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SEP 17 2004

Department of Water Resources
Southern Region

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

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

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, if the change in ownership is limited to a portion of water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
_____	<u>37-481B</u>	_____	_____	<u>37-2625A</u>	_____
_____	<u>37-482B</u>	_____	_____	<u>37-2700</u>	_____
_____	<u>37-483B</u>	_____	_____	<u>37-2638B</u>	_____
_____	<u>37-665K</u>	_____	<u>37-12193</u>	_____	_____
_____	<u>37-667N</u>	_____	<u>37-12194</u>	_____	_____

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 DEPARTMENT OF WATER RESOURCES

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) are for ten or more acres of irrigation, you must submit 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) NMS Leasing, Inc.
P.O. Box 460, Hailey, ID 83333
4. New Owner/Claimant(s) Redstone Partners, L.P.
 Name Connector (Check one): ☐ and, ☐ or ☐ and/or
- New Mailing Address 1188 Eagle Vista Ct.
- City, State and Zip Code Reno, Nevada 89511
- New Telephone Number (208) 726-5191
5. Date you acquired the property July 28, 2004

SUPPORT DATA

IN FILE # 37-12193

6. **IF THE CHANGE IN OWNERSHIP AFFECTS THE ENTIRE WATER RIGHTS FOR EACH WATER RIGHT OR ADJUDICATION CLAIM NUMBER LISTED IN ITEM 1, THEN SKIP THIS ITEM AND GO TO ITEM 7.** If the change of 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)

Redstone Partners, L.P.

By: Steve Beevers
Steve Beevers, Manager of SDB Ventures, Its General Partner

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 10/7/04 Fee 50.00
 Receipted by [Signature] Date 10/7/04 Receipt No. 3027107
 Processed by _____ AJ Date _____ WR _____ Date _____

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

RECEIVED

OCT 07 2004

Department of Water Resources
Southern Region

COPY

(space above line for Recorder's use)

QUITCLAIM DEED

FOR VALUE RECEIVED, NMS Leasing, Inc., an Idaho corporation and Cove Ranch, Inc., an Idaho corporation, hereinafter collectively referred to as "Grantor," do hereby convey, release, remise, and forever quitclaim unto Redstone Partners L.P., a Nevada Limited Partnership, of 1188 Eagle Vista Ct, Reno, NV, (89511), hereinafter referred to as "Grantee," any and all interest Grantor may have in the following described premises, situated in Blaine County, Idaho, to wit:

Any and all water rights appurtenant to the following described premises in Blaine County, Idaho, to wit: (see attached legal description attached as Exhibit "A" and made a part hereof), which may include, but are not limited to, the following: those water rights claimed in the SRBA as 37-481B, 37-482B, 37-483B, 37-665K, 37-667N, 37-2625A, 37-2625B, 37-2638B, 37-2700 and for the enlargement of 37-2625A pursuant to I.C. § 42-1426, and those water rights decreed in the SRBA as 37-12193 and 37-12194.

Located on property shown on Exhibit "A" attached hereto and made a part hereof.

This instrument may be executed in counterparts, and as executed shall constitute on agreement, binding on all parties, even though all the parties do not sign the original or the same counterpart.

IN WITNESS WHEREOF, The Grantor, pursuant to resolutions of such Grantor's Board of Directors has caused their corporate names to be hereunto subscribed by their Presidents and Secretary/Treasurers.

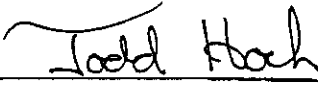
GRANTOR:

NMS Leasing, Inc., an Idaho corporation

DATED this _____ day of July, 2004.

Cary Spalding, President

DATED this _____ day of July, 2004.



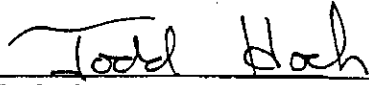
Todd Hoch, Secretary/ Treasurer

Cove Ranch, Inc., an Idaho corporation

DATED this _____ day of July, 2004.

Cary Spalding, President

DATED this _____ day of July, 2004.



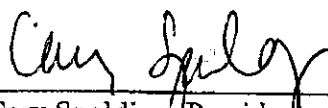
Todd Hoch, Secretary/ Treasurer

IN WITNESS WHEREOF, The Grantor, pursuant to resolutions of such Grantor's Board of Directors has caused their corporate names to be hereunto subscribed by their Presidents and Secretary/Treasurers.

GRANTOR:

NMS Leasing, Inc., an Idaho corporation

DATED this 26 day of July, 2004.

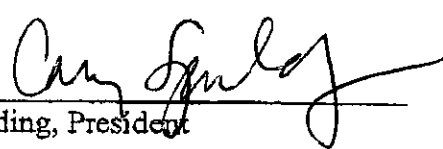

Cary Spalding, President

DATED this 26th day of July, 2004.

Todd Hoch, Secretary/ Treasurer

Cove Ranch, Inc., an Idaho corporation

DATED this 26 day of July, 2004.


Cary Spalding, President

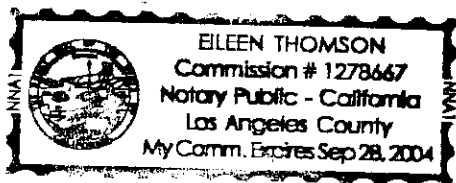
DATED this _____ day of July, 2004.

Todd Hoch, Secretary/ Treasurer

STATE OF California)
County of Los Angeles)

On this 26th day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Cary Spalding, President of NMS Leasing, Inc. known to me to be the President of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

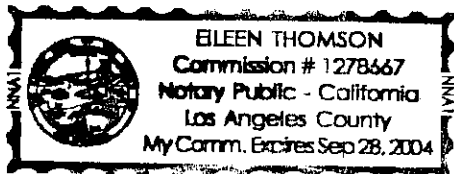


Eileen Thomson
Notary Public for California
Residing at: Los Angeles
My Commission Expires: 9-28-2004

STATE OF California)
County of Los Angeles)

On this 26th day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Cary Spalding, President of Cove Ranch, Inc. known to me to be the President of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Eileen Thomson
Notary Public for California
Residing at: Los Angeles
My Commission Expires: 9-28-2004

STATE OF Hawaii)
) ss
County of Honolulu)

On this 23rd day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Todd Hoch, Secretary/ Treasurer of NMS Leasing, Inc. known to me to be the Secretary/ Treasurer of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

LS

Emelda C Basilio EMELDA C BASILIO
Notary Public for State of Hawaii
Residing at: Honolulu, Hawaii
My Commission Expires: AUG 05 2005

STATE OF Hawaii)
) ss
County of Honolulu)

On this 23rd day of July, 2004, before me, the undersigned, a notary public in and for said State, personally appeared Todd Hoch, Secretary/ Treasurer of Cove Ranch, Inc. known to me to be the Secretary/ Treasurer of said corporation and the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in said capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

LS

Emelda C Basilio EMELDA C BASILIO
Notary Public for ~~Hawaii~~ State of Hawaii
Residing at: Honolulu, Hawaii
My Commission Expires: AUG 05 2005

FAWPDATA\REAL\Cove Ranch\QUITCLAIM.frm

QUITCLAIM DEED - 4

LEGAL DESCRIPTION OF COVE RANCH

1

A parcel of land lying within Sections 13, 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34 Township 1 North, Range 19 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a 5/8" Rebar marking the N 1/16 (North One-Sixteenth) corner common to said Sections 17 and 18, which lies South 00°49' East 1310.8 feet from a 5/8" Rebar marking the Northwest corner of said Section 17, said point being the REAL POINT OF BEGINNING;

thence North 89°36' East 2631.3 feet along the southerly boundary of Griffin Ranch Subdivision, Instrument No. 385534 as Recorded with the Blaine County Recorder's Office, Hailey, Idaho to a 5/8" Rebar marking the CN 1/16 (Center North One-Sixteenth) of said Section 17;

thence North 1°09' West 5.8 feet along the boundary of said Griffin Ranch Subdivision Boundary to a 5/8" Rebar marking the Southwest corner of U.S. Government Lot 2 of said Section 17;

thence North 89°28' East 1315.1 feet along the boundary of said Griffin Ranch Subdivision to the Southeast corner of U.S. Government Lot 2 of said Section 17;

thence South 00°55' East 1319.2 feet to the Southwest corner of U.S. Government Lot 3 of said Section 17;

thence North 89°36' East 1334.1 feet to the W 1/4 (West One-Quarter) corner of said Section 16;

thence South 00°37' East 2621.0 feet to the Southwest corner of said Section 16;

thence North 88°44' East 1356.9 feet to the W 1/16 (West One-Sixteenth) corner common to said Sections 16 and 21;

thence South 00°48' East 323.0 feet along the boundary common to U.S. Government Lots 3 and 8 of said Section 21 to its intersection with the Northerly boundary of the Hidden Treasure No. 2 Extension Lode of said Section 21;

thence South 61°02' West 627.1 feet along the boundary common to U.S. Government Lot 8 of said Section 21 and the northerly boundaries of Hidden Treasure No. 1 Extension Lode and Hidden Treasure No. 2 Extension Lode to the Northwest corner of Hidden Treasure No. 1 Extension Lode of said section 21;

thence South 03°05' West 1478.2 feet to the Northwest corner of Hidden Treasure No. 1 Lode of said Section 21;

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thence North 27°12' West 47.8 feet to the Northeast corner of the Ione Lode of said Section 21;

thence South 78°58' West 263.7 feet to the Northwest corner of the said Ione Lode;

thence South 41°29' East 371.8 feet to the westerly corner of the said Ione Lode;

thence South 14°16' East 1100.6 feet to the Southwest corner of said Ione Lode;

thence North 77°47' East 526.5 feet to the Southeast corner of said Ione Lode;

thence South 29°19' East 47.3 feet to the Southwest corner of said Hidden Treasure No. 1 Lode;

thence South 30°59' East 1492.6 feet to the Southwest corner of the Idaho Central No. 1 Lode of said Section 21;

thence North 60°28' East 503.5 feet to the intersection with the East boundary of the SW 1/4 (Southwest One-Quarter) of said Section 21;

thence South 01°21' East 850.0 feet, more or less, to the S 1/4 (South One-Quarter) corner of said Section 21;

thence South 89°50' East 2405.8 feet to the Southeast corner of said Section 21;

thence North 00°01' West 2664.6 feet to the E 1/4 (East One-Quarter) corner of said Section 21;

thence North 89°42' West 1270.9 feet to the CE 1/16 (Center East One-Sixteenth) corner of said Section 21;

thence North 00°07' West 2664.6 feet to the E 1/16 (East One-Sixteenth) corner common to said Sections 21 and 16;

thence South 89°47' East 1277.7 feet to the Northeast corner of said Section 21;

thence North 00°01' West 3962.7 feet to the North 1/16 (North One-Sixteenth) corner common to said Sections 15 and 16;

thence North 89°55' East 1320.1 feet to the NW 1/16 (Northwest One-Sixteenth) corner of said Section 15;

thence South 00°02' East 1319.1 feet to the CW 1/16 (Center West One-Sixteenth) corner of said Section 15;

thence South 90°00' East 3959.4 feet to the East 1/4 (East One-Quarter) corner of said Section 15;

thence South 90°00' East 2639.6 feet to the C 1/4 (Center One-Quarter) corner of said Section 14;

thence South 00°01' East 1319.1 feet to the CS 1/16 (Center South One-Sixteenth) corner of said Section 14;

thence North 89°52' East 1320.2 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 14;

thence North 00°00' East 2641.8 feet to the NE 1/16 (Northeast One-Sixteenth) corner of said Section 14;

thence South 89°52' East 1320.1 feet to the N 1/16 (North One-Sixteenth) corner common to said Sections 13 and 14;

thence South 00°01' East 3957.3 feet to the Southwest corner of Section 13;

thence North 89°48' West 1320.4 feet to the E 1/16 (East One-Sixteenth) common to said Sections 14 and 23;

thence South 00°01' East 1319.1 feet to the NE 1/16 (Northeast One-Sixteenth) corner of said Section 23;

thence South 89°53' East 1315.1 feet to the North 1/16 corner common to said Sections 23 and 24;

thence South 89°53' East 1315.1 feet to the NW 1/16 (Northwest One-Sixteenth) corner of said Section 24;

thence South 00°11' East 2638.2 feet to the SW 1/16 (Southwest One-Sixteenth) corner of said Section 24;

thence North 89°49' West 1317.5 feet to the S 1/16 (South One-Sixteenth) corner common to said Sections 24 and 23;

thence South 00°01' East 1319.1 feet to the Southeast corner of said Section 23;

thence North 89°47' West 1318.3 feet to the E 1/16 (East One-Sixteenth) corner common to said Sections 23 and 26;

thence South 00°50' East 3973.0 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 26;

thence North 89°55' West 3857.8 feet to the S 1/16 (South One-Sixteenth) corner common to said Sections 26 and 27;

thence North 89°55' West 1285.9 feet to the SE 1/16 (Southeast One-Sixteenth) corner of said Section 27;

thence South 00°17' East 1331.6 feet to the East 1/16 (East One-Sixteenth) corner common to said Sections 27 and 34;

thence South 00°17' East 2663.2 feet to the CE 1/16 (Center East One-Sixteenth) corner of said Section 34;

thence North 89°44' West 3885.9 feet to the W 1/4 (West One-Quarter) corner of said Section 34;

thence South 89°46' West 536.7 feet along the South boundary of the NE 1/4 (Northeast One-Quarter) of said Section 33 to its intersection with the former Railroad right-of-way, lying 100 feet from centerline;

thence North 31°10' West 9304.8 feet along the Railroad right-of-way to its intersection with the West boundary of said Section 21;

thence South 00°37' East 98.3 feet along the Railroad right-of-way to the ITD brass cap marking the corner common to Sections 20, 21, 28, and 29, lying 50 feet from centerline;

thence North 31°09' West 6108.6 feet along the former Railroad right-of-way to its intersection with the boundary common to said Sections 17 and 20;

thence North 89°39' East 58.2 feet along said Section line to a point lying 100 feet from the former Railroad centerline;

thence North 31°09' West 4455.5 feet along the Railroad right-of-way to its intersection with the said Griffin Ranch Subdivision boundary;

thence North 00°49' West 96.4 feet along said Griffin Ranch Subdivision boundary to the REAL POINT OF BEGINNING.

A parcel of land lying within Sections 13, 14, 15, 17, 20, 21, 22, 23, 24, 26, 27, 28, 33, and 34

Township 1 North, Range 19 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a 5/8" Rebar marking the N 1/16 (North One-Sixteenth) common to said Sections 17 and 18, which lies South 00°49' East 1310.8 feet from a 5/8" Rebar marking the Northwest corner of said Section 17, thence South 00°49' East 492.4 feet along the West boundary of said Section 17 to its intersection with the Railroad right-of-way and the REAL POINT OF BEGINNING;

thence South 00°49' East 818.4 feet to the W 1/4 (West One Quarter) of said Section 17;

thence South 00°50' East 2612.4 feet to the Southwest corner of said Section 17;

thence South 00°48' East 1298.0 feet to the N 1/16 (North One Sixteenth) corner common to said Sections 20 and 19;

thence South 89°59' East 2623.7 feet to the CN 1/16 (Center North One- Sixteenth) corner common to said Section 20;

thence North 01°02' West 386.1 feet to the intersection with the Rail Road right- of-way, lying 50 feet from centerline;

thence North 31°09' West 1081.3 feet, more or less, along said Rail Road right -of - way to a point on the boundary of said Sections 17 and 20;

thence South 89°39' West 58.2 feet along said Section line to a point lying 100 feet from centerline;

thence North 31°09' West 3994.5 feet along the Rail Road right-of-way to the REAL POINT OF BEGINNING.

U.S. Government Lot 1, Section 19, Township 1 North, Range 20 East, Boise Meridian, Blaine County, Idaho and more particularly described as follows:

Beginning at a Brass Cap marking the Section corner common to said Sections 22,23,27, and 26, which lies North 00°39' West 2640.1 feet from a Brass Cap marking the West 1/4 (West One Quarter) corner common to Sections 26 and 27, thence North 63°10' East 11,711.2 feet to the REAL POINT OF BEGINNING;

thence North 90°00' East 1249.6 feet;

thence South 00°00' East 1320.0 feet

thence South 89°58' West 1256.5 feet

thence North 00°18' West 1320.7 feet to the REAL POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTIONS LYING WITHIN THE RAILROAD RIGHT-OF-WAY.