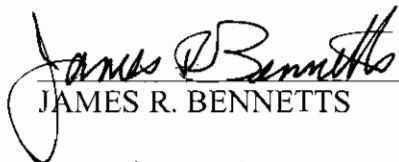


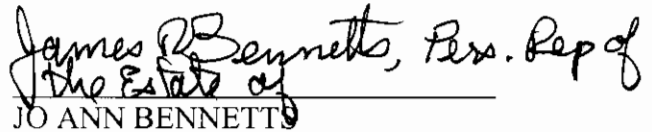
ASSIGNMENT

JAMES R. BENNETTS and **JO ANN BENNETTS** (hereinafter collectively referred to as "Assignor"), herein assign all of their right, title and interest in and to Water Right No. 72-184 to **CHALLIS IRRIGATION COMPANY**, an Idaho non-profit irrigation corporation (hereinafter referred to as "Assignee") in consideration of the receipt of 6.67 shares of stock in Challis Irrigation Company. Said Water Right No. 72-184 is fully described on **Exhibit "A"** attached hereto and made a part of this Assignment by reference.

DATED this 17th day of May, 2001.

"ASSIGNOR"

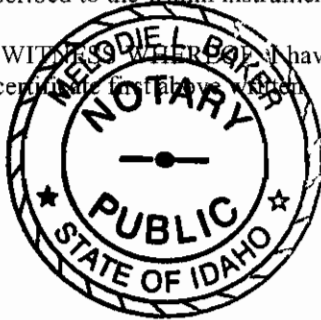

JAMES R. BENNETTS


JO ANN BENNETTS

STATE OF IDAHO)
) ss.
County of Custer)

On this 17th day of May, 2001, before me, a Notary Public for said County and State, personally appeared JAMES R. BENNETTS, known or identified to me, to be the person whose name is subscribed to the within instrument, and acknowledged to me that he 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.

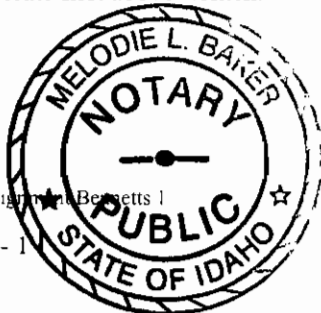



NOTARY PUBLIC FOR IDAHO
Residing at: Clayton, Id.
My commission expires: 10/23/06

STATE OF IDAHO)
) ss.
County of Custer)

On this 17th day of May, 2001, before me, a Notary Public for said County and State, personally appeared JO ANN BENNETTS, ~~known or identified to me~~, estate of James R. Bennetts, Pers. Rep. 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 in this certificate first above written.




NOTARY PUBLIC FOR IDAHO
Residing at: Clayton, Id.
My commission expires: 10/23/06

02/08/2001

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Recommended Right Report

WATER RIGHT NO. 72-184

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	JAMES R BENNETTS
Current Owner	JO ANN BENNETTS
	PO BOX 36
	CHALLIS, ID 83226
	(208)879-2567

Priority Date: 11/18/1890
Basis: Decreed
Status: Active

<u>Source</u>	<u>Tributary to</u>
SALMON RIVER	SNAKE RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	4/15	10/15	4 CFS	273 AFA	
Total Diversion			4 CFS	273 AFA	

Location of Point(s) of Diversion:

SALMON RIVER NWSWNE Lt 5 Sec. 32 Township 13N Range 19E CUSTER County

IRRIGATION Use:
Acre Limit: 78

Place(s) of use:

Place of Use Legal Description: IRRIGATION CUSTER 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>
13N	19E	16	3	SWNE	15	3	SENE	29.5						
				NESE	13	4	NWSE	19	7	SWSE	1.5			

Total Acres: 78

Conditions of Approval:

1. M01 A MEASURING DEVICE OF A TYPE APPROVED BY IDWR SHALL BE MAINTAINED AS A PART OF THE DIVERTING WORKS.
2. C16 THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 72 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 72: WATER RIGHT NO. SOURCE NONE NONE THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 72 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 72 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

Remarks:

1. Quantity USE OF THIS RIGHT WITH RIGHT NO. 36-04020 IS LIMITED TO A TOTAL COMBINED DIVERSION RATE OF 8.20 CFS AND TO A TOTAL COMBINED ANNUAL DIVERSION VOLUME OF 273.0 AF.
2. Purpose of Use THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS APRIL 1 AND MAY CONTINUE TO AS LATE AS OCTOBER 31, PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE APRIL 15 AND AFTER OCTOBER 15 UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY OR LATE IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.
3. Place of Use - Irrigation USE OF THIS RIGHT WITH RIGHT NO. 36-04020 IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 78 ACRES IN A SINGLE IRRIGATION SEASON.
4. Explanatory WATER IS DELIVERED THROUGH CHALLIS IRRIGATION CO. S-32 CANAL.

Dates:

Licensed Date:
Claim Received Date: 01/03/1990
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
Decreed Date: 02/12/1915
Date Filed with Court:
Objection Filed Date:
SF5 Filed:
Special Master Recom Signed Date:

Other Information:

Receipt Number(s): S010816
State or Federal: S
Owner Name Connector: AND
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Civil Case Number:
Old Case Number:
Decree Plaintiff:
Decree Defendant:
PresumptionFlag:
Notice of Error Flag:NONE RECEIVED
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

ASSIGNMENT

JAMES R. BENNETTS and **JO ANN BENNETTS** (hereinafter collectively referred to as "Assignor"), herein assign all of their right, title and interest in and to Water Right No. 72-4020 to **CHALLIS IRRIGATION COMPANY**, an Idaho non-profit irrigation corporation (hereinafter referred to as "Assignee") in consideration of the receipt of 7.0 shares of stock in Challis Irrigation Company. Said Water Right No. 72-4020 is fully described on **Exhibit "A"** attached hereto and made a part of this Assignment by reference.

DATED this 17th day of May, 2001.

"ASSIGNOR"

James R. Bennetts
JAMES R. BENNETTS

James Bennetts, Pers. Rep. of
JO ANN BENNETTS

STATE OF IDAHO)
) ss.
County of Custer)

On this 17th day of May, 2001, before me, a Notary Public for said County and State, personally appeared JAMES R. BENNETTS, known or identified to me, to be the person whose name is subscribed to the within instrument, and acknowledged to me that he 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.

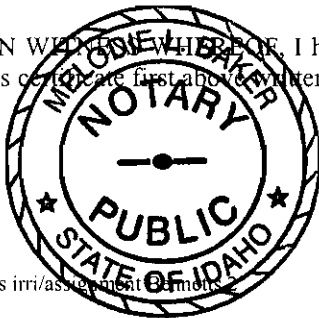


Melodie L. Baker
NOTARY PUBLIC FOR IDAHO
Residing at: Clayton, ID
My commission expires: 10/23/06

STATE OF IDAHO)
) ss.
County of Custer)

On this 17th day of May, 2001, before me, a Notary Public for said County and State, personally appeared JO ANN BENNETTS, Estate of James R. Bennetts, Pers. Rep. 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 in this certificate first above written.



Melodie L. Baker
NOTARY PUBLIC FOR IDAHO
Residing at: Clayton, ID
My commission expires: 10/23/06

ljl/jar/challis irri/assignment form

02/08/2001

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Recommended Right Report

WATER RIGHT NO. 72-4020

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	JAMES R BENNETTS
Current Owner	JO ANN BENNETTS
	PO BOX 36
	CHALLIS, ID 83226
	(208)879-2567

Priority Date: 04/15/1915
Basis: Beneficial Use
Status: Active

<u>Source</u>	<u>Tributary to</u>
SALMON RIVER	SNAKE RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	4/15	10/15	4.2 CFS	273 AFA	
Total Diversion			4.2 CFS	273 AFA	

Location of Point(s) of Diversion:

SALMON RIVER NWSWNE Lt 5 Sec. 32 Township 13N Range 19E CUSTER County

IRRIGATION Use:
Acre Limit: 78

Place(s) of use:

Place of Use Legal Description: IRRIGATION CUSTER 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>
13N	19E	16	3	SWNE	15	3	SENE	29.5						
				NESE	13	4	NWSE	19	7	SWSE	1.5			

Total Acres: 78

Conditions of Approval:

1. M01 A MEASURING DEVICE OF A TYPE APPROVED BY IDWR SHALL BE MAINTAINED AS A PART OF THE DIVERTING WORKS.
2. C16 THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 72 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 72: WATER RIGHT NO. SOURCE NONE NONE THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 72 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 72 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

Remarks:

1. Quantity USE OF THIS RIGHT WITH RIGHT NO. 72-00184 IS LIMITED TO A TOTAL COMBINED DIVERSION RATE OF 8.20 CFS AND TO A TOTAL COMBINED ANNUAL DIVERSION VOLUME OF 273.0 AF.
2. Purpose of Use THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS APRIL 1 AND MAY CONTINUE TO AS LATE AS OCTOBER 31, PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE APRIL 15 AND AFTER OCTOBER 15 UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY OR LATE IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.
3. Place of Use - Irrigation USE OF THIS RIGHT WITH RIGHT NO. 72-00184 IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 78 ACRES IN A SINGLE IRRIGATION SEASON.
4. Explanatory WATER IS DELIVERED THROUGH CHALLIS IRRIGATION CO. S-32 CANAL.

Dates:

Licensed Date:
Claim Received Date: 01/03/1990
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
Decreed Date:
Date Filed with Court:
Objection Filed Date:
SF5 Filed:
Special Master Recom Signed Date:

Other Information:

Receipt Number(s): S010816
State or Federal: S
Owner Name Connector: OR
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Civil Case Number:
Old Case Number:
Decree Plaintiff:
Decree Defendant:
PresumptionFlag:
Notice of Error Flag:NONE RECEIVED
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False