

Water Supply Bank No _____

Water Right No _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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

RECEIVED
APR 09 2007
DEPARTMENT OF
WATER RESOURCES

Name of Seller/Lessor Sun Valley Ranch LLC

Phone 208-726-1780 Post office address P.O. Box 40380 Ketchum, ID 83340

1. DESCRIPTION OF RIGHT:

Right as evidenced by:

a Decree No. 37-68A Decreed to _____
(Name)

in case of _____ 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: ALL cubic feet per second

& / or

_____ acre-feet per annum

b. Point of diversion _____ ¼ of _____ ¼ of Section _____ Township _____ Range _____

B M. in _____ County

Additional points _____

c. Place of use: See below for place of use for 37-68A:

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	
1S	18E	10												5 1	28		34	34	101 1
1S	18E	11	40	40	40	40	39	14	28	40	40	39	39	40	41	36			516 0
1S	18E	12						27	24										51 0
1S	18E	14	3 9	34	8 7		35	40	40	38									199 6
1S	18E	15	40	40	34	40	26		3 4	33									216 4

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 1084.1

NOTE: _____

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEROF, 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.

See attached SRBA recommendation.

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.)

Water right 37-68A has been used within the past 5 years for irrigation, see attached SRBA recommendation.

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 for water right 37-68A from 4/15 - 10/31.

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.

Water rights 37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-230, 37-231B, 37-232, 37-577AZ share the same place of use.

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

N/A

f. If the right to use 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: N/A

5. SALE/LEASE AGREEMENT

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

_____ For Sale;

XXX For Lease for period from 4/15/2007 to 10/31/07
(Month Day, Year) (Month Day 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"

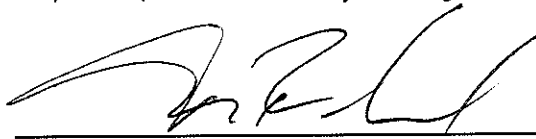
Current Rental Rate

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 the sale or lease of this right 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.

4/4/07
Date


Signature

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

IDAHO DEPARTMENT OF WATER RESOURCES
RECOMMENDED WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 37-68A
 NAME AND ADDRESS: SUN VALLEY RANCH LLC
 PO BOX 40380
 KETCHUM ID 83340
 SOURCE: BIG WOOD RIVER
 QUANTITY: 1.600 CFS
 PRIORITY DATE: 06/26/1883
 POINT OF DIVERSION: T01N R18E S12 NWSESW Within BLAINE County
 T01S R18E S2 SENWSE Within BLAINE County
 T01S R18E S2 NESWSE Rediversion Within BLAINE County
 This right is measured and administered at the point of rediversion.

TRIBUTARY: MALAD RIVER

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE	PERIOD OF USE		QUANTITY
	04/15	10/31	
IRRIGATION			1.600 CFS

PLACE OF USE:

IRRIGATION in BLAINE County			
T01S R18E S10	SESW	5.10	T01S R18E S10 NESE 28.00
T01S R18E S10	SWSE	34.00	T01S R18E S10 SESE 34.00
T01S R18E S11	NENE	40.00	T01S R18E S11 NWNW 40.00
T01S R18E S11	SWNE	40.00	T01S R18E S11 SENE 40.00
T01S R18E S11	NENW	39.00	T01S R18E S11 NWNW 14.00
T01S R18E S11	SWNW	28.00	T01S R18E S11 SENW 40.00
T01S R18E S11	NESW	40.00	T01S R18E S11 NWSW 39.00
T01S R18E S11	SWSW	39.00	T01S R18E S11 SESW 40.00
T01S R18E S11	NESE	41.00	T01S R18E S11 NWSE 36.00
T01S R18E S12	NWNW	27.00	T01S R18E S12 SWNW 24.00
T01S R18E S14	NENE	3.90	T01S R18E S14 NWNW 34.00
T01S R18E S14	SWNE	8.70	T01S R18E S14 NENW 35.00
T01S R18E S14	NWNW	40.00	T01S R18E S14 SWNW 40.00
T01S R18E S14	SENW	38.00	T01S R18E S15 NENE 40.00
T01S R18E S15	NWNE	40.00	T01S R18E S15 SWNE 34.00
T01S R18E S15	SENE	40.00	T01S R18E S15 NENW 26.00
T01S R18E S15	SWNW	3.40	T01S R18E S15 SENW 33.00

1084.1 ACRES TOTAL

The rights listed below are limited to the irrigation of a combined total of 1168.5 acres in a single irrigation season. Combined Right Nos.: 37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-68A, 37-230, 37-231B, 37-232, 37-577AZ, 37-2492 and 37-22050.

The rights listed below are limited to the irrigation of a combined total of 1084.1 acres in a single irrigation season. Combined Right Nos.: 37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-68A, 37-230, 37-231B, 37-232, 37-577AZ and 37-22050.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - Decreed

Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.