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MAY - 6 2002

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

RECEIVED
APR 30 1999
WATER RESOURCES
WESTERN REGION

Please print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.

1. Water Right or Adjudication Claim No(s): 77-04216
2. The following **REQUIRED** information must be submitted with this form:
 - A. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**
 - AND
 - B. **PLAT OF PROPERTY** or **SURVEY MAP** for parcel of ten acres or less. (These are usually attached to your deed or on file with the county.)
 - OR
 - C. For water rights or adjudication claims involving ten or more irrigated acres, a USDA Farm Service Agency **AERIAL PHOTO** with irrigated acres outlined and point(s) of diversion clearly marked.
3. Name and Address of Former Owner/Claimant DIXIE OUTFITTERS % Emmett Smith
4. New Owner/Claimant(s) DIXIE ID 83525
Dixie Outfitters
% Ronald L. and/or Patsy B. West
Name Connector (Check one): [] and, [] or, ☒ and/or
 New Mailing Address P.O. Box 33
 City, State and ZIP Code DIXIE ID 83525
 New Telephone Number (208) 842-2417
5. Date you acquired the property Jan. 20, 1998
6. **If you have acquired only a portion of the former owner's property**, IDWR may need to split the water right(s) or adjudication claim(s). If this applies, describe in detail your portion of each water right or adjudication claim in the spaces below. If necessary, attach additional pages.
 Number of acres you irrigate _____ Number and type of stock _____
 Diversion rate in CFS _____ Number of homes _____ Other uses _____
 If a water right or adjudication claim is being split and you are not sure how to identify your portion of the original right or claim, please contact the nearest IDWR office for assistance.
7. Signature of New Owner or Claimant(s) Ronald L. West
Patsy B. West
8. For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him or her for all matters related to your claims.

Corporations or other organizations must submit a list of directors and/or officers demonstrating authority to sign this form.

Dixie Outfitters Inc.
90 Ronald West
P.O. Box 33
Dixie ID 83525
SRBA Water Right #7704216

Copy

map Attached

BUSINESS SALE AGREEMENT

THIS AGREEMENT, made and entered into on this 20th day of January, 1998, by and between DIXIE OUTFITTERS, INC., a Washington corporation duly authorized to do business in Idaho, joined by EMMETT SMITH and ZONA SMITH, husband and wife, of 2674 Dixie Creek, Road Cambridge, ID 83610, all hereinafter referred to as the Sellers, and RONALD L. WEST and PATSY B. WEST, husband and wife, joined by BRADLEY L. WEST, their son, all of P.O. Box 33, Dixie, ID 83525, hereinafter referred to as the Buyers.

WITNESSETH:

WHEREAS, concurrently with the execution of this agreement the Sellers have been operating that business known as Dixie Outfitters, Dixie, Idaho, and have made an agreement to sell the same to the Buyers upon the execution of this agreement, including certain real property associated with that business; and,

WHEREAS, included within that sale is all of the business known and operated under the firm, name, and style of Dixie Outfitters, Inc. and it is specifically understood that what is being sold is all of the common stock of Dixie Outfitters, Inc. currently held by Emmett Smith and Zona Smith, individually, being all of the issued and outstanding shares of that corporation. Furthermore, the parties individually and the corporation agree that within the corporation the assets that will go as corporate assets include the following properties:

- a) The Main Dixie Outfitters' Lodge located on Lots 25, 26, 27, 28, 29, and 30 in Block C of the Dixie Subdivision, Idaho County, Idaho;
- b) All necessary furnishings currently in the lodge, less the Smiths' own individual and personal property;
- c) Pack and riding stock currently amounting to 10 horses and 10 mules; and,
- d) Stock, tack, and gear to operate three camps.

Furthermore, this sale shall include a leasehold interest for the log storage building located on Lots 23 and 24, Block C, of the Dixie Subdivision and there shall be a lease and option as described hereinafter in relation to the property housing the

BUSINESS SALE AGREEMENT - 1

Per Joyce @ Idaho
City Assessor's:
T26N R8E S27

KM
6.1.05

historic barn and corrals which are located on Lots 21, 22, 23, 24, 25, and 26, Block G, and the West 40 feet of Lot 10, together with the West side of the vacated road adjacent to Lots 21 through 26 and all of the vacated road adjacent to Lot 10 in said Block G of the Dixie Subdivision; and,

WHEREAS, the parties now desire to reduce their agreements to writing.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING PREMISES IT IS HEREBY COVENANTED, PROMISED, AND AGREED AS FOLLOWS:

I.

The Sellers hereby agree to sell and the Buyers agree to buy all of that certain business known and operated under the firm, name, and style of Dixie Outfitters and shall acquire that business by acquiring all of the common stock issued and outstanding in and to Dixie Outfitters, Inc., being 1,000 shares of the stock. Within the corporation shall be those specific assets described above. It is understood that the Sellers shall execute and deliver those existing stock certificates properly endorsed to the Buyers and the corporation shall execute new stock certificates showing ownership in the Buyers as they may direct. Those stock certificates shall then be held in escrow at Forsmann Accounting Service, Cottonwood, Idaho, upon the successful payment of the sums herein mentioned. Furthermore, as additional security the corporation shall then execute Deeds of Trust of the real estate and Security Agreements as to the personal property, including the business, to the individuals Smith as and for additional security. The parties understand that concerning the common stock it will be held in escrow pending ultimate delivery when final payment is made. Uniform Commercial Code Financing Statements as to the individual pieces of equipment and to the stock as additional security will be executed in favor of the Sellers at the time of closing. Those financing statements shall be filed with the Secretary of State of Idaho. All insurable items will be properly insured with the Smiths being named as loss payees on any fire or casualty insurance policies. The parties also agree that at the time of this closing

there will be appropriate escrow instructions to Forsmann Accounting Service executed, with each party paying one-half of those initial costs and annual costs thereafter. Furthermore, a Promissory Note evidencing the debt shall be executed for the payments that are hereunder required.

II.

PURCHASE PRICE: The parties understand and agree that the total price for the property and the right to the initial leases shall be the sum of \$250,000.00, lawful money of the United States of America, payable and to be paid in the following manner, to wit:

a) By the payment of \$35,000.00 down upon the closing of this transaction, which sum includes the \$500.00 earnest money earlier deposited with Attorney Dennis L. Albers.

b) The remaining sum of \$215,000.00 shall be paid at the rate of \$18,447.70 per year which payment shall include interest at the rate of 8% per annum on the unpaid balance of principal, beginning with the first payment of such amount on or before the 1st day of December, 1998 and with a like payment of such amount on or before the same date of each consecutive year thereafter that there shall remain a balance of principal and accrued interest. However, there shall be a balloon payment of interest that has accrued and is yet remaining on the 1st day of December, 2012, at which time all payments shall be paid. Interest on the aforesaid balance of \$215,000.00 shall begin to accrue on the date of closing which is the date of this agreement. The parties understand that as of this time all conditions which were set in paragraph 6 of the Earnest Money and Conditional Agreement to Sell Outfitting Business have been met and that the Buyers are now licensed through the Idaho Outfitters and Guides Board and are in a position to receive the appropriate Forest Service Permits associated with that business. The parties understand and agree that the sale of the Wests' home, also referred to in paragraph 6, has likewise been accomplished and all contingencies are eliminated by the execution of this agreement.

III.

The parties understand that as to the real estate that is being purchased as part of this transaction the sum of \$150,000.00 is attributed to that real estate which is the portion of property housing the main lodge building. A commitment for title insurance has been secured showing good title in the corporation as to the property being conveyed and a title insurance policy shall be executed, secured, and paid for at the Smiths' expense after all recordings have been accomplished.

IV.

All real and personal property taxes that might be attributable to the real or personal property belonging to the corporation shall be prorated as of January 1, 1998 and all taxes prior to that day will be paid by the Sellers with all taxes thereafter being paid by the Buyers.

V.

The Promissory Note and Security Agreement relating to the real and personal property cannot be sold without the express written consent of the Sellers and without the underlying balance being prepaid. However, the Sellers may choose in their sole consent and sole discretion to allow an assignment to future purchasers, but that decision will always be with the Sellers exclusively.

VI.

All property will be properly maintained in good working order at all times and there will be replacement items to keep the quantity of equipment, tack, and livestock at the same level as of the original sale at this time.

VII.

The parties understand that there will be leases of two lots, the storage building, historic barn and corrals. Those will be continued to be leased by the Sellers as individuals to the buyer corporation and guaranteed by the Buyers, who shall have control of the corporation for an annual rent equal to the taxes imposed by Idaho County, Idaho on those properties. Those leases shall

further require that casualty insurance be placed on the leased buildings and paid for by the Buyers at all times. Those leases shall continue so long as the payments under the Promissory Note are being made to guarantee the Buyers having possession of these additional buildings and properties as well.

Additionally, the Buyers and the corporation shall maintain general liability insurance in the sum of at least \$300,000.00 on the operations and on the premises. As to the leased properties, the individual Sellers, Smith, shall be named as additional named insureds on those leases so long as those leases remain in place.

VIII.

It is further agreed, in accordance with the parties' Earnest Money Agreement, that as to the two lots, the storage building, the historic barn and corrals the Sellers shall grant a Deed of Right of First Refusal to those items in favor of the Buyer corporation, who shall be entitled to notice in the event that if those items would be sold these Buyers, or their corporation, shall have the opportunity to meet any independent third party offer for those particular items. Those rights relating to those lots and leased items shall be subject to the following restrictions:

The Sellers shall not accept any offer from any third party to sell Lots 23 and 24, with the log storage building, for a period of three (3) years from the date of this agreement. The Sellers shall not accept any offer from a third party to sell Lots 21, 22, 23, 24, 25 and 26, Block G, and the West 40 feet of Lot 10, together with the West side of the vacated road adjacent to Lots 21 through 26 and all of the vacated road adjacent to Lot 10, Block G, including the historic barn, for five (5) years from this date.

All of those terms shall be expressed in the Deed of Right of First Refusal.

IX.

It is understood that while the corporation is under the control of the Sellers they will pay all debts and creditors for bills that were incurred prior to January 1, 1998, including the sales tax and they will hold the Buyers harmless on account of those debts incurred prior to that date. The Buyers agree for themselves, acting through their corporation, that they will pay all debts incurred hereafter, including said sales tax obligations.

X.

The parties agree further that the land, building, right to the business, and stock constitutes one asset package and consequently in the event of a foreclosure all of the security shall be sold at one time for one price, so that the entire operation can be maintained as one economic unit.

XI.

BREACH OF CONTRACT: In the event that any of the parties breach this agreement in any respect or fail in any respect to follow the terms hereof the defaulting party shall pay to the prevailing party in any suit or action brought to enforce the terms of this agreement their costs and disbursements allowed by law and a reasonable attorney's fee.

XII.

BINDING EFFECT: It is mutually covenanted, promised, and agreed that the provisions of this agreement shall apply to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto as if in each covenant they were specifically mentioned.

ADDITIONAL PROVISIONS:

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

DIXIE OUTFITTERS, INC.

By Emmett Smith
EMMETT SMITH, President

ATTEST:

Zona Smith
ZONA SMITH, Secretary

Emmett Smith
EMMETT SMITH

Zona Smith
ZONA SMITH

Ronald L. West
RONALD L. WEST

Patsy B. West
PATSY B. WEST

Bradley L. West
BRADLEY L. WEST

STATE OF IDAHO)
County of Idaho) ss

On this 20th day of January, 1998, before me, a Notary Public
in and for said County and State, personally appeared EMMETT SMITH
and ZONA SMITH, President and Secretary, respectively, of Dixie
Outfitters, Inc., known to me to be the persons whose names are
subscribed to the within instrument and they acknowledged to me
that they freely executed the same for and on behalf of said
corporation.

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

(NOTARY SEAL)

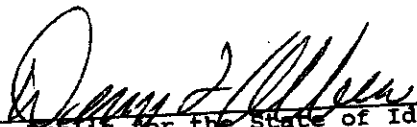
Wm. J. Mills
Notary Public for the State of Idaho,
Residing at Grangeville, therein.
My commission expires 12-25-2000.

STATE OF IDAHO)
ss
County of Idaho)

On this 29th day of January, 1998, before me, a Notary Public in and for said County and State, personally appeared EMMETT SMITH and ZONA SMITH, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and they acknowledged to me that they freely executed the same.

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

(NOTARY SEAL)

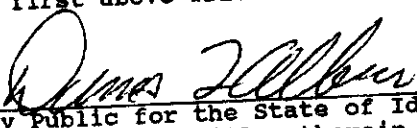

Notary Public for the State of Idaho,
Residing at Grangeville, therein.
My commission expires 12-25-2001.

STATE OF IDAHO)
ss
County of Idaho)

On this 29th day of January, 1998, before me, a Notary Public in and for said County and State, personally appeared RONALD L. WEST and PATSY B. WEST, husband and wife, and BRADLEY L. WEST, a single person, known to me to be the persons whose names are subscribed to the within instrument and they acknowledged to me that they freely executed the same.

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

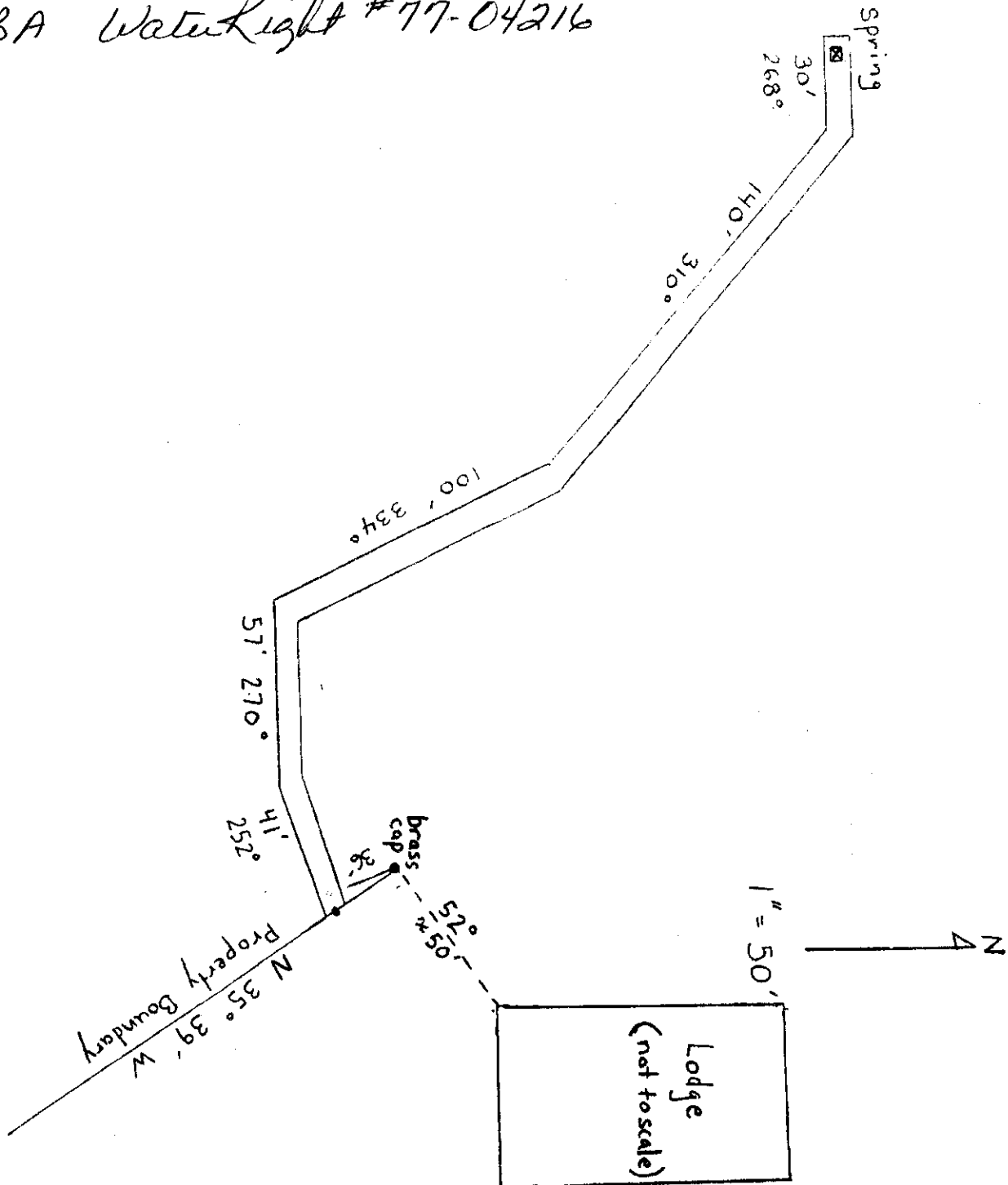
(NOTARY SEAL)


Notary Public for the State of Idaho,
Residing at Grangeville, therein.
My commission expires 12-5-2000.

Copy

Dixie Outfitters Inc.
c/o Ronald West
PO Box 33
Dixie ID 83525

SRBA Water Right #77-04216



7/10/87
DRC