

Should questions arise during the processing of this application please contact:
Steven Hannula ERO Resources Corp. (208) 373-7983

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JUL 21 2005

WATER RESOURCES
WESTERN REGION

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

Name of applicant William and/or Victoria Wolfe

Phone (208) 834-2625

Post Office address PO Box 398, Grand View, Idaho 83624

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 Change place of use and point of diversion to irrigate 33 acres within applicant's property in response to the sale of a portion of the water right to the applicant.

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

1. Right Number	Priority	Amount (cfs/ac-ft)	Nature of Use	Period of Use
<u>2-10224</u>	<u>12-16-1963</u>	<u>0.557 / 132</u>	<u>Irrigation</u>	<u>3-15</u> to <u>11-15</u>
_____	_____	_____	_____	_____ to _____
_____	_____	_____	_____	_____ to _____
_____	_____	_____	_____	_____ to _____

2. Total amount of water being transferred 0.557 cubic feet per second and/or 132 acre-feet per annum.

3. Source of water Snake River tributary to Columbia River

4. Point(s) of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local name for diversion
		NE	NE	16	5S	3E	OWYHEE	

5. Lands irrigated or place of use:

Twp.	Rge.	Sec.	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE ¼	N W 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	
5S	3E	17													27			6	33

Total acres 33

SCANNED

FEB 03 2006

PART 1

6. General Information:

- a. Description of diversion system Point of diversion on the Snake River consisting of inlet pipe, pump, and pipelines to the sprinkler system on the POU.
- b. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts? _____ Yes X 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: The 33 acre have been in the CRP from 1989 to 1998. These 33 acres will not be irrigated or placed in any conservation program.
- d. Remarks: This Application for Transfer is the result of the sale of a portion of water right 02-10224.

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Transfer of Water Rights No. _____
And said application is hereby _____, subject to the following limitations and conditions:

Witness my hand this _____ day of _____, 20____.

SCANNED
FEB 03 2006

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2

(Attach one copy for each right)

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right evidenced by:

- a. Decree No. _____ Decreed to _____
in case of _____ vs. _____
dated _____ in _____ county of _____
- b. License No. 02-10224 issued by the Idaho Department of Water Resources.
- c. Claim No. _____ on file with the Idaho Department of Water Resources.
- d. Transfer No. 70405 which produced this right.

2. Attach a copy of last year's tax notice for the property to which the water right is appurtenant or other documents which show ownership. Label document as attachment A. Check appropriate box below:

☐ Tax Notice ☐ Warranty Deed ☐ Other _____

3. Source of water _____ tributary to _____

4. Date of priority _____

5. Water is used for the following purpose:

Amount _____ for _____

(cfs/ac-ft)

Amount _____ for _____

(cfs/ac-ft)

Amount _____ for _____

(cfs/ac-ft)

SEE ATTACHED COPY OF TRANSFER 70405.

6. Total amount of water under right _____ cubic feet per second and/or _____ acre-feet per annum.

7. Point(s) of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local name for diversion

8. 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	

Total acres _____

9. Describe any other water rights used for the same purpose as described above 02-7113

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PART 2

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

(If the entire right is to be changed by the applicant, omit part B and C.)

1. Amount 0.557 / 132 afa for Irrigation purposes from 3-15 to 11-15
 (cfs/ac-ft)
 Amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 Amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Points of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local name for diversion
2	SW	SE	NE	16	7S	13E	Twin Falls	

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	
7S	12E	26															10.5	22.5	33
Total acres																			33

C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT (omit if there is no change)

1. Amount 4.063 / 962 for Irrigation purposes from 3-15 to 11-15
 (cfs/ac-ft)
 Amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 Amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Points of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local name for diversion
2	SW	SE	NE	16	7S	13E	Twin Falls	

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	
7S	12E	26	40	40	38	40										40	28.5	14	240.5

Total acres 240.5

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PART 3**B. CHANGES IN NATURE OF USE**

- | 1. | New Nature of Use | Amount
(cfs/ac-ft) | Hours/days/year | Period of Use |
|----|-------------------|-----------------------|-----------------|----------------|
| | _____ | _____ | _____ | _____ to _____ |
| | _____ | _____ | _____ | _____ to _____ |
2. Quantity and quality of return flows and location of discharge: _____
3. Describe effects on other water uses resulting from the proposed change: _____

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 contained 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.



William J. Welsh

(Signature of Applicant)

Subscribed and sworn before me this 2nd day of June, 20 05.

Staci Welsh

(Notary Public)

My commission expires 2/3/2011

FOR DEPARTMENT USE ONLY

Transfer contains 5 pages and 3 attachments

Received by [Signature] Date 7/21/05 Protest filed by _____

Prelim. check by SL Fee \$250.00

Received by [Signature] # HW033198 Date 7/21/05

Published in Owyhee Riv. + Terrell News Copies of protest forwarded by _____

Pub. Dates 1-4 + 11-06 Hearing held by _____ Date _____

Watermaster recommendation requested on _____ Recommended for ☐ approval ☐ denial

_____ rec'd. _____ by _____

Copy of transfer sent to lien holder _____

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FEB 03 2006

Page 2 of 4

WATER RIGHT NO. 2-10224
As Modified by Transfer No. 70405

In accordance with the approval of Transfer No. 70405, Water Right No. 2-10224 is now described as follows.

Right Holder: ARNOLD ESTATE TRUST
 CHARLES K ARNOLD TRUSTEE
 1118 NAVALLE CT
 PLEASANTON CA 94566

Priority Date: December 16, 1963

Source: SNAKE RIVER

Tributary: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	11/15	4.62 CFS	1,094.0 AF
			4.62 CFS	1,094.0 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L2 (SW¼SE¼NE¼) Sec. 16, Twp 07S, Rge 13E, TWIN FALLS County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S 12E 26	40.0	40.0	30.0	40.0									40.0	39.0	36.5		273.5

Total Acres: 273.5

CONDITIONS OF APPROVAL

1. Approval of this transfer does not preclude the opportunity for review of the validity of this water right in the ongoing Snake River Basin Adjudication.

This water right is subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

Dated this 13th day of November, 2003



 Chief, Water Allocation Bureau

ATTACHMENT A

Place of Use and Point of Diversion for Wolfe Property (T5S R3E Section 16 and 17)



- POD
- Land involved with Transfer
- 02-7113 POU



1 Miles

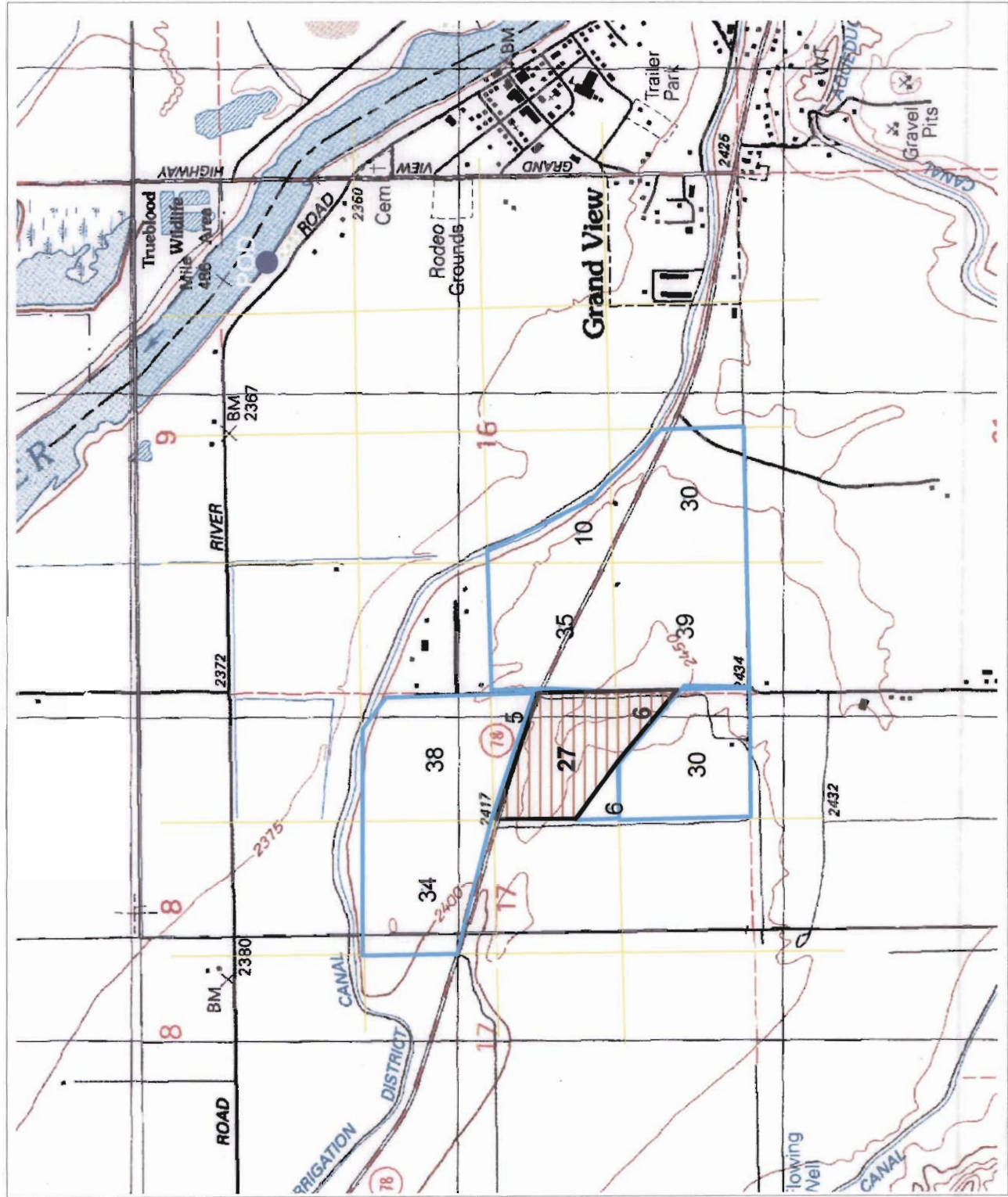
0.5

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NOTE: Aerial Photo is a 2004 NAIP Image

ATTACHMENT B (3 pgs.)

Place of Use and Point of Diversion for Wolfe Property (T5S R3E Section 16 and 17)



POD

Land involved
with Transfer

02-7113.shp

1 Miles

0.5

0

0.5

B₂

WARRANTY DEED

FOR VALUE RECEIVED JAMES F. HISEL, JR and WANDA L. HISEL,
husband and wife

the Grantors, do hereby grant, bargain, sell and convey unto WILLIAM R. WOLFE and VICTORIA
R. WOLFE, husband and wife

the Grantees, whose address is *P.O. Box 398, Grand View, Id 83624* *MR. W.*

the following described premises, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF BY THIS
REFERENCE:

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantees, their heirs and assigns
forever. And the said Grantors do hereby covenant to and with the said Grantees, that they are the owners in fee simple of said
premises; that said premises are free from all encumbrances; except for general taxes and assessments for the year 1998 and
subsequent years, covenants, conditions, restrictions and easements of record; and that they will warrant and defend the same
from all lawful claims whatsoever.

DATED: April 14, 1998

James F. Hisel Jr
JAMES F. HISEL, JR

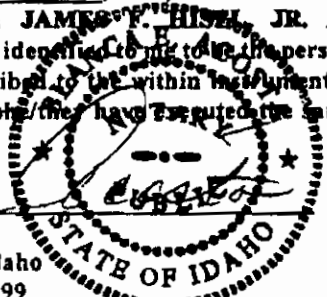
Wanda L. Hisel
WANDA L. HISEL

STATE OF IDAHO
COUNTY OF CANYON

On this *14* day of *April*, 1998, before me a notary
public, personally appeared JAMES F. HISEL, JR. AND
WANDA L. HISEL, known or identified to me to be the person(s)
who(s) name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they have executed the same.

Bonnie E. [Signature]
Notary Public

Residing at GREENLEAF, Idaho
My commission expires: 9-1-99



PIONEER TITLE COMPANY
OF CANYON COUNTY

100 10TH AVE SOUTH
NAMPA, IDAHO 83651

423 SOUTH KIMBALL
CALDWELL, ID 83605

ATTACHMENT C (2 Pgs)

EXHIBIT "A"

TRACT ONE:

In Township 5 South, Range 3 East, B. M., Owyhee County, Idaho

Section 16: SW1/4 SW1/4, NW1/4SW1/4,

SE1/4 SW1/4 lying South and West of Grand View Irrigation District Canal;

NE1/4 SW1/4 lying South and West of Canal, LESS the following described parcel:

A parcel of land lying in the NE1/4 SW1/4, SE1/4 SW1/4 of Section 16, Township 5 South, Range 3 East, B. M., more particularly described as follows:

COMMENCING at the Southwest corner of the SE1/4 SW1/4 of Section 16, T5S, R3E, B. M.; thence

North 18°30' East a distance of 1349.3 feet to the TRUE POINT OF BEGINNING, said point being on the North right-of-way line of the Grand View-Murphy Farm-to-market Road; thence

North 23°50' East a distance of 363.7 feet to a point; thence

South 38°40' East a distance of 882.6 feet to the North right-of-way line of the Grand View-Murphy Farm-to-Market Road; thence

North 63°51' West along the North right-of-way line of said Grand View-Murphy Farm-to-market Road a distance of 784.5 feet to the POINT OF BEGINNING.

In Township 5 South, Range 3 East, B. M., Owyhee County, Idaho

Section 17: E1/2 SE1/4, SE1/4 NE1/4,

SW1/4 NE1/4 lying North of Highway

ALSO EXCLUDING that portion of said Section 17 that lies North of the Grand View Mutual Canal.

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FILED - RECORDED

98 APR 15 AM 10:27

JIM HUNTLEY JR.
OWYHEE COUNTY RECORDER
BY *B. Huntley*
DEPUTY

Water Right Purchase and Sale Agreement

This Water Right Purchase and Sale Agreement is made this 10th day of June, 2005, between Arnold Estate Trust c/o Charles K. Arnold 1118 Navalle Ct, Pleasonton, CA 94566 (hereinafter "Seller"), and Billy Wolfe PO Box 398 Grand View, Idaho 83624 (hereinafter "Buyer").

Whereas Seller is the owner of the water right evidenced by water right license no. 02-10224, which authorizes diversion of Snake River water for irrigation uses on certain lands in Twin Falls County during the irrigation season at a rate of 0.0169 cubic feet per second ("cfs") per irrigated acre and a total annual diversion volume of 4.0 acre-feet per acre per year to land in Section 26, Township 7 South, Range 12 East, Twin Falls County, more particularly described on Exhibit A, hereto. And whereas all the parties have reached agreement on the terms and conditions for the purchase and sale of a portion of Seller's water right, for the consideration hereinafter recited, Seller and Buyer agree as follows:

1) Purchase and Sale of Rights. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller approximately 12 percent (33/273.5) portion of Seller's water right evidenced by water right no. 02-10224 that is appurtenant to 22.5 acres in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ section 26 T7S, R12E and 10.5 acres in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ section 26, T7S, R12E within the property (hereinafter referred to as "the purchased water right").

2) Purchase Price and Payment. Buyer shall pay the Seller, as consideration for the purchased water right, [REDACTED] per irrigated acre for thirty three (33) acres, more or less, of land [REDACTED], (hereinafter referred to as "the purchase price"). Buyer agrees to deliver the purchase price in the form of a personal check to the escrow agent, Idaho Escrow, 4290 Chinden Blvd, Boise, ID 83714 (208) 377-2212, to be deposited in an escrow account pursuant to the escrow instructions of paragraph 5, hereof upon execution of this Agreement by Seller and Buyer at the closing of this transaction, which shall occur on a date and

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WATER RESOURCES
WESTERN REGION

at a time agreeable to the Buyer and Seller. Buyer and Seller agree to share the escrow costs equally.

3) Conveyance of Title and Title Policy. Seller agrees to execute a Water Right Warranty Deed, in the form of Exhibit B, conveying the purchased water right to Buyer, and Seller agrees to deliver such deed to the escrow agent at the closing of this transaction. Seller shall also provide Buyer, at closing, written certification from the Idaho Department of Water Resources (IDWR) that no Notice of Security Interest has been filed concerning the thirty three (33) acres of the purchased water right as of the closing date.

4) Water Right Transfer. The parties acknowledge and agree that diversion of the purchased water right for use on the Buyers property will require an Idaho Department of Water Resources (IDWR) approval of an Application for Transfer of Water Right. Buyer agrees to prepare and file an Application for Transfer to change the elements of the purchased water right that is acceptable to both Seller and Buyer and pay the appropriate filing fee. Buyer agrees to be primarily responsible for monitoring the status of the Transfer and for maintaining contact with both IDWR and Seller. Seller agrees to participate as applicant and advocate for the Transfer in all administrative and judicial proceedings necessary to obtain final approval of the Transfer. For purposes of this Agreement, final approval shall mean approval of the Transfer on terms and conditions that are acceptable to both Seller and Buyer after all administrative and judicial remedies are exhausted. Costs and attorney fees in preparing, filing, and obtaining final approval of the Transfer shall be paid by Seller and Buyer as follows:

a) Seller shall be responsible for all costs and attorney fees incurred in responding to issues regarding the validity and Seller's ownership of the purchased water right. Buyer shall be responsible for his costs and attorneys fees incurred in responding to all other issues regarding the Transfer not to exceed two thousand five hundred dollars (\$2500.00). At any time after Buyer's expenditure of two thousand five hundred dollars (\$2500.00) pursuant to this paragraph, Buyer may extend or terminate this Agreement and either withdraw or continue with the Transfer.

b) Termination of Sale. If Seller makes invalid the purchased water right available to the Buyer, the escrow shall terminate and all monies and accrued interest shall be returned to the Buyer. The Seller shall also reimburse the Buyer for all out-of-pocket expenses incurred relating to the purchase and transfer of the water right. If Buyer terminates this Agreement for any cause other than that described in paragraph 4.a. above, twenty percent (20%) of the purchase price plus the accrued interest on that amount shall be transferred to the Seller. The remaining eighty percent (80%) of the purchase price and the accrued interest on that amount shall be returned to Buyer by the escrow agent.

5) Escrow Agent and Instructions. The parties hereby appoint Idaho Escrow, 4290 Chinden Blvd, Boise, ID 83714, telephone: (208) 377-2212, as the escrow agent to hold and release a purchase price and deed to a water right pursuant to the terms of this Agreement and any additional written instructions signed by both parties hereto and provided to the escrow agent.

a) The purchase price shall be released to the Seller only upon: 1) Approval by the IDWR of the Transfer for the purchased water right; 2) The expiration of all administrative and judicial periods for appeal; and 3) The written approval by Buyer of any conditions placed on the Transfer by the IDWR. Buyer's approval shall not unreasonably be withheld and shall be provided within thirty (30) days after delivery of written notice of such conditions to Buyer by Seller or within thirty (30) days after expiration of the applicable administrative and judicial periods for appeal should conditions already approved by Buyer be modified by subsequent administrative or judicial action. Failure by Buyer to provide written approval to escrow agent within thirty (30) days after delivery of such written notice of such conditions to Buyer shall be deemed written approval.

b) The Seller and the Buyer shall act in good faith and use best efforts to complete the agreed upon property transfer as described herein on or before June 1, 2006. If the property transfer has not been completed by that date, the Seller and the Buyer may terminate the escrow by executing a mutual written consent and by each party providing a copy of the mutual written consent to the escrow agent. Termination of the escrow shall be effective upon receipt by the

escrow agent of a separate copy of the mutual written consent from the Seller and from the Buyer.

c) Upon receipt of written notice from IDWR or Court of proper jurisdiction of the timely final approval of the Transfer and after expiration of all applicable appeal periods, expiration of the applicable thirty (30) day period described in paragraph 5.a. hereof and Seller's full performance of the terms of this Agreement, Buyer shall, within ten (10) days of expiration of the applicable thirty (30) day period described in paragraph 5.a. hereof, provide a letter of confirmation thereof to escrow agent and escrow agent shall release the purchase price to Seller. All accrued interest on the purchase price shall be released to Buyer.

d) The deed to the purchased water right shall be released to the Buyer upon release of the purchase price to the Seller.

6) Entire Agreement. This Agreement contains the entire understanding of the parties. Any changes or modifications to this Agreement must be in writing signed by Seller and Buyer.

7) Heirs, Successor, and Assigns. The covenants, conditions, and agreements herein contained shall be binding on each of the parties hereto and on all parties and all persons claiming under them or either of them and the advantages hereof shall inure to the benefit of each of the parties hereto and the respective heirs and successors and assigns.

8) Seller affirmatively represent and warrant to Buyer that he is the sole owner of the water right evidenced by water right no. 02-10224 for 4.62 cubic feet per second (cfs) appurtenant to real property located in Section 26, Township 7 South, Range 12 East, Twin Falls County, more particularly described on Exhibit A, hereto. Seller also affirmatively represent and warrant to Buyer that said water right has no pending lien, security interest, mortgage, or other form of encumbrance whatsoever which would prevent or impede the full and complete transfer of legal and equitable title of the purchased water right to Buyer under the terms of this Agreement.

BUYER:

Billy Wolfe

By: (Billy) William P Wolfe

State of Idaho/or _____)
County of Ada) SS.

On this 2nd day of June 2005, before me personally appeared William Wolfe, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.



Staci Welsh
Notary Public
Residing at Meridian, Idaho
My Commission Expires on 2/3/2011

SELLER:
Arnold Estate Trust c/o Charles Arnold Trustee

By: *C. Arnold*

State of Idaho/or California)
County of Alameda) SS.

On this 10 day of June 2005, before me personally appeared Charles K. Arnold, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

SEAL

[Signature]
Notary Public
Residing at Pleasanton, CA
My Commission Expires on 4/23/2009

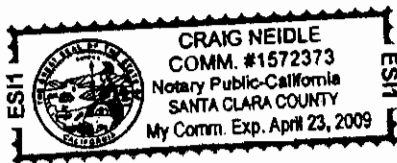


EXHIBIT A

Water Right No. 02-10224



IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Recommended Right Report

06/06/2005

WATER RIGHT NO. 2-10224

Owner Type	Name and Address
Current Owner	ARNOLD ESTATE TRUST CHARLES K ARNOLD TRUSTEE 1118 NAVALLE CT PLEASANTON, CA 94566 (510)581-8061
Original Owner	BELL RAPIDS MUTUAL IRRIGATION CO 388 E 5900 N HAGERMAN, ID 83332 (208)837-6241

Priority Date: 12/16/1963

Basis: License

Status: Active

Source	Tributary
SNAKE RIVER	COLUMBIA RIVER

Beneficial Use	From	To	Diversion Rate	Volume
IRRIGATION	03/15	11/15	4.62 CFS	1094 AFA
Total Diversion			4.62 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	SWSENE Lt 2	Sec. 16	Township 07S	Range 13E	TWIN FALLS County
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Place(s) of use:

Place of Use Legal Description: IRRIGATION TWIN FALLS County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
07S	12E	26		NENE	40		NWNE	40		SWNE	38		SENE	40
				NWSE	40		SWSE	39		SESE	36.5			

Total Acres: 273.5

Conditions of Approval:

1.	T09	Approval of this transfer does not preclude the opportunity for review of the validity of this water right in the ongoing Snake River Basin Adjudication.
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Dates:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False



EXHIBIT B

Water Right Warranty Deed

Water Right Warranty Deed

Arnold Estate Trust, represented by Charles K. Arnold ("Grantor") of 1118 Navalle Ct., Pleasanton, California, 94566, does hereby GRANT, BARGAIN, SELL and CONVEY unto William and/or Victoria Wolfe ("Grantee") of P.O. Box 398, Grand View, Idaho, 83624, a portion of the following water right, more particularly described as follows:

The approximate 12 percent (33/273.5) portion of Grantor's water right no. 2-10224 that is appurtenant to 33 acres in the SE ¼ SE ¼ and the SW ¼ SE ¼ in Section 26, Township 7 South, Range 12 East, Twin Falls County. This 33-acre portion of water right no. 2-10224 is referred to herein as the "Water Right."

Grantor hereby further assigns to Grantee all of the Grantor's right, title, and interest in and to the above-described 33-acre portion of the license for water right no. 2-10224 issued by the Idaho Department of Water Resources, a copy of which is attached hereto as Exhibit A, together with a like portion of Grantor's right, title, and interest in and to any claim for the Water Right filed in the Snake River Basin Adjudication, Fifth Judicial District, in the State of Idaho, in and for the County of Twin Falls, Case No. 39576. The Water Right conveyed by this Deed is subject to all conditions and limitations specified on such license or that may be imposed by the SRBA Court.

TO HAVE AND TO HOLD the Water Right unto the said Grantee, heirs, and assigns forever.

By: _____ Dated: _____
Charles K. Arnold, Trustee

State of _____)
) s.s.
County of _____)

On this ____ day of _____ 2005, before me, the undersigned, a Notary Public, personally appeared Charles K. Arnold, Trustee of the Arnold Estate Trust, 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 for and on behalf of the Arnold Estate Trust.

S
E
A
L

Notary Public
My Commission Expires on _____