

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

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

RECEIVED
FEB 15 2007
WATER RESOURCES
WESTERN REGION

Name of applicant Jack and/or Karla Post

Phone (208) 599-0400

Post Office address PO Box 298, Mountain Home, ID 83647

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 226.5 acres within a 320 acre portion of the 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>3.82 / 906</u>	<u>Irrigation</u>	<u>3-15</u> to <u>11-15</u>
_____	_____	_____	_____	_____ to _____
_____	_____	_____	_____	_____ to _____
_____	_____	_____	_____	_____ to _____

2. Total amount of water being transferred 3.82 cubic feet per second and/or 906 acre-feet per annum.
3. Source of water Snake River tributary to Columbia River
4. Point(s) of Diversion:

Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Local name for diversion
2		NE	SW	28	5S	7E	ELMORE	South Elmore Irrig. Co.

5. Lands irrigated or place of use:

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
5S	6E	1					40	40	40	40									160
5S	7E	6							40	40	40	40							160

Total acres 226.5

PART 1

6. General Information:

- a. Description of diversion system Point of diversion on the Snake River consisting of inlet pipe, pump, regulation pond, 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 226.5 acres have been in the CRP from 1989 to 1998. These 226.5 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 _____.

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2**

(Attach one copy for each right)

RECEIVED

AUG 15 2005

Department of Water Resources
Southern Region

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	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Local name for diversion

8. Lands irrigated or place of use:

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	

Total acres _____

9. Describe any other water rights used for the same purpose as described above _____

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

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

2. Points of Diversion:

3.	Lands irrigated or place of use:				

Total acres	226.5
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1. Amount 0.8 / 188 for Irrigation purposes from 3-15 to 11-15

2. Points of Diversion:

3. Lands irrigated or place of use:

Total acres	47
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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 3.83 / 906 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
			NE¼	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	
7S	12E	26	40	40	38	40										40	28.5		226.5

Total acres 226.5**C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT** (omit if there is no change)

1. Amount 0.79 / 188 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	

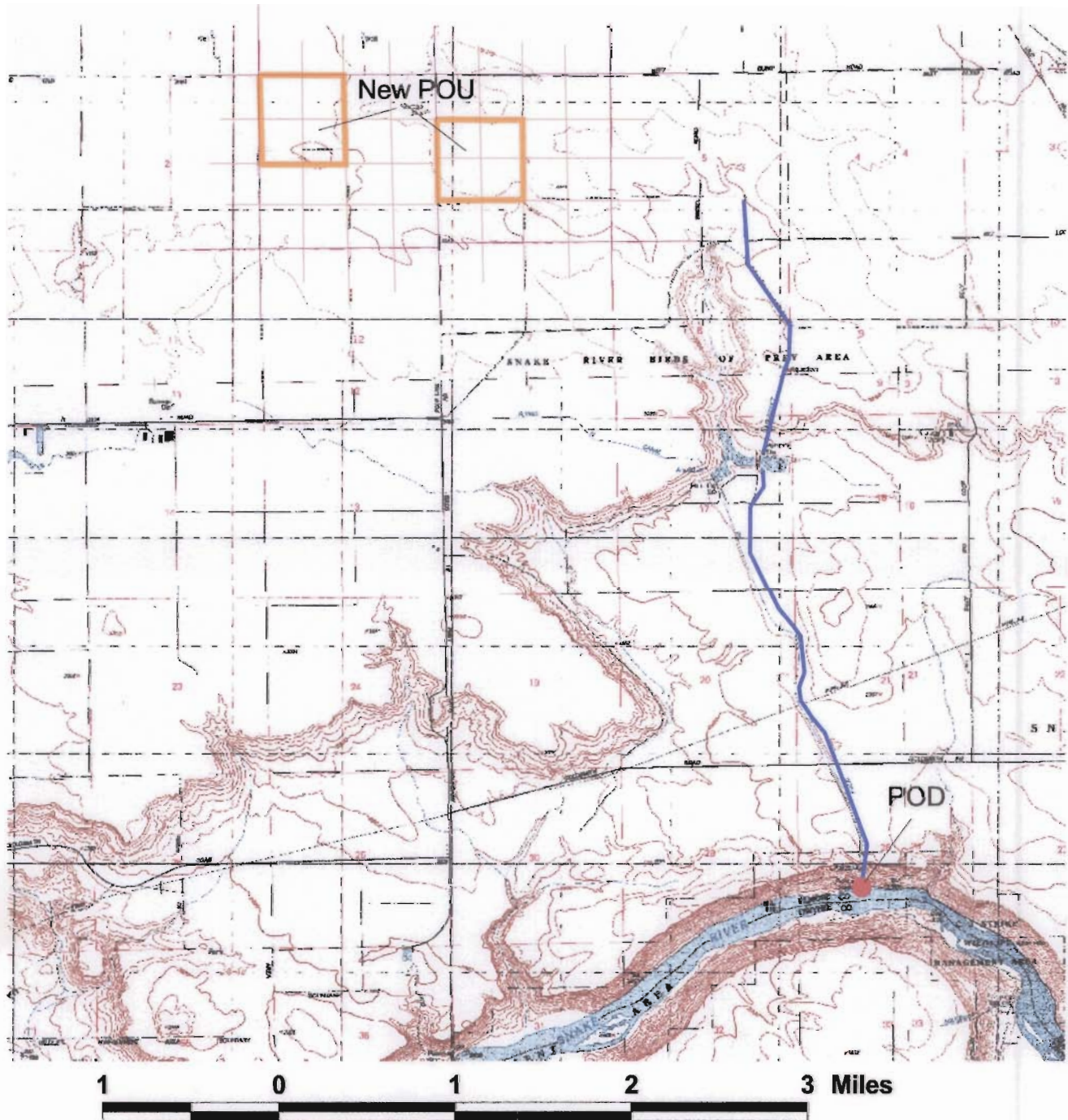
3. Lands irrigated or place of use:

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	SE¼	
7S	12E	26															10.5	36.5	47

Total acres 47

Page 6 of 8

Post
Place of Use and Point of Diversion
(T5S, R6E and R7E)

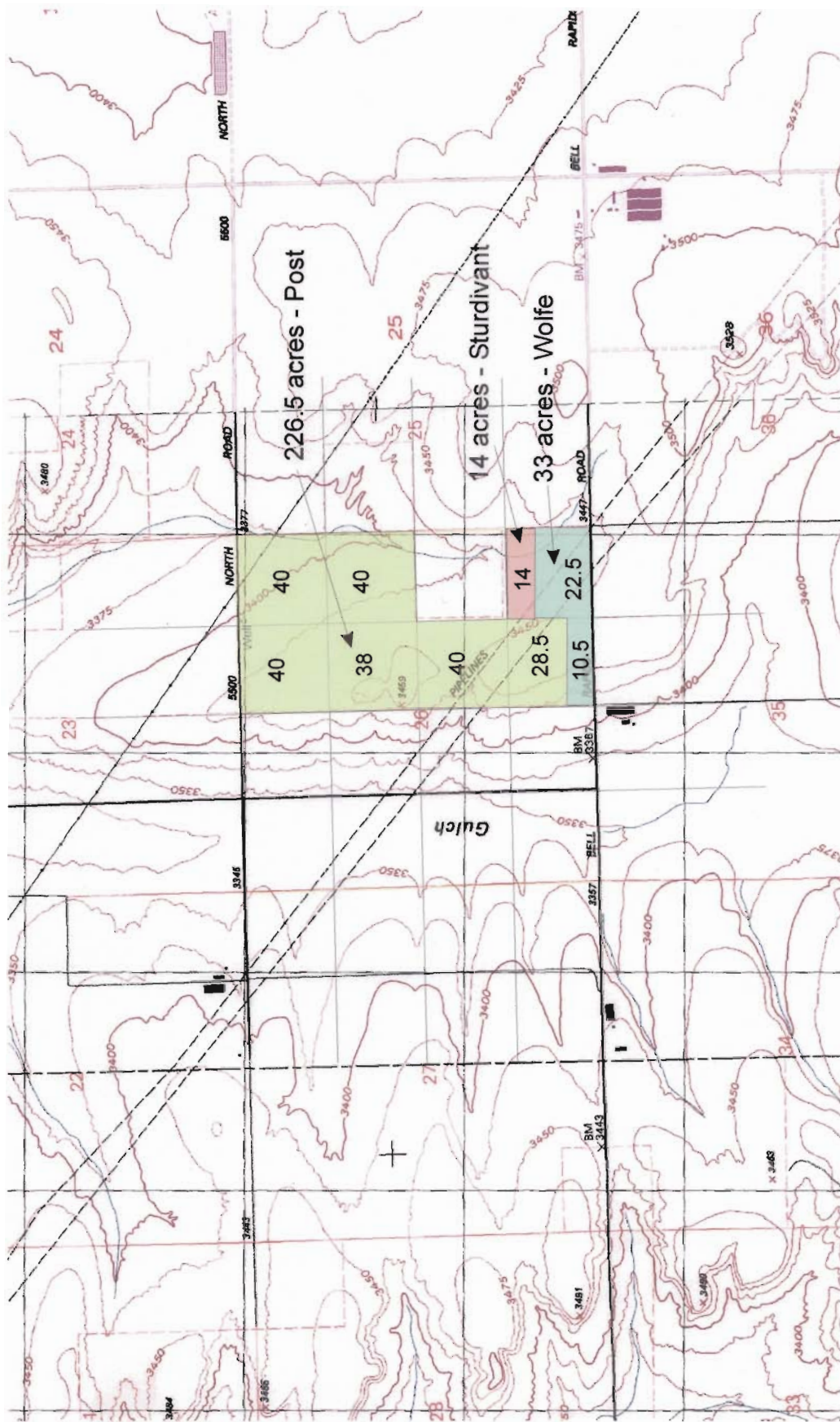


- POD
- Pipeline
- Section
- New POU



Prepared by: ERO Resources
3314 Grace St.
Boise, ID 83703
Feb 12, 2007

Original Place of Use for 02-10224
(T7S R12E Section 26)



PART 3

B. CHANGES IN NATURE OF USE

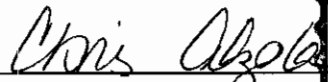
1. New Nature of Use _____ Amount (cfs/ac-ft) _____ Hours/days/year _____ Period of Use _____ to _____
 _____ to _____
2. Quantity and quality of return flows and location of discharge: _____
3. Describe effects on other water uses resulting from the proposed change: _____

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.

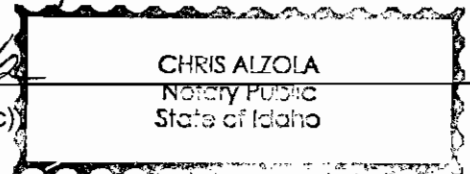


(Signature of Applicant)

Subscribed and sworn before me this 5th day of August, 20 05



(Notary Public)



My commission expires 5.21.2011

FOR DEPARTMENT USE ONLY

Transfer contains 8 pages and 8 attachments
 Received by J. F. Stanton Date 8-18-05 Protest filed by _____
 Prelim. check by _____ Fee \$370, 5027921
 Receipted by JP Date 8-15-05
 Published in _____ Copies of protest forwarded by _____
 Pub. Dates _____ Hearing held by _____ Date _____
 Watermaster recommendation requested on _____ Recommended for ☐ approval ☐ denial
 _____ rec'd. _____ by _____
 Copy of transfer sent to lien holder _____

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	to 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 (SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$) 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	38.0	40.0													273.5

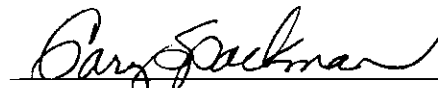
Total Acres: 273.5

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

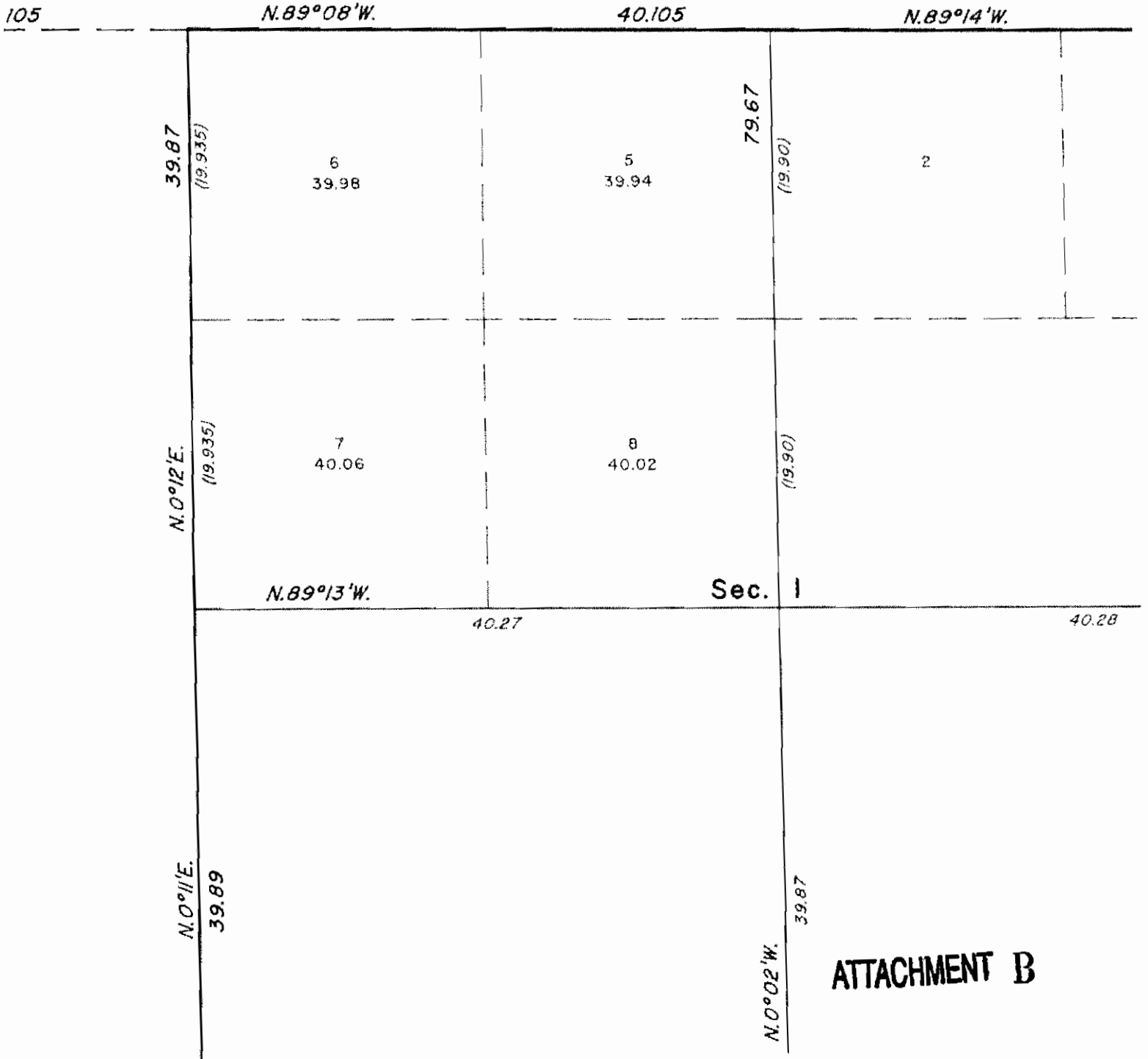

Chief, Water Allocation Bureau

SCANNED
NOV 13 2003

ATTACHMENT A

TOWNSHIP 5 SOUTH, RANGE 6 EAST, OF THE BOISE MERIDIAN, IDAHO
DEPENDENT RESURVEY AND SUBDIVISION

Sec. 36



The United States of America
To all to whom these presents shall come, Greeting:

IDI-31613 8F

WHEREAS

Jackie P. Post

is entitled to a land patent pursuant to Section 206, Act of October 21, 1976, as amended (43 U.S.C. 1716) for the following described land:

Boise Meridian, Idaho
T. 5 S., R. 6 E.,
sec. 1, lots 5-8.

Containing 160 acres.

NOW KNOW YE, that there is, therefore, granted by the **UNITED STATES** unto the above named claimant, the land described above; **TO HAVE AND TO HOLD** the said land with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, thereunto belonging, unto said claimant, and to his heirs and assigns, forever; and

EXCEPTING AND RESERVING TO THE UNITED STATES a right-of-way thereon for ditches and canals constructed by the authority of the United States. Act of August 30, 1890 (43 U.S.C. 945).

SUBJECT TO:

1. Those rights held by the Glens Ferry Highway District, its successors or assigns, for an existing road in lots 5 and 6, section 1, T. 5 S., R. 6 E., B.M., exercised under RS 2477 and noted under Bureau of Land Management Serial Number IDI 20029.
2. Those rights for road purposes granted to the Glens Ferry Highway District by the Bureau of Reclamation under contract no. 14-06-100-6396 and assigned Bureau of Land Management Serial Number IDI 2606, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388). The road is located in lots 5 and 6, section 1, T. 5 S., R. 6 E., B.M.

Patent No. 11-99-0022

ATTACHMENT C

3. Jackie P. Post, his successors or assigns, assumes all liability for and shall defend, indemnify, and save harmless the United States and its officers, agents, representatives, and employees (hereinafter referred to in this clause as the United States), from all claims, loss, damage, actions, causes of action, expense, and liability (hereinafter referred to in this clause as claims) resulting from, brought for, or on account of, any personal injury, threat of personal injury, or property damage received or sustained by any person or persons (including the patentee's employees) or property growing out of, occurring, or attributable directly or indirectly, to the disposal of solid waste on, or the release of hazardous substances from lots 5, 6, 7, and 8, section 1, T. 5 S., R. 6 E., Boise Meridian, Idaho, regardless of whether such claims shall be attributable to: (1) the concurrent, contributory, or partial fault, failure, or negligence of the United States, or (2) the sole fault, failure, or negligence of the United States.

ELMORE COUNTY, IDAHO 83
 Request of
PIST AMERICAN
 Time 4:25 P.M.
 Date July 16, 1999
 GAIL L. BEST, Recorder
 By [Signature] Deputy
 Fee \$6.00

316680



IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in Boise, Idaho, the Fourteenth day of JULY in the year of our Lord one thousand nine hundred and NINETY NINE and of the Independence of the United States the two hundred and TWENTY-FOURTH.

By [Signature]
 Jimmie Buxton
 Branch Chief, Lands and Minerals
 Resource Services Division

Patent No. 11-99-0022

ATTACHMENT C

"SPECIAL"

WARRANTY DEED

FOR VALUE RECEIVED. SHRINERS HOSPITALS FOR CRIPPLED CHILDREN, NKA SHRINERS HOSPITALS FOR CHILDREN A NON-PROFIT CORPORATION

organized and existing under the laws of the State of Idaho, with its principal office at 2900 ROCKY POINT DR TAMPA, FL 33607 of County of HILLSBOROUGH, State of FLORIDA
GRANTOR, hereby GRANT, BARGAIN, SELL and CONVEY unto

JACKIE F. POST AND KARLA KAY POST, HUSBAND AND WIFE
whose current address is: PO BOX 298 MOUNTAIN HOME, ID 83647
the following described real property located in ELMORE
more particularly described as follows, to wit:

GRANTEE

County, State of Idaho,

Township 5 South, Range 7 East, Boise Meridian, Elmore County, Idaho

Section 6: U.S. Government Lots 5 and 6
SE1/4NW1/4, NE1/4SW1/4

EXCEPTING and reserving unto Grantor all oil, gas, metals and all other minerals and/or hydrocarbons of every kind and character, with right of ingress and egress to explore, mine, extract produce all, in, on and under the land described.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee(s), and Grantee(s) heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances, EXCEPT those to which this conveyance is expressly made subject and those made, suffered or done by the Grantee(s); and subject to reservations, restrictions, dedications, easements, rights of way and agreements, (if any) of record, and general taxes and assessments, (including irrigation and utility assessments, if any, for the current year, which are not yet due and payable, and that Grantor will warrant and defend the same from all lawful claims whatsoever, by, through or under Grantor, but not otherwise.

The officers who sign this deed hereby certify that this deed and the transfer represented thereby was duly authorized under a resolution duly adopted by the board of directors of the Grantor at a lawful meeting duly held and attended by a quorum.

In witness whereof, the Grantor has caused its corporate name to be hereunto affixed by its duly authorized officers this 22nd day of January, in the year of 1998

(CORPORATE SEAL)

Shriners Hospitals for Children

(CORPORATE NAME)

By: *[Signature]* Edward C. Castagna Jr., Senior Associate Counsel

By: *[Signature]* Willard E. Fawcett, Assistant Controller

ACKNOWLEDGMENT - Corporate

STATE OF Florida, County of Hillsborough.

On this 5th day of February, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared Edward C. Castagna Jr. & Willard E. Fawcett, who are personally known to me to be the Senior Associate Counsel & Asst. Controller of the corporation that executed the instrument of the premises, and they requested the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Signature: *[Signature]* DRUCILA J. DIAZ-PHELPS
Name: DRUCILA J. DIAZ-PHELPS

Adding to: *[Signature]* DRUCILA J. DIAZ-PHELPS
My commission expires: 02-26-99 MY COMMISSION # CC423121 EXPIRES: February 26, 1999

305935

ELMORE COUNTY, IDAHO ss

Request of

GUARANTY TITLE, INC.

Time 3:48 PM

Date February 9, 1998

Book Page

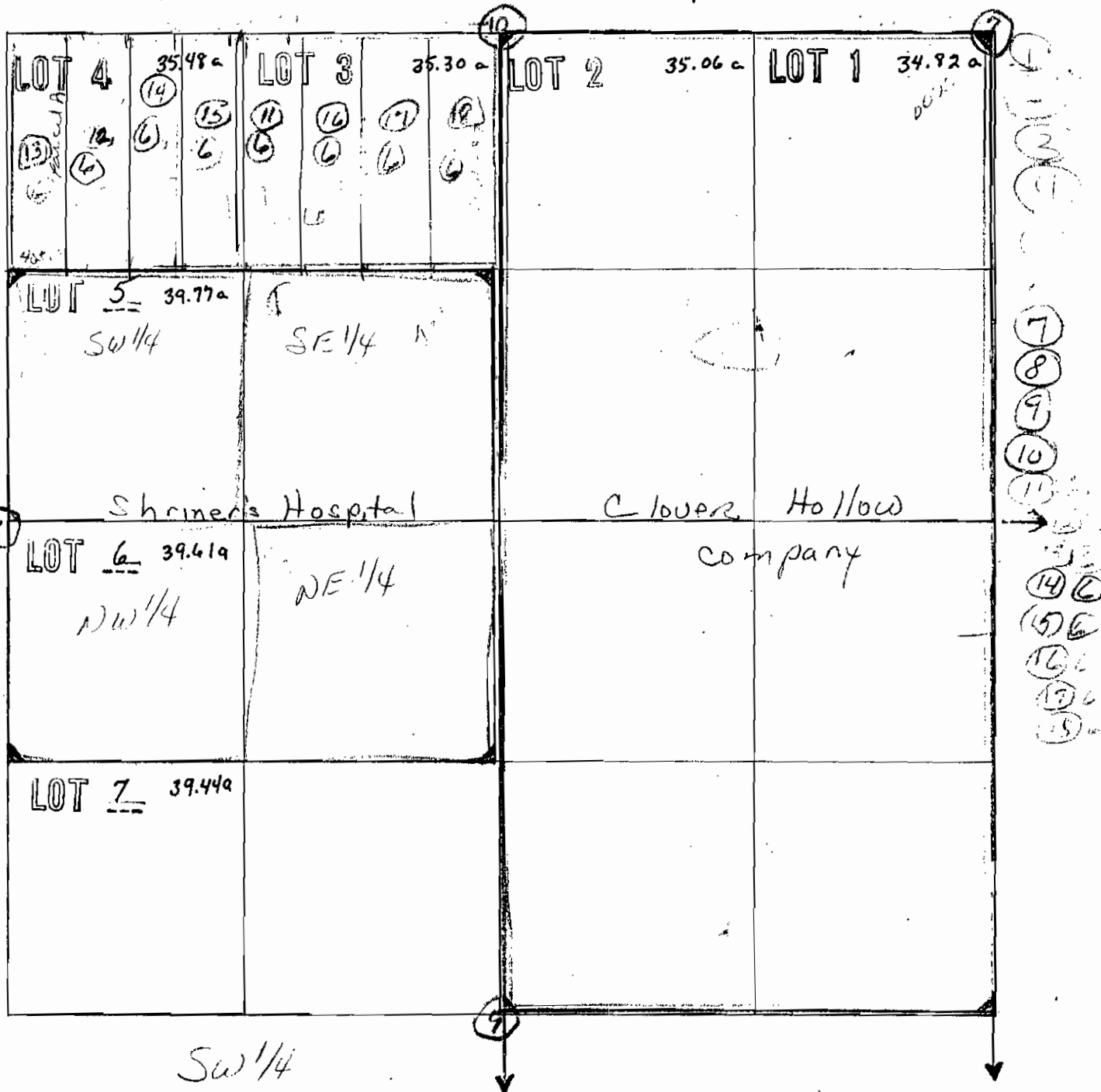
DOLORES ROBISON

Recorder

By: *[Signature]* Deputy

Fee \$3.50

Section 6 Township 5 S. Range 7 E



ATTACHMENT E

SOUTH ELMORE IRRIGATION CO., INC.

August 4, 2005

The meeting of the South Elmore Irrigation Co., Inc. was called to order at 9:30 A.M. Tuesday, August 4, 2005, at Chris' office. The presiding officer was Jack Post. A quorum was present, including the following: Terry Ketterling (TLK Farms). Chris Alzola (Bookkeeper) was present.

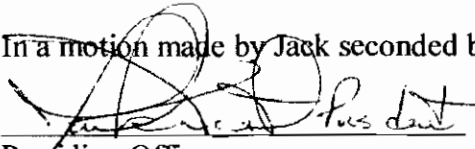
New Business

Jack and Karla Post to use same Snake River Point of Diversion as South Elmore for water they are going to transfer to T5S, R6E, Section 1 NE1/4 (160 acres) and T5S, R7E Section 6 SW1/4 and SE1/4 of NW1/4 and NE1/4 and NW1/4 of SW1/4 in Section 6 (160 acres). Point of Diversion will be T5S, R7E, Section 28 NE1/4 of SW1/4 Lot 2.

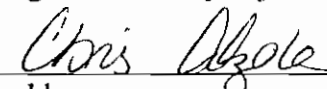
Jack understands that if the canal reaches a capacity that water needs to be turned off, he will turn off first.

Motion by Terry to approve Jack & Karla Post using the same Point of Diversion as South Elmore Irrigation. Seconded by Jack. Motion carried

In a motion made by Jack seconded by Terry, the meeting was formally adjourned at 10:00 A.M.



Presiding Officer



Bookkeeper

ATTACHMENT F

Water Right Purchase and Sale Agreement

This Water Right Purchase and Sale Agreement is made this 11th day of July, 2005, between Arnold Estate Trust c/o Charles K. Arnold 1118 Navalle Ct, Pleasanton, CA 94566 (hereinafter "Seller"), and Jack Post PO Box 298 Mountain Home, Idaho 83647 (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 83 percent (226.5/273.5) portion of Seller's water right evidenced by water right no. 02-10224 that is appurtenant to 40 acres in the NE NE, 40 acres in the NW NE, 38 acres in the SW NE, 40 acres in the SENE, 40 acres in the NWSE, and 28.5 acres in the SW SE of 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 two hundred twenty six and one-half (226.5) 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 an irrevocable Letter Of Credit (LOC) to the escrow agent, Idaho Escrow, 4290 Chinden Blvd, Boise, ID 83714 (208) 377-2212, to be held 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 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 two hundred twenty six and one-half (226.5) 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 shall be transferred to the Seller. The remaining eighty percent (80%) of the purchase price shall be retained by the Buyer.

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 the 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.

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.

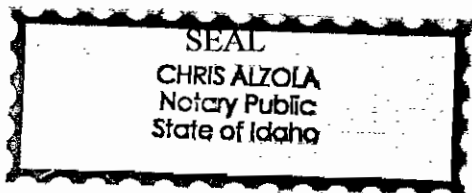
BUYER:

Jack Post

By: _____

State of Idaho Idaho)
County of Elmore) SS.

On this 11th day of July, 2005, before me personally appeared Jack Post, 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.



Chris Alzola
Notary Public
Residing at Mountain Home
My Commission Expires on 5-21-2011

SELLER:

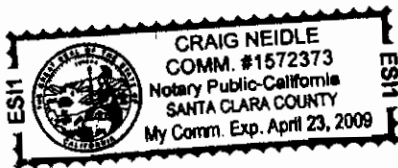
Arnold Estate Trust c/o Charles Arnold Trustee

By: C. Arnold, Trustee Arnold Estate Trust

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

On this 2 day of August 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



177pl
Notary Public
Residing at Pleasanton, CA
My Commission Expires on 4/23/2009

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 Jack Post ("Grantee") of P.O. Box 298, Mountain Home, Idaho, 83647, a portion of the following water right, more particularly described as follows:

The approximate 83 percent (226.5/273.5) portion of Grantor's water right no. 2-10224 that is appurtenant to 40 acres in the NE NE, 40 acres in the NW NE, 38 acres in the SW NE, 40 acres in the SENE, 40 acres in the NWSE, and 28.5 acres in the SW SE in Section 26, Township 7 South, Range 12 East, Twin Falls County. This 226.5-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 226.5-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 _____

~~ATTACHMENT H~~
ATTACHMENT H

ATTACHMENT H