



J.R. SIMPLOT COMPANY ONE CAPITAL CENTER 999 MAIN STREET SUITE 1300
P.O. BOX 27 BOISE IDAHO 83707 (208) 336-2110 FAX (208) 389-7515

CORPORATE HEADQUARTERS

RECEIVED
DEC 11 2006
DEPARTMENT OF
WATER RESOURCES

December 7, 2006

Cynthia Clark
State of Idaho
Department of Water Resources
322 E. Front Street
PO Box 83720
Boise, Idaho 83720-0098

Re: IDWR Water Right No. 65-2809.

Dear Ms Clark:

At the request of and as an accommodation to ML Investment Company, I am enclosing an application to lease a portion of the above referenced water right to the Water Supply Bank. Should you have any questions about the enclosed application please contact me (phone: 208-389-73659; email: vic.conrad@simplot.com).

Sincerely,

Vic Conrad
Land, Water & Asset Recovery

Enclosure

c: D. McDonald w/ enclosure

Water Supply Bank No _____

Water Right No 65-2809

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

RECEIVED
7-23-03
SERIES 30 OF
7-23-03

Name of Seller/Lessor M L Investment Company Phone 208-336-2110

Post office address P0 Box 27 Boise, ID 83707

1 DESCRIPTION OF WATER RIGHT:

Right evidenced by:

- a. Decree No. 65-2809 Decreed to M L Investment Company
(Name)
in case of Snake River Basin Adjudication vs _____
dated _____ in _____ county of _____
(Name of court)
- b. License No. _____ issued by the Idaho Department of Water
Resources.
- c. Permit No. _____ issued by the Idaho Department of Water
Resources.

**2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (If the entire right is for sale or lease,
show "all" on line a. below and skip the remainder of part 2.)**

- a. Amount of water under right: 27.11 cubic feet per second &/or
_____ acre-feet per annum
- b. Point of diversion: SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 27 Township 8N Range
4W, B.M. in Payette County.
Additional points _____

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

Please see Exhibit A attached hereto for
that portion of the decreed place of use
available for lease to the Water Supply Bank

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank

Total number of acres 1,474.12

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

Please see the attached Bargain and Sale Deed recorded in the official real
property records of Payette County on May 3, 1999 as instrument no. 280965.

- b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Partial Decree was filed on June 28, 2002

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right.

Water is available to be diverted from the Payette River throughout the
entire irrigation season.

- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

During the term that portion of the place of use described on Exhibit A is
leased to the Water Supply Bank, it will not be irrigated from any other
source.

- e. If the water right is a permit, describe the work accomplished toward developing the right

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4 REMARKS:

5 SALE/LEASE AGREEMENT

1 The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale;

_____ For lease for a period from Indefinite to _____
(Day month, year) (Day month, year)

(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the state of Idaho.

2 Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

Current Rental Rate

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

M L Investment Company

Date 12/5/2006 By: Debbie S. McDonald
Signature Debbie S. McDonald
President

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

Exhibit A

Township	Range	SEC	LOT	Acres within 1/4 1/4 Available for	
				1/4 1/4	Lease to Bank
T. 8N	R. 3W	~~7~~		NESW	14.00
			~~3~~	NWSW	32.00
			~~4~~	SWSW	38.00
				SESW	32.00
		18		NENW	31.00
			~~1~~	NWNW	9.40
			~~2~~	SWNW	24.00
				SENW	19.00
		R. 4W	~~3~~	NWSW	12.00
				SESW	14.00
				NWSE	2.60
				SWSE	35.00
				SESE	6.60
		12		SWSW	7.70
				SESW	13.00
				NESE	12.00
				NWSE	0.30
		13		SWSE	29.00
				SESE	39.00
				NENE	39.00
				NWNE	39.00
				SWNE	35.00
				SENE	0.30
				NENW	34.00
				NWNW	32.00
				SWNW	39.00
				SENW	39.00
		14		NESW	39.00
				NWSW	39.00
				SWSW	2.68
				SESW	2.20
				NWSE	8.50
				NENE	35.00
				NWNE	39.00
				SWNE	39.00
				SENE	38.37
				NENW	39.00
				NWNW	23.00
				SWNW	38.82
				SENW	39.00
				NESW	13.78
				NWSW	16.12
				SWSW	8.91
				SESW	3.41
				NESE	40.00
				NWSE	18.81
				SWSE	22.68

Township	Range	SEC	LOT	Acres within ¼ ¼ Available for	
				¼ ¼	Lease to Bank
		15	SESE		~~11.54~~
			NENE		~~0.80~~
			SWNE		~~0.00~~
			SENE		~~13.71~~
			SESW		~~0.00~~
			NESE		~~1.98~~
			NWSE		~~14.70~~
			SWSE		~~9.49~~
			SESE		~~10.29~~
		22	NENE		~~18.13~~
			NWNE		~~35.38~~
			SWNE		~~19.78~~
			SENE		~~5.66~~
			NENW		~~16.00~~
			NWNW		~~2.78~~
			SWNW		~~40.00~~
			SENE		~~39.11~~
		23	NENE		~~16.84~~
			NWNE		~~4.91~~
			SWNE		~~12.16~~
			SENE		~~7.30~~
			NENW		~~16.91~~
			NWNW		~~18.31~~
			SWNW		~~9.46~~
			SENE		~~0.00~~
			NESW		~~0.30~~
		24	NENW		~~0.90~~
			NWNW		~~13.50~~
			Total		1,474.12

COPY

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BARGAIN AND SALE DEED

FOR VALUE RECEIVED, **J. R. SIMPLOT COMPANY**, a Nevada corporation, successor by merger to Payette Farms Company, an Idaho corporation, as to Parcel I; **J. R. SIMPLOT COMPANY**, a Nevada corporation, as to Parcel II; and **J. R. SIMPLOT COMPANY**, a Nevada corporation, successor by merger to Simplot Industries, Inc., a Utah corporation, by merger with P & F Storage Co., an Idaho corporation, as to Parcel III, as Grantor, does hereby grant, bargain, sell and convey unto **ML INVESTMENT COMPANY**, a Nevada corporation, as Grantee, whose current address is P.O. Box 27, Boise, Idaho 83707, all that certain real property located in Payette County, Idaho and as more particularly described on Exhibit A attached hereto and made a part hereof by this reference.

TOGETHER WITH all improvements, easements, hereditaments and appurtenances thereto, and subject to such rights, easements, covenants, restrictions and zoning regulations as appear of record or based upon the premises.

IN WITNESS WHEREOF, the Grantor has caused its corporate name to be hereunto subscribed by its President, and its corporate seal to be affixed by its Secretary, this 30th day of April, 1999.

J. R. SIMPLOT COMPANY

STATE OF IDAHO } ss
County of Payette

By: Stephen A. Beebe
Its President

I hereby certify that this instrument was filed for record at the request of **FIRST AMERICAN TITLE CO.**

ATTEST:

By: Laura L. Stigle
Secretary

Time 4:00 PM
Date May 3, 1999
Instrument # 280965 Seels

STATE OF IDAHO)
County of Ada) ss.

LAURA L. STIGLE
By: [Signature] Notary Public
Fec \$ 15.00 Deputy

On this 30th day of April, 1999, before me, a Notary Public in and for said State, personally appeared **STEPHEN A. BEEBE** and **RONALD N. GRAVES**, the President and Secretary, respectively, of the corporation that executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

R. Scott Fusley
Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 5-13-2003

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EXHIBIT "A"

PARCEL I:

In Twp. 8 N., R. 3 W., B.M. Payette County, Idaho:
In Sec. 6: Government Lot 7;
In Sec. 7: W1/2;
In Sec. 18: NW1/4 and NW1/4SW1/4;

In Twp. 8 N., R. 4 W., B.M., Payette County, Idaho:
In Sec. 1: S1/2S1/2 and N1/2SW1/4;
In Sec. 2: The North 466.7 feet of the East 466.7 feet of
the NE1/4SE1/4;
In Sec. 12: All of said Section;
In Sec. 13: N1/2; N1/2SW1/4 and SW1/4SW1/4;

AND Beginning at the East Quarter corner of Section 13, Township
8 North, Range 4 West, B.M.;

Thence North 89°34' West along the midsection line of said
Section 13 a distance of 1,764 feet more or less to a fence,
the true POINT OF BEGINNING;

Thence South 50°7.5' West along said fence a distance of
1,107.5 feet to a point on the West boundary of the
NW1/4SE1/4;

Thence North along the West boundary of the NW1/4SE1/4 a
distance of 710 feet more or less to the North boundary of the
NW1/4SE1/4;

Thence South 89°34' East along the North boundary of the
NW1/4SE1/4 850 feet to the TRUE POINT OF BEGINNING.

In Sec. 14: S1/2SE1/4;
In Sec. 23: N1/2 SAVE AND EXCEPTING the N1/2N1/2NW1/4 and
In Sec. 24: W1/2NW1/4.

In Twp. 8 N., R. 4 W., B.M., Payette County, Idaho:
In Sec. 2: The SE1/4 SAVE AND EXCEPT the North 466.7 feet of
the East 466.7 feet thereof;
the E1/2SW1/4;
the SW1/4SW1/4;
and that portion of Government Lot 4 lying North
and West of the County Road crossing said legal
subdivision SAVE AND EXCEPT the following portion
thereof:
Beginning at a point 70 feet, more or less, West of
the NE corner of said Lot 4, which point is

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EXHIBIT "A" CONTINUED

identical with that point where the North line of said Lot 4 intersects the West side line of the right-of-way of the county road as now located; run thence West following the said North side line of said Lot 4 a distance of 625 feet; thence South at right angles to said North line of said Lot 4 to the right-of-way of the aforesaid county road; thence following the said right-of-way of said county road in a Northeasterly direction to the point of beginning;

In Sec. 3: Government Lots 2, 3, and 4;
The S1/2NW1/4 and the SW1/4;

In Sec. 10: The SE1/4NE1/4; W1/2NE1/4; SE1/4; E1/2SW1/4;
N1/2NW1/4SW1/4; E1/2SE1/4NW1/4SW1/4; NW1/4 SAVE AND
EXCEPT THE S1/2NE1/4SE1/4NW1/4 and the
N1/2SE1/4SE1/4NW1/4;

In Sec. 11: All of said Section;

In Sec. 14: The N1/2; N1/2S1/2; and S1/2SW1/4;

In Sec. 15: All of said Section;

In Sec. 22: The N1/2;

In Sec. 23: The N1/2N1/2NW1/4;

In Sec. 27: A parcel of land in the SW1/4NE1/4 more particularly described as follows:
Beginning at the North quarter corner of said Section 27;
run thence S. 0°13' W. on the midsection line of said Sec. 27 a distance of 1589.8 feet to a point on the Southerly right-of-way of State Highway #52; said point being the REAL POINT OF BEGINNING;
thence continuing S. 0°13' W. along said midsection line a distance of 898.4 feet to a point on the Northerly bank of the main channel of the Payette River;
thence S. 40°58.5' E. along the Northerly bank of said Payette River a distance of 200.0 feet to a point;
thence N. 0°13' E. a distance of 200.0 feet to a point;
thence N. 40°58.5' W. a distance of 169.6 feet to a point;
thence N. 0°13' E. a distance of 700.0 feet to a point on the Southerly right-of-way of State Highway #52;

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EXHIBIT "A" CONTINUED

thence Westerly on the arc of a circle 2825.0 feet in radius curving to the left an arc distance of 29.1 feet, along the Southerly right-of-way line of said Highway, the chord of said arc running N. 42° 51' 3" W. a distance of 29.1 feet to the real point of beginning.

AND

A parcel of land in the SW1/4NE1/4 of Section 27, Township 8 North, Range 4 West, B.M. more particularly described as follows:

Beginning at the north quarter corner of said Section 27, Township 8 North, Range 4 West, B.M.;

Thence South 0°13' West along the midsection line of said Section 27 a distance of 2,488.2 feet to a point on the northerly bank of the main channel of the Payette River;

Thence South 40°58.5' East a distance of 200 feet to the true point of beginning;

Thence South 40°58.5' East along the northerly bank of the main channel of the Payette River a distance of 200 feet to a point;

Thence North 14°02' East a distance of 240 feet to a point;

Thence North 70°20' West a distance of 200 feet to the easterly line of the parcel of land on which the Payette Farms Company's pumping plant is situated;

Thence South 0°13' West a distance of 150 feet to the northerly bank of the main channel of the Payette River to the point of beginning.

In Twp. 9 N., R. 4 W., B.M., Payette County, Idaho:
In Sec. 34: The SW1/4NW1/4; and the S1/2.

PARCEL II:

In Twp. 7 N., R. 5 W., B.M., Payette County, Idaho:

In Sec. 9: NE1/4NE1/4 and W1/2SE1/4NE1/4.

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EXHIBIT "A" CONTINUED

A parcel of land situated in the W1/2NE1/4 of said Sec. 9, being more particularly described as follows:

Beginning at the Southwest corner of said W1/2NE1/4; thence North 0°09'00" West along the West boundary line of said W1/2NE1/4 2667.25 feet to the Northwest corner of said W1/2NE1/4; thence North 89°54'45" East along the North boundary line of said W1/2NE1/4 651.99 feet to the REAL POINT OF BEGINNING;

thence continuing North 89°54'45" East 673.3 feet to the Northeast corner of said W1/2NE1/4;

thence South 0°07'17" East along the East boundary line of said W1/2NE1/4 2078.46 feet;

thence North 89°33'48" West 417.55 feet;

thence South 33°18'24" West 451.89 feet;

thence North 0°09'00" West 2448.37 feet more or less to a point on the North boundary line of said W1/2NE1/4 and the POINT OF BEGINNING.

PARCEL III:

The South Half of the Northeast Quarter of the Southeast Quarter of the Northwest Quarter (S1/2NE1/4SE1/4NW1/4) and the North Half of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter (N1/2SE1/4SE1/4NW1/4) of Section Ten (10), Township Eight (8) North, Range Four (4) West, Boise Meridian, Payette County, Idaho.

State of Idaho ss
County of Payette

I hereby certify that the foregoing
instrument is a true and correct copy of the
original on file in this office.

Dated APR 09 2001
LAURA L. STIGILE

Clerk of the District Court and
Ex-Officio Auditor and Recorder
By [Signature] Deputy