOTES:
1. TELEPHONE AND POWER UTILITIES TO BE ROUTED IN THE 60' ROAD R-O-W.

PRELIMINARY MASTER PLAN/PLAT		LOCATED IN THE		PLAT PREPARED 10 JAN 2007	
TARGHEE HILL ESTATES P.U.D.		S 1/2 S 1/2 OF		SHEET 1 OF 4	
NELSON ENGINEERING 30 N. 1ST EAST DRIGGS, ID 83422 (208) 354 2087		SECTION 20, TOWNSHIP 5 NORTH, RANGE 46 EAST		PROJECT NO. 06-296D-5	
SURVEYED: NE OCT 2006		DRAWN: BJC		REVIEW: JS, PE	

OWNER
TARGHEE HILL ESTATES, LLC
SPENCER THUNELL
1777 SUN PEAK DRIVE
PARK CITY, UT 84098
(435) 645-9005

EXPLANATORY

Targhee Hill Estates, LLC intends to construct four shallow ponds in connection with its Targhee Hill Estates subdivision. The four ponds will have a combined surface area of 2.28 acres and a combined storage volume of 9.97 acre feet of water.¹ The ponds will store water delivered out of the Waddell Ditch that was previously used to irrigate the land on which the Targhee Hill Estates subdivision is being developed. Water from the ponds will then be delivered through a pipeline and series of connections to irrigate the subdivision's open space and the yards of individual homeowners. The ponds will not be used for fire protection for the subdivision. This transfer application is filed to account for the water that will be required to fill the ponds and for the water that will be lost to evaporation from the surface of the ponds.

Using the precipitation deficit for open water – shallow systems (ponds, streams) for the Driggs station in *Evapotranspiration and Consumptive Irrigation Water Requirements for Idaho* (located online at <http://www.kimberly.uidaho.edu/ETIdaho/>),² the total depletion attributable to evaporation from the four ponds is 3.83 acre feet of water per year (513.25 mm or 1.68 feet of evaporation per acre of pond surface area per year, multiplied by 2.28 acres of pond surface area). Adding this to the 9.97 acre feet of water per year required to fill the ponds, the total amount of water required to account for the filling of and evaporation from the ponds is 13.8 acre feet per year.

The applicant will remove sufficient irrigated land from production to ensure that there will be no enlargement of the water right under this transfer application. Water Right Nos. 22-13628 and 22-1360 have historically been used for the irrigation of 80 acres. Based on the precipitation deficit for alfalfa – less frequent cuttings for the Driggs station in *Evapotranspiration and Consumptive Irrigation Water Requirements for Idaho*, 6.3 of those 80 acres will be removed from production (13.8 acre feet of depletion / 667 mm or 2.19 feet of depletion per acre per year).

¹ According to the preliminary design for the Targhee Hill Estates subdivision, Pond #1 has a surface area of 1.5 acres and a total volume of 6.95 acre feet, Pond #2 has a surface area of 0.13 acres and a total volume of 0.42 acre feet, Pond #3 has a surface area of 0.45 acres and a total volume of 1.9 acre feet, and Pond #4 has a surface area of 0.2 acres and a total volume of 0.7 acre feet.

² As per instructions of the Idaho Department of Water Resources, the precipitation amounts for each month with a negative precipitation deficit were assigned a value of zero in our calculation. This results in a total precipitation deficit of 513.25 mm per year, rather than the 476 mm per year shown on the original open water – shallow systems (ponds, streams) table.

AUTHORIZATION OF APPLICATION
FOR TRANSFER OF WATER RIGHT 22-13630

Wells Fargo Bank, N.A., holder of the first trust deed on a parcel of land comprised of approximately 101.94 acres located in Section 20, Township 5 North, Range 46 East, Boise Meridian, Teton County, Idaho (more particularly described in Exhibit A, attached hereto), as well as associated Idaho Water Right Nos. 22-13628 and 22-13630, hereby authorizes and agrees to the filing of an Application for Transfer of Water Right on portions of Idaho Water Right Nos. 22-13628 and 22-13630 by Targhee Hill Estates, LLC.

Dated this 6th day of ~~August~~, 2007.
 SEPTEMBER,

Wells Fargo Bank, N.A.

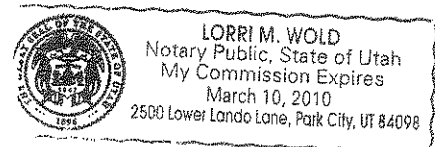
G. Zelaya
By: Guillermo V. Zelaya
Its: Assistant Vice President

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me on this 6th SEPTEMBER, day of ~~August~~, 2007 by GUILLERMO ZELAYA, ASST VICE PRES. of Wells Fargo Bank, N.A.

Lorri M. Wold
LORRI M. WOLD

NOTARY PUBLIC



T 74119
ATTACHMENT 2 OF 8

Exhibit A
Property Description

Township 5 North, Range 46 East, Boise Meridian, Teton County, Idaho.

Section 20: the Southwest Quarter of the Southwest Quarter

Also: beginning at the Northeast corner of Lot 4 of said Section 20; thence West 148 rods; thence South 80 rods; thence East 30.5 rods; thence North 17.5 rods; thence East 117.5 rods; thence North 62.5 rods to the point of beginning.

Less and excepting therefrom the existing county road right-of-way along the East boundary of the above described property.

ATTACHMENT A
Warranty Deed

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL TO:
First American Title Company
81 North Main Street/P.O. Box 42
Driggs, ID 83422

187395 MAY 8 '07 PM 12:23

Instrument # 187395
TETON COUNTY, IDAHO
2007-05-08 11:23:00 No. of Pages: 4
Recorded for : FIRST AMERICAN TITLE CO
MARY LOU HANSEN
Ex-Officio Recorder Deputy *C. Hansen* Fee: 12.00
Index to: DEED, WARRANTY

Space Above This Line for Recorder's Use Only

WARRANTY DEED

Rerecorded to add water rights language to instrument number 181473 recorded 10-19-2006

File No.: 174943-T (tm)

Date: November 06, 2006

For Value Received, **Rocky Mountain Greenhouses, Inc., a Wyoming Corporation, as to an undivided 50% interest and James B. Wark, a single man, as to an undivided 50% interest,** hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **Targhee Hill Estates, LLC, a Delaware Limited Liability Company,** hereinafter called the Grantee, whose current address is **1777 Sun Peak Drive, Park City, UT 84098,** the following described premises, situated in **Teton County, Idaho,** to-wit:

Legal Description attached hereto as Exhibit A, and by this referenced incorporated herein.

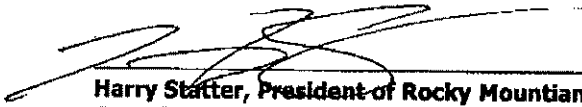
SUBJECT TO all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above together with any and all appurtenant water rights, including, but not limited to, Water Right No. 22-13384 and Water Right No. 22-13386.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

Date: 11/06/2006

Warranty Deed
- continued

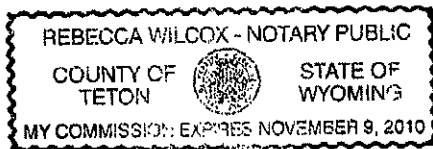
File No.: 174943-T (tm)

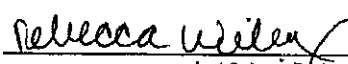

Harry Statter, President of Rocky Mountain
Greenhouses, Inc.

James B. Wark

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

On this 4 day of March, 2006, before me, a Notary Public in and for said State, personally appeared **Harry Statter**, known or identified to me, to be the **President** of the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation, and acknowledged to me that such Corporation executed the same.




Notary Public of Wyoming
Residing at: Wilson, WY
Commission Expires: 11-9-2010

STATE OF)
) ss.
COUNTY OF)

On this _____ day of _____, 2006, before me, a Notary Public in and for said State, personally appeared **James B. Wark**, known or identified to me to be the person(s) whose name(s) is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public of
Residing at:
Commission Expires:

Date: 11/06/2006

Warranty Deed
- continued

File No.: 174943-T (tm)

EXHIBIT A

TOWNSHIP 5 NORTH, RANGE 46 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO.

SECTION 20: SW1/4SW1/4;

ALSO: BEGINNING AT THE NORTHEAST CORNER OF LOT 4 OF SAID SECTION 20; THENCE WEST 148 RODS; THENCE SOUTH 80 RODS; THENCE EAST 30.5 RODS; THENCE NORTH 17.5 RODS; THENCE EAST 117.5 RODS; THENCE NORTH 62.5 RODS TO THE POINT OF BEGINNING.

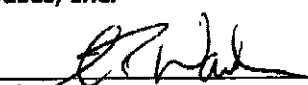
LESS AND EXCEPTING THEREFROM THE EXISTING COUNTY ROAD RIGHT-OF-WAY ALONG THE EAST BOUNDARY OF THE ABOVE DESCRIBED PROPERTY.

Date: 11/06/2006

Warranty Deed
- continued

File No.: 174943-T (tm)

**Harry Statter, President of Rocky Mountain
Greenhouses, Inc.**


James B. Wark

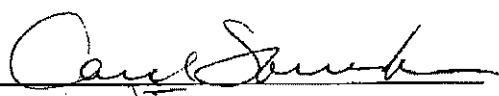
STATE OF)
SS.)
COUNTY OF)

On this day of , **2006**, before me, a Notary Public in and for said State,
personally appeared **Harry Statter**, known or identified to me, to be the **President** of
the Corporation that executed the instrument or the person who executed the instrument on behalf of
said Corporation, and acknowledged to me that such Corporation executed the same.

Notary Public of
Residing at:
Commission Expires:

STATE OF NJ)
COUNTY OF Monmouth)
SS.)

On this 5 day of April, **2006**, before me, a Notary Public in and for said State,
personally appeared **James B. Wark**, known or identified to me to be the person(s) whose name(s) is
subscribed to the within instrument, and acknowledged to me that he executed the same.


Notary Public of NJ
Residing at: 656 Shrewsbury Ave. Tinton Falls NJ 07701
Commission Expires: 6/24/07



CAROL FORRESTER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 24, 2007

ARTICLES OF INCORPORATION OF
TARGHEE HILL ESTATES WATER COMPANY

The undersigned, acting as the incorporator of a nonprofit corporation (the "Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, 1989, Chapter 3, Idaho Code (the "Act"), adopts the following Articles of Incorporation (the "Articles").

ARTICLE I
NAME

The name of the Corporation is TARGHEE HILL ESTATES WATER COMPANY.

ARTICLE II
NONPROFIT STATUS

The Corporation is a nonprofit corporation and shall have no capital stock. No dividends or pecuniary profits shall be declared to the members of the Corporation.

ARTICLE III
PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV
REGISTERED OFFICE AND AGENT

The location of the Corporation is Driggs, Teton County, Idaho. The address of the initial registered office is the Moulton Law Office, 60 East Wallace, Driggs, Idaho 83422, and the name of the initial registered agent at this address is Sean Moulton.

ARTICLE V
PURPOSES

The purposes for which the Corporation is organized and will be operated are as follows:

A. To provide water service to its members for the use and benefit of its members consistent with the provisions of Section 501(c)(12) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code. Such water service will be provided exclusively to the members of the Corporation and will not be offered to the public.

B. To appropriate, purchase, lease, condemn, or otherwise acquire, hold, own, maintain and operate water rights, and to appropriate, purchase, lease, condemn, construct or otherwise acquire, hold, own, maintain and operate wells, dams, canals, ditches, flumes, pipelines and all other works necessary or convenient for the appropriation, diversion, storage, transportation and distribution or use of water for domestic and irrigation purposes.

SECRETARY OF STATE
10/29/2007 05:00
CK: 52604 CT: 70382 DH: 1882723
1 38.00 = 38.00 INC NONP 2

C 175637

C. To establish rules and regulations governing the use and distribution of water, and to levy assessments on its members in such manner and in such amount as may be provided in the bylaws of the Corporation and as may be provided by the Act, and laws of the State of Idaho.

D. To have and exercise all rights and powers granted by the Act and laws of the State of Idaho necessary and proper to carry out the foregoing purposes, the enumeration of which shall not be held to limit or restrict in any manner the general powers of the Corporation which is authorized to exercise and enjoy all of the powers, rights and privileges, granted to or conferred upon nonprofit corporations by the Act and laws of the State of Idaho, now or hereafter in effect. Each purpose enumerated above shall be deemed to be independent of all other purposes.

ARTICLE VI LIMITATIONS

No part of the net earnings or the assets of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof. No substantial part of the activities of the Corporation shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any business for profit or any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(12) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code.

ARTICLE VII MEMBERS

The Corporation shall have voting members with rights as are provided in the Act and the bylaws of the Corporation that are consistent with the management authority that these Articles grant the Board of Directors of the Corporation. Any person who owns real property located within the service area of the Corporation as determined and defined by the Board of Directors of the Corporation, who agrees to use water or other services furnished by the Corporation when such service shall become available through its facilities may become a member of the Corporation upon payment of the annual dues and assessments fixed by the Board of Directors.

ARTICLE VIII BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by its Board of Directors which shall consist of no less than three directors. Each director shall, at all times be a member of the Corporation. The number, qualifications, terms of office, manner of election, powers and duties of the directors shall be fixed in accordance with the bylaws of the Corporation.

The names and street addresses of the persons constituting the initial Board of Directors of the Corporation are:

Tyler Aldous
1777 Sun Peak Drive
Park City, Utah 84098

Michael D. Stewart
1777 Sun Peak Drive
Park City, Utah 84098

Spencer M. Thunell
1777 Sun Peak Drive
Park City, Utah 84098

ARTICLE IX MEMBERSHIP DUES AND ASSESSMENTS

Membership dues and assessments may be charged to all members or classes of membership in equal amounts or in different amounts or proportions upon different members or classes of membership and some members or classes of membership may be made exempt from such membership dues. The Board of Directors is authorized to fix the amount of membership dues and assessments from time to time, and to make them payable at such times or intervals, and upon such notice, and by such methods as the Board of Directors may prescribe.

ARTICLE X DISTRIBUTION ON DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all of the assets of the Corporation consistent with the purposes of the Corporation to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine to be organized and operated consistent with the purposes of the Corporation.

ARTICLE XI INCORPORATOR

The name and street address of the incorporator are:

Targhee Hill Estates, LLC, a Delaware limited liability company
1777 Sun Peak Drive

Park City, Utah 84098

**ARTICLE XII
BYLAWS**

The Board of Directors of the Corporation shall adopt bylaws which shall provide provisions for the regulation of the internal affairs of the Corporation. The Board of Directors of the Corporation shall be authorized to amend the Corporation's bylaws at any properly noticed special or regular meeting of the Board of Directors.

DATED this 17th day of OCTOBER, 2007.

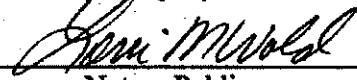
TARGHEE HILL ESTATES, LLC, a Delaware limited liability company

By: 

Its: MANAGER

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me on this 17th day of October, 2007 by MICHAEL STEWART, MANAGER of Targhee Hill Estates, LLC, a Delaware limited liability company.


Notary Public

