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Robert B. Holden
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(1939-1982)
William S. Holden
(1907-1988)

Of Counsel
Fred J. Hahn

*Also Licensed in Missouri & Kansas

**Also Licensed in Utah & Colorado

March 28, 2007

RECEIVED

MAR 29 2007

Department of Water Resources
Eastern Region

Trent Galbraith
Idaho Department of Water Resources
900 N. Skyline Dr., Ste. A
Idaho Falls, ID 83402

RE:

Dear Trent:

We appreciate your telephone call because it triggered in our mind another place to look for documents. Enclosed is a package of documents we did find in another file on the Vandersloot purchase from Valley Bank. We have learned that Valley Bank was purchased by Key Bank, a large national banking conglomerate. We do not even know where to begin to try to find an authorized individual who could sign an assignment on behalf of the former Valley Bank. It may not be as difficult as obtaining Ed Howell's signature (since he is long since deceased), but pretty close to it.

All we would like to suggest is that you think long and hard about the documents in the enclosed package. It is true they appear to focus more specifically on the SRBA Claims, as opposed to the permits. But, they were prepared by individuals and organizations who did not (and still would not) understand the terms of art used by IDWR staff and water lawyers. See if you do not agree that, considered in the broadest sense, these documents were intended to convey to Mr. Vandersloot everything Valley Bank may have owned with respect to these water rights, whether in permit or some other form. It appears to us that the intent was for Valley Bank to transfer to Mr. Vandersloot all real or personal property associated with this land, including everything in any way related to 21-7133 and 21-7190 which were still in permit stage. We expect if you were to find the individuals involved in the transaction on behalf of Valley Bank, and if they were still able to recall it, they would be surprised to learn that the SRBA Claims and the permits were not the same exact item or that something else (a formal assignment of permit form) might have also been a good thing to have done. It seems obvious from the documents that

Trent Galbraith
Idaho Department of Water Resources
March 28, 2007
Page 2 of 2

Valley Bank would not have objected to executing more forms if someone had presented such to them at the time.

Is anyone ever likely to object to the interpretation we suggest? We are also enclosing a copy of a memo from Gary Spackman to Jim Johnson relating to these very same permits in which Gary concluded almost the same thing we are suggesting in this case. It just seems clear to us that Valley Bank attempted to transfer to Vandersloot everything Valley Bank obtained in the share of sale referred to in Gary's memorandum.

As we review the copy of the Deed, the legal description seems to confirm the other matter we discussed with respect to the 28 acres in the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 18. It seems clear that Mr. Vandersloot did not acquire title to that land and we would agree that it should probably be excluded from the Licenses when issued. We will look forward to hearing from you when it is convenient.

Yours very truly,



Kent W. Foster

Enclosures

G:\WPDATA\KWF\11925 Anderson Bill\Trent Galbraith ltr 032807 wpd:cdv



State of Idaho

DEPARTMENT OF WATER RESOURCES

150 Shoup Ave., Suite 15, Idaho Falls, Idaho 83402 - (208) 525-7161

EASTERN REGION

CECIL D. ANDRUS
GOVERNOR
R. KEITH HIGGINSON
DIRECTOR

JULY 14, 1992

CHARLES A HOMER
HOLDEN KIDWELL HAHN & CRAPO
PO BOX 50130
IDAHO FALLS ID 83405

RE: CHANGE IN OWNERSHIP FOR A21-07190, A21-07133, AND
A21-04011 TO FRANK L VANDERSLOOT FROM VALLEY BANK

Dear Mr. Homer:

The request for Change in Ownership concerning your client's Notices of Claim in the above reference has been processed and the Notices modified to reflect your client as the new owner.

Review the forms and if there are other corrections or questions, feel free to contact this office.

If there are no questions or corrections, please keep these Notices for your client's records.

Respectfully submitted,

for 
Dave Carlson
Water Rights Agent, Adjudication

DC:jt

Enclosure: ltr, dated July 8, 1992 and an Assignment of
Notice of Claims

Copies of Notices A21-07190, 04011, 07133

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LAW OFFICES
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BOISE, IDAHO 83702

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BOISE OFFICE

WM. LYMAN BELNAP, P.A.
RANDALL B. REED
RONALD D. CHRISTIAN

July 8, 1992

ARTHUR W. HOLDEN
(1877-1967)
ROBERT B. HOLDEN
(1899-1988)
WILLIAM S. HOLDEN
(1907-1988)

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JUL 13 1992

Department of Water Resources
Eastern District Office

Idaho Department of Water Resources
Eastern District Office
150 Shoup Avenue
Idaho Falls, Idaho 83401

Re: Assignment of SRBA Claims

Gentlemen:

Our office recently handled the closing on the sale of certain property located in Fremont County, Idaho, from Valley Bank to Frank L. VanderSloot. In connection with the sale of the property, Valley Bank assigned to Mr. VanderSloot its interest under Claim Nos. A21-07190, A21-07133, and A21-04011. In connection with the transfer of these claims, we are enclosing for your file an original Assignment of Notice of Claims executed by Valley Bank, together with the original and two copies of a "Notice Concerning Water Rights for Property" executed by Frank L. VanderSloot.

Please advise our office if you need any additional documentation pertaining to this matter. Thank you for your assistance.

Very truly yours,


Charles A. Homer

#0188
6500j/sb
Enclosure

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OCT 21 1992

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

ASSIGNMENT OF NOTICE OF CLAIMS

The undersigned, VALLEY BANK, hereby assigns to FRANK L. VANDERSLOOT of 3910 South Yellowstone Highway, Idaho Falls, Idaho 83402,

All of its right, title and interest in and to Notice of Claim Nos.: A21-07190, A21-07133, and A21-04011 to Water Rights Acquired Under State Law.

Made this 4th day of June, 1992.

Signature of Claimant:

VALLEY BANK

By: R. James Meikle
R. James Meikle, President

ATTEST:

Marilyn H. Holley
Marilyn H. Holley,
Corporate Secretary.

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STATE OF IDAHO

County of Bonneville

)
)ss.
)

On this 4th day of June, in the year 1992, before me the undersigned, a Notary Public in and for the State of Idaho, personally appeared R. JAMES MEIKLE and MARILYN H. HOLLEY, known or identified to me to be the President and Secretary of VALLEY BANK, an Idaho Banking Corporation, the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

(Seal)

Sharon L. Taylor
Notary Public for Idaho
Residing at Idaho Falls, Idaho
My commission expires 2-14-97

CAH/9524j/rfs
#0188

NOTICE CONCERNING WATER RIGHTS FOR PROPERTY
(to be mailed to the Idaho Department of Water Resources)

DATE OF CLOSING: June 4, 1992

LEGAL DESCRIPTION OF PROPERTY: See Legal Description on
attached Warranty Deed.

[] Served Only by a Public Service Water Supply (domestic
water is received from a city or company who maintains
water supply system, owns the water right, and bills the
customer on a regular basis)

[X] Water Right Numbers: A21-07190, A21-07133,
A21-04011

[X] Name and Address of Former
Owner/Claimant: Valley Bank
P. O. Box 51270
Idaho Falls, Idaho 83405

[X] New Mailing Address: Frank L. VanderSloot
c/o Melaleuca, Inc.
3910 South Yellowstone Highway
Idaho Falls, Idaho 83402

[X] New Telephone Number: (208) 522-0700

[] Does the change in ownership result in a splitting of the
water right claimed? _____ yes ___X___ no

If yes, then describe the portion of the water right that
is now claimed by the new owner:

[X] Signature of New
Owner/Claimant:

Frank L. VanderSloot
Frank L. VanderSloot

Date:

June 4, 1992

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OCT 21 1992

[X] Attach proof of
ownership, describe
proof attached:

See attached Warranty Deed
(Proof of ownership must describe
either the property conveyed or
include the claim number. Proof of
ownership is not required if this form
is signed by the former claimant.

FOR IDWR USE ONLY:

Initial Review and Data-Entry

Date: By:

Further Action Needed:

Further Action Taken

Dated: By:

Final Review and Data-Entry

Dated: By:

Claim Numbers of Split, if any:

Original to be mailed to Idaho Department of Water Resources

Copies for Former Owner and New Owner

CAH/9534j/rfs
#0188

CORPORATION WARRANTY DEED

THIS INDENTURE is made this 4th day of June, 1992, between VALLEY BANK, an Idaho Banking Corporation, the Grantor, and FRANK L. VANDERSLOOT, a single man, whose mailing address is c/o Melaleuca, Inc., 3910 South Yellowstone Highway, Idaho Falls, Idaho 83402, the Grantee.

WITNESSETH, that the Grantor having been duly authorized by resolution of its Board of Directors, for and in consideration of the sum of Ten Dollars (\$10.00) lawful money of the United States of America, and other good and valuable consideration, to it in hand paid by the Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee and to Grantee's heirs and assigns forever, all the following described property in the County of Fremont, State of Idaho, to-wit:

TRACT 1:

Township 9 North, Range 43 East, Boise Meridian, Fremont County, Idaho, Section 16: $W\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$.

Section 17: ALL, LESS that portion of the $SW\frac{1}{4}$ thereof platted as the Flying Circle E Ranch Subdivision, Fremont County, Idaho, as recorded in the records of said County.

ALSO LESS: Beginning at the Southwest corner of Section 17, Township 9 North, Range 43 East of the Boise Meridian; running thence N. $89^{\circ}56'00''$ E. along the Section line 1323.93 feet; thence N. $00^{\circ}04'00''$ W. 201.26 feet to the centerline of a County Road being the TRUE POINT OF BEGINNING; running thence N. $00^{\circ}04'00''$ W. 300.00 feet; thence N. $89^{\circ}56'00''$ E. 100.00 feet; thence S. $54^{\circ}52'47''$ W. 232.09 feet to the centerline of a County Road; thence S. $60^{\circ}04'46''$ W. along said road centerline 334.00 feet to the TRUE POINT OF BEGINNING.

Subject to Existing County road Right of Way.

Section 18: $N\frac{1}{2}NE\frac{1}{4}$.

TRACT 2:

Township 9 North, Range 43 East, Boise Meridian, Fremont County, Idaho, Section 17: All that portion in the

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SW $\frac{1}{4}$ thereof platted as the Flying Circle E Ranch Subdivision, Fremont County, Idaho, as recorded in the records of said County.

TRACT 3:

Lots 9, 10 & 11 of Block 1, Flying Circle E Ranch Subdivision, Fremont County, Idaho, as per the recorded plat thereof.

TRACT 4:

Beginning at a point that is N. 89°56'00" E. along the Section line 717.59 feet from the Northwest corner of Section 20, Township 9 North, Range 43 East of the Boise Meridian; running thence N. 89°56'00" E. 1070.10 feet; thence S. 77°06'17" W. 628.98 feet to the North line of the Flying Circle E Ranch Subdivision, Fremont County, Idaho; thence S. 88°17'26" W. 293.18 feet along said North line to a point that is N. 88°17'26" E. 105.33 feet from the Northwest corner of Lot 9 of said Flying Circle E Ranch Subdivision; thence N. 47°57'00" W. 220.78 feet to the point of beginning.

TRACT 5:

Beginning at the Northwest corner of Lot 9 of the Flying Circle E Ranch Subdivision, Fremont County, Idaho; running thence N. 88°17'26" E. along the North boundary of said subdivision 105.33 feet to the True point of beginning; running thence N. 88°17'26" E. along said North boundary 293.18 feet; thence S. 77°06'17" W. 247.70 feet; thence N. 47°57'00" W. 69.48 feet to the TRUE POINT OF BEGINNING. Being a portion of Lots 7, 8, 9 of Block 2 of Flying Circle E Ranch Subdivision.

SUBJECT TO THE FOLLOWING:

1. Existing easements for roads, highways, ditches, laterals, canals, power and transmission lines.
2. Pole Line Easement executed by Edward G. Howell & Pauline Howell, husband and wife, to Utah Power & Light Company, recorded July 31, 1958, in Books of Miscellaneous, page 187.
3. Easements, reservations, restrictions and dedications, if any, as the same appear on the plat recorded January 15, 1979, as Instrument No. 357806.

4. Covenants, Conditions and Restrictions of the Flying Circle E Ranch Estates, recorded January 15, 1979, Recorder's No. 357806.
5. Easement to LaVar A. Cherry and Donna P. Cherry, recorded May 23, 1973, as Instrument No. 331303, records of Fremont County, Idaho. Said easement being for right-of-way for a road across Section 17.
6. State of Idaho Easement No. 4175 for Roadway over and across a portion of above described premises in said Section 16, dated December 23, 1970, recorded July 7, 1971, as Instrument No. 323422.
7. Easement to Utah Power & Light Company, recorded September 18, 1958, as Instrument No. 289078. Said easement is for pole line over and across Section 17.
8. Right-of-Way for road over and across a portion of the E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 17, granted by Edward G. Howell and Rebecca Pauline Howell, his wife, to Fremont County, by deed dated September 24, 1958, recorded October 2, 1958, as Instrument No. 289179.
9. Right-of-Way for road over and across the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17, executed by Donald Broadbent and Heirs apparent of Orson Broadbent, to Fremont County; recorded September 24, 1958, as Instrument No. 289178, and subject to easement adjacent to said Right-of-Way for relocation of all irrigation and drainage ditches and structures and such surface drain ditches as may be necessary to the proper construction of highway.
10. Right-of-Way for ditches, tunnel and telephone and transmission lines constructed by authority of the United States, as granted to the United States under the provisions of Section 58-604 Idaho Code, 1947; as to said premises in Section 16.
11. Warranty Deed recorded July 30, 1956, in Book 63 of Deeds, page 407, as Instrument No. 284318, as follows: Alliance Trust Company, Limited, Corporation reserved one-half of all oil, gas and minerals and/or rights thereof on the SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 17 and NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 20.
12. Life Estate granted to Edward G. Howell and Pauline E. Howell pursuant to Life Estate Grant dated July 23,

1991, recorded in the records of Fremont County, Idaho, on August 7, 1991, as Instrument Number 419083.

TOGETHER WITH all ditch rights and water rights appurtenant thereto including, but not limited to, Claim Nos. A21-07190, A21-07133 and A21-04011 and together with all buildings, irrigation equipment, pumps and accessories located on the above described property.

ALSO TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, any reversions, any remainders, rents, issues and profits therefrom, and all estate, right, title and interest in and to the property, as well in law as in equity, of the Grantor.

TO HAVE AND TO HOLD, the above described premises and appurtenances unto the Grantee and to the Grantee's heirs and assigns forever. The Grantor shall warrant and defend the premises in the quiet and peaceable possession of the Grantee against the Grantor and the Grantor's successors, and against every person whomsoever who lawfully holds (or who later lawfully claims to have held) rights in the premises as of the date hereof.

In construing this deed and where the context so requires, the singular includes the plural.

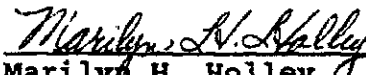
IN WITNESS WHEREOF, the Grantor has set its corporate name by its duly authorized officer.

VALLEY BANK

By: 

R. James Meikle, President

ATTEST:


Marilyn H. Holley,
Corporate Secretary.

STATE OF IDAHO)
)ss.
County of Bonneville)

On this 4th day of June, in the year 1992, before me the undersigned, a Notary Public in and for the State of Idaho, personally appeared R. JAMES MEIKLE and MARILYN H. HOLLEY, known or identified to me to be the President and Secretary of VALLEY BANK, an Idaho Banking Corporation, the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

(Seal)

Sharon L. Taylor
Notary Public for Idaho
Residing at Idaho Falls, Idaho
My commission expires 2-14-99

CAH/9517j/rfs
#0188

MEMORANDUM

TO: Jim Johnson, File No. 21-7190, 21-7133
FROM: Gary Spackman *Gary*
DATE: July 26, 1989

Valley Bank submitted a large number of documents in an attempt to show ownership of permits nos. 21-7190 and 21-7133. The documents included two assignment of forms, purporting to assign the permits from Steven A. Hoskins to Valley Bank. The assignments list the permits as adjudication claims with a leading "A". In addition Valley Bank submitted an order confirming chapter 11 plan issued by the bankruptcy court, and a certificate of sheriff's sale.

The certificate of sale is the important document in assigning the permits. Beginning on page two of the certificate of sale, in the last paragraph, the sheriff of Fremont County attests that real property owned by Edward G. Howell was purchased by Valley Bank at a sheriff sale. On page three, the property purchased is described. In the lower portion of the description, it states that the land was sold "with all water and water rights used upon or appurtenant set lands, and however evidenced, including but not limited to Permits Nos. 21-7190 and 21-7133" The certificate of sale does not refer to the adjudication claim.

Recognition of the certificate of sale as the document evidencing assignment negates the necessity for the assignment documents purporting to assign the rights from Steven Hoskins to Valley Bank. Furthermore, Mr. Hoskins is not an owner in the chain of title, at least by analysis. The two assignment documents are not important.

Please change the current owner for permits nos. 21-7190 and 21-7133. A carbon copy of this memo will be forwarded to adjudication for their reference.

Microfilm

AUG 21 1989