



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov.

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

May 5, 2006

PHOENIX DAIRY LLC
2574 E 3800 N
TWIN FALLS ID 83301

RE: Change of Ownership for Water Right 47-10328

Dear Water Right Holder(s):

Our letters of January 11, 2006 & February 27, 2006 (copies enclosed) requesting the required support data for the above referenced ownership change remain unanswered. Therefore, I am returning the ownership change request. A copy of your ownership change information will be kept in our files for reference.

If, at a later date, you wish to reinstate this request you may send the enclosed ownership change request form along with the required support data we will be happy to complete the request for you.

If you have any questions regarding this matter, please contact Kari Lynn Townsend at 208-287-4952.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kandice L. McDermott', is written over a horizontal line.

Kandice L. McDermott
Records Analyst

/klm
enclosure

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

RECEIVED

DEC 09 2005

Department of Water Resources
Southern Region

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

RECEIVED

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

DECEMBER 12 2005
DEPARTMENT OF
WATER RESOURCES

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
47-10328					

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) CARL H. BLASS & RUTH BLASS
- RT 1 FILER, ID 83328
4. New Owner/Claimant(s) PHOENIX DAIRY, LLC
 Name Connector (Check one): ☐ and, ☐ or, ☐ and/or
- New Mailing Address 2574 E 3800 N
- City, State and ZIP Code TWIN FALLS, ID 83301
- New Telephone Number (208) 734-2446
5. Date you acquired the property 7/5/2002

6. **If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7.** If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s) _____
(include title if applicable)

Greg Vientra

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by [Signature] Date 12/9/05 Fee _____
 Received by _____ Date _____ Receipt No. _____
 Processed by _____ AJ Date _____ WR _____ Date _____

COPY

AGREEMENT OF SALE

This Agreement is made and entered into this 30th day of April, 2002, by and between CARL WILLIAM BLASS and GLENNA F. BLASS, his wife, 2157 E 4400 N, Filer, Idaho 83328, the party of the first part, hereinafter referred to as Seller, and PHOENIX DAIRY, LLC, 2574 E 3800 N, Twin Falls, Idaho 83301, the party of the second part, hereinafter referred to as Buyer;

W I T N E S S E T H:

1. Property. The Seller is the owner of certain real property situate in Twin Falls County, Idaho, more particularly described as follows:

1.1 Real Property: The real property described on Exhibit "A" which is attached hereto and made a part hereof by reference as if set forth fully herein.

2. Consideration. For and in consideration of the sum of Two Hundred Twenty-four Thousand Dollars (\$224,000.00), to be paid as hereinafter provided by the Buyer to the Seller, the Seller agrees to sell and the Buyer agrees to purchase the said property. The terms of payment shall be as follows, to-wit:

2.1. One Thousand and No/100 Dollars (\$1,000.00) earnest money paid to Titlefact, Inc., to be held until closing.

2.2. Two Hundred Twenty-three Thousand and No/100 Dollars (\$223,000.00) at closing.

3. Taxes. Seller shall pay all taxes and water assessments for the year 2001 and prior years, and the Buyer shall pay, before delinquency, all taxes and water assessments for the year 2002 and thereafter.

4. Existing Lease. The real estate being sold is subject to an oral crop share lease for the 2002 crop year between Seller and Brian Schmidt, 21163 Highway 30, Filer, Idaho 83328. Buyer and Seller agree that Buyer will be substituted for Seller as landlord on said lease and will pay the landlord's expenses under said lease and receive the 2002 crop. Buyer will reimburse Seller for payment of the 2002 Twin Falls Canal Co. 2002 assessment at or before closing.

5. Seller is intending to do a 1031 exchange on this sale. Buyer agrees to cooperate with Seller to accomplish such exchange.

6. Title Insurance. It is understood and agreed that Seller warrants the above-described property to be free and clear from all liens and encumbrances except taxes for the year 2002 and thereafter. Seller shall deliver to Buyer at closing an owners' policy of title insurance for \$224,000.00 showing title to be in the Buyer and to be good and merchantable and free from encumbrance, except those mentioned above. It is expressly understood and agreed that the expense of such title insurance shall be paid by Seller.

7. Environmental Representations. Seller represents and warrants that the following shall be true as of the date of closing:

- 7.1 The Seller has no actual knowledge that the Subject Property has been or was contaminated with any hazardous substance.
- 7.2 Seller has not caused and will not prior to closing cause the release of any hazardous substance on the Subject Property, and to the best of Seller's knowledge, no such releases have ever occurred on the Subject Property, except for chemicals applied during ordinary course of farming operations which were applied in the ordinary course of business and within their registered labels for application.
- 7.3 The Subject Property is not subject to any federal, state, or local "superfund" lien, proceeding, claim, liability, or action, or the threat thereof, for the cleanup, removal or remediation of any such hazardous substance from the Subject Property, or from any other adjoining real property owned or controlled by the Seller, or in which the Seller has any interest, legal or equitable.
- 7.4 The Seller has no actual knowledge of the existence of any underground storage tanks on the Subject Property.
- 7.5 The terms "hazardous substance," "release," "removal," and "remediation," as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22), and (23) respectively, of Title 42 U.S.C. §9601, and all rules and regulations promulgated, administered, and enforced by any governmental agency or authority pursuant thereto. The term "underground storage tank" as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.
- 7.6 All representations and warranties of the Seller set forth in this section shall be true and correct as of the date of closing, and shall

survive the closing and delivery of the deed.

8. Water Adjudication Proceedings. The Snake River Basin Adjudication relating to water rights is presently pending in Idaho District Court in Twin Falls, Idaho. The adjudication will determine and affect the water rights that are appurtenant to the property conveyed herein. Buyers shall pursue, at Buyers' sole expense, all legal steps and procedures before the Court and any appropriate administrative agency as may be required for the purpose of adjudicating, determining, and protecting water rights appurtenant to the land being sold to the full extent permitted by law.

9. Closing. The sale herein contemplated shall be closed by the parties at the office of Titlefact, Inc., 163 Fourth Ave. N., Twin Falls, ID 83303, upon Buyer's satisfaction with the preliminary title report referred to hereinabove. At closing, Buyer shall pay the purchasing price and Buyer's share of closing costs, etc. Title to the subject property shall be transferred by the Seller to the Buyer by standard Idaho warranty deed which shall be recorded. There are no broker fees due or payable in this transaction. All closing costs incurred in connection with this sale shall be divided equally between the Seller and the Buyer.

10. Notice. All notices required to be given shall be given to the parties at the following addresses:

Carl William Blass
2157 E 4400 N
Filer, ID 83328

Phoenix Dairy, LLC
2574 E 3800 N
Twin Falls, ID 83301

Notice will be deemed given when deposited with the United States Post Office with adequate postage attached.

11. Possession. Buyer shall be entitled to possession on the real estate and home upon payment of the earnest money.

12. Closing Date. Closing date shall be on or before July 5, 2002.

13. Inspection. It is agreed the Buyer has made a careful and complete inspection of the personal property and real estate and the improvements herein being sold and have entered into this Agreement on the basis of Buyer's inspection and not on the basis of any representation made by the Seller. The Seller has made no

representations concerning the condition of the real estate, or the improvements, all of which are being sold "as is." The only representation made by the Seller is that of good title.

14. Agreement Survives Closing. All covenants, agreements, representations contained in this Agreement shall not be deemed to be merged into or waived by the instruments at closing, but shall expressly survive such closing and be binding upon the parties obligated thereby.

15. Attorney Fees and Court Costs. It is specifically understood and agreed between each of the parties hereto that in the event either party to this agreement should default in any manner, whether by failure to make the payments specified herein or otherwise, that all attorney fees and court costs incurred in any litigation concerning such matters shall be collectible by the prevailing party, in addition to such other remedies as the prevailing party may have under the terms of this agreement, or which may be provided by law.

16. Representation of Buyer. The parties acknowledge that they have been advised by the firm of Hepworth, Lezamiz & Janis, attorneys at law, concerning the possibility of conflicts of interest arising when one lawyer represents both sides of a contractual transaction; that a lawyer can have only one master and if he represents two clients, having opposing interests, a conflict of interest may arise and it may then be desirable for each of the parties to have independent counsel. It was explained that the firm of Hepworth, Lezamiz & Janis represents the Buyer in this matter, and therefore, cannot represent the interests of the Seller. In the event a future conflict shall arise between them involving litigation by reason of this sale, the law firm of Hepworth, Lezamiz & Janis can only represent the Buyer and cannot in any way represent the interests of Seller. The Seller acknowledges that by this paragraph, the firm of Hepworth, Lezamiz & Janis informs Seller that said Seller should have separate counsel. The Seller hereby acknowledges that said firm of attorneys has advised said Seller that Seller has the privilege of consulting independent counsel at any phase of this transaction.

17. Preparation of Documents. The parties acknowledge that this Agreement, and the accompanying Warranty Deed and all other documents were prepared by the Buyer's attorney, William L. Nungester, of the firm Hepworth, Lezamiz & Janis as a convenience to the parties. No instrument shall be construed against the Buyer merely because it was prepared by its attorney. The Seller has been informed that he should be represented in this transaction by his own attorney.

18. Grammatical Usage. In construing this Agreement, plural terms shall be constituted for singular and singular for plural in any place where the context so requires.

19. Binding Signatures. The parties signing this agreement and all papers relating to this sale on behalf of the Seller and Buyer represent and warrant to the other party that they are legally authorized to sign this agreement on behalf of the Seller or Buyer and that their signature binds the Seller and Buyer to this agreement without any further acts on their part.

20. Heirs, Etc. The covenants in this Agreement shall extend to and bind the heirs, personal representatives, assigns and successors of the respective parties thereto.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first written above.

SELLERS:

Carl William Blass
CARL WILLIAM BLASS
Soc. Sec. No. 518-32-6599

Glenna F. Blass
GLENN A. F. BLASS
Soc. Sec. No. 518-28-5278

BUYER:

PHOENIX DAIRY, LLC
Fed ID. No. 82-0444719

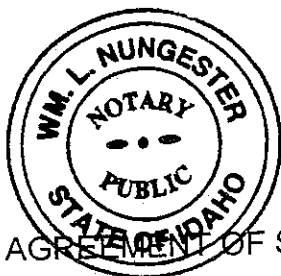
By Norma R. Vierstra
Norma R. Vierstra, Managing Member

By Gregory S. Vierstra
Gregory S. Vierstra, Managing Member

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 30th day of April, 2002, before me, the undersigned, a notary public in and for said county and state, personally appeared CARL WILLIAM BLASS and GLENN A. F. BLASS, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the same day and year in this certificate first above written.



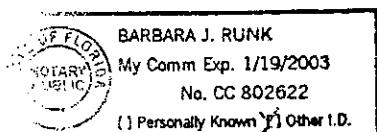
AGREEMENT OF SALE - 5 -

Wm. L. Nungester
NOTARY PUBLIC FOR IDAHO
Residing at: Bull Hill
My Commission Expires: 1-1-03

STATE OF FLORIDA)
) ss.
County of Lee)

On this 2nd day of May, 2002, before me, the undersigned, a notary public in and for said county and state, personally appeared NORMA R. VIERSTRA, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same as a Managing Member of PHOENIX DAIRY, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

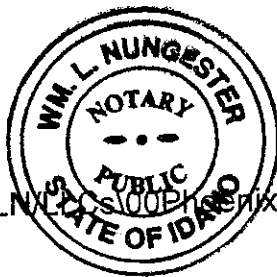


Barbara J. Runk
Barbara J. Runk
NOTARY PUBLIC FOR FLORIDA
Residing at: Fort Myers, FL
My Commission Expires: 1/19/2003

FLC# 11023-036-35-884-0
STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 30th day of April, 2002, before me, the undersigned, a notary public in and for said county and state, personally appeared GREGORY S. VIERSTRA, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same as a Managing Member of PHOENIX DAIRY, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Wm. L. Nungester
NOTARY PUBLIC FOR IDAHO
Residing at: Buhl, ID
My Commission Expires: 1-1-03

WLN\CS\00PhoenixDaiAgrBlass.wpd

EXHIBIT "A"

Legal Description

Township 10 South, Range 16 East, Boise Meridian, Twin Falls County, Idaho
Section 16: W $\frac{1}{2}$ SE $\frac{1}{4}$

EXCEPT that portion thereof described as follows:

COMMENCING at the Northwest corner of the W $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section; running
THENCE South along the West line thereof a distance of 266 feet to the center of the
coulee;
THENCE down and along the center of said coulee North 53°30' East 154 feet;
THENCE North 70°30' East 153 feet;
THENCE North 41° East 163 feet to the North line of said W $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section;
THENCE West along said North line a distance of 370 feet to the Northwest corner of said
W $\frac{1}{2}$ SE $\frac{1}{4}$, the PLACE OF BEGINNING.

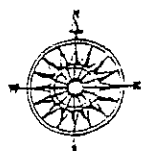
SUBJECT TO Highway District right of way.

TOGETHER with 79 shares of stock of Twin Falls Canal Co.

16-10-16

TITLEFACT, INC.

NW¼NW¼	NE¼NW¼	NW¼NE¼	NE¼NE¼
SW¼NW¼	SE¼NW¼	SW¼NE¼	SE¼NE¼
NW¼SW¼	NE¼SW¼	NW¼SE¼	NE¼SE¼
SW¼SW¼	SE¼SW¼	SW¼SE¼	SE¼SE¼



While this is a representation of the Twin Falls County map of the subject area, *TITLEFACT, INC.*, assumes no liability for variations, if any, with a survey.