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MAY 19 2005

STATE DEPARTMENT OF  
WATER RESOURCES

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APR 07 2004

APPLICATION FOR EXCHANGE OF WATER

Department of Water Resources  
Eastern Region

Under the provisions of Section 42-240, *Idaho Code*, any person holding a surface water right may apply to exchange such water for the use of water from the same source or a different surface water source. Surface water right holders may also apply to exchange for the use of water authorized for diversion under one or more other valid water rights from the same source or a different surface water source.

1. INFORMATION ABOUT THE APPLICANT

Applicant Teton Springs Golf & Casting Club, LLC, c/o Holden, Kidwell, Hahn & Crapo, PLLC  
(Name of Applicant)  
PO Box 50130, Idaho Falls, ID 83405-0130 Telephone No.: 208-523-0620  
(Mailing Address) (Zip Code)

Applicant's Water Right(s) to be exchanged Contract right to 154 acre feet of storage space.  
Attach a photocopy of the License, Permit, Transfer, Decree, or Claim evidencing the right(s) or attach a printout obtained from IDWR.

2. INFORMATION ABOUT THE CO-APPLICANT

Complete this portion if the applicant proposes to exchange for water diverted under a water right held by another party. The co-applicant is the holder of the right to be exchanged for the applicant's right. If more space is needed, please attach another sheet containing the information about each co-applicant.

Co-Applicant Fremont-Madison Irrigation District  
(Name of Co-Applicant)  
350 N. 6<sup>th</sup> W., St. Anthony, ID 83445 Telephone No.: 208-624-3381  
(Mailing Address) (Zip Code)

Co-applicant's Water Right(s) to be exchanged 154 acre feet of storage space.  
Attach a photocopy of the License, Permit, Transfer, Decree or Claim evidencing the right(s) or attach a printout obtained from IDWR.

3. EXCHANGE AGREEMENT – Attach a copy of the written agreement between the applicant and the co-applicant(s).

4. EXCHANGE INFORMATION – Complete Part A or Part B to explain how the proposed exchange will operate.

**Part A – For an exchange involving two or more water right holders.**

The applicant proposes to divert \_\_\_\_\_ cfs and/or \_\_\_\_\_ Acre feet per year of water authorized to be diverted under the co-applicant's water right(s) listed above at \_\_\_\_\_ 1/4 of \_\_\_\_\_ 1/4, Govt. Lot \_\_\_\_\_ Sec. \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ B.M., \_\_\_\_\_ County.

Additional points of diversion, if any: \_\_\_\_\_  
In exchange for authorization to divert water as described above, \_\_\_\_\_ cfs and/or \_\_\_\_\_ acre feet per year of water authorized for diversion under the applicant's water right(s) listed above will be (complete 1 or 2 below):

1. Made available to the co-applicant for diversion at \_\_\_\_\_ 1/4 of \_\_\_\_\_ 1/4, Govt. Lot \_\_\_\_\_ Sec. \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ B.M., \_\_\_\_\_ County.  
Additional points of diversion, if any: \_\_\_\_\_

OR

2. Released from storage by the co-applicant into \_\_\_\_\_ at \_\_\_\_\_ 1/4 of \_\_\_\_\_ 1/4, Govt. Lot \_\_\_\_\_ Sec. \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ B.M., \_\_\_\_\_ County.

**Part B – For an exchange involving only the applicant's water right(s).**

The applicant proposes to divert 1.0 cfs and/or 154 acre feet per year of water at NE 1/4 of SE 1/4, Govt. Lot \_\_\_\_\_ Sec. 23 Township 3N Range 45E B.M., Teton County. Additional points of diversion, if any NW 1/4 SE 1/4 Sec. 23, T. 3N, R. 45E. (Both points are known as "Sherman Springs").

In exchange for authorization to divert water as described above, 1.0 cfs and/or 154 Acre feet per year of water authorized for diversion under the applicant's water right(s) listed above will be (complete 1 or 2 below):

1. Diverted from Sherman Springs at NE 1/4 of SE 1/4, AND NWSE Sec. 23 Township 3N Range 45E B.M., Teton County and injected into Pond System at SE 1/4 of NW 1/4, Govt. Lot \_\_\_\_\_ Sec. 23 Township 3N Range 45E B.M. Teton County.

AND

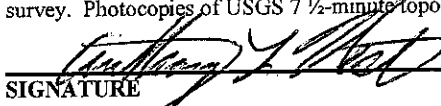
2. Released from storage by Fremont-Madison Irrigation District into Teton River at NW 1/4 of SW 1/4, Govt. Lot \_\_\_\_\_ Sec. 15 Township 7N Range 41E B.M., \_\_\_\_\_ Fremont County through the crosscut canal.

**Additional Explanation** – Attach additional sheets if necessary.

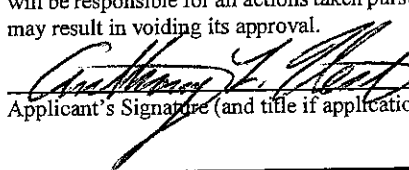
This is a formalization of an exchange that has existed for many years between applicant's predecessors in interest and Fremont-Madison Irrigation District.

If this exchange is not intended to be a permanent arrangement, please describe the circumstances under which the proposed exchange will terminate. Will be permanent

**5. Maps** – Attach two maps, one showing the water right(s) as it is (they are) now used, and another showing how the water right(s) will be used under the proposed exchange. Each map should be on an 8 1/2"x11" sheet and should clearly identify the locations of the point(s) of diversion, injection, and re-diversion of water and the place(s) of use by 40-acre subdivisions, section, township and range of the public land survey. Photocopies of USGS 7 1/2-minute topographic quadrangles are preferred as base maps.

  
SIGNATURE

Applicant hereby asserts that no one will be injured by such exchange of water and acknowledges that the applicant and/or the co-applicant will be responsible for all actions taken pursuant to this exchange. I understand that any willful misrepresentations made in this application may result in voiding its approval.

  
Applicant's Signature (and title if application is for an organization)

3/14/04  
Date

**FOR DEPARTMENT USE ONLY**

This exchange application contains \_\_\_\_\_ Pages, including attachments

Received by DC Date 7/8/2004 Fee 250

Receipt by \_\_\_\_\_ Date \_\_\_\_\_ Fee \_\_\_\_\_

Preliminary review by \_\_\_\_\_

Published in HERALD Chronicle

Publication dates 5-16 and 5-18-2004

Protests filed by Fish and Game, Friends of the Teton River, Teton Regional Land Trust

Copies of protests forwarded by SL

Watermaster recommendation requested on \_\_\_\_\_

Watermaster recommendation received on \_\_\_\_\_

Hearing held by \_\_\_\_\_ Date \_\_\_\_\_

Recommended for Approval RPK Denial \_\_\_\_\_ By \_\_\_\_\_

E029693

## EXCHANGE AGREEMENT

This agreement is made and entered into this 6 day of <sup>November</sup>~~September~~, 2003, by and between Fremont-Madison Irrigation District, an irrigation district organized and existing under and by virtue of the provisions of Title 42, Chapter 43, Idaho Code, which district has its principal place of business in Fremont, Madison and Teton Counties, Idaho, with its office in the City of St. Anthony, Fremont County, Idaho, herein referred to as "DISTRICT" and Teton Springs Golf and Casting Club, LLC, an Idaho limited liability company, which owns land near the town of Victor, in Teton County, Idaho, hereafter referred to as "TETON SPRINGS",

### WITNESSETH:

That for and in consideration of the mutual covenants and agreements set forth herein, and other good and sufficient consideration, receipt whereof is hereby acknowledged by the parties hereto, said parties hereby agree as follows:

1. DISTRICT is the holder of the rights to the storage water space in the Island Park and Grassy Lake reservoirs, both Federal Reclamation projects, by virtue of contracts with the United States of America. Lands located with the boundaries of DISTRICT are entitled to the benefit of water accruing to such storage space in amounts allocated by DISTRICT to supplement natural flow rights for irrigation purposes as needed during each irrigation season.

2. TETON SPRINGS is the owner of the following described real property situate in the County of Teton, State of Idaho, all of which is located within the boundaries of DISTRICT:

Beginning at the west quarter corner of Section 23, T.3N., R.45E.; thence N0°0'17"E. 2643.34 feet; thence N0°0'7"E. 2642.79 feet; thence S89°39'34"E. 2637.41 feet; thence S89°39'34"E. 2640 feet; thence S89°43'54"E. 572.23 feet; thence S0°1'9"E. 6180.11 feet; thence N82°37'50"W. 4623.31 feet; thence N0°33'27"E. 329.27 feet; thence N89°43'39"W. 1270.02 feet to the point of beginning.

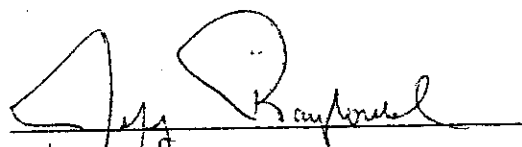
and is entitled to the benefit and use each irrigation season of the storage water accruing to 154 acre feet of storage space of DISTRICT for the supplemental irrigation of such land. TETON SPRINGS' above described land is also located within the service area of the Trail Creek Sprinkler Irrigation Company and receives its normal supply of water through the diversion and delivery system of that company by virtue of the ownership of shares of stock of said company by TETON SPRINGS.

3. Storage water released from the referenced Federal Reclamation reservoirs cannot be physically delivered to the lands of TETON SPRINGS, but can only be used on an exchange basis. The parties hereby agree, that to the extent storage water is available in any irrigation season because of the 154 acre feet of storage space allocated by DISTRICT to TETON SPRINGS, DISTRICT will cause the same, in such amounts and at such times as requested by TETON SPRINGS and approved by the Water Master of Water District 01 of the State of Idaho, to be conveyed through the Crosscut Canal from the Henry's Fork River to the Teton River for the replacement of the downstream flows of the Teton River with storage water in exchange for the diversion by Teton Springs of a like amount of the natural flow of Trail Creek and/or Sherman Springs for use for the irrigation of its above described lands.

4. The purpose of this agreement is to establish a written agreement documenting the historical practice of exchanging storage water of DISTRICT allocated to TETON SPRINGS for the diversion by TETON SPRINGS of natural flow water, in order to comply with the provisions of Idaho Code §42-240(1). A formal application for the right to so exchange water, pursuant to said statute, shall be prepared, filed and prosecuted to its completion by TETON SPRINGS, at the sole cost and expense of TETON SPRINGS. This agreement constitutes the consent and agreement of the DISTRICT thereto. The parties agree to cooperate in every appropriate way to secure the formal approval of the Idaho Department of Water Resources of said application for exchange.

5. This agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

FREMONT-MADISON IRRIGATION DISTRICT

By:   
Its: Chairman

STATE OF IDAHO )  
 ) ss:  
County of \_\_\_\_\_ )

On this 6 day of ~~September~~ <sup>November</sup>, in the year 2003, before me a notary public in and for said state, personally appeared Jeff Kaybould, known or identified to me (or proved to me on the oath of \_\_\_\_\_) to be the Chairman of the Fremont-Madison Irrigation District that executed the said instrument, and acknowledged to me that such Fremont-Madison Irrigation District executed the same.



Shannon R. Herndon  
Notary Public for Idaho  
Residing at Regley ID  
My commission expires: 6-1-05

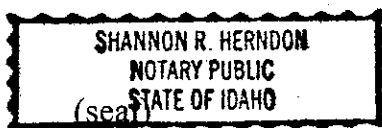
TETON SPRINGS GOLF & CASTING CLUB, LLC

By: Anthony Vest  
Its: Managing Member

STATE OF IDAHO )  
 ) ss.  
County of Teton )

On this 16 day of ~~September~~ <sup>January 2004</sup>, in the year 2003, before me a notary public in and for said State, personally appeared Anthony Vest known or identified to me (or proved to me on the oath of \_\_\_\_\_) to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company 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.



Shannon R. Herndon  
Notary Public for Idaho  
Residing at Tetonia, ID  
My commission expires: 11/6/2009