

Form 1-222
12-9274351STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 1

1. Name of Applicant Surprise Valley Holdings LLC Phone 208-399-8080Mailing Address P.O. Box 1601, Driggs, ID 83422c/o Rocky Mountain Environmental Associates, Inc.482 Constitution, Ste 303(208) 524-2353Idaho Falls, ID 83402Fax (208) 524-1795

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: Applicant has purchased a portion of the right and proposes to change the nature of use for the maintenance of a 0.33 acre lined fire pond within the Chilly Water subdivision.

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

1. Right Number Priority Amount Nature of Use Period of Use

22-13584	01/08/1991	0.02 cfs	Diversion to Storage	1/01 to 12/31
		2.0 af/acre	Fire Protection Storage	1/01 to 12/31

2. Total amount of water being transferred 0.02 cubic feet per second and/or 2.0 acre-feet per annum.3. Source of water Ground water tributary to NA

4. Point(s) of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local Name for Diversion
	SE	NW	NW	7	05N	46E	Teton	

5. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	
05N	46E	7						F											

RECEIVED

Total Acres _____

NOV 26 2007

Department of Water Resources
Eastern Region74351

PART 1

8. General Information:

- a. Description of diversion system: Well pumps directly to pond.
- b. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts? ☐ 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:
1.0 ac will no longer be irrigated
- d. Remarks: Pond of 1.4 ac-ft will be filled using this water right. Water transferred will also be to mitigate for pond loss due to evaporation (see attached mitigation plan). During the months of October through April, losses are minimal. Most of the water will be required to maintain the pond during the irrigation season. This water right currently has other pending transfers. See attached split history for more details.

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

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

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

Witness my hand this _____ day of _____, 20__

for the Director

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 2

WATER RIGHT NO. 22-13584

Owner Type Name and Address
 Current Owner JARED E NUSBAUM
 Current Owner LINDA S NUSBAUM

Priority Date: 01/08/1991
 Basis: License
 Status: Active

Source Tributary
 GROUND WATER

Beneficial Use From To Diversion Rate Volume
 IRRIGATION 04/15 10/15 0.88 CFS
 Total Diversion 0.88 CFS

Location of Point(s) of Diversion:

GROUND WATER SWNE Sec. 05 Township 05N Range 45E TETON County

Licensed Diversion Capacity: 2.74

Total diversion rate of original license 22-7690 that carried over.

Place(s) of use: IRRIGATION TETON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
05N	45E	5		SWNE	8.7									
				NESW	37.5									

Total Acres: 46.2

Conditions of Approval:

The right holder shall use the full allotment of appurtenant surface water rights, to the extent they are available, in conjunction with groundwater diverted pursuant to this right. This right to divert groundwater shall not be used if the surface water right(s) appurtenant to the place of use is sold, transferred, leased or used on any other place of use without the approval of the Department. This right when combined with all other rights shall provide no more than .02 cfs per acre nor exceed a combined annual diversion volume of 161.7 af for the lands above.

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

1. Amount 0.02 cfs for irrigation purposed from 4/15 to 10/15
 2. Points of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local Name for Diversion
		SW	NE	5	05N	45E	TETON	

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	
5N	45E	5									1								1

Total Acres 1.0

C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT

1. Amount 0.86* cfs for irrigation purposed from 4/15 to 10/15
 2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local Name for Diversion
		SW	NE	5	05N	45E	TETON	

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	
5N	45E	5			8.7						36.5								45.2

Total Acres 45.2

*Since there are and will be additional transfers pending on the same water right, remaining portions may very depending on transfer approvals. See attached Split History diagram. Updates may be obtained from Rocky Mountain Environmental Associates. Also note the diversion rate is written out to the thousandths. See note at bottom of split history for explanation.

PART 3

B. CHANGES IN NATURE OF USE

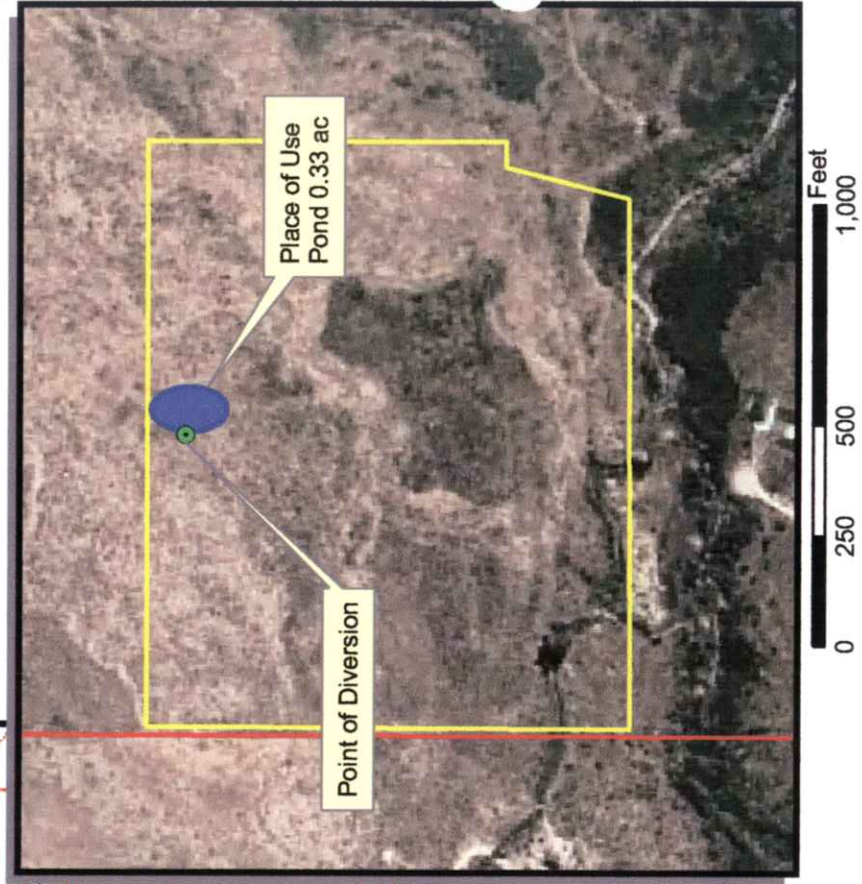
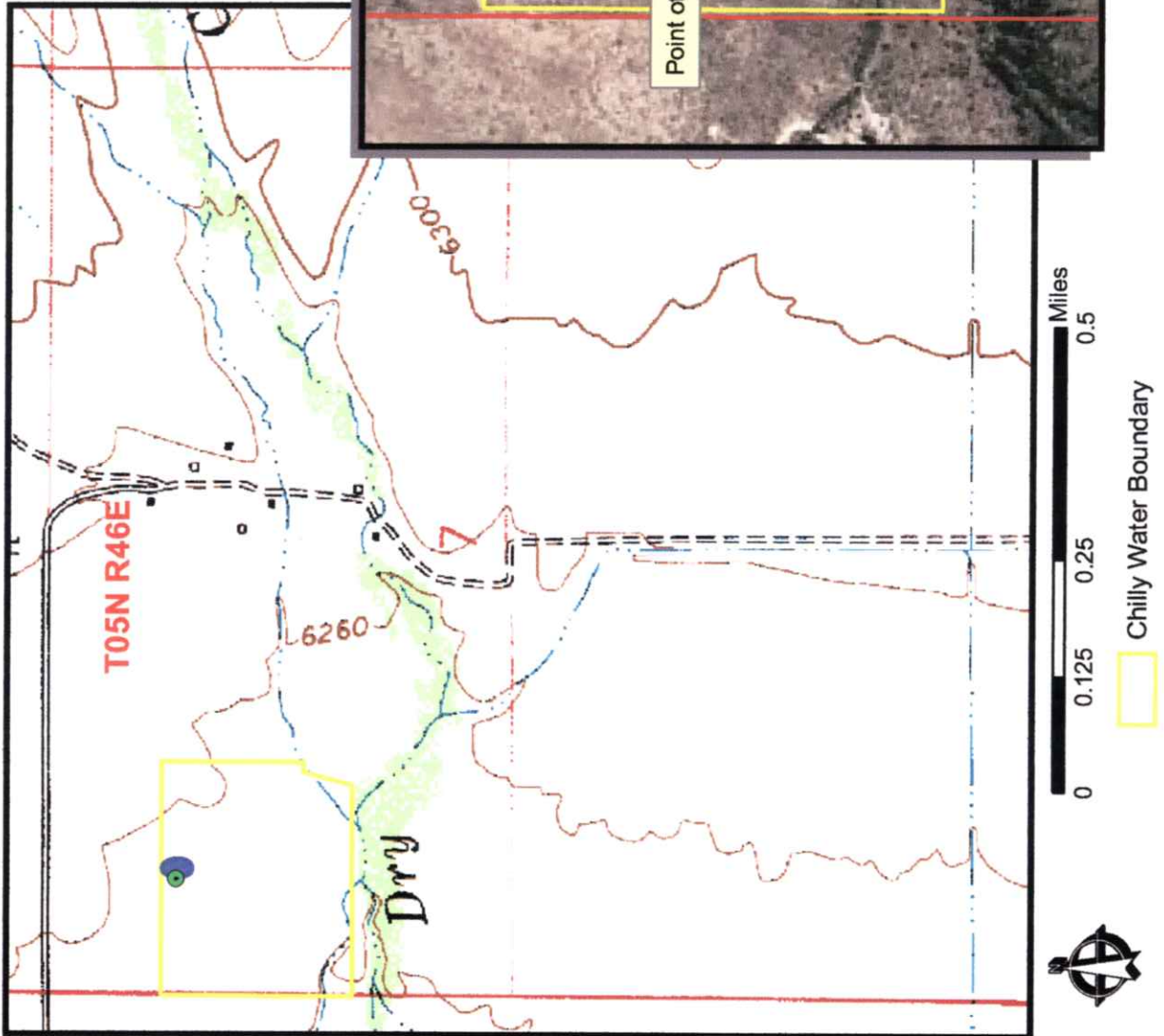
1. New Nature of Use	Amount	Hours/days/year	Period of use
<u>Diversion to Storage</u>	<u>0.02 cfs</u>	<u>24 hr/365 days/yr</u>	<u>1/01 to 12/31</u>
<u>Fire Protection Storage</u>	<u>2.0 ac-ft</u>	<u>24 hr/365 days/yr</u>	<u>1/01 to 12/31</u>

2. Quantity and quality of return flows and location of discharge: There will be no return flows. All water pumped into the fire pond will be to replace losses due to evaporation. Because the pond is lined, no water will be lost to ground water.

3. Describe effects on other water uses resulting from the proposed change: The pond of 0.33 acres only requires a water right from 0.3 acres of irrigated ground. A very minute amount of water is needed to maintain the pond throughout the year. Even during the month of July when evaporation is greatest, only 0.2 acre-feet, which yields 0.007 acre-feet/day, is needed for maintenance. The proposed change will have no affect on other water uses.

Application for Transfer of Water Right

Chilly Water Site Location



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 in this application is true to the best of my knowledge.

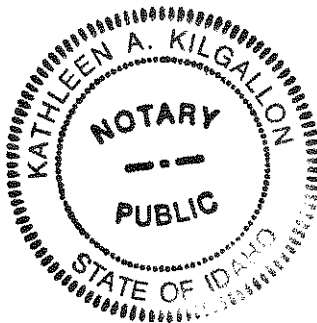
I understand that any willful misrepresentations made in this application may result in voiding its approval.

Matt Hail
(Signature of Applicant)

President - Surprise Valley, LLC
(Office or Position of Authority)

Matt Hail
(Printed Name)

Subscribed and sworn to before me this 8th day of November, 2007



Kilgallon
Notary Public
My Commission expires: 3-2011

FOR DEPARTMENT USE ONLY

Transfer contains 7 pages and 26 attachments
Received by _____ Date 11/13/07 Protest filed by _____
Prelim check by _____ Fee 100.00
Receipted by _____ Date 11/13/07 EO 33558.
Published in Teton Valley News Copies of protest forwarded by _____
Pub. Dates _____ Hearing held by _____ Date _____
Watermaster recommendation requested on _____ Recommended for ☐ approval ☐ denial
_____ r-f'd _____ By _____
Copy of transfer sent to lien holder _____

**Application for Transfer of Water Right No. 22-13584
Surprise Valley Holdings LLC / Chilly Water Subdivision**

Mitigation Plan

The intent of this transfer is to change the nature of use of 1.0 ac of irrigated ground under the ground water right 22-13584 to be used in a fire pond of 0.33 acre surface area.

One acre of said water right has a diversion rate of 0.019 cfs and a historical consumptive use volume of 2.0 ac-ft based on irrigation requirements taken from the Allen and Robison report for alfalfa hay-less frequent cuttings in the Tetonia area (The irrigation requirement was taken from the Tetonia Experiment Station since the place of use is nearest Tetonia). The first-time fill will require 1.4 ac-ft, which equates to 0.7 ac ($1.4 \text{ ac-ft} / 2.0 \text{ ft/season} = 0.7 \text{ ac}$). Based on the evaporation and precipitation values taken from the Driggs Weather Station, which is nearest the new place of use, a pond of 0.33 ac surface area will lose 0.6 acre-feet to evaporation annually. During the months of October through April, however, calculations show that pond loss is minimal. Most of the loss occurs during the irrigation season. At 0.6 acre-feet and an irrigation requirement of only 2.0 acre-feet/acre ($0.6 \text{ acre-feet} / 2.0 \text{ feet/season} = 0.3 \text{ acres}$), 0.3 ac of irrigated ground will be required to supply evaporative loss requirements. The total acres required for mitigation is 1.0 acre for pond fill and evaporative losses. See attached Summary of Transfer Requirements.

If the transfer is not approved within a reasonable time frame for the first time fill to occur, applicant proposes to rent water from the Water Supply Bank. BC Properties, LLC is under contract to sell a portion of said water right 22-13584 to the applicants. As a part of the contract, they have agreed to lease 1.0 acre of the ground water right 22-13584 into the Water Supply Bank and to rent the same in their own name to be used in the Chilly Water pond. This rental water will be used to fill the pond and maintain the water level throughout the irrigation season of 2008 until the transfer is approved. Upon approval of the transfer, the ground water right will be used thereafter to maintain water levels.

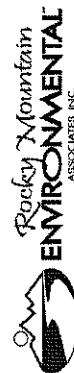
Summary of Transfer Requirements

Surprise Valley Holdings LLC / Chilly Water Subdivision

Original Ground Water Right to be Transferred 22-13584	Diversion Rate (cfs)	Place of Use (acres)	cfs per acre	AF per acre*
	0.88	46.2	0.019	2.00
Amount of Water Needed For Evaporation	Pond Surface Area (acres)	Acres Equivalent to Evaporative Loss Ac= Total Pond Loss / AF per ac		Total Pond Loss (AF)**
	0.33	0.3		0.60
Amount of Water Needed for Pond Fill	Pond Volume (AF)	Acres Equivalent to Pond Fill Ac= AF per ac / Pond Volume	cfs required	AF required
	1.40	0.70	0.013	1.40
Total Water Needed for Transfer	For Evaporation	For Fill	Total	
	cfs	0.006	0.013	0.019
	AF	0.60	1.40	2.00
	acres	0.3	0.70	1.00

*Values calculated using the mean irrigation requirement of alfalfa hay--less frequent cuttings taken from Allen, Richard G. and Clarence W. Robison, 2006 (Revised 2007). Evapotranspiration and Consumptive Irrigation Water Requirements for Idaho, Research Technical Completion Report, Kimberly Research and Extension Center, University of Idaho, Moscow, ID. Tetonia Experiment Station 109065.

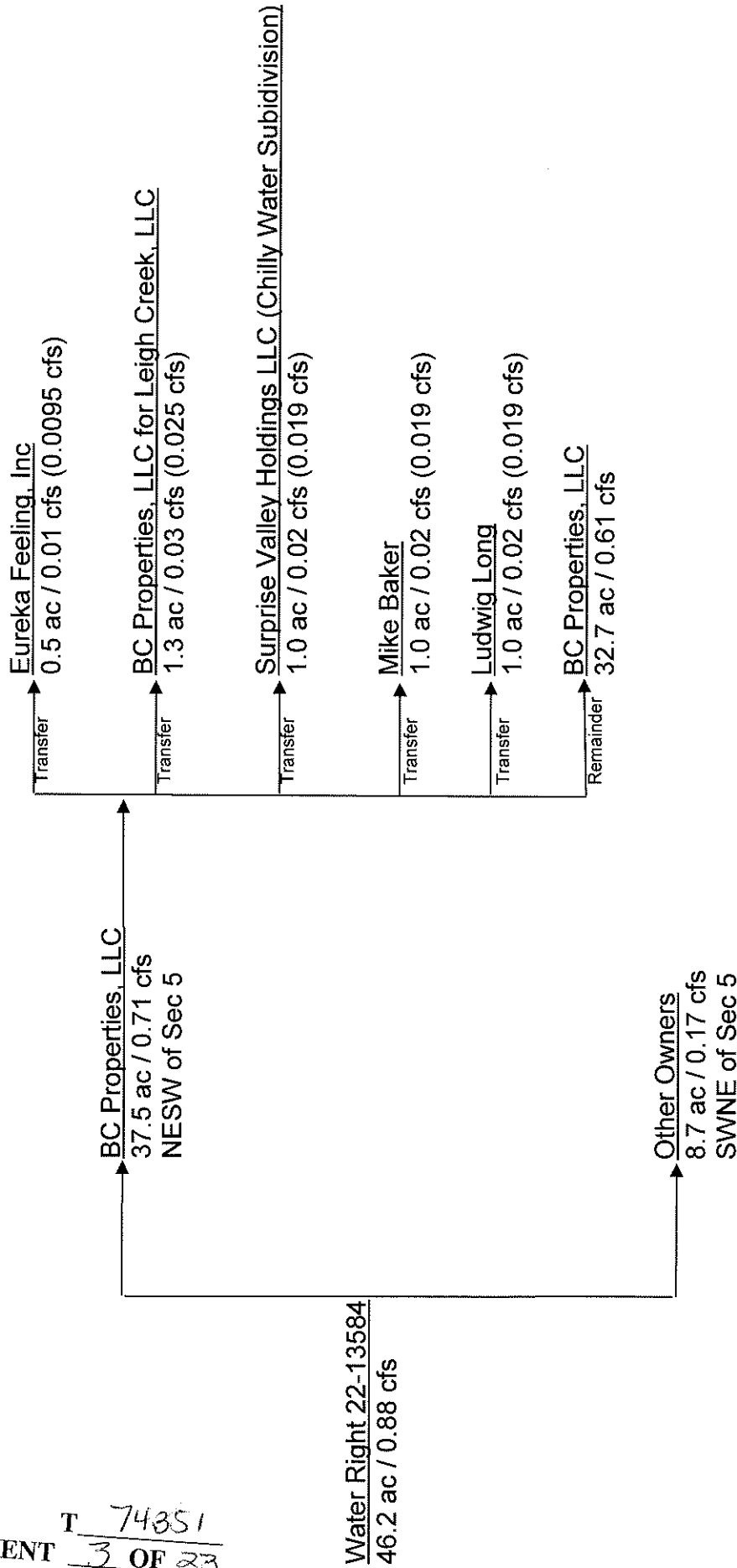
**Value calculated using precipitation and evaporation values from the Driggs Station 102676.



11/9/2007

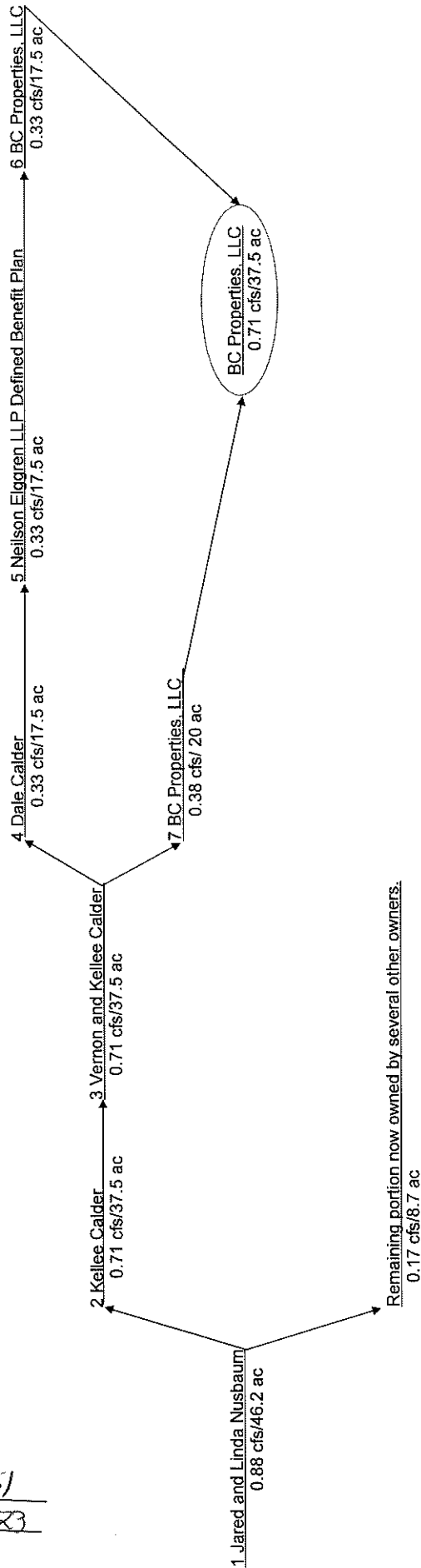
Split History

Pending Transfers of Water Right 22-13584



Flow rates had been rounded to two decimal places as per Idaho Department of Water Resources.

Split History of Water Right No. 22-13584



Attached are the 7 Warranty deeds or quitclaims for the changes in ownership shown above.



136883
WARRANTY DEED

RECEIVED

MAR 01 2000

TETON CO., ID
CLERK RECORDER

For Value Received JOHN CORREIA and CATHERINE J. CORREIA, husband and wife

Hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto
JARED E. NUSBAUM and LINDA S. NUSBAUM, husband and wife
whose address is: 9051 W. 65TH AVE., ARVADA, CO, 80004

Hereinafter called the Grantee, the following described premises situated in Teton County, Idaho, to-wit:

Township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho

Section 5: SE1/4NW1/4, NE1/4SW1/4, Lots 2,3,4, SW1/4NE1/4

LESS: Beginning at the center of Section 5, T5N, R45E, B.M., Teton County, Idaho, and running thence South 89°42'21" East, 1320.15 feet; thence North 00°33'17" West, 717.00 feet; thence South 85°26'23" West, 1323.25 feet; thence South 00°33'17" East, 605.00 feet to the point of beginning.

LESS: A part of the West 1/2 Northeast 1/4 of Section 5, T5N, R45E, B.M., Teton County, Idaho being further described as:
Commencing at the N1/4 corner of said Section 5; thence S 00°06'44" E. 2052.72 feet and thence N 85°24'32" E. 496.32 feet to the true point of beginning;
thence N 04°32'15" W. 33.86 feet to a point; thence N 43°02'41" E. 838.58 feet to a point; thence N 70°16'56" E. 263.46 feet to a point; thence S 00°37'46" E. 669.28 feet to a point; thence S 85°24'32" W. 827.73 feet to the point of beginning.

ALSO an irrigation well lot lying in the Southwestern corner of the SW1/4NE1/4 of Section 5, T5N, R45E, B.M., Teton County, Idaho being further described as: Beginning at an iron pin set by A-W Engineering, P.E./L.S. #2860, the Southwest corner of the NE1/4 of said Section 5 and running N 0°30'18" E. 40.0 feet along the West line of the NE1/4 of said Section 5; thence East 18 feet; thence South 0°30'18" W. 40.0 feet; thence West 18 feet to the point of beginning.

Subject to reservations in United States and State Patents; existing and recorded Right-of-ways, Easements, Zoning, Building and Subdivision ordinances; Taxes and Assessments as prorated between the parties hereto.

TO HAVE AND TO HOLD the said premises, with their 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.

Dated: 12/30/99


JOHN CORREIA


CATHERINE J. CORREIA

STATE OF CALIFORNIA)

COUNTY OF)

On this _____ day of _____ in the year _____, before me, a Notary Public in and for said State, personally appeared JOHN CORREIA and CATHERINE J. CORREIA, known or identified to me to be the person(s) whose name(s) are subscribed to the within Instrument, and acknowledged to me that they executed the same.

136883

FILED

AT THE REQUEST OF


AT 05 MINUTES PAST 12 P.M.
DATE Mar. 1, 2000
BY Nolan D. Boyle
CLERK OF RECORD
DEPUTY

Notary Public of _____
Residing at _____
Commission Expires _____

First American Title

ATTACHMENT 5 OF 23

T 74351

136883

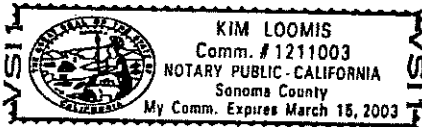
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of California
 County of Sonoma

On Dec. 30, 1999 before me, Kim Loomis, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"
 personally appeared John Correia and Catherine J. Correia
NAME(S) OF SIGNER(S)

☐ personally known to me - OR - ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Kim Loomis
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☒ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

☐ PARTNER(S) ☐ LIMITED
☐ ATTORNEY-IN-FACT ☐ GENERAL
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
 NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

Warranty Deed
TITLE OR TYPE OF DOCUMENT

One
NUMBER OF PAGES

12/30/99
DATE OF DOCUMENT

None
SIGNER(S) OTHER THAN NAMED ABOVE

136883

T 74351
 ATTACHMENT 5A OF 23

RECEIVED

155220

JUN 05 2003

TETON CO. ID
CLERK RECORDER
Order No.: 3050312041-T

WARRANTY DEED

FOR VALUE RECEIVED

Jared E. Nusbaum and Linda S. Nusbaum, Husband and Wife

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

Kellee Calder, a married person

whose current address is

330 Imperial Drive Morgan, UT 84050

the grantee(s), the following described premises, in Teton County, Idaho, TO WIT:

A portion of the SW ¼ of Section 5, Township 5 North, Range 45 east, Boise Meridian, Teton County, Idaho, being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89°33'31" West 1323.96 feet, South 00°01'09" East 1328.31 feet; South 89°28'20" East 1324.62 feet; thence North 00°02'53" West 1326.46 feet to the point of beginning.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that (s)he will warrant and defend the same from all lawful claims whatsoever.

Dated: 6-5-03

Jared E. Nusbaum

Linda S. Nusbaum

State of Idaho

}
} ss.
}

County of Teton

On this 5th day of June, 2003 before me, a Notary Public in and for said state, personally appeared Jared E. Nusbaum and Linda S. Nusbaum

known or identified to me to be the person(s) whose name(s) subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.

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



Samantha Hines
Notary Public for the State of Idaho
Residing at: Victor
Commission Expires: 2/25/08

Instrument # 155220

DRIGGS, TETON, IDAHO
2003-08-05 03:17:05 No. of Pages: 1
Recorded for: ALLIANCE TITLE & ESCROW
NOLAN G. BOYLE Fee: 3.00
Ex-Officio Recorder Deputy R. B. Burside
Index to: DEED, WARRANTY

ATTACHMENT 74351 6 OF 23

155220

2

RECEIVED

158309

NOV 04 2003

TETON CO., ID
CLERK RECORDER

QUITCLAIM DEED

3050312363 T
ALLIANCE TITLE & ESCROW CORP., INC.
P.O. BOX 644 / 78 N. MAIN STREET
DRIGGS, IDAHO 83422

ORDER NO.: 3050312363-T

FOR VALUE RECEIVED, Kellee Calder

Do(es) hereby convey, release, remise and forever quit claim unto

Vernon Calder and Kellee Calder, Husband and Wife

whose current address is:: 330 Imperial, Morgan, UT 84050

the following described premises:

A portion of the SW ¼ of Section 5, Township 5 North, Range 45 east, Boise Meridian, Teton County, Idaho, being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89°33'31" West 1323.96 feet, South 00°01'09" East 1328.31 feet; South 89°28'20" East 1324.62 feet; thence North 00°02'53" West 1326.46 feet to the point of beginning.

TO HAVE AND TO HOLD the said premises, unto the said grantees, heirs and assigns forever.

October 23, 2003

Kellee Calder
Kellee Calder

State of Idaho

County of Teton

On this 21 day of October, in the year 2003, before me, a Notary Public in and for said state, personally appeared Kellee Calder

known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

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



[Signature]
Notary Public for the State of
Residing at: Ogden
Commission Expires: 10/7/06

ATTACHMENT

T 74351
7 OF 23

58309

Instrument # 158309

DRIGGS, TETON, IDAHO

2003-11-04

03:17:34 No. of Pages: 1

Recorded for: ALLIANCE TITLE & ESCROW

NOLAN G. BOYLE

Fee: 3.00

Ex-Officio Recorder Deputy RB

Index to: DEED, QUIT-CLAIM

3

177406

QUIT CLAIM DEED

RECEIVED

JUN 01 2006

TETON CO., ID
CLERK RECORDS

Instrument # 177406

DRIGGS, TETON, IDAHO

2006-06-01 01:22:25 No. of Pages: 2

Recorded for: VERNON CALDER

NOLAN G. BOYLE

Ex-Officio Recorder Deputy

Index to: DEED, QUIT-CLAIM

Kellee Calder, a married woman, GRANTOR of Morgan, County of Morgan, State of Utah, hereby Quit-Claims to Dale A. Calder, a married man, GRANTEE for the sum of Ten and no/100 (\$10.00) DOLLARS and other good and valuable consideration the following described tract of land in Teton County, State of Idaho:

A portion of the SW ¼ of Section 5, Township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho, being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89°33'31" West 1323.96 feet, South 00°01'09" East 664.16 feet; South 89°35'36" East 1324.29 feet; thence North 00°02'53" West 663.25 feet to the point of beginning. Also identified as Parcel 10 of attached Plat map (20.17 acres).

WITNESS the hand of said Grantor, this 16 day of May, 2006.

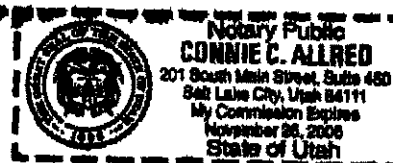
Kellee Calder
Kellee Calder
GRANTOR

STATE OF UTAH }
 Salt Lake } ss.
COUNTY OF MORGAN }

On the 16th day of May, 2006, personally appeared before me Kellee Calder, the signer of the within instrument, who duly acknowledged to me that she executed the same.

Connie C. Allred
Notary Public
Residing at *Salt Lake City*, Utah

My Commission Expires: 11-25-06



177406

ATTACHMENT T 74351
8 OF 23

177407

RECEIVED

JUN 01 2006

TETON CO., ID
CLERK RECORDER

QUIT CLAIM DEED

Dale A. Calder, a married man, GRANTOR of City of Pocatello, County of Bannock, State of Idaho, hereby Quit-Claims to Neilson Elggren LLP Defined Benefit Plan, a qualified retirement plan, GRANTEE for the sum of Ten and no/100 (\$10.00) DOLLARS and other good and valuable consideration the following described tract of land in Teton County, State of Idaho:

A portion of the SW ¼ of Section 5, Township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho, being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89°33'31" West 1323.96 feet, South 00°01'09" East 664.16 feet; South 89°35'36" East 1324.29 feet; thence North 00°02'53" West 663.25 feet to the point of beginning. Also identified as Parcel 10 of attached Plat map (20.17 acres).

WITNESS the hand of said Grantor, this 16th day of May, 2006.

Dale A. Calder
GRANTOR

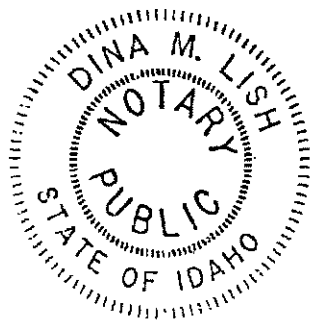
STATE OF IDAHO }
:SS.
COUNTY OF BANNOCK }

On the 16 day of May, 2006, personally appeared before me Dale A. Calder, the signer of the within instrument, who duly acknowledged to me that he executed the same.

Notary Public

Residing at *Fort Hall, Id, Utah*

My Commission Expires: 09-18-2007



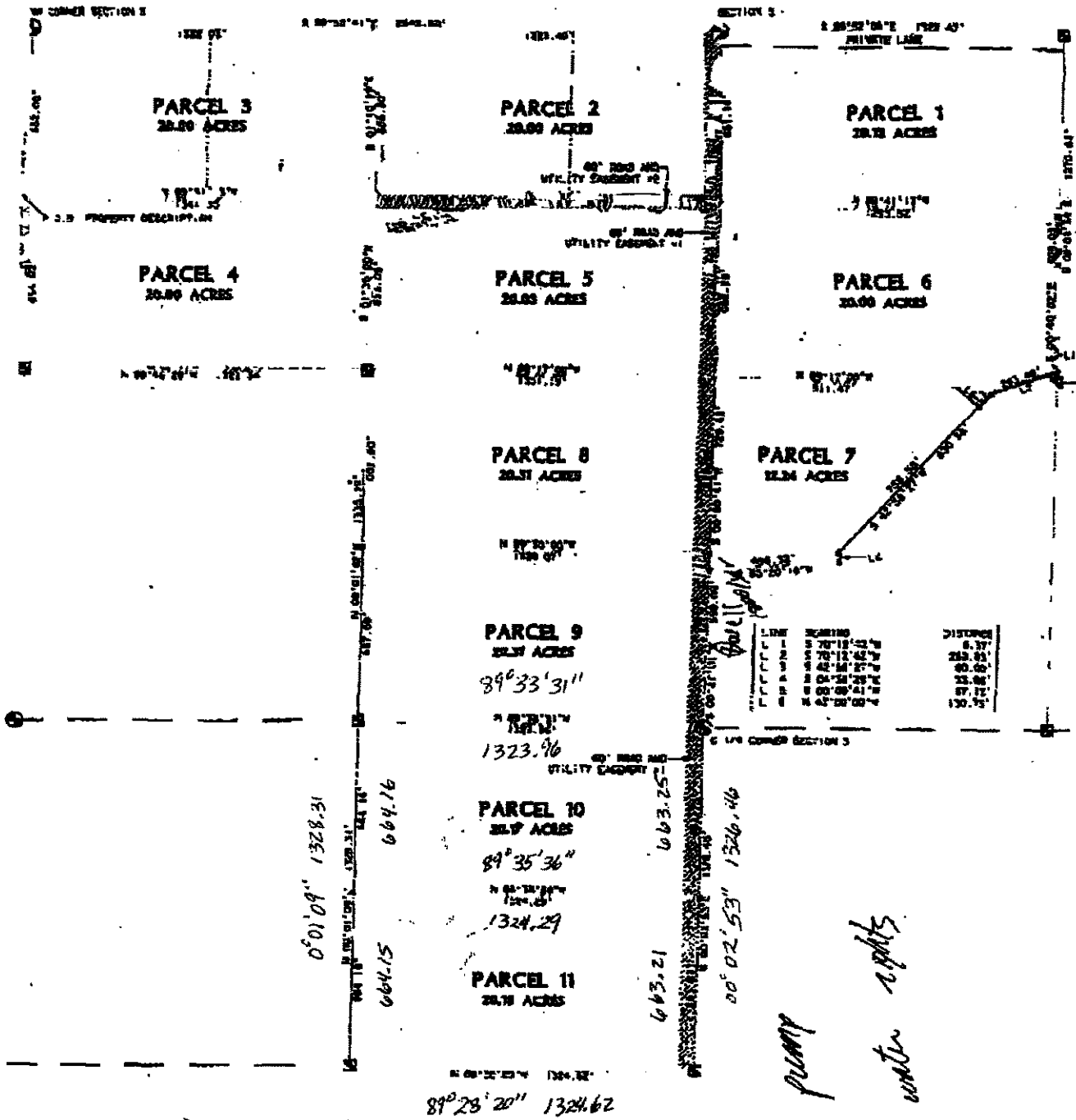
177407

ATTACHMENT T 74351
9 OF 23

FROM : A-W ENGINEERING

PRX NO. : 2087872952

Jun. 19 2002 02:50PM P2



RECORDING REQUESTED BY

189377 JUL 12 07 PM 2:10

AND WHEN RECORDED MAIL TO:

Instrument # 189377

TETON COUNTY, IDAHO

2007-07-12 02:10:00 No. of Pages: 2

Recorded for : FIRST AMERICAN

MARY LOU HANSEN

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

Fee: 6.00

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: ()

Date:

For Value Received, **NELLP, LLP Defined Benefit Plan, FBO Vernon L. Calder FKA: Neilson Elggren LLP Defined Benefit Plan FBO Vernon L. Calder**, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **BC Properties LLC, an Idaho Limited Liability Company**, hereinafter called the Grantee, whose current address is **750 North 150 East, Teton, ID**, the following described premises, situated in **Teton County, Idaho**, to-wit:

A Portion of the SW 1/4 of Section 5, Township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89°33'31" West 1323.96 feet, South 00°01'09" East 664.16 feet; South 89°35'36" East 1324.29 feet; thence North 00°02'53" West 663.25 feet to the point of beginning.

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.

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.

T 74351
ATTACHMENT 11 OF 23

6

Date: 07/05/2007

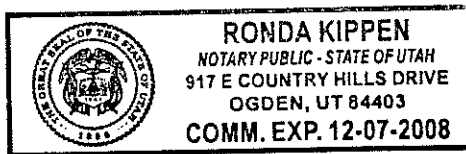
Warranty Deed
- continued

File No.: 219605-T (tm)

Vernon L. Calder, Trustee
Vernon L. Calder, Trustee

STATE OF Utah)
)
COUNTY OF Morgan)
)

On this 10 day of July, 2007, before me, a Notary Public in and for said State, personally appeared **Vernon L. Calder**, known or identified to me to be the person(s) whose name(s) is subscribed to the within instrument as Trustee of the **NELLP, LLP Defined Benefit Plan, FBO Vernon L. Calder Trust**, and acknowledged to me that he executed the same as such Trustee.



Ronda Kippen
Notary Public of
Residing at: Morgan
Commission Expires: 12-7-2008

RECORDING REQUESTED BY

189380 JUL 12 '07 PM 2:11

AND WHEN RECORDED MAIL TO:

219605

Instrument # 189380

TETON COUNTY, IDAHO

2007-07-12

02:11:00 No. of Pages: 2

Recorded for : FIRST AMERICAN TITLE

MARY LOU HANSEN

Ex-Officio Recorder Deputy

Fee: 6.00

Index to: DEED, WARRANTY

Space Above This Line for Recorder's Use Only

WARRANTY DEED

File No.: ()

Date:

For Value Received, **Kellee Calder, a married woman as her sole and separate property**, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto **BC Properties LLC, an Idaho Limited Liability Company**, hereinafter called the Grantee, whose current address is **750 North 150 East, Teton, ID**, the following described premises, situated in **Teton County, Idaho**, to-wit:

A portion of the SW 1/4 of Section 5, township 5 North, range 45 East, Boise Meridian, Teton County, Idaho being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89° 33'31" West 1323.96 feet, South 00°01'09" East 1328.31 feet; South 89°28'20" East 1324.62; thence North 00°02'53" West 1326.46 feet to the point of beginning.

LESS AND EXCEPTING THEREFROM A portion of the SW1/4 of Section 5, township 5 North, Range 45 East, Boise Meridian, Teton County, Idaho being further described as follows: Beginning at the Center Quarter corner of Section 5, the point of beginning; thence North 89°33'31" West 1323.96 feet, South 00°01'09" East 664.16 feet; South 89°35'36" East 1324.29 feet; thence North 00°02'53" West 663.25 feet to the point of beginning.

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.

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.

T 74351
ATTACHMENT 12 OF 23

7

Date: 07/05/2007

Warranty Deed
- continued

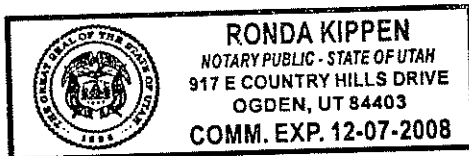
File No.: 219605-T (tm)

By: Kellee Calder
Kellee Calder

By: Vernon L. Calder
Vernon L. Calder

STATE OF Utah)
COUNTY OF Morgan)
SS.

On this 10 day of July, 2007, before me, a Notary Public in and for said State, personally appeared **Kellee Calder and Vernon L. Calder**, known or identified to me to be the person(s) whose name(s) are subscribed to the within instrument, and acknowledged to me that they executed the same.



Ronda Kippen
Notary Public of
Residing at: Morgan
Commission Expires: 12-7-2008

File Number: 59473

179052

RECEIVED

NOTARY

STAMP

RECORDING REQUESTED BY:

Teton County Title

Instrument # 179052

DRIGGS, TETON, IDAHO

AND WHEN RECORDED MAIL TO:

Teton County Title

PO Box 338

Victor, ID 83455

2006-07-31

05:20:59 No. of Pages: 2

Recorded for: TETON COUNTY TITLE

NOLAN G. BOYLE

Ex-Officio Recorder Deputy

Index to DEED WARRANTY

Fee: 6.00

WARRANTY DEED

FOR VALUE RECEIVED

Christopher J. Clarke, an unmarried person,

GRANTOR(S), hereby grants, bargains, sells, conveys and warrants unto

Surprise Valley Holdings LLC, an ~~entity~~ Limited Liability Company

Wyoming

GRANTEE(S), whose current address is: 99 South Main Box 201, Driggs, ID 83422

the following described premises, to wit:

See "Exhibit A" attached hereto

Subject to: all easements, right of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations of record, and payment of accruing taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, their heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that it is the owner in fee simple of said premises, that said premises are free from all encumbrances and that he will warrant and defend the same from all lawful claims whatsoever.

Dated this 26th day of July, 2006.

Christopher J. Clarke

STATE OF Pennsylvania)

COUNTY OF) ss.

Bucks)

On this 26th day of July, 2006, before me, the undersigned, a Notary Public, in and for said State, personally appeared Christopher J. Clarke known to me, and/or identified to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL.

Notary Public

Residing at:

My commission expires: 4-7-2010

179052

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Jennifer Zydiak, Notary Public

Doyletown Twp., Bucks County

My Commission Expires Apr. 7, 2010

Member, Pennsylvania Association of Notaries

ATTACHMENT

T 74351
13 OF 23

File Number: 50473

EXHIBIT "A"

Parcel 1: A portion of the NW $\frac{1}{4}$ of Section 7, Township 5 North, 1
County, Idaho. Being further described as:

From the NW Corner of said Section 7, S 0 degrees 30' 22" W., 71'
BEGINNING

Thence S. 89 degrees 55' 38" E., 1337.09 feet;

Thence S. 2 degrees 00' 07" W., 810.36 feet;

Thence West, 59.74 feet;

Thence S. 17 degrees 35' 40" W., 303.66 feet;

Thence N. 89 degrees 56' 52" W., 1166.96 feet;

Thence N 0 degrees 30' 22" E, 1100.00 feet to the POINT OF BEG

Parcel 2:

TOGETHER with a 60-foot easement along the east 30 feet of parcel
Parcel 2 of Parcel Division Survey, recorded October 3, 1991 as Rec
of Teton County, Idaho.

T 74351
ATTACHMENT 14 OF 23

**WATER RIGHTS PURCHASE
AND SALE AGREEMENT**

THIS AGREEMENT is made and entered into this 2nd day of November, 2007, (the "Effective Date") by and between BC Properties, LLC, an Idaho Limited Liability Company, of P.O. Box 28, Driggs, Id 83422, hereafter "SELLER", and HH Development or Surprise Valley Holdings, of P.O. Box 1601 Driggs, ID 83422, hereafter "BUYER";

WITNESSETH:

That for and in consideration of the mutual covenants and agreements set forth below, the parties hereto agree as follows:

1. **Water Right Purchase.** SELLER hereby sells to BUYER, and BUYER hereby purchases from SELLER, the following described water right or water right portion for the consideration and subject to the terms and conditions contained herein:

A portion of Idaho Department of Water Resources (IDWR)
Water Right License No. 22-13584.

Source:	Ground water
Purpose:	Irrigation
Priority:	January 8, 1991
Quantity (Diversion Rate):	0.02 cfs (Total of the right is 0.88 cfs for 161.7 af for the irrigation of 46.2 acres)
Quantity (Diversion Volume):	3.5 acre-feet
Place of Use (Acreage):	1.0 acres.

The above portion of Water Right No. 22-13584 is hereinafter referred to as the "Water Right." The Water Right shall be conveyed from SELLER to BUYER by Special Warranty Deed, in the form set forth in Exhibit "A" attached hereto. Said Special Warranty Deed will be executed and recorded by SELLER as grantor to BUYER as grantee, and delivered to grantee.

2. **Purchase Price.** The purchase price for the Water Right is the sum of Ten Thousand Dollars (\$10,000.00) for 1.0 (one) acre, lawful money of the United States, to be paid by BUYER to SELLER, receipt whereof is hereby acknowledged by SELLER

3. **Application for Transfer.** It is understood and agreed that BUYER will initiate the appropriate transfer proceeding under *Idaho Code* §§ 42-108 and 42-222, by filing an application with IDWR in the form attached hereto as Exhibit "B" to change the point of diversion, place of use and nature of use of the Water Right as provided in said application. The filing fees and all costs and expenses of such proceedings shall be borne by BUYER. The parties agree to cooperate in the prosecution of said transfer proceeding to the end that it might be approved by the Idaho Department of Water Resources with as much dispatch as possible.
4. **Closing.** The BUYERS shall be given possession and use of the water right and the water appurtenant thereto, upon closing.
5. **Processing of Application for Transfer.** In the event the transfer is not approved by the Idaho Department of Water Resources, or not approved in a manner satisfactory to BUYER, BUYER shall have the right to have said application withdrawn. In the event BUYER withdraws said application, SELLER agrees to refund any portion of the purchase price paid by BUYER prior to the date of such withdrawal, to BUYER, without interest, within thirty (30) days of the filing of the Notice of Withdrawal.
6. **Signature Deadline.** SELLER hereby agrees to sign this Agreement within ten (10) business days after BUYER signs this Agreement. If SELLER does not sign the Agreement within the specified time period, BUYER may terminate this Agreement by providing written notice to SELLER within twenty (20) business days after BUYER signs this Agreement.
7. **Seller's Representations and Warranties.** SELLER represents and warrants to BUYER that:
 - 7.1 **Authority.** SELLER is a validly existing Idaho Limited Liability Company and has full power and authority to enter into this Agreement and complete the Transaction.

7.2 **Binding Agreement.** Upon SELLER's execution of this Agreement, this Agreement will be binding and enforceable against SELLER in accordance with its terms.

7.3 **Title.** SELLER has fee title to the Water Right. SELLER believes in good faith that there are no unrecorded agreements, leases, liens or encumbrances which may affect title to the Water Right.

7.4 **Other Agreements.** SELLER shall not, prior to any termination of this Agreement, enter into or execute any easement, encumbrance, lease, or other agreement, with respect to the Water Right. SELLER shall not solicit any other offers for the portion of the Water Right in which BUYER and SELLER are under contract to purchase.

7.5 **No Litigation or Condemnation.** There are no suits, claims, proceedings or investigations pending or threatened with respect to the Water Right or which will adversely affect SELLER's ability to meet its obligations with respect to this Agreement. SELLER has no knowledge of or reason to suspect any proposed public improvements that could result in any condemnation or taking of all or a portion of the Water Right.

7.6 **Snake River Basin Adjudication.** SELLER has researched and reviewed the Water Right and warrants that claims for the Water Right have been filed in the Snake River Basin Adjudication (the "SRBA").

8. **BUYER's Representations and Warranties.** BUYER represents and warrants to SELLER that:

8.1 **Authority.** BUYER is a validly existing Idaho Limited Liability Company and has full power and authority to enter into this Agreement and complete the Transaction.

8.2 **Binding Agreement.** Upon BUYER's execution of this Agreement, this Agreement

will be binding and enforceable against BUYER in accordance with its terms, and upon BUYER's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against BUYER in accordance with their terms.

9. **Attorney's Fees.** Should either party default in the performance of any of the covenants or agreements contained herein, such defaulting party shall pay to the other party all costs and expenses, including, but not limited to, a reasonable attorney fee, including such fees on appeal, which the offended party may incur in enforcing this agreement or in pursuing any remedy allowed by law for breach hereof, whether such is incurred by the filing of suit or otherwise.
10. **Counterparts.** This Agreement may be executed in counterparts, each of which is deemed an original but all of which constitute one and the same instrument. The signature pages may be detached from each counterpart and combined into one instrument. This Agreement may be signed and delivered by facsimile (fax or email) which shall be effective as an original.
11. **Binding Effect.** This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and assigns.
12. **Reliance Upon Statements/Integration and Merger.** This Agreement sets forth the entire understanding of the parties with respect to the matters set forth in this Agreement as of the date both Buyer and Seller sign the Agreement; it supersedes all prior oral or written agreements of the parties as to the matters set forth in this Agreement; and it cannot be altered or amended except by an instrument in writing, signed by Buyer and Seller.
13. **Severability.** If any provision of this Agreement or any portion of any provision of this Agreement is determined to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability may not alter the remaining portion of such provision, or any other provision of this Agreement, as each provision of this Agreement is deemed severable from all other provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

BC PROPERTIES, LLC

Kent R. Chambers
By: Kent R. Chambers
Its: Member

HH DEVELOPMENT

Matt Hail
By: Matt Hail
Its: H. H. Development

C:\Roger 2007\HH Development\Chilly Water Water Right Sales Agreement3.wpd:cdv

NOV 10 KRL - MCH
Termination Date: ~~October 11, 2007~~

If BUYER does not accept this contract of sale on or before the Termination Date above, this contract is voidable by the SELLER.

Exhibit A Form of Deed

When Recorded Return To:

xxx

SPECIAL WARRANTY DEED FOR WATER RIGHT

[Name of Seller], an [type of company] registered to do business in [state] as [name], whose address is [address] ("Grantor"), does hereby grant, bargain, sell, assign, and convey unto [Name of Seller], an [type of company] registered to do business in [state] as [name], whose address is [address] ("Grantee"), and to Grantee's heirs, successors, and assigns forever, all of Grantor's right, title, and interest in the Water Right described in Exhibits [xxx] hereto (collectively the "Water Right").

Grantor assigns to Seller any other interest it may have in the Water Right including any claim, permit, license, or shares of stock evidencing, claiming, or representing such Water Right.

To the extent the Water Right, or any of them, are represented by a permit or other property not conveyable by deed, this deed shall be deemed and shall operate as a bill of sale therefore.

Grantor retains no residual or reversionary interest in any of the Water Right.

Grantor hereby covenants and warrants to Grantee as follows:

- (A) that Grantor is the owner in fee simple of the Water Right;
- (B) that Grantor has not conveyed any of the Water Right to anyone other than Grantee;
- (C) that each of the Water Right is free from all liens, claims, or encumbrances;
- (D) that Grantor has the authority to convey the Water Right to Grantee;
- (E) the Grantor has disclosed to Grantee in good faith all relevant information known to Grantor bearing on the validity and extent of the Water Right.

Grantor makes no other covenants or warranties as to the Water Right.

[end of text; signature page to follow]

IN WITNESS WHEREOF, the undersigned authorized officers of Grantor, acting on behalf of Grantor, have caused their names to be hereunto subscribed on the date shown by each name.

Grantor:

[NAME OF SELLER]

Dated:

11/5/07

By:

[Signature]

Name

Title

Exhibits:

Exhibit 1 to Water Right Deed: thereof)

Description of Water Right No. [number] (or portion

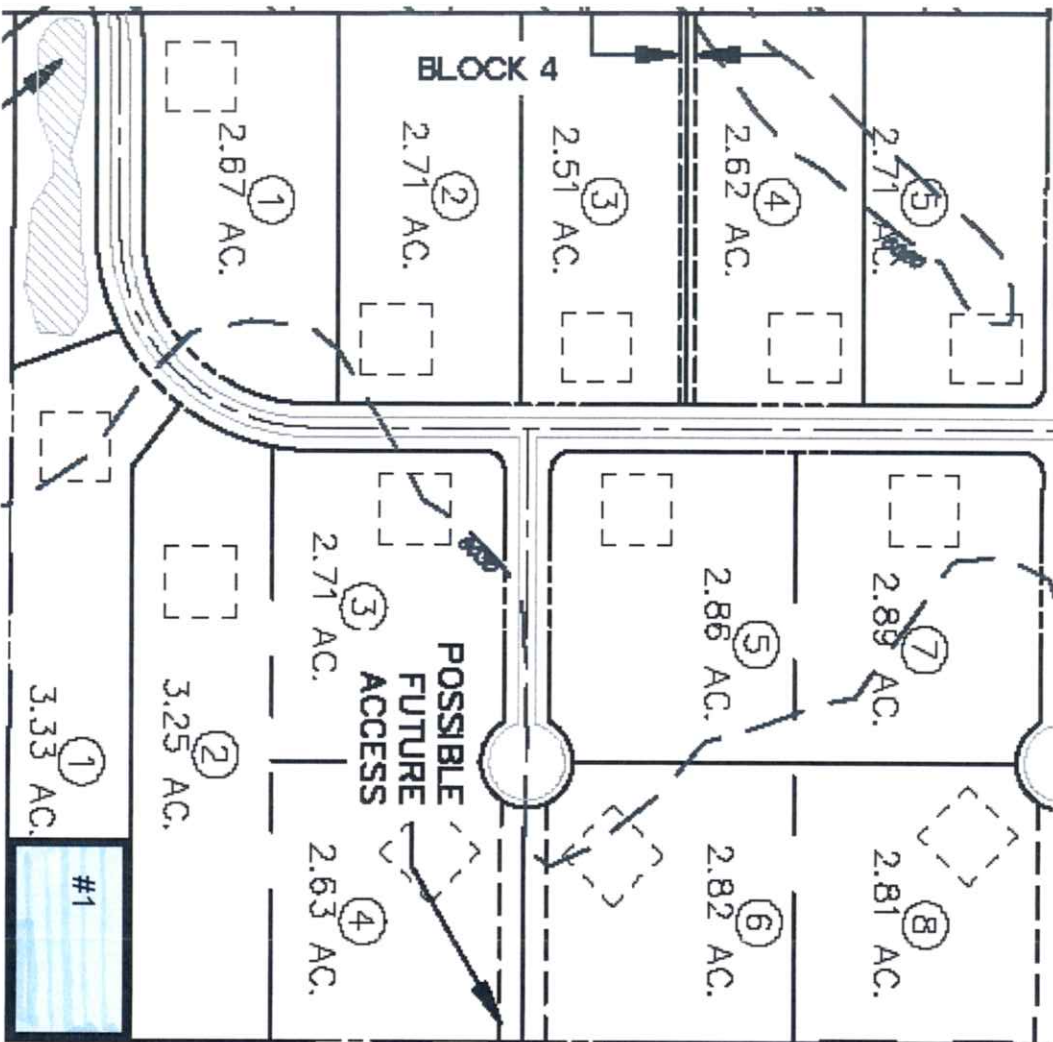
Exhibit 2 to Water Right Deed: thereof)

Description of Water Right No. [number] (or portion

[Etc.]

[Add appropriate notary forms]

Map Indicating Lands to be dried up upon approval of Transfer
 BC Properties LLC
 T5N, R45E, Sec 5, NESW



Buyers of the Water Rights from the Indicated Lands

#1 - 1.0 ac - Surprise Valley Holdings/ Chilly Water



See attached Concept Master Plan for entire map.

