

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-221C, 22-222A, 22-435A
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15 to 10/31		0.6	
Aesthetic & Other Storage	1/1 to 12/31			106.0 af
Irrigation	4/15 to 10/31		2.93	513.5 af
Totals:			3.53 cfs	619.5 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL
SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

IRRIGATION, IRRIGATION FROM STORAGE

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	13									15	17							32
3N	45E	14													38	39	40	39	156
3N	45E	23	39	40	40	39									13	8			179
3N	45E	24					19	19			2								40

Total Acres*: 407

*IRRIGATION USE IS LIMITED TO 146.7 ACRES WITHIN THE 407 POU.

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	13									X	X							
3N	45E	14													X	X	X	X	
3N	45E	23	X	X	X	X									X	X			
3N	45E	24						X			X								

The fee for rental of the above-described water is \$ 6,814.50 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 681.45. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, irrigation storage, wildlife storage, recreation storage, and fire protection storage.
3. The total pond surface area is limited to 30.3 acres.
4. Use of water under this agreement is limited to the irrigation of 146.7 acres within place of use described above.
5. Upon Department request, the renter shall provide for the measurement of the

water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.

6. Use of water under this agreement does not constitute a dedication of the water to renter's land and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
7. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
8. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
9. Acceptance of a right into the bank, and rental of a right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
10. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
11. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
12. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
13. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
14. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
15. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Vinger pres.
for

TRAIL CREEK SPRINKLER IRRIGATION CO.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 20th day of December, 2004.



KARL J. DREHER, Director
Department of Water Resources

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15 to 10/31		2.14 cfs	
Aesthetic & Other Storage	1/1 to 12/31			187.2 af
Irrigation	4/15 to 10/31		9.46 cfs	827.8 af
Commercial	1/1 to 12/31		0.4 cfs	35 af
Totals:			12.0 cfs	1,050 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL

SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

IRRIGATION, IRRIGATION FROM STORAGE

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	14									28.1	30.9	33.2	35.3					127.5
3N	45E	23					16	35	34	22									107
4N	45E	34									2								2

Total Acres: 236.5

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	2	X			X													
3N	45E	3		X															
3N	45E	11									X								
3N	45E	14									X	X	X	X					
3N	45E	15											X	X					
3N	45E	23					X	X		X									

COMMERCIAL

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4N	45E	35													X				

The fee for rental of the above-described water is \$ 11,550 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 1,155.00. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, irrigation storage, wildlife storage, recreation storage, and fire protection storage.

3. The use of water is limited to a total combined diversion rate of 12.0 cfs and diversion volume of 1050 acre-feet in a single irrigation season.
4. The total pond surface area is limited to 53.5 acres.
5. Commercial use is limited to a 10-acre place of use.
6. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
7. Use of water under this agreement does not constitute a dedication of the water to renter's land and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
10. Acceptance of a right into the bank, and rental of a right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
11. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
12. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
13. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
14. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
15. In the event that continued water use is not authorized, the renter agrees to hold

the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.

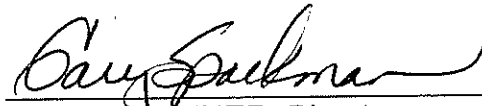
16. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Winger pres.
for

Trail Creek Sprinkler Irrigation Co.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 20th day of December, 2004.



KARL J. DREHER, Director
Department of Water Resources

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-90, 22-524, 22-602A, 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.
6. Quantity and Use of water rented:

Beneficial Use	Season of Use To From	Diversion Rate	Annual Volume
Diversion to Storage	4/15 to 10/31	0.3 cfs	
Aesthetic & Other Storage	1/1 to 12/31		17.5 af
Totals:		0.3 cfs	17.5 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL
SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	16													X				

The fee for rental of the above-described water is \$ 192.50 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 19.25. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, wildlife storage, recreation storage, and fire protection storage.
3. The total pond surface area is limited to 5 acres.
4. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
5. Use of water under this agreement does not constitute a dedication of the water to renter's land and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
6. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
8. Acceptance of a right into the bank, and rental of a right from the bank does not,

in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.

9. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
10. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
11. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
12. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
13. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
14. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Winger pres.
for

Trail Creek SPRINKLER Irrigation Co.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 20th day of December, 2004.

Karl J. Dreher
KARL J. DREHER, Director
Department of Water Resources



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.

November 16, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

TRAIL CREEK SPRINKLER IRRIGATION COMPANY
PO BOX 131
VICTOR ID 83455

**RE: APPLICATION TO LEASE PART OF WATER RIGHTS ASSOCIATED
WITH SRBA CLAIM NO(S). 22-221C, 22-222A, AND 22-435A TO THE
WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources ("department") has completed its review of the Applications to Sell or Lease Water Right(s) to the Water Supply Bank ("bank"). Please consider that the offered water right(s) associated with the Snake River Basin Adjudication Claims ("claim") referenced above are accepted into the bank. Enclosed is a map identifying the location of the acres accepted for lease.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. The water rights referenced above are leased to the bank in their entirety. The total lease amounts associated with the rights are identified below:

Right Nos.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Diversion Volume (acre-feet, af)
See above	177 ac	3.53 cfs	619.5 af

2. Use of water under this lease relates is authorized within the 407-acre place of use described by the SRBA claim nos. referenced above.
3. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. The validity of a water right will be

SUPPORT DATA

IN FILE # 22-90

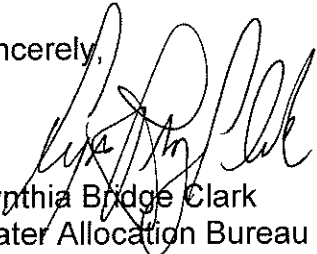
reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.

6. The amounts and conditions of the lease acceptance may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
9. The lease will not take affect until written acknowledgement of the conditions of acceptance is provided to the department by the lessor.

The right(s) will automatically be released from the bank on **December 31, 2009**, unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the bank, the lessor must submit a request in writing to the department prior to the release date.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

Enclosure

- c: Roger Warner -- IDWR Eastern Regional Office
Allen Ruberry -- IDWR Eastern Regional Office
Kent Foster -- Holden, Kidwell, Hahn & Crapo, P.L.L.C.
Jerry R. Rigby -- Rigby, Thatcher, Andrus, Rigby & Moeller, Chtd.



Acres Accepted for Lease to the Water Supply Bank in the name of Trail Creek Sprinkler irrigation Company 5 Acres Leased



**Acres Accepted for Lease to the Water Supply Bank
(5 acres total leased)**



**SRBA Claims 22-223, 2-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003,
22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011
(claims with 7327 ac POU).**



SRBA Claims 22-90, 22-524, 22-602A (claims with 413 ac POU).



Township and Range Lines

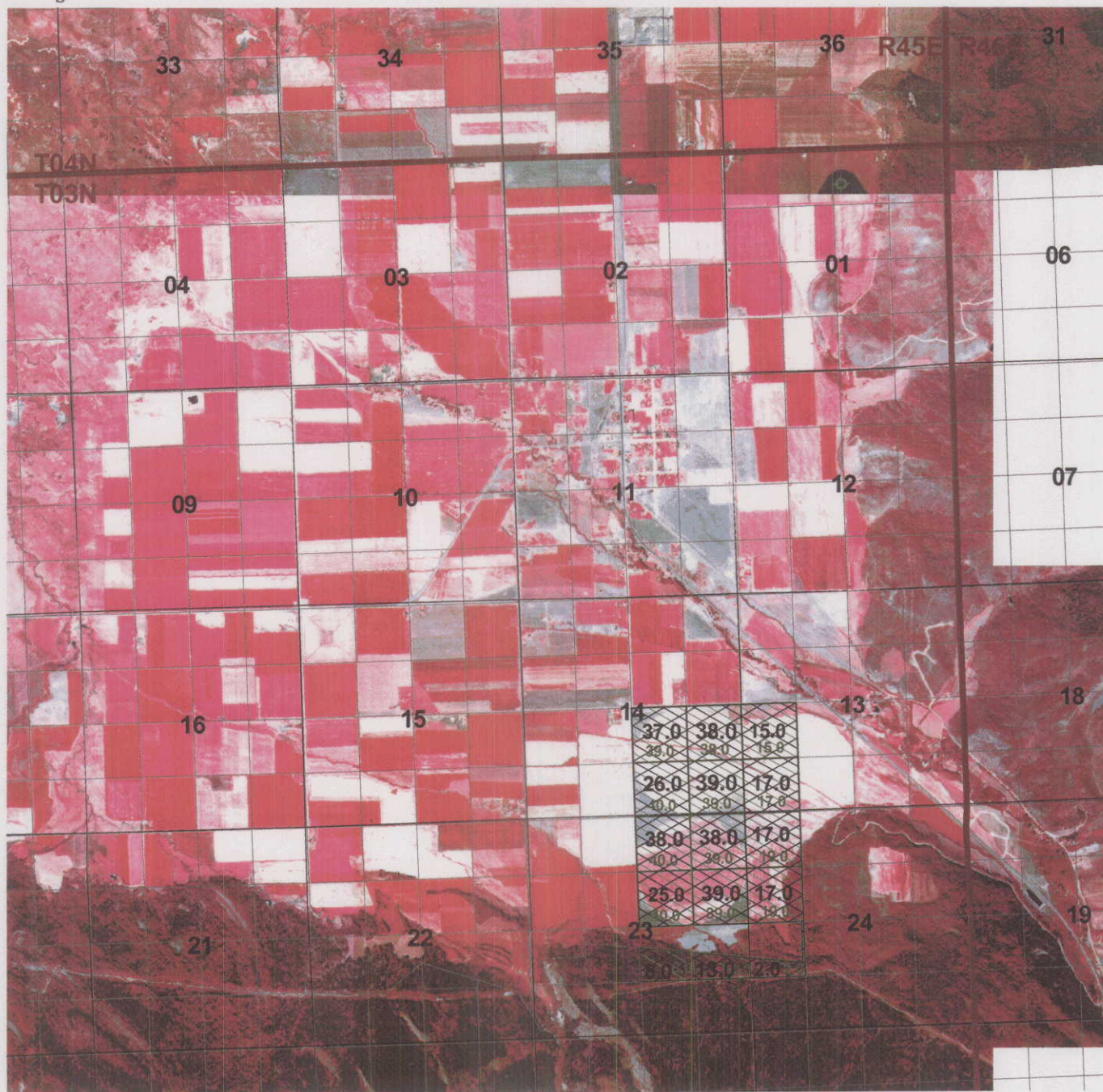


Section Lines

1987 NAPP Infrared Imagery



Acres Accepted for Lease to the Water Supply Bank in the name of Trail Creek Sprinkler irrigation Company 177 Acres Leased (407-Acre POU)



1987 NAPP Infrared Imagery



**177 Acres Accepted for Lease to the Water Supply Bank
(Lease limits irrigation of 177 acres within 407-acre POU)**



SRBA Claims 22-221C, 22-222A, 22-435A (claims with 407 ac POU).



Township and Range Lines



Section Lines



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

November 16, 2004

DIRK KEMPTHORNE
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KARL J. DREHER
Director

TRAIL CREEK SPRINKLER IRRIGATION COMPANY
PO BOX 131
VICTOR ID 83455

**RE: APPLICATION TO LEASE PART OF WATER RIGHTS ASSOCIATED
WITH SRBA CLAIM NO(S). 22-90, 22-524, 22-602A, 22-223, 22-355, 22-
559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-
13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011 TO THE
WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources ("department") has completed its review of the Applications to Sell or Lease Water Right(s) to the Water Supply Bank ("bank"). Please consider that the offered water right(s) associated with the Snake River Basin Adjudication Claims ("claim") referenced above are accepted into the bank. Enclosed is a map identifying the location of the acres accepted for lease.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. Portions of the above referenced water rights are leased to the bank as follows:

Right No.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Diversion Volume (acre-feet, af)
See above	5.0 ac	0.3 cfs	17.5 af

2. The lands leased to the bank include 5 acres within the NESE of section 16, T03N, R45E, Teton County, B.M.
3. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right

SUPPORT DATA

IN FILE # _____

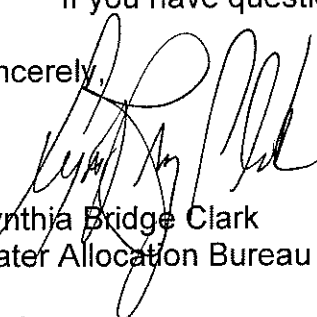
including the notion of resumption of use. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.

6. The amounts and conditions of the lease acceptance may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
9. The lease will not take affect until written acknowledgement of the conditions of acceptance is provided to the department by the lessor.

The right(s) will automatically be released from the bank on **December 31, 2009**, unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the bank, the lessor must submit a request in writing to the department prior to the release date.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

Enclosure

- c: Roger Warner -- IDWR Eastern Regional Office
Allen Ruberry -- IDWR Eastern Regional Office
Kent Foster -- Holden, Kidwell, Hahn & Crapo, P.L.L.C.
Jerry R. Rigby -- Rigby, Thatcher, Andrus, Rigby & Moeller, Chtd.



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

November 16, 2004

TRAIL CREEK SPRINKLER IRRIGATION COMPANY
PO BOX 131
VICTOR ID 83455

RE: APPLICATION TO LEASE PART OF WATER RIGHTS ASSOCIATED WITH SRBA CLAIM NO(S). 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011 TO THE WATER SUPPLY BANK

Dear Lessor:

The Department of Water Resources ("department") has completed its review of the Applications to Sell or Lease Water Right(s) to the Water Supply Bank ("bank"). Please consider that the offered water right(s) associated with the Snake River Basin Adjudication Claims ("claim") referenced above are accepted into the bank. Enclosed is a map identifying the location of the acres accepted for lease.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. Portions of the above referenced water rights are leased to the bank as follows:

Right No.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Diversion Volume (acre-feet, af)
See above	300 ac	12.0 cfs	1,050 af

2. The lands leased to the water supply bank are described below:

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	2	8			10													18
3N	45E	3		6															6
3N	45E	11									2								2
3N	45E	14									33	38	38	37					146
3N	45E	15											2						2
3N	45E	23					19	36	34	25									114
4N	45E	34									2								2
4N	45E	35													10				10

SUPPORT DATA

Total Acres Leased: 300

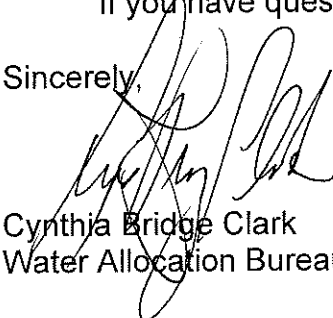
IN FILE # 22-90

3. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
6. The amounts and conditions of the lease acceptance may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
9. The lease will not take affect until written acknowledgement of the conditions of acceptance is provided to the department by the lessor.

The right(s) will automatically be released from the bank on **December 31, 2009**, unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the bank, the lessor must submit a request in writing to the department prior to the release date.

If you have questions, please feel free to contact me.

Sincerely,



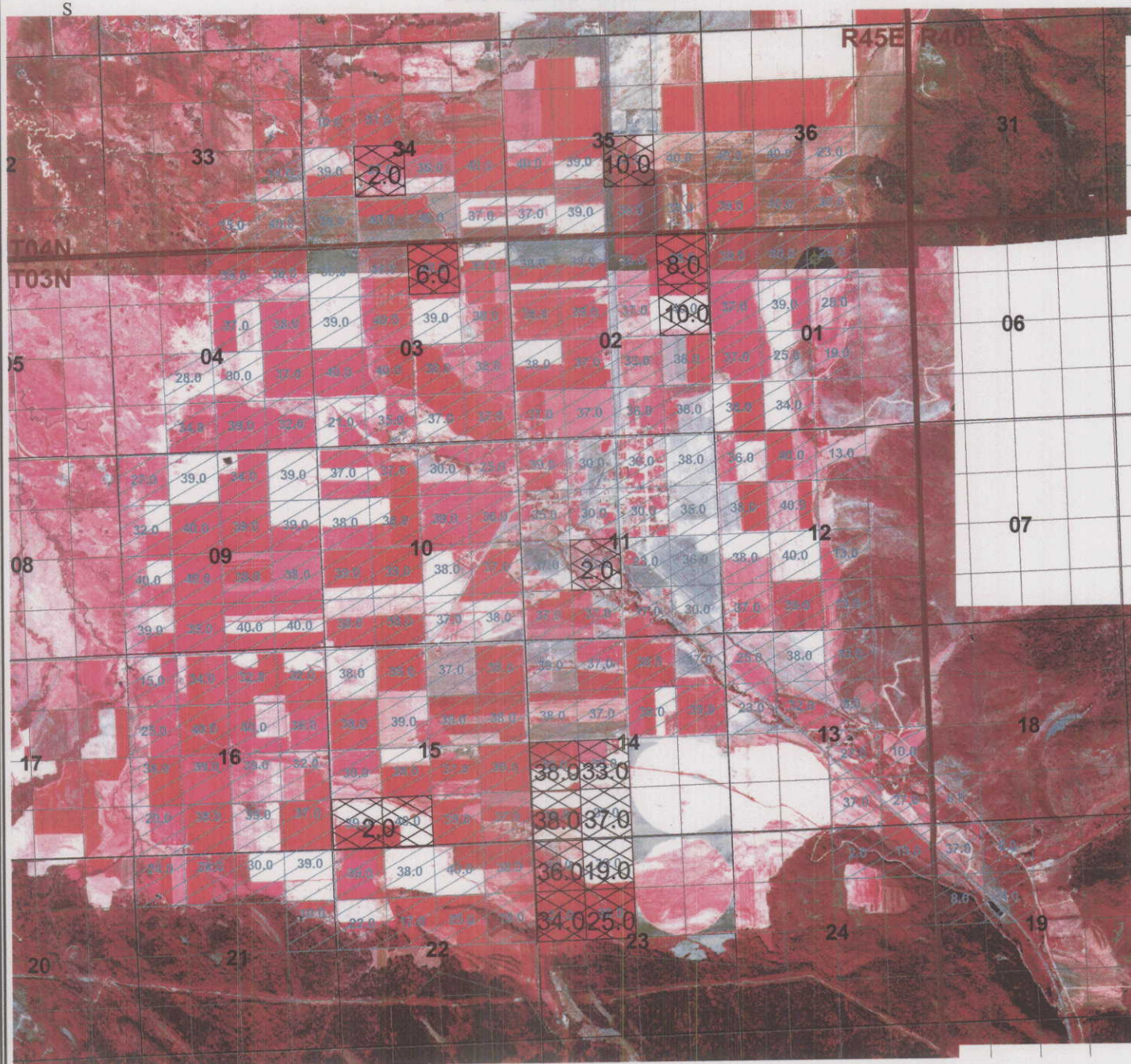
Cynthia Bridge Clark
Water Allocation Bureau

Enclosure

Roger Warner -- IDWR Eastern Regional Office
Allen Ruberry -- IDWR Eastern Regional Office
Kent Foster -- Holden, Kidwell, Hahn & Crapo, P.L.L.C.
Jerry R. Rigby -- Rigby, Thatcher, Andrus, Rigby & Moeller, Chtd.



Acres Accepted for Lease to the Water Supply Bank in the name of Trail Creek Sprinkler irrigation Company 300 Acres Leased



1987 NAPP Infrared Imagery



**Acres Accepted for Lease to the Water Supply Bank
(300 acres total leased)**



**SRBA Claims 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003,
22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011
(claims with 7327 ac POU).**



Township and Range Lines



Section Lines

Water Supply Bank No. _____
Water Right No. _____

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

**AMENDED APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

RECEIVED
JUN 01 2004
Department of Water Resources

Name of Seller/Lessor Trail Creek Sprinkler Irrigation Company Phone 208-787-2952

Post office address P.O. Box 131, Victor, Idaho 83455

1. DESCRIPTION OF WATER RIGHT: **See attached List of Water Rights**

Right evidenced by:

- a. Decree No. _____ Decreed to _____
(Name)
in case of _____ vs _____
dated _____ in _____ county of _____
(Name of court)
- b. License No. _____ issued by the Idaho Department of Water Resources.
- c. Permit No. _____ issued by the Idaho Department of Water Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (if the entire right is for sale or lease, show "all" on line a. below and skip the remainder of part 2.)

- a. Amount of water under right: _____ cubic feet per second &/or
2808 acre-feet per annum.
- b. Point of diversion: SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 19 Township 3N Range 46E,
B.M. in Teton County. (See Below)

Additional points SE1/4 SW1/4 Section 17, T. 3N, R. 46E.B.M., Teton County, ID
SENWSE Section 13, T.3N., R.45E.B.M., Teton County, ID,
SWSNW Section 13, T.3N., R.45E.B.M., Teton County, ID,
NWSWNE Section 14, T.3N., R.45E.B.M., Teton County, ID,
NESWNW Section 11, T.3N., R.45E.B.M., Teton County, ID,
SENESE Section 16, T.3N., R.45E.B.M., Teton County, ID,
SESENW Section 23, T.3N., R.45E.B.M., Teton County, ID,
SESESE Section 19, T.3N., R.45E.B.M., Teton County, ID

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45	2	8			10													18
		1-22	MISCELLANEOUS SMALL PARCELS																26
		13										16	17						33
		14									33	38	38	37	38	37	26	39	286
		23	38	38	25	39	19	36	38	25	3				16	12			289
		24						17	17			6							40
4N	45	35														10			10

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres 702

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

For most of the water rights on the attached list, see Transfer No. 1608 completed in 1969. See also attached recorded deeds, nos. 159025 and 159642, as well as the attached copies of Notices of Change of Ownership which have been filed with Eastern Region Office.

- b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Water is delivered to all properties within the Trail Creek Sprinkler Irrigation System via the canal and pipeline system. This is from April 15th - October 15th of each year according to Trail Creek Sprinkler Irrigation Company and Water Master Records.

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right.

April 15 - October 15

- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

All of the Company's water rights have the same purpose (irrigation) and place of use (lands of stockholders within company service area). A portion is offered for lease so that stockholders with ponds can also legally use the water for such non consumptive uses as recreation, aesthetics, fish and wildlife habitat improvement, fire protection, irrigation storage and gravel washing. These additional uses occur on some 702 acres of stockholder's lands with up to 2,808 acre feet of water each season.

- e. If the water right is a permit, describe the work accomplished toward developing the right.

N/A

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

Trail Creek Sprinkler Irrigation Company is the applicant for leasing water rights to the State of Idaho on condition that the company can lease the water back for the additional uses.

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale;

√ For lease for a period from April 15, 2004 to Dec. 31, 2008
(Day, month, year) (Day, month, year)

(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the State of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

\$6.00 per acre foot as indicated by current rental rates of Fremont-Madison Irrigation

District and Water District 01 Rental Pool.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

Dec 17, 2003
Date

John Winger
John Winger, President, Trail Creek Sprinkler Irrigation Co.

Dec 17 / 2003
Date

Arnold Woolstenhulme
Arnold Woolstenhulme, Secretary, Trail Creek Sprinkler Irrigation Co.

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial _____ by _____

WATER RIGHTS LIST

To the extent of the development which may occur within the service area of the company, the existing water rights will continue to be used for irrigation and incidental stock watering or for impoundment in the small ponds or lakes within the prospective developments for such additional uses as wetlands habitat enhancement for wildlife and water fowl and aquatic flora and fauna, irrigation storage, fish propagation, storm water control, fire protection, recreation and aesthetics. The water will continue to be used for all or any of such uses only during the irrigation season from April 1 through November 1 of each year.

Right No.:	Priority:	Amount (CFS):	Source:	Tributary to:
22-66	06/01/1891	0.4	Trail Creek	Teton River
22-90	01/22/1916	1.6	Warm Creek	Teton River
22-145C	01/22/1916	4.94	Trail Creek	Teton River
22-150B	06/01/1896	2.39	Trail Creek	Teton River
22-157B	06/01/1896	2.39	Trail Creek	Teton River
22-159B	06/01/1896	2.39	Trail Creek	Teton River
22-168	05/01/1893	1.6	Trail Creek	Teton River
22-172B	06/01/1896	2.39	Trail Creek	Teton River
22-176	04/01/1890	2.4	Trail Creek	Teton River
22-221C	09/01/1890	0.2	Trail Creek	Teton River
22-221D	09/01/1890	1.066	Trail Creek	Teton River
22-222A	09/01/1890	2.134	Trail Creek	Teton River
22-222C	09/01/1890	1/066	Trail Creek	Teton River
22-223	04/01/1889	3.2	Game Creek Trail Creek	Teton River
22-234	05/15/1895	0.3	Trail Creek	Teton River
22-241B	06/01/1896	0.6	Trail Creek	Teton River
22-245C	04/01/1890	0.533	Trail Creek	Teton River
22-248	04/01/1890	1.6	Trail Creek	Teton River

22-257	07/01/1894	0.4	Trail Creek	Teton River
22-279B	06/01/1896	2.39	Trail Creek	Teton River
22-284B	06/01/1896	0.9	Trail Creek	Teton River
22-285B	06/01/1896	1.72	Trail Creek	Teton River
22-293	06/01/1894	3.2	Trail Creek	Teton River
22-343B	06/01/1896	2.25	Trail Creek	Teton River
22-353B	06/01/1896	1.44	Trail Creek	Teton River
22-355	06/01/1889	0.4	Game Creek Trail Creek	Teton River
22-356	06/01/1893	2.8	Trail Creek	Teton River
22-358	06/15/1895	2.8	Trail Creek	Teton River
22-359	06/15/1895	3.2	Trail Creek	Teton River
22-364	06/30/1894	3.2	Trail Creek	Teton River
22-435A	07/15/1889	1.2	Trail Creek	Teton River
22-435C	07/15/1889	0.66	Trail Creek	Teton River
22-448B	06/01/1896	1.8	Trail Creek	Teton River
22-475	04/01/1890	3.2	Trail Creek	Teton River
22-478B	06/01/1896	2.39	Trail Creek	Teton River
22-479	06/01/1894	1.02	Trail Creek	Teton River
22-484	04/01/1890	1.74	Trail Creek	Teton River
22-504B	06/01/1896	2.39	Trail Creek	Teton River
22-518	06/01/1894	3.2	Trail Creek	Teton River
22-519	04/01/1890	2.3	Trail Creek	Teton River
22-520	06/01/1894	0.3	Trail Creek	Teton River
22-523B	04/01/1896	1.6	Trail Creek	Teton River
22-524	04/01/1896	4.3	Warm Creek	Teton River
22-532	06/15/1896	3.2	Trail Creek	Teton River

22-536	05/01/1894	2.6	Trail Creek	Teton River
22-559	07/15/1889	1.9	Trail Creek	Teton River
22-560B	07/15/1895	2.9	Trail Creek	Teton River
22-561	07/15/1890	2.7	Trail Creek	Teton River
22-566B	06/01/1896	4.8	Trail Creek	Teton River
22-602A	09/01/1889	2.4	Warm Creek	Teton River
22-603	04/01/1890	1.6	Trail Creek	Teton River
22-12981	04/01/1890	0.76	Sherman Springs, Warm Creek	Teton River

Before the Idaho Water Resource Board

**AMENDED APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

RECEIVED
JUN 01 2004
Department of Water Resources

Applicant Trail Creek Sprinkler Irrigation Company Phone 208-787-2952

Address: P.O. Box 131

City Victor State ID Zip Code 83455

A. DESCRIPTION OF WATER SOUGHT FOR RENTAL

1. Source of water: Trail Creek and Tributaries (Including Game Creek and Moose Creek),
Warm Creek and Sherman Springs
which is tributary to: Teton River
2. Maximum volume of water sought 2,808 AF.
3. Maximum rate of diversion 8.00 cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Irrigation, recreation, aesthetics, fish and wildlife habitat
improvement, irrigation storage, fire protection and gravel mashing.
2. Location of points of diversion:

Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Local name for diversion
	NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
	SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
	SW	SW	SE	19	3N	46E	TETON	STRING CANAL
	SE	NW	SE	13	3N	45E	TETON	KIMBALL CANAL
	SW	SE	NW	13	3N	45E	TETON	KEARSLEY CANAL
	SW	SE	NW	13	3N	45E	TETON	TOWN CANAL
	NW	SW	NE	14	3N	45E	TETON	SPENCER CANAL
	NW	SW	NE	14	3N	45E	TETON	HUMBLE CANAL
	NE	SW	NW	11	3N	45E	TETON	TONKS CANAL
	SE	NE	SE	16	3N	46E	TETON	WARM CREEK DIVERSION
	SE	SE	NW	23	3N	45E	TETON	SHERMAN SPRINGS DIVERSION
	SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

3. Season of use: From 4/15 to 10/15
4. Description of diverting works:
Pump HP _____ Lift _____ Pump type _____
Canal name, if appropriate Trail Creek Canals and pipeline system
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract,
section, township and range.
The water will be used for irrigation and for the additional non consumptive uses of
recreation, aesthetics, fish and wildlife habitat improvement, irrigation storage, fire protection
and gravel washing.

- b. If water is not for irrigation, describe the nature of the intended use and the place of use.

1/4	Sec.	Twp.	Rge.	User	Uses	Acres
E1/2, NE1/4	2	3N	45E	Teton Properties	*	18
--	1-22	3N	45E	Misc. Users	*	20
NE1/4, NE1/4, SW1/4	11	3N	45E	Kincaid Properties	*	2
W1/2 SW1/4	13	3N	45E	Teton Springs	*	33
S1/2	14	3N	45E	Teton Springs	*	285
S1/2 SW1/4	15	3N	45E	T. Thompson	*	2
N1/2 SW1/4	23	3N	45E	Teton Springs	*	287
W1/2 NW1/4 NWSW	24	3N	45E	Teton Springs	*	43
S1/2 SE1/4	19	3N	46E	A. Woolstenhulme	*	2
SE1/4 NW1/4 SE1/4	35	4N	45E	Walters Concrete	*	10

Total Acres Requested 702

* = Recreation, Aesthetics, Fish & Wildlife Habitat Improvement, Fire Protection, Irrigation Storage, as well as Irrigation.

6. Describe any other water rights used for the same purposes as rental water sought under this application.

See list of water rights

7. Who owns the property at the point of diversion?

There are 12 points of diversion on the Trail Creek irrigation system. Two are on Federal Lands (US Forest Service and BLM) and the rest are on land owned by private individuals.

8. Who owns the property at the place of use?

Stockholders of applicant.

9. Are you seeking a rental for more than one (1) year? yes

If so, how many years? 5 years

10. Remarks: _____

Date

Dec 17, 2003

John Winger, President

John Winger

Date

Dec 17, 2003

Arnold Woolstenhulme, Secretary

Arnold Woolstenhulme

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____
Published in _____ Pub. dates _____
Protests filed by _____
Hearing held by _____
Action recommended _____

G:\WPDATA\KWF\11571 Trail Creek Sprinkler Irrigation Co\Rent Water App. Amended.wpd.cdv

PROCESSED BY SLBA

RECEIVED

JUN 01 2004

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

Please print or type. Attach pages with additional information. Instructions are on the back of this page.
 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 (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.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
	22-435A				
	22-222A				
	22-221C				
	22-12981				

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 rights(s) or claims(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 your water rights(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 Teton Springs Golf & Casting Club, LLC
4135 Valley Commons Dr., Ste. A, Bozeman, MT 59718
4. New Owner/Claimant(s) Trail Creek Sprinkler Irrigation Co.
 Name connector (check one): ☐ and ☐ or, ☐ and/or
 New Mailing Address PO Box 131
 City, State and ZIP Code Victor, ID 83455
 New Telephone Number 787-2952
5. Date you acquired the property October 1, 2003

PROCESSED BY SLBA

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) TRAIL CREEK SPRINKLER IRRIGATION COMPANY
(include title if applicable)

by *Kent W. Hulse*, its attorney

For Snake River Basin Adjudication Claims: Please attached 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.

For Office Use Only

Received by _____ Date _____ Fee _____
 Receipted by _____ Date _____ Receipt No. _____
 Processed by _____ Date _____ WR _____ Date _____

RECEIVED

159025

DEC 17 2003

TETON CO., ID
CLERK RECORDER

QUITCLAIM DEED
FOR
WATER RIGHTS

THIS INDENTURE is made this 1st day of October, 2003, between Teton Springs Golf & Casting Club, LLC, referred to herein as the "GRANTOR" and Trail Creek Sprinkler Irrigation Company, whose principle place of business is in Teton County, Idaho, near the town of Victor, and whose mailing business is Box 131, Victor, Idaho 83455, referred to herein as the "GRANTEE",

WITNESSETH, that the GRANTOR, for an in consideration of the sum of Ten and No/100 Dollars (\$10.00) lawful money of the United States of America and other good and valuable consideration to GRANTOR, in hand paid by the GRANTEE, the receipt whereof is hereby acknowledged, does by these presents remise, release and forever QUITCLAIM unto the GRANTEE, and to GRANTEE's successors and assigns forever, all right, title and interest now owned or hereafter acquired by the Grantor in all the following described water rights or portions thereof in the County of Teton, State of Idaho, to-wit:

<u>Water Right No.</u>	<u>Amount in CFS</u>	<u>Source</u>	<u>Priority Date</u>
22-435A	1.2 cfs	Trail Creek	June 15, 1889
22-222A	2.134 cfs	Trail Creek	April 1, 1890
22-221C	0.2 cfs	Trail Creek	September 1, 1890
22-12981	0.76 cfs	Sherman Springs	April 1, 1890

TOGETHER, with the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and any reversions, remainders, or rents, issues and profits therefrom.

TO HAVE AND TO HOLD the said water rights unto the GRANTEE, and to GRANTEE's successors and assigns forever.

Instrument # 159025

DRIGGS, TETON, IDAHO

2003-12-17 11:58:08 No. of Pages: 2

Recorded for: HOLDEN KIDWELL HAHN & CRAPO,

NOLAN G. BOYLE

Fee: 6.00

Ex-Officio Recorder Deputy

159025

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

IN WITNESS WHEREOF, the GRANTOR has executed the within instrument the day and year first above written.

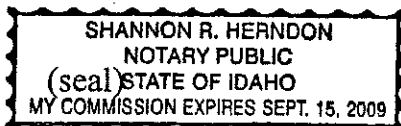
Teton Springs Golf & Casting Club, LLC

By: [Signature]
Its: [Signature]

STATE OF IDAHO)
)ss.
County of Teton)

On this 1st day of October, 2003, before me a notary public in and for said State, personally appeared Anthony Vest known or identified to me (or proved to me on the oath of _____) to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same..

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



[Signature]
Notary Public for Idaho
Residing at Victor ID
My commission expires: 9-15-2009

G:\WPDATA\KWF\10495 TETON SPRINGS\W.R. Documents\Quitclaim.wpd:kmc

PROCESSED BY SEBA

RECEIVED
JUN 01 2004
Department of Water Resources

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

Please print or type. Attach pages with additional information. Instructions are on the back of this page.
 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 (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.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
	22-435C			22-221D	
	22-222C			22-145C	
	22-245C				

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 rights(s) or claims(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 your water rights(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
Fay T. Rammell, Trustee of the Leon P. Rammell Limited Partnership
General Partner of the Fay T. Rammell & Susan D. Rammell Limited
Partnership, Fay T. Rammell & Sharin Rammell Limited Partnership,
Fay T. Rammell & Corey T.H. Rammell Limited Partnerhsip
4732 S. 4300 W., Rexburg, ID 83440
4. New Owner/Claimant(s)
Trail Creek Sprinkler Irrigation Co.
 Name connector (check one): ☐ and ☐ or, ☐ and/or
 New Mailing Address 4 North Main
 City, State and ZIP Code Victor, ID 83455
 New Telephone Number 787-2952
5. Date you acquired the property December 29, 2003

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) TRAIL CREEK SPRINKLER IRRIGATION COMPANY
(include title if applicable)

by [Signature], its attorney

For Snake River Basin Adjudication Claims: Please attached 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.

For Office Use Only

Received by _____ Date _____ Fee _____
 Receipted by _____ Date _____ Receipt No. _____
 Processed by _____ Date _____ WR _____ Date _____

**QUITCLAIM DEED
FOR
WATER RIGHTS**

THIS INDENTURE is made this 24th day of ~~October~~^{December}, 2003, between Faye T. Rammell, a widow, who resides in Rexburg, Idaho, in her capacities as Trustee of the Leon P. Rammell Limited Partnership, and as General Partner of the Faye T. Rammell and Susan D. Rammell Limited Partnership, the Faye T. Rammell and Sharin Rammell Limited Partnership and the Faye T. Rammell and Corey T.H. Rammell Limited Partnership, referred to herein collectively as the "GRANTOR" and Trail Creek Sprinkler Irrigation Company, whose principle place of business is in Teton County, Idaho, and whose mailing address is 4 North Main, Victor, Idaho 83455, referred to as the "GRANTEE",

WITNESSETH: that the GRANTOR, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) lawful money of the United States of America and other good and valuable consideration to GRANTOR, in hand paid by the GRANTEE, the receipt whereof is hereby acknowledged, does by these presents remise, release and forever QUITCLAIM unto the GRANTEE, and to GRANTEE's successors and assigns forever, all right, title and interest now owned or hereafter acquired by the GRANTOR in and to all the following described water rights or portions thereof in the County of Bonneville, State of Idaho, to-wit:

Idaho Department of Water Resources ID Number	Source	Amount in cfs	Priority Date
22-435C	Trail Creek	0.66	July 15, 1889
22-222C	Trail Creek	1.066	April 1, 1890
22-245C	Trail Creek	0.533	April 1, 1890
22-221D	Trail Creek	1.066	September 1, 1890
22-145C	Trail Creek	4.94	January 22, 1916

Instrument # 159642

DRIGGS, TETON, IDAHO

2004-01-28 11:51:01 No. of Pages: 5

Recorded for: HOLDEN, KIDWELL, HAHN & CRAPO

NOLAN G. BOYLE Fee: 15.00

Ex-Officio Recorder Deputy *R. Boyle*

Index to: DEED, QUIT-CLAIM

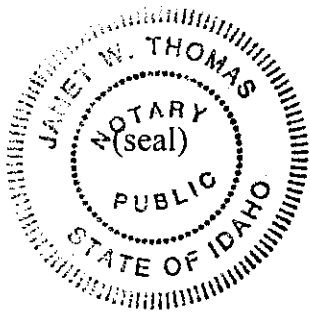
Faye T. Rammell and Susan D. Rammell Limited Partnership

By: Faye T. Rammell
Faye T. Rammell, General Partner

STATE OF IDAHO)
County of Madison)ss.
Bonneville)

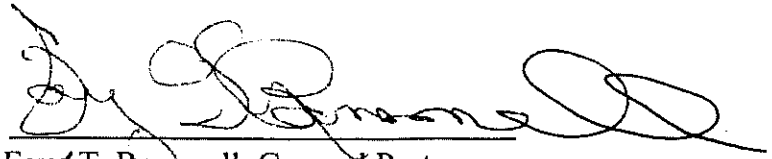
On this 29 day of December, 2003, before me a notary public in and for said State, personally appeared Faye T. Rammell known or identified to me (or proved to me on the oath of Faye T. Rammell) to be one of the partners in the partnership of Faye T. Rammell and Susan D. Rammell Limited Partnership, and the partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

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



Janet W. Thomas
Notary Public for Idaho
Residing at Rexburg, Id 83440
My commission expires: July 19, 2004

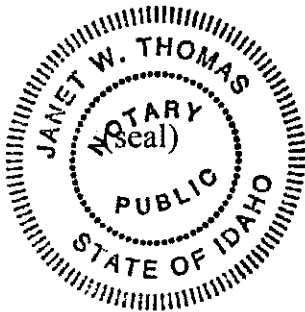
Faye T. Rammell and Sharin Rammell Limited Partnership

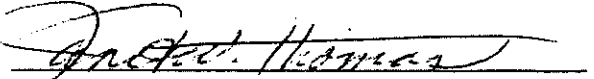
By: 
Faye T. Rammell, General Partner

STATE OF IDAHO)
County of Mohave)ss.
Bonnevile)

On this 4th day of December, 2003, before me a notary public in and for said State, personally appeared Faye T. Rammell known or identified to me (or proved to me on the oath of Faye T. Rammell) to be one of the partners in the partnership of Faye T. Rammell and Sharin Rammell Limited Partnership, and the partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

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




Notary Public for Idaho
Residing at Rayburg, Id. 83440
My commission expires: July 19, 2004

By: 
Faye T. Rammell, General Partner

On this ^{4th} ~~29~~ day of ~~October~~ ^{December}, 2003, personally appeared Faye T. Rammell known to me (as Faye T. Rammell) to be one of the parties to the Corey T.H. Rammell Limited Partnership Agreement, subscribed said partnership name to the form of the same, and he executed the same in said partnership name.



 \PDATA\W\1304\JANMEL\COREY\Ou

Janet Thomas
Notary Public for Idaho
Residing at Rexburg, Id 83440
My commission expires July 19, 2004

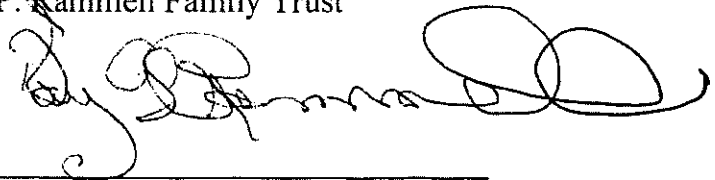
TOGETHER, with the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and any reversions, remainders, or rents, issues and profits therefrom.

TO HAVE AND TO HOLD the said water rights unto the GRANTEE, and to GRANTEE's successors and assigns forever.

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

IN WITNESS WHEREOF, the GRANTOR has executed the within instrument the day and year first above written.

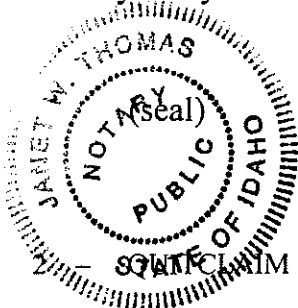
Leon P. Rammell Family Trust

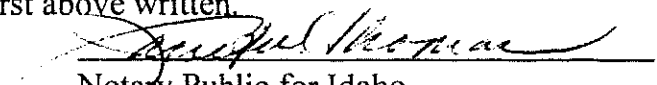
By: 
Faye T. Rammell, Trustee

STATE OF IDAHO)
County of Medicine) ss.
County of Bonneville)

On this 29 day of December, 2003, before me a notary public in and for said State, personally appeared Faye T. Rammell known or identified to me (or proved to me on the oath of Faye T. Rammell) to be the Trustee, of the Trust that executed the instrument or the person who executed the instrument on behalf of said Trust, and acknowledged to me that such Trust executed the same.

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




Notary Public for Idaho
Residing at Lupburg Id 83440
My commission expires July 9, 2004

QUITCLAIM DEED FOR WATER RIGHTS



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

November 16, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

TRAIL CREEK SPRINKLER IRRIGATION COMPANY
PO BOX 131
VICTOR ID 83455

**RE: WATER FROM THE WATER SUPPLY BANK WITH SRBA CLAIM
NO(S). 2-221C, 22-222A, 22-435A, 22-90, 22-524, 22-602A, 22-223, 22-
355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-
13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011**

Dear Renter:

The Department of Water Resources (department) acknowledges receipt of your application to lease the above referenced water rights, or portions thereof, to the Water Supply Bank (bank), and to rent water from the bank. Enclosed are three lease acceptance letters with maps identifying the acres accepted for lease. An additional map is attached that identifies the acres offered for lease in accordance with the lease and rental applications, correspondence, and documentation collected during review of the applications (not all of the acres offered were accepted into the bank). Also enclosed are three corresponding rental agreements.

Acceptance of the rights into the bank was based on available water right data and initial review of the Snake River Basin Adjudication (SRBA) claims associated with the rights and lands identified on the lease and rental applications. Only lands covered by a water right and claimed for irrigation use in the SRBA were accepted into the bank. Additionally, some of the land offered for lease in sections 13, 14, 23, and 24, Township 45E, Range 03N, B.M., is limited by the water rights for irrigation of less than the total acres claimed under the SRBA claims. Until the SRBA has completed its review of the claims, water use is limited to irrigation of 177 acres within the identified place of use (see lease and rental agreements for SRBA claims 22-221C, 22-222A, and 22-435A).

The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.

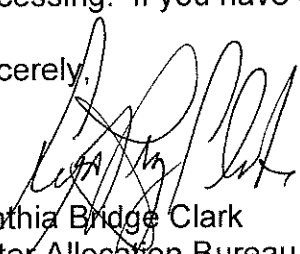
Please review the lease acceptance letters and rental agreements. As indicated, the leases will not take affect until written acknowledgement of the conditions of acceptance is provided to the department. Also return the rental agreements with a

signature from the renter. Upon receipt of the signed agreements, executed copies of the agreements will be returned to you signed also by the department. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

The agreements include rental of a total of 1,687.0 acre-feet each year during the 2005 through 2009 irrigation seasons. An annual rental fee of \$18,557.00 was calculated based on the current rental rate of \$11.00 per acre-foot times 1,687.0 af. Ten percent (10%) of the total rental fee is retained by the department for Administrative fees in accordance with Water Supply Bank Rules, IDAPA 37.02.03.01. The remaining ninety percent (90%) is issued back to the lessor of the above referenced water right(s) in the form of a warrant. Since you are the lessor and the renter under this agreement, the department will require that you submit only the portion of the total payment to be retained for administrative fees. Therefore, a total rental fee of **\$1,855.70** must be paid annually in accordance with the rental agreements. Checks should be made payable to the Idaho Department of Water Resources, and reference should be made to specific rental agreements for tracking purposes (attach a copy of the agreements).

Please return the signed agreements to my attention so I can complete the processing. If you have questions, please feel free to contact me.

Sincerely,



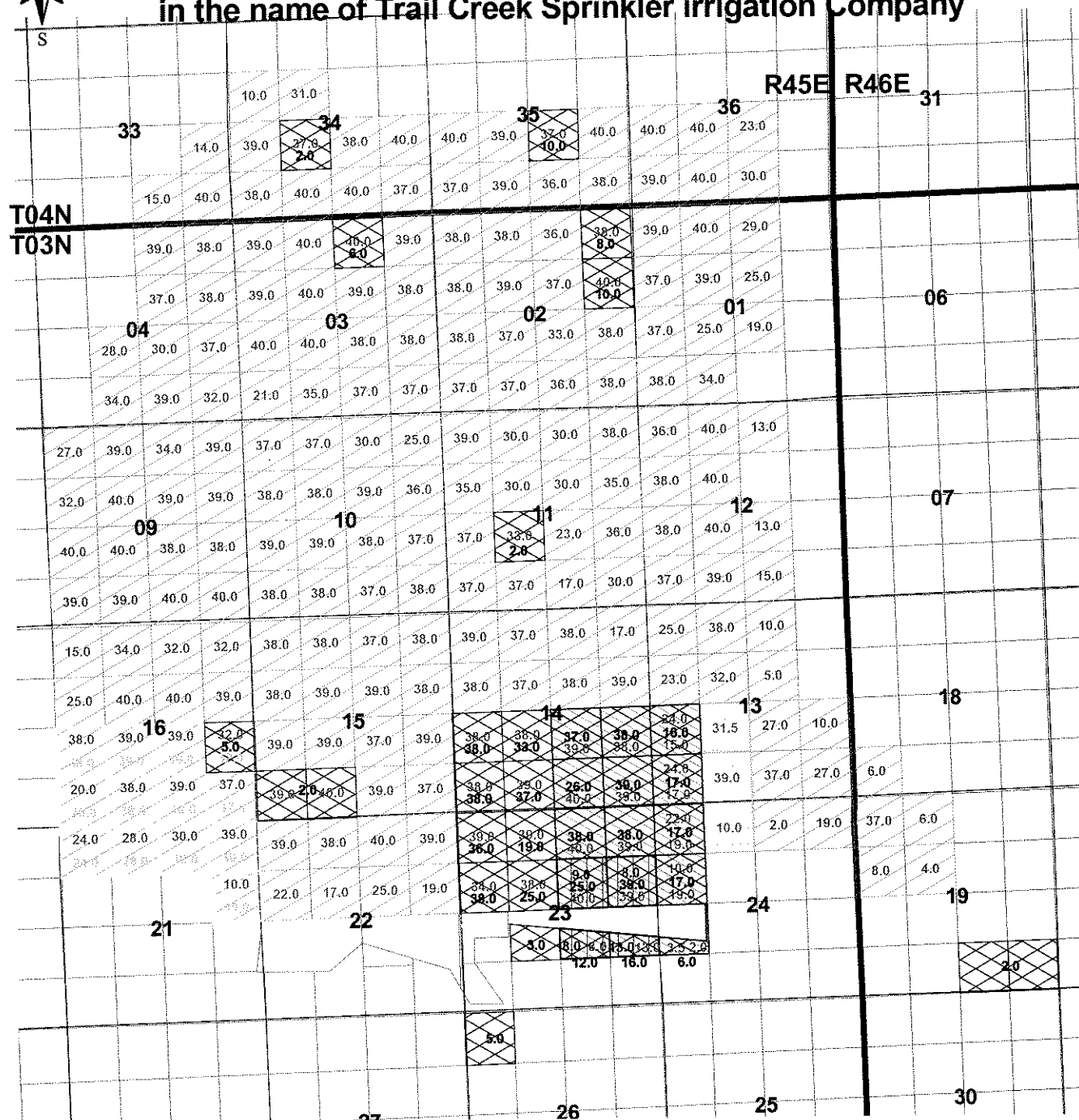
Cynthia Bridge Clark
Water Allocation Bureau

Enclosures

c: Roger Warner -- IDWR Eastern Regional Office
Allen Ruberry -- IDWR Eastern Regional Office
Kent Foster -- Holden, Kidwell, Hahn & Crapo, P.L.L.C.
Jerry R. Rigby -- Rigby, Thatcher, Andrus, Rigby & Moeller, Chtd.



Acres Claimed in the Snake River Basin Adjudication and Acres Offered for Lease to the Water Supply Bank in the name of Trail Creek Sprinkler irrigation Company



Acres Offered for Lease to the Water Supply Bank (700 acres total)



SRBA Claims 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011 (claims with 7327 ac POU).

SRBA Claims 22-90, 22-524, 22-602A (claims with 413 ac POU).



SRBA Claims 22-221C, 22-222A, and 22-435A (claims with 407 ac POU).



SRBA Claims 22-145C, 22-221D, 22-222C, 22-245C, 22-435C (Claims with 164 ac POU not leased to bank. Do overlap lands proposed for lease).



SRBA Claim 22-12981 with 38 ac POU (Not leased, based on beneficial use claim).



Township and Range Lines



Section Lines



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

January 3, 2005

TRAIL CREEK SPRINKLER IRRIGATION COMPAY
PO BOX 131
VICTOR ID 83455

RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK. 22-90, 22-221C, 22-222A, 22-223, 22-435A, 22-223, 22-355, 22-524, 22-559, 22-602A, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011

Dear Sirs:

Please find enclosed a receipt in the amount of \$1,855.70 and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 619.5, 1,050, and 17.5 acre feet (respectively) of water. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

The agreements are valid from 2005-2009. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year.

If you have questions, please feel free to contact me.

Sincerely,

Cynthia Bridge Clark
Water Allocation Bureau

Encl: 4

c: – IDWR Eastern Regional Office

Idaho Department of Water Resources Receipt

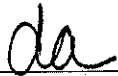
Receipt ID C076126

Payment Amount \$1,855.70 Date Received 12/13/2004 2:03:49 PM Region State Status
Payment Type Check Check Number 3570

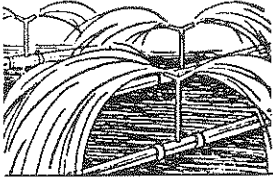
Payer TRAIL CREEK SPRINKLER IRRIGATION CO
Comment WATER BANK LOAN

Fee Detail

Amount	Description	Fund	FD	PCA	SO
\$1,855.70	WATER BANK-DEPARTMENT SHARE	0229	21	55109	1205



Signature Line (Dept. Representative)



POST OFFICE BOX 131
VICTOR, IDAHO 83455

Trail Creek SPRINKLER IRRIGATION COMPANY, INC.

RECEIVED

DEC 13 2004

**DEPARTMENT OF
WATER RESOURCES**

Cynthia Bridge Clark
Idaho Dept. of Water Resources
322 East Front St.
P.O. Bx. 83720
Boise, ID 83720

December 9, 2004

Dear Ms. Clark:

Please find enclosed the signed lease acceptance letters and rental agreements from Trail Creek Sprinkler Irrigation Company with a check in the amount of \$1855.70.

If there is anything else you need from our company, please contact us.

Kind regards,

Sharon Woolstenhulme
Trail Creek Sprinkler Irrigation Co.
208-787-2952

\$185.57 Dept Share
\$1670.13 Owner Share

MEMORANDUM

To: Files 22-221C, 22-222A, 22-435A, 22-90, 22-524, 22-602A, 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.

From: Cynthia Bridge Clark

Date: November 15, 2004

Re: Lease and Rental of rights from the State Water Supply Bank

Kent Foster, with Holden, Kidwell, Hahn & Crapo, P.L.L.C., filed applications to Lease and Rent water rights from the water supply bank (bank) on behalf of the Trail Creek Sprinkler Irrigation Company (Company) in January of 2004. Revised applications were received on June 1, 2004 after discussions about the applicant's objectives. According to the applications and related correspondence, the company delivers water authorized for irrigation use under over one hundred water rights. The Company seeks a five-year rental agreement for a diversion rate of 8 cubic feet per second (cfs) and a diversion volume of 2808 acre-feet (af) for various uses of water on 702 acres, most of which are owned by the Teton Springs Golf and Casting Club (Club). The Company filed the applications to accommodate both the immediate water use needs of the Teton Springs Golf and Casting Club, and the future anticipated water use needs of the developing service area. The applications note that irrigation water is now used for "additional non-consumptive uses of recreation, aesthetics, fish and wildlife habitat improvement, irrigation storage, fire protection and gravel washing."

Several discussions were held over time between department staff, including Karl Dreyer, Gary Spackman, Jeff Peppersack, and myself, and representatives from the Company, Teton Springs Golf and Casting Club, and attorney Kent Foster. Discussions addressed the most effective way for the Company to pursue authorization for existing and future anticipated changes in the nature of use. Company representatives were notified that a transfer application should be filed to recognize permanent changes in the elements of the water rights. Neither the bank nor a permanent transfer will accommodate future anticipated development that cannot be sufficiently described and quantified. Both require identification of specific changes to the right and require verification of the validity of the rights. Based on limited review of the applications, it was clear that verification of the water rights by the Snake River Basin Adjudication (SRBA) would expedite the review of subsequent transfer or water supply bank applications.

However, the parties agreed that portions of the water rights appurtenant to lands where water uses have changed could be leased and rented from the bank on a short-term basis, with the understanding that permanent transfers would ultimately be required. Notice and review by the Board are required for a rental application filed for a period of more than five years. The Company chose to limit the rental term to five years, from 2005 through 2009 (see letter from Kent Foster, dated October 28, 2004). The conditions of the rental agreements are subject to change pending review by the SRBA or other department application processes. Some review of the water rights was required to process the

agreements. The validity and elements of the rights were not completely verified through this review, and should be confirmed through the SRBA or a permanent transfer review.

Review of Acres Offered for Lease to the Bank

A list of water rights was provided with the application to lease to the bank. The following review was conducted on water rights and SRBA claims appurtenant to the lands identified for lease to the bank.

1. The application to lease identifies water associated with 702 acres to be put into the bank with 26 acres of "miscellaneous small parcels" in sections 1 through 22, T3N, R45E. The rental application indicates 20 acres will be rented to "Misc. Users", and three 2-acre parcels will be rented to specified users. In a letter received on Sept. 15, 2004, Kent Foster provided clarification of the location of 18 of the 20 acres for "Misc. Users". The 20 acres were reduced to 18 acres, and Kent Foster confirmed verbally that the other two-acre parcels on the rental application were also part of the 26 acres of "misc. small parcels". The total number of acres requested for lease was changed to 700.
2. An effort was made to determine whether the right had been claimed in the SRBA. Comments on the water right proof reports indicated that many of the rights were combined into one claim. The majority of the rights were combined into claims 22-13000 through 22-13011. Rights that did not appear to be claimed were not leased to the bank.
3. Since the majority of water rights associated with the lands offered for lease were combined into renumbered claims, the SRBA claim numbers are referenced in the Lease Acceptances and Rental Agreements.
4. SRBA claims based on beneficial use were not leased to the bank, but may be reconsidered for lease or transfer if verified through the SRBA (e.g. 22-12981).
5. The total number of acres considered for lease was limited based on the number of acres claimed in the SRBA per quarter quarter. Only 674 acres within the locations identified on the lease application were claimed for irrigation use in the SRBA.
6. Ownership change forms were filed and processed for SRBA claims 22-221C, 22-222A, 22-222C, 22-435A, 22-435C, 22-245C, and 22-12981.
7. An overlap review was conducted for each of the rights. Several groups of rights were identified with the same place of use (POU), including a 7327-acre POU, 413-acre POU, and 407-acre POU (see Leased Acres table below and attached map of the Acres Claimed in the SRBA).
8. The total combined rate per acre for the overlapping claims was determined based on information available. In some cases the total diversion rate of the original water

rights did not equal the claimed rate, or acres were not identified on original water rights (see rate/acre in table below).

9. A few claims were filed with a common 407-acre POU. The water rights associated with these acres authorized a diversion rate of 0.02 cfs per acre. The total claimed diversion rate for these acres is 3.53 cfs. Based on the rate claimed, 177 acres can be irrigated at 0.02 cfs per acre within the 407-acre POU. Therefore, 177 acres were leased to the bank.
10. Teton Springs Golf and Casting Club (Club) is located in sections 13, 14, 23, and 24, T3N, R45E. The Club leased acres that will continue to be irrigated as well as acres that have been converted to ponds (55.7 acres according to a construction drawing of the surface water plan). Several rights are claimed with a 164-acre POU adjacent to the Club property. These were not included in the lease as they do not appear to overlap the lands owned by the Club (see attached map of the Acres Claimed in the SRBA).

TABLE: Leased Acres

LEASE SRBA CLAIM NOS.	LEASE 1 ACRES	LEASE 2 ACRES	LEASE 3 ACRES	CLAIMED POU (ac)	RATE/ACRE (cfs/ac)
22-223	300	5		7327	0.04
22-355	300	5		7327	0.04
22-559	300	5		7327	0.04
22-13000	300	5		7327	0.04
22-13001	300	5		7327	0.04
22-13002	300	5		7327	0.04
22-13003	300	5		7327	0.04
22-13004	300	5		7327	0.04
22-13005	300	5		7327	0.04
22-13006	300	5		7327	0.04
22-13007	300	5		7327	0.04
22-13008	300	5		7327	0.04
22-13009	300	5		7327	0.04
22-13010	300	5		7327	0.04
22-13011	300	5		7327	0.04
22-90		5		413	0.02
22-524		5		413	0.02
22-602A		5		413	0.02
22-221C			177	407	0.02
22-222A			177	407	0.02
22-435A			177	407	0.02

TOTAL ACRES LEASED: 300 AC 5 AC 177 AC

Lease Acceptance

Three leases were configured based on the place of use of overlapping claims and the corresponding diversion rate per acre. The authorized volume was calculated based on the standard field headgate requirement. The first lease describes 300 acres all authorized for

irrigation use under the claims with a 7327-acre POU and two inch per acre diversion rate (300 acres, 12.0 cfs, and 1,050 af). The second lease describes 5 acres authorized for irrigation use under claims with a 7327-acre POU and overlapping claims with a 413-acre POU, and total diversion rate of three inches per acre (5 acres, 0.3 cfs, and 17.5 af). The third lease describes 177 acres authorized under claims with a 407-acre POU and a diversion rate of one inch per acre (177 ac, 3.53 cfs, 619.5 af). A total of 482 acres were leased to the bank.

Conditions of Acceptance stipulate that entry of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, and that the validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process. Also, the amounts and conditions of the lease acceptance may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.

Rental Agreements

A total of 482 acres will be rented from the bank pursuant to three rental agreements corresponding to the three Water Supply Bank leases. The rental period is from 2005 through 2009. The rental application indicates that the water will be used for "irrigation and for the additional non-consumptive uses of recreation, aesthetics, fish and wildlife habitat improvement, irrigation storage, fire protection and gravel washing." According to the application and correspondence with the applicant's representative, ponds have been constructed on some of the property offered for lease. Some of the ponds are used for irrigation as well as recreation and aesthetic uses, and gravel washing occurs on the ten-acre parcel in section 35, T4N, R45E (Walters Concrete).

Use of water under the rental agreements includes: diversion to storage, irrigation, irrigation from storage, and aesthetic & other storage (this use irrigation storage, aesthetic storage, fire protection storage). Commercial use is authorized on one of the agreements for a gravel washing facility. The pond size is based on information provided on the lease and rental applications and an As-Built map provided by Teton Springs Golf and Casting Club (map identifies 55.7 acres of ponds and water features). Since the lease/rental agreements authorize a temporary change in use, the volume associated with the ponds is for losses based on the surface area of the ponds.

Payment is based on \$11.00 per acre-feet of water rented. The applicant is only required to pay the 10% administrative fee since the lessor and renter are the same party. The payment must be received by the start of the irrigation season each year.

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Of Counsel
Fred J. Hahn

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DEPARTMENT OF
WATER RESOURCES

*Also Licensed in Utah and Arizona
**Also Licensed in Missouri & Kansas

October 28, 2004

Cynthia Bridge-Clark
Idaho Department of Water Resources
322 E. Front St.
PO Box 83720
Boise, ID 83720-0098

Re: Applications for Lease of Water to and from the Idaho Water Supply Bank - Trail
Creek Sprinkler Irrigation Co.

Dear Ms. Bridge-Clark:

Pursuant to our telephone conversation of October 28, 2004, we agree that it would make more sense to adjust the time period of these applications from 2004 to 2008 to 2005 to 2009. Because of the timing, this appears to make more sense to us and we would appreciate it if you would consider this letter our formal request.

Yours very truly,



Kent W. Foster

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FACSIMILE TRANSMITTAL SHEET

DATE: September 29, 2004
TO: Cynthia Bridge-Clark
FAX #: 208-327-7866
FROM: Kent W. Foster
FAX #: (208) 523-9518

NO. OF PAGES INCLUDING TRANSMITTAL SHEET: 3

ITEMS SENT: Correspondence regarding Teton Springs water rights

ORIGINALS: Sent in mail () Kept on File (✓)

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL BACK AS SOON AS POSSIBLE (208) 523-0620.

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Telecopier Operator

Cheri Vandermeulen

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*Also Licensed in Utah and Arizona
 **Also Licensed in Missouri & Kansas

September 29, 2004

Cynthia Bridge-Clark
 Idaho Department of Water Resources
 Fax No.: 208-327-7866

Dear Ms. Bridge-Clark:

I have been unable to reach you by telephone since our telephone conference on Monday, September 27. I did review the water rights acquired by Teton Springs Golf & Casting Club with the land in Sections 13, 14, 23 and 24 of T.3N., R.45E., from Max & Merrill Rammell. You are correct; they appear to be the following:

Identification No.	Amount	Priority
22-221C	0.2 cfs	September 1, 1890
22-222A	2.134 cfs	April 1, 1890
22-435A	1.2 cfs	July 15, 1889
22-12981	0.76 cfs	April 1, 1890
TOTAL	4.294 cfs (214.7 miner's inches)	

Actually, I took the above information from the SRBA claims filed by Rammells, but which are now in the name of Trail Creek Sprinkler Irrigation Company. The Rammells had listed the same 407 acres as the place of use for the first three rights and 38 acres, which appears to be part of the 407 acres, for number 22-12981.

I agree that 215 inches for irrigation of 407 acres seems a little light. Originally the Rammells had more water than that, but they transferred portions to some land near the NW corner of the valley several years ago. Perhaps this was done in connection with or because they had pretty well converted to sprinkler systems on the land later acquired by Teton Springs. In a recent conversation with Max Rammell, he indicated they always had plenty of water for the

Cynthia Bridge-Clark
Idaho Department of Water Resources
September 28, 2004
Page 2 of 2

irrigation of the land, even after the transfer.

Of course Teton Springs will not be trying to produce agricultural crops with the water. They have a portion of a golf course, several potential residential and commercial building lots, and a number of ponds or lakes where the Rammell farmland used to be. From the map prepared by Rendevous Engineering, I computed the acreage to be irrigated of the land acquired from Rammells. Teton Springs may ultimately provide irrigation water for as many as 351 acres. Even this number is a gross number, counting all portions of the golf course within this former Rammell farmland, and all portions of the potential building lots. No amounts have, for instance, been deducted for such things as homes or commercial buildings, or for parking lots, driveways and the like. Although there is some building going on, we anticipate it will be some years before full build-out, and in the meantime, the prospective building lots are not being irrigated.

In addition to this 351 acres, there is some 30.3 acres of pond surface area. The pond system is presently being operated, and the golf course is presently being sprinkled from pumps located at two of the ponds. I cannot determine how many acres of golf course are located within the boundaries of the former Rammell property; it is obviously far less than the potential gross total of 351 acres. The golf course is sprinkled only at nights, and the amount is controlled by a computer program which relies on electronic sensors. I am told this results in the application of far less water than would be used, for example, in irrigating an alfalfa crop.

Teton Springs is of the opinion that in a normal water year, these rights would have provided more than adequate water for the project. Of course we have experienced some serious drouth since 2000. But, when Teton Springs acquired the property, it also acquired 154 acre feet of Fremont-Madison Irrigation District storage space which provides supplemental water on an exchange basis.

For the anticipated period of the proposed water bank lease, the old rights would have been more than adequate. As you know, a number of changes in ownership and appurtenancy of the rights have already occurred and are anticipated in connection with the adjudication proceeding and probable future transfer proceedings. Our hope is that the proposed water bank lease will provide legal authority sufficient to cover expected needs for the immediate interim. If we need to visit further, please feel free to call at your convenience.

Yours very truly,



Kent W. Foster

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September 13, 2004

Cynthia Bridge-Clark
Idaho Department of Water Resources
1301 N. Orchard
Boise, ID 83706

RE: Application of Trail Creek Sprinkler Irrigation Company to lease to and from the
Idaho Water Supply Bank.

Dear Cynthia:

I asked Arnold Woolstenhulme, who serves as secretary for the Trail Creek Sprinkler Irrigation Company, to provide the legal descriptions of the 20 acres listed in the Amended Application to Rent Water from the Water Supply Bank on page 2, under the 5b heading in the space indicating "miscellaneous users - 20 acres". I am enclosing Mr. Woolstenhulme's letter in response. Apparently there was really only 18 acres rather than 20.

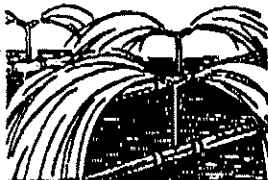
Please let us know what else we can supply to get this matter concluded. Thank you for your kind attention.

Yours very truly,



Kent W. Foster

Enclosure



POST OFFICE BOX 131
VICTOR, IDAHO 83455

Trail Creek

SPRINKLER IRRIGATION COMPANY, INC.

Sep 13, 04

To Mr Kent Foster;
Fax #523-9518
Holden, Kidwell, Han & Crapo LLC

The following are existing Trail Creek Irrigation Co users that were identified as having ponds on their property. AW Engineering felt that they should be included in the rent agreement.

Jim Budge NE/4SE/4, Sec 16, Twp 3 N, Rng 45 E, Rec Asth, Fish & Storage Pond 5 ac

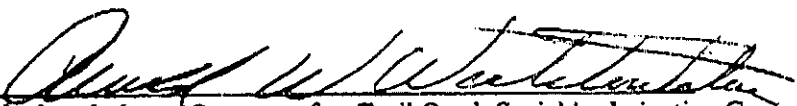
Larry Cooke NW/4NW/4, Sec 26, Twp 3 N, Rng 45 E, Rec Asth, Fish & Storage Pond 5 ac

Aspen Lake Sub NW/4NE/4, Sec 3, Twp 3 N, Rng 45 E, Rec Asth, Fish & Storage Pond 6 ac

Vern Woolstenhulme NE/4SW/4, Sec 34, Twp 4N, Rng 45 E, Rec Asth, Fish & Storage Pond 2 ac

Total All Users as shown on Application 18 ac

Please let us know if we can be of further assistance.


Arnold Woolstenhulme Secretary for, Trail Creek Sprinkler Irrigation Company

George Johnson - Water Master for Trail Creek Sprinkler Irrigation Company

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May 27, 2004

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Department of Water Resources

Cynthia Bridge-Clark
Idaho Department of Water Resources
1301 N. Orchard St.
Boise, ID 83706

Re: Trail Creek Sprinkler Irrigation Co.

Dear Ms. Bridge-Clark:

We are enclosing with this letter Amended Applications to sell or lease a water right to the Water Supply Bank and to rent water from the Water Supply Bank on behalf of Trail Creek Sprinkler Irrigation Company in accordance with our recent telephone conversation. This time the water rights list contains only those rights which are currently in the name of Trail Creek Sprinkler Irrigation Company. Please let us know of any additional information that might be needed or help we can render.

As you know, there is a great deal of pressure from lending institutions to complete this matter as soon as may be possible. We will appreciate anything you can do to expedite the completion.

Yours very truly,



Kent W. Foster

Enclosures

c: Jerry Rigby
Trail Creek Sprinkler Irrigation Co., c/o John Winger
Mike Potter



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

April 26, 2004

HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
ATTN: KENT W. FOSTER
330 SHOUP AVE
PO BOX 50130
IDAHO FALLS ID 83405

**RE: APPLICATION TO LEASE PART OF TRAIL CREEK SPRINKLER
COMPANY WATER RIGHTS TO THE WATER SUPPLY BANK**

Dear Mr. Foster:

As you are aware, the Department of Water Resources (Department) reviewed the Application to Sell or Lease Water Right(s) to the Water Supply Bank (lease) and the Application to Rent Water from the Water Supply Bank (rent), received by the Department on January 2, 2004, filed in the name of Trail Creek Sprinkler Irrigation Company (Company). On March 15, 2003, Gary Spackman, Phil Rassier, you and I reviewed the intent of the applications by telephone. As we discussed, your client's objectives may be accomplished either through a transfer or Water Supply Bank (bank) lease/rental. This letter summarizes the type of information required for the Department to process both types of applications.

You stated in the cover letter submitted with the applications to the bank that the Company would like to change a portion of the use of its water rights from irrigation to such non-consumptive uses as recreation, aesthetics, fish and wildlife habitat improvement, fire protection, irrigation storage and gravel washing. An application was filed on behalf of the Company to lease portions of all of the rights controlled by the Company to the bank. A companion application was filed to rent these portions from the bank for the proposed new uses. As stated on the applications, the Company seeks a rental agreement for a diversion rate of 8 cubic feet per second (cfs) and a diversion volume of 2808 acre-feet (af) for various uses of water on 702 acres owned by the Teton Springs Golf and Casting Club (Club). The Company requested that the lease and rental be approved for an "indefinite" number of years.

Although the Water Supply Bank could accommodate a long-term or indefinite change, the Department is obligated to consider several criteria common to the requirements for a permanent transfer filed pursuant to Section 42-222, *Idaho Code*. In accordance with both the Water Supply Bank Rules (*IDAPA 37.02.03*) and Section 42-222, *Idaho Code*, the Department is required to evaluate whether the proposal would cause injury to other rights, would constitute an enlargement of the water right, whether

the water will be put to a beneficial use, whether the proposal is in the local public interest, and whether the proposed use would be consistent with the conservation of water resources with the State of Idaho. One significant difference between the two authorizations may be the fees associated with the applications. There is a one time filing fee for a transfer application, while there would be an annual rental fee for the Water Supply Bank. The following tables describe some of the information and review required to process transfer and Water Supply Bank applications:

Acceptable Application Requirements:
(Information that should be submitted with completed applications)

TRANSFER	WATER SUPPLY BANK
1 Application for Transfer of a Water Right.	1 Application to Sell or Lease a Water Right to the Water supply bank and an Application to Rent Water from the Water Supply Bank.
2 Name and address. Provide proof of ownership or authority to file the application.	2 Name and address. Provide proof of ownership or authority to file the application.
3 List of water rights to be changed.	3 List of rights to be leased. Provide evidence that the water right has been recorded through court decree, permit or license issued by the Department.
4 Information that the rights have not been lost through abandonment or forfeiture (forfeiture period is tolled for rights currently claimed in the Snake River Basin Adjudication or SRBA).	4 Information that the rights have not been lost through abandonment or forfeiture (forfeiture period is tolled for rights currently claimed in the SRBA).
	5 Evidence to demonstrate the relative availability of the water in the source to fill the water rights.
6 Identify the reason for change.	6 Identify the purpose of rental.
7 Description of proposed change for each right: a. Water right numbers to be changed. b. Amount of water involved. c. Proposed nature or purpose of use. d. Period of use. Will any of the new uses require a change in the authorized period of use? e. Source of water. f. Point of diversion. g. Place of use (including electronic shape files or photos documenting place of use). h. Description of diversion system.	7 Description of the portions of the rights to be leased and the proposed use of the rented water: a. May identify water right nos. to be rented (not required). b. Amount of water to be leased and rented for each right. c. Proposed nature or purpose of use. d. Period of use. Will any of the new uses require a change in the authorized period of use? e. Source of water. f. Point of diversion of leased POU and for new rental POU. g. Legal description for the POU of leased portion of rights and POU for rental. h. Description of diversion system.
8 Proof of the extent of historic beneficial use if a change in the nature or purpose of use, season of use, or for a supplemental water right, the place of use, is proposed.	8 Proof of the extent of historic beneficial use if a change in the nature or purpose of use, season of use, or for a supplemental water right, the place of use, is proposed.
9 Identify the associated water rights or water supply used in the same system or place of use.	9 Identify the associated water rights or water supply used in the same system or place of use.
10 Response to questions on the Transfer form.	10 Response to questions on WSB forms.
11 Map of system	11 Map of system not required but is helpful.

12 Signature	12 Signature
13 Filing fee. Transfer filing fee for 2808 acre-feet = \$1170.00.	13 Annual Rental Fee. Assume an annual rental fee of \$6.00 per acre-foot = \$16,848 (10% Administrative fee = \$1684.80 annually).
14 Address changes to POD in ESPA if applicable.	14 Address changes to POD in ESPA if applicable.
15 Address changes to POD in ESPA if applicable.	15 Address changes to POD in ESPA if applicable.

Review Required by Department:

TRANSFER	WATER SUPPLY BANK
1 Evaluation of authority to file an application (ownership).	1 Evaluation of authority to file an application (ownership).
2 Evaluation of water right validity and review of forfeiture. Validity of the rights must be established. Water rights in this basin have not been reviewed in the SRBA.	2 Evaluation of water right validity and review of forfeiture. Validity of the rights must be established. Water rights in this basin have not been reviewed in the SRBA.
3 Injury to other water rights.	3 Injury to other water rights.
4 Enlargement of use.	4 Enlargement of use.
5 Local public interest.	5 Local public interest.
6 Beneficial use and conservation of water resources.	6 Beneficial use and conservation of water resources.
7 Advertising the application.	8 Advertising required for rental agreements of greater than 5 years. Other notice is discretionary.

Much of this information has been provided to the Department with the current bank applications, and transfer submittals made in the past. However, as we have discussed, there are still a few primary issues that will need be addressed in processing either a transfer or bank application:

- Proof of water right ownership or authority to file an application must be provided for all of the identified water rights.
- Validity of the rights must be evaluated. The Company intends to lease or transfer portions of approximately one hundred water rights that appear to be primarily based on old decrees without a complete definition of all the elements of the rights. See discussion below of review in the SRBA.
- The proposed uses should be itemized with diversion volumes and diversion rates.
- Proof of the extent of historic beneficial use should be provided if a change in the nature or purpose of use, season of use, or for a supplemental water right, the place of use, is proposed.

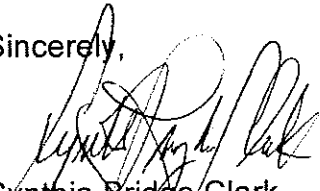
The Company appears to be making an effort to accommodate both the immediate water use needs, those of the Teton Springs Golf and Casting Club, and the future anticipated water use needs of the developing service area. Based on our discussions, there appears to be enough certainty of the water use requirements for the Club to warrant the filing of an application for a permanent transfer. Fortunately, some of the issues outlined above will be reviewed in the Snake River Basin Adjudication (SRBA), which is

beginning claim review in basin 22 this year. Therefore, it makes some sense to allow the SRBA to determine the status of all of the rights identified. It is our hope that the issues outlined above could be addressed in parallel between SRBA and allocations staff reviewing the transfer application. We also anticipate that the filing of subsequent applications for transfer or the bank, requesting future water use changes, will be more manageable for the rights involved upon the completion of the SRBA.

To accommodate the immediate needs of the Club, a short-term lease/rental of rights through the bank would simplify processing of a Water Supply Bank application during the SRBA review. A short-term lease/rental would not require the detailed review that an indefinite lease/rental or permanent transfer would require. For the purposes of processing the bank applications currently filed with the Department for a short-term lease/rental, proof of ownership or permission to file on behalf of the water right owners should be submitted, along with information regarding the diversion rate and volumes associated with the intended water uses. It should also be understood that rental from the bank would not, in itself, confirm the validity of a right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of these water rights in the ongoing Snake River Basin Adjudication or any other Department application process.

This alternative does not provide long-term certainty of your water rights. However, it does provide more immediate recognition of the present uses, and provides some time to gather documentation for a long-term lease/rental or a transfer, and time for SRBA review and decree of the water rights involved. Please feel free to clarify any information that may be incorrect as to the intentions of your clients, and to contact me if you have any questions.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

c: Ron Carlson & Roger Warner – IDWR Eastern Regional Office

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HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

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*Also Licensed in Utah and Arizona
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April 6, 2004

Director Karl Dreher
Idaho Department of Water Resources
1300 N. Orchard
Boise, ID 83706

Re: Trail Creek Sprinkler Irrigation Company - Water Bank Applications and
Application for Transfer

Dear Director Dreher:

We very much appreciated the telephone conference we were able to have with Mr. Gary Spackman, Ms. Cynthia Bridge-Clark and Mr. Phil Rassier on the afternoon of Monday, March 15, 2004. We were disappointed you were unable to join us, but we hope we made significant progress.

As we understood the conclusion of the discussion, we were to be receiving a letter from Mr. Spackman and Ms. Bridge-Clark specifying the details and information required in addition to what we have previously submitted for completion of the processing of the lease to and from the water supply bank, or in the alternative, the application for transfer.

We are looking forward to receiving the anticipated correspondence at the earliest opportunity. Thank you again for your continued attention to this matter.

Yours very truly,



Kent W. Foster

c: Trail Creek Sprinkler Irrigation Board of Directors
Teton Springs Golf and Casting Club, LLC
Jerry Rigby

Law Offices
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

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KARL
RECEIVED
MAR 04 2004
Department of Water Resources
Arthur W. Holden
(1911-1971)
Robert B. Holden
(1911-1971)
Terry L. Crapo
(1939-1982)
William S. Holden
(1907-1988)

Of Counsel
Fred J. Hahn

*Also Licensed in Utah and Arizona
**Also Licensed in Missouri & Kansas

March 2, 2004

Director Karl Dreher
Idaho Department of Water Resources
1301 N. Orchard St.
Boise, ID 83706

Re: Trail Creek Sprinkler Irrigation Co. - Water Bank Applications

Dear Director Dreher:

We are writing to solicit your assistance with the applications we filed last December on behalf of the Trail Creek Sprinkler Irrigation Company. You will recall that you advised me at the Idaho Water Users Association convention in late January that you had assigned the matter to Ms. Cynthia Bridge-Clark for evaluation. I have spoken with Ms. Clark two or three times and she is very gracious. But, from our last conversation, I could not discern that any progress was being made in the processing of the applications, and it sounded as if the staff may not be completely united on what needs to be done or how to do it.

You will recall that we had started our effort to comply with the perceived legal requirements by working with Eastern Region staff to design a transfer proceeding to accomplish the objectives. We were advised early last summer that the Boise office had informed the Eastern Region office that a transfer application would not be an acceptable way to proceed. Jerry Rigby and I then began a dialogue with you and understood you to recommend the applications to lease water to and from the water bank as the correct procedure to follow.

As you are aware, the water rights under which Trail Creek Sprinkler Irrigation Company diverts and delivers water to its shareholders are primarily for irrigation purposes. In recent years much of the formerly irrigated lands of the shareholders of the company has been purchased for resort type purposes. Two golf courses are under construction on formerly irrigated lands and ponds for aesthetic, recreational and other uses have become popular. In our discussions with

IDWR personnel, it has been confirmed to us that the nature of use of the company water rights must be changed to legally accommodate the new uses even though most of such new uses seem to be non-consumptive.

We have tried to work with department officials to comply with the law as the department perceives it. We are under great pressure from company shareholders who are under great pressure from lenders who have committed large sums to the new developments and are insisting that all legal requirements be properly documented in writing with dispatch. Unfortunately, they are not finding my reports of progress acceptable.

Let me just reiterate that we want to comply with the law, however the department decides that must be done. If the department can let us know what must be done and how to do it, we will certainly do our best to perform. Please let us know what we can do to be of assistance.

Yours very truly,



Kent W. Foster

c: Trail Creek Sprinkler Irrigation Co. Board of Directors
Teton Springs Golf and Casting Club, LLC

Law Offices
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

APPLICATIONS
SUPERCEDED

KENT W. FOSTER
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US BANK BUILDING
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Of Counsel
Fred J. Hahn

RECEIVED

JAN 14 2004

Department of Water Resources

*Also Licensed in Utah and Arizona
**Also Licensed in Missouri & Kansas

December 31, 2003

RECEIVED

JAN 02 2004

Department of Water Resources
Eastern Region

Idaho Department of Water Resources
Eastern Region Office
ATTN: Ronald Carlson
900 N. Skyline Dr., Ste. A
Idaho Falls, ID 83402

Re: Trail Creek Sprinkler Irrigation Company and Teton Springs Golf and Casting Club, LLC

Dear Mr. Carlson:

As I recall, you are aware that the Boise Office of IDWR had determined we could not proceed with the transfer application we had worked out with you and your staff for the extra uses of the Trail Creek Sprinkler Irrigation Company water rights in connection with the numerous recreational and aesthetic ponds being constructed in its service area. Early last summer, we engaged in personal discussions with Director Dreher to try to find an acceptable solution to this matter. He made a genuine effort to be helpful and suggested the procedure of the company leasing a portion of its water to the Water Supply Bank and then renting the same water back so that its shareholders with ponds could legally use the water for all the extra uses in addition to irrigation.

It took a great deal of time and effort to work out this plan with all the affected parties, but we have now submitted the applications to Director Dreher. We are enclosing copies of the submittal to Director Dreher for the information of the Eastern Region Office with this letter.

Some months ago, I believe we also submitted a map showing the plans of Teton Springs Golf and Casting Club, LLC, for pond use and irrigation for its development. The pond system has now been constructed and we are enclosing another map prepared for Teton Springs by

Rendezvous Engineering in Jackson, Wyoming, showing the ponds "as built" and the detail of the irrigation and pond use which will update the map we previously sent.

Teton Springs has also worked out an arrangement with Trail Creek to convey the water rights it acquired with land of Max & Merrill Rammell to Trail Creek Sprinkler Irrigation Company in exchange for additional stock in the company. We are also enclosing a copy of a document entitled "Annexation Agreement" between Trail Creek Sprinkler Irrigation Company and Teton Springs Golf and Casting Club, LLC. We will be submitting a Notice of Change of Water Right Ownership for the water rights which will be in the name of Trail Creek Sprinkler Irrigation Company as soon as we complete the exchange of the deed to the water rights for the additional stock as outlined in the Annexation Agreement.

Of course, if you have any thoughts or recommendations in connection with these efforts, we will appreciate hearing from you at your convenience. Thank you for your continued assistance.

Yours very truly,



Kent W. Foster

Enclosures

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December 22, 2003

Director Karl Dreher
Idaho Department of Water Resources
1301 N. Orchard
Boise, ID 83706

Re: Trail Creek Sprinkler Irrigation Company

Dear Director Dreher:

We are enclosing with this letter two completed applications on behalf of Trail Creek Sprinkler Irrigation Company; one to lease water to the water supply bank, and the other to rent the exact same water back from the water supply bank. The two applications are contingent upon one another and we request they be processed as a package.

You will recall that we discussed this procedure as a way to accomplish the objective of accommodating uses being made of company water rights in addition to irrigation by some of the stockholders. Several have constructed lined ponds which provide for such non consumptive uses as recreation, aesthetics, fish and wildlife habitat enhancement, fire protection, irrigation storage and industrial gravel washing in addition to the irrigation which most are continuing to do as well.

Would you please review these application forms and advise us of any changes or additions that might be needed. We have not enclosed a filing fee, but please call us if one is required, and we will send it immediately. Please also let us know how we can assist in completing this matter as soon as may be. Thank you again for your continued assistance.

Yours very truly,



Kent W. Foster

Enclosures

Water Supply Bank No. _____
Water Right No. _____

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

Name of Seller/Lessor Trail Creek Sprinkler Irrigation Company Phone 208-787-2952

Post office address P.O. Box 131, Victor, Idaho 83455

1. DESCRIPTION OF WATER RIGHT: **See attached List of Water Rights**

Right evidenced by:

- a. Decree No. _____ Decreed to _____
in case of _____ vs _____ (Name)
dated _____ in _____ county of _____
(Name of court)
- b. License No. _____ issued by the Idaho Department of Water Resources.
- c. Permit No. _____ issued by the Idaho Department of Water Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (if the entire right is for sale or lease, show "all" on line a. below and skip the remainder of part 2.)

- a. Amount of water under right: _____ cubic feet per second &/or
2808 acre-feet per annum.
- b. Point of diversion: SW ¼ of SE ¼ of Section 19 Township 3N Range 46E,
B.M. in Teton County. (See Below)
- Additional points SE1/4 SW1/4 Section 17, T. 3N, R. 46E.B.M., Teton County, ID

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45	2	8			10													18
		1-22	MISCELLANEOUS SMALL PARCELS																26
		13										16	17						33
		14									33	38	38	37	38	37	26	39	286
		23	38	38	25	39	19	36	38	25	3				16	12			289
		24						17	17			6							40
4N	45	35														10			10

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres 702

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

Water Rights were transferred from the land owners to Trail Creek Sprinkler Irrigation

Company from 1966 - 1968, and have been diverted and delivered by the Company ever
since.

- b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Water is delivered to all properties within the Trail Creek Sprinkler Irrigation System via
the canal and pipeline system. This is from April 15th - October 15th of each year
according to Trail Creek Sprinkler Irrigation Company and Water Master Records.

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right.

April 15 - October 15

- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

All of the Company's water rights have the same purpose (irrigation) and place of use (lands of stockholders within company service area). A portion is offered for lease so that stockholders with ponds can also legally use the water for such non consumptive uses as recreation, aesthetics, fish and wildlife habitat improvement, fire protection, irrigation storage and gravel washing. These additional uses occur on some 702 acres of stockholder's lands with up to 2,808 acre feet of water each season.

- e. If the water right is a permit, describe the work accomplished toward developing the right.

N/A

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

Trail Creek Sprinkler Irrigation Company is the applicant for leasing water rights to the State of Idaho on condition that the company can lease the water back for the additional uses.

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale;

☒ For lease for a period from "Indefinite" to _____
(Day, month, year) (Day, month, year)

(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the State of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

\$6.00 as indicated by current rental rates of Fremont-Madison Irrigation District and
Water District 01 Rental Pool.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

Dec 17, 2003
Date

John Winger
John Winger, President, Trail Creek Sprinkler Irrigation Co.

Dec 17 / 2003
Date

Arnold Woolstenhulme
Arnold Woolstenhulme, Secretary, Trail Creek Sprinkler Irrigation Co.

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

WATER RIGHTS LIST

To the extent of the development which may occur within the service area of the company, the existing water rights will continue to be used for irrigation and incidental stock watering or for impoundment in the small ponds or lakes within the prospective developments for such additional uses as wetlands habitat enhancement for wildlife and water fowl and aquatic flora and fauna, irrigation storage, fish propagation, storm water control, fire protection, recreation and aesthetics. The water will continue to be used for all or any of such uses only during the irrigation season from April 1 through November 1 of each year.

Right No.:	Priority:	Amount (CFS):	Source:	Tributary to:
22-21	01/22/1916	0.4	Trail Creek	Teton River
22-22	01/22/1916	0.8	Trail Creek	Teton River
22-23	01/22/1916	3.2	Trail Creek	Teton River
22-24	01/22/1916	3.2	Trail Creek	Teton River
22-44	01/22/1916	1.0	Moose Creek	Teton River
22-66	06/01/1891	0.4	Trail Creek	Teton River
22-90	01/22/1916	1.6	Warm Creek	Teton River
22-115	01/22/1916	20.8	Trail Creek	Teton River
22-116	01/22/1916	21.4	Trail Creek	Teton River
22-117	01/22/1916	9.2	Trail Creek	Teton River
22-118	01/22/1916	10.4	Trail Creek	Teton River
22-119	01/22/1916	19.6	Trail Creek	Teton River
22-120	01/22/1916	27.2	Trail Creek	Teton River
22-121	01/22/1916	1.34	Trail Creek	Teton River
22-122	01/22/1916	3.2	Spring Creek Trail Creek	Teton River
22-123	01/22/1916	1.6	Trail Creek	Teton River
22-124	01/22/1916	1.8	Trail Creek	Teton River
22-125	01/22/1916	3.2	Trail Creek	Teton River

22-126	01/22/1916	2.8	Trail Creek	Teton River
22-127	01/22/1916	3.74	Moose Creek Trail Creek	Teton River
22-145A	01/22/1916	44.46	Trail Creek	Teton River
22-145C	01/22/1916	4.94	Trail Creek	Teton River
22-150A	06/01/1896	0.81	Trail Creek	Teton River
22-150B	06/01/1896	2.39	Trail Creek	Teton River
22-157A	06/01/1896	0.81	Trail Creek	Teton River
22-157B	06/01/1896	2.39	Trail Creek	Teton River
22-159A	06/01/1896	0.81	Trail Creek	Teton River
22-159B	06/01/1896	2.39	Trail Creek	Teton River
22-168	05/01/1893	1.6	Trail Creek	Teton River
22-172A	06/01/1896	0.81	Trail Creek	Teton River
22-172B	06/01/1896	2.39	Trail Creek	Teton River
22-176	04/01/1890	2.4	Trail Creek	Teton River
22-182	06/01/1897	3.2	Trail Creek	Teton River
22-200	07/30/1896	1.6	Trail Creek	Teton River
22-201	06/01/1898	1.6	Trail Creek	Teton River
22-221C	09/01/1890	0.2	Trail Creek	Teton River
22-221D	09/01/1890	1.066	Trail Creek	Teton River
22-222A	09/01/1890	2.134	Trail Creek	Teton River
22-222C	09/01/1890	1/066	Trail Creek	Teton River
22-223	04/01/1889	3.2	Game Creek Trail Creek	Teton River
22-234	05/15/1895	0.3	Trail Creek	Teton River
22-241A	06/01/1896	0.2	Trail Creek	Teton River

22-241B	06/01/1896	0.6	Trail Creek	Teton River
22-242	06/01/1897	1.0	Trail Creek	Teton River
22-243	06/01/1898	0.8	Trail Creek	Teton River
22-245C	04/01/1890	0.533	Trail Creek	Teton River
22-248	04/01/1890	1.6	Trail Creek	Teton River
22-257	07/01/1894	0.4	Trail Creek	Teton River
22-258	07/01/1896	2.8	Trail Creek	Teton River
22-279A	06/01/1896	0.81	Trail Creek	Teton River
22-279B	06/01/1896	2.39	Trail Creek	Teton River
22-284A	06/01/1896	0.7	Trail Creek	Teton River
22-284B	06/01/1896	0.9	Trail Creek	Teton River
22-285A	06/01/1896	0.58	Trail Creek	Teton River
22-285B	06/01/1896	1.72	Trail Creek	Teton River
22-293	06/01/1894	3.2	Trail Creek	Teton River
22-295	07/15/1896	0.8	Trail Creek	Teton River
22-343A	06/01/1896	0.75	Trail Creek	Teton River
22-343B	06/01/1896	2.25	Trail Creek	Teton River
22-352	06/01/1898	2.7	Trail Creek	Teton River
22-353A	06/01/1896	0.48	Trail Creek	Teton River
22-353B	06/01/1896	1.44	Trail Creek	Teton River
22-355	06/01/1889	0.4	Game Creek Trail Creek	Teton River
22-356	06/01/1893	2.8	Trail Creek	Teton River
22-357	10/28/1897	2.0	Trail Creek	Teton River
22-358	06/15/1895	2.8	Trail Creek	Teton River

22-359	06/15/1895	3.2	Trail Creek	Teton River
22-364	06/30/1894	3.2	Trail Creek	Teton River
22-399	05/01/1903	0.8	Trail Creek	Teton River
22-413	06/01/1902	0.6	Trail Creek	Teton River
22-435A	07/15/1889	1.2	Trail Creek	Teton River
22-435C	07/15/1889	0.66	Trail Creek	Teton River
22-448A	06/01/1896	1.4	Trail Creek	Teton River
22-448B	06/01/1896	1.8	Trail Creek	Teton River
22-458	06/15/1897	1.5	Trail Creek	Teton River
22-460	06/01/1903	0.8	Trail Creek	Teton River
22-475	04/01/1890	3.2	Trail Creek	Teton River
22-478A	06/01/1896	0.81	Trail Creek	Teton River
22-478B	06/01/1896	2.39	Trail Creek	Teton River
22-479	06/01/1894	1.02	Trail Creek	Teton River
22-484	04/01/1890	1.74	Trail Creek	Teton River
22-504A	06/01/1896	0.81	Trail Creek	Teton River
22-504B	06/01/1896	2.39	Trail Creek	Teton River
22-507	05/15/1902	0.8	Trail Creek	Teton River
22-518	06/01/1894	3.2	Trail Creek	Teton River
22-519	04/01/1890	2.3	Trail Creek	Teton River
22-520	06/01/1894	0.3	Trail Creek	Teton River
22-521	08/15/1896	3.2	Trail Creek	Teton River
22-523A	04/01/1896	0.8	Trail Creek	Teton River
22-523B	04/01/1896	1.6	Trail Creek	Teton River
22-524	04/01/1896	4.3	Warm Creek	Teton River

22-532	06/15/1896	3.2	Trail Creek	Teton River
22-536	05/01/1894	2.6	Trail Creek	Teton River
22-559	07/15/1889	1.9	Trail Creek	Teton River
22-560A	07/15/1895	0.3	Trail Creek	Teton River
22-560B	07/15/1895	2.9	Trail Creek	Teton River
22-561	07/15/1890	2.7	Trail Creek	Teton River
22-566A	06/01/1896	1.6	Springs, Game Creek, Trail Creek	Teton River
22-566B	06/01/1896	4.8	Trail Creek	Teton River
22-584	06/01/1898	3.2	Trail Creek	Teton River
22-602A	09/01/1889	2.4	Warm Creek	Teton River
22-603	04/01/1890	1.6	Trail Creek	Teton River
22-12981	04/01/1890	0.76	Sherman Springs, Warm Creek	Teton River

SUPERCEDED

Before the Idaho Water Resource Board

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

Applicant Trail Creek Sprinkler Irrigation Company Phone 208-787-2952

Address: P.O. Box 131

City Victor State ID Zip Code 83455

A. DESCRIPTION OF WATER SOUGHT FOR RENTAL

1. Source of water: Trail Creek and Tributaries
which is tributary to: Teton River
2. Maximum volume of water sought 2,808 AF.
3. Maximum rate of diversion 8.00 cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Irrigation
2. Location of points of diversion:

Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Local name for diversion
	NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
	SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
	SW	SW	SE	19	3N	46E	TETON	STRING CANAL
	SE	NW	SE	13	3N	45E	TETON	KIMBALL CANAL
	SW	SE	NW	13	3N	45E	TETON	KEARSLEY CANAL
	SW	SE	NW	13	3N	45E	TETON	TOWN CANAL
	NW	SW	NE	14	3N	45E	TETON	SPENCER CANAL
	NW	SW	NE	14	3N	45E	TETON	HUMBLE CANAL
	NE	SW	NW	11	3N	45E	TETON	TONKS CANAL
	SE	NE	SE	16	3N	46E	TETON	WARM CREEK DIVERSION
	SE	SE	NW	23	3N	45E	TETON	SHERMAN SPRINGS DIVERSION
	SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

3. Season of use: From 4/15 to 10/15
4. Description of diverting works:
Pump HP _____ Lift _____ Pump type _____
Canal name, if appropriate Trail Creek Canals and pipeline system
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract, section, township and range.
The water will be used for irrigation and for the additional non consumptive uses of recreation, aesthetics, fish and wildlife habitat improvement, irrigation storage, fire protection and gravel washing.

- b. If water is not for irrigation, describe the nature of the intended use and the place of use.

1/4	Sec.	Twp.	Rge.	User	Uses	Acres
E1/2, NE1/4	2	3N	45E	Teton Properties	*	18
--	1-22	3N	45E	Misc. Users	*	20
NE1/4, NE1/4, SW1/4	11	3N	45E	Kincaid Properties	*	2
W1/2 SW1/4	13	3N	45E	Teton Springs	*	33
S1/2	14	3N	45E	Teton Springs	*	286
S1/2 SW1/4	15	3N	45E	T. Thompson	*	2
N1/2 SW1/4	23	3N	45E	Teton Springs	*	289
W1/2 NW1/4 NWSW	24	3N	45E	Teton Springs	*	40
S1/2 SE1/4	19	3N	46E	A. Woolstenhulme	*	2
SE1/4 NW1/4 SE1/4	35	4N	45E	Walters Concrete	*	10

Total Acres Requested 702

* = Recreation, Aesthetics, Fish & Wildlife Habitat Improvement, Fire Protection, Irrigation Storage, as well as Irrigation.

6. Describe any other water rights used for the same purposes as rental water sought under this application.
See list of water rights
7. Who owns the property at the point of diversion?
There are 12 points of diversion on the Trail Creek irrigation system. Two are on Federal Lands US Forest Service, and BLM and the rest are on land owned by private individuals.
8. Who owns the property at the place of use?
Stockholders of applicant.
9. Are you seeking a rental for more than one (1) year? yes
 If so, how many years? indefinitely
10. Remarks: _____

Dec 17, 2003
 Date

John Winger
 John Winger, President

Dec 17, 2003
 Date

Arnold Woolstenhulme
 Arnold Woolstenhulme, Secretary

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____
Published in _____ Pub. dates _____
Protests filed by _____
Hearing held by _____
Action recommended _____

G:\WPDATA\KWF\11571 Trail Creek Sprinkler Irrigation Co\Rent Water App2.wpd:cdv

ANNEXATION AGREEMENT

This agreement is made and entered into this 30th day of September, 2003, by and between the Trail Creek Sprinkler Irrigation Company, an Idaho corporation having its principle place of business in Teton County, Idaho, near the town of Victor, herein referred to as "COMPANY", and Teton Springs Golf & Casting Club, LLC, an Idaho limited liability company, having its principle place of business in Teton County, Idaho, near the town of Victor, herein referred to as "TETON SPRINGS",

WITNESSETH:

That for and in consideration of the mutual covenants and promises herein set forth, and other good and valuable consideration, the receipt whereof is hereby acknowledged by the parties hereto, the parties agree as follows:

1. COMPANY is the holder of numerous water rights and is the owner of a system of diversion works and conveyance facilities, including gravity flow pipeline systems and open canals, for the purpose of diverting water from Trail Creek and other public sources of supply during the irrigation season each year, and delivering the same to the lands of its stockholders for the irrigation thereof.

2. TETON SPRINGS is the owner of the following described real property situate in the County of Teton, State of Idaho, to wit:

Tract 1 (land acquired from Max & Merrill Rammell):

Beginning at a point that is N0°0'17"E 2,642.34 feet, N0°0'7"E 2,642.79 feet and S89°39'34"E 2,637.41 feet from the west quarter corner of Section 23, Township 3 north, Range 45 East; thence S89°39'34"E 2,640 feet; thence S89°43'54"E 572.23 feet; thence S0°1'9"E 6,180.11 feet; thence N82°37'50"W 4,623.31 feet; thence N0°33'27"E 329.91 feet; thence N89°43'39"E 1,369.54 feet; thence N0°1'57"E 2,641.18 feet; thence N0°4'22"E 2,640.82 feet to the point of beginning.

Tract 2 (land acquired from Hastings, Kearsley & Winger and which is located within the Trail Creek Sprinkler Irrigation Company service area):

Commencing at the west quarter corner of Section 23, Township 3 north, Range 45 east and running thence N0°0'17"E 2,642.34 feet; thence N0°0'7"E 2,642.79 feet; thence S89°39'34"E 2,637.41 feet; thence S0°4'22"E 2,640.82 feet; thence S0°1'57"W 2,641.18 feet; thence N89°43'39"W 2,639.56 feet, more or less, to the point of beginning.

TETON SPRINGS is also the holder of the following described private irrigation water rights which are appurtenant to Tract 1 of said real property:

Water Right No.	Source	Amount in cfs	Priority
22-435A	Trail Creek	1.2	June 15, 1889
22-222A	Trail Creek	2.134	April 1, 1890
22-221C	Trail Creek	0.2	September 1, 1890
22-12981	Sherman Springs	0.76	April 1, 1890

3. TETON SPRINGS agrees to convey the above described water rights to the COMPANY by good and sufficient Quitclaim Deed, in the form attached hereto as Exhibit "A", in exchange for the issuance by COMPANY of an additional 342.3 shares of the common capital stock of COMPANY to TETON SPRINGS to accomplish the annexation of the above described Tract 1 of TETON SPRINGS into the service area of COMPANY, and to provide for TETON SPRINGS to become a stockholder of the COMPANY as to all of its lands described above, both Tract 1 and Tract 2, with all of the same rights, privileges and responsibilities as every other stockholder of the COMPANY. TETON SPRINGS already holds 306 shares of the common capital stock of COMPANY and this additional 342.3 shares will bring the total number of shares of TETON SPRINGS in company to 648.3 shares.

4. In order to complete the annexation, COMPANY agrees to file and prosecute to completion, appropriate applications with the Idaho Department of Water Resources to provide for the water delivered through the COMPANY system to lands of TETON SPRINGS to be used for the following purposes in addition to the irrigation of the lands of TETON SPRINGS:

- Wetlands Habitat enhancement for wildlife, water fowl and aquatic flora and fauna.
- Irrigation storage
- Fish propagation
- Storm water control
- Fire Protection
- Recreation
- Aesthetics

5. TETON SPRINGS shall continue to receive water for the watering of its lands and for other uses, but hereafter pursuant to its ownership of 648.3 shares of stock in COMPANY, through the String Canal, and/or directly from a valve on the Trail Creek pipeline located in the NENW Section 23, T3N., R45E., on TETON SPRINGS property, and/or from Sherman Springs through a small channel which now empties into a lined pond or lake, numbered 9b, on TETON SPRINGS property. The unused water passing through TETON SPRINGS property shall continue to exit the property at the historical locations of the String Canal and the natural channel of warm creek in amounts and quality equal to or greater than has occurred historically.

6. It is understood that TETON SPRINGS is the holder of 154 acre feet of storage water rights through the Fremont-Madison Irrigation District. All of the above described lands of TETON SPRINGS are within the boundaries of said irrigation district, and to the extent the storage space of the district fills with water each year, a proportionate amount of such storage water is available for use by TETON SPRINGS during the irrigation season, on an exchange basis, to supplement the water available for the irrigation and other uses of TETON SPRINGS property under the natural flow rights of COMPANY. TETON SPRINGS will retain its private ownership of said storage rights, and in accordance with applicable law, will exchange storage water available as described with water from Sherman Springs when needed, as such need may be determined by TETON SPRINGS.

7. Should either party default in the performance of any of the covenants or agreements contained herein, such defaulting party shall pay to the other party all costs and expenses, including, but not limited to, a reasonable attorney fee, including such fees on appeal, which the offended party may incur in enforcing this agreement or in pursuing any remedy allowed by law for breach hereof, whether such is incurred by the filing of suit or otherwise.

8. This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

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

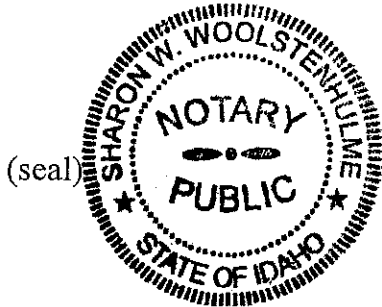
Trail Creek Sprinkler Irrigation Company

By: John Winger
Its: President

STATE OF IDAHO)
)ss.
County of Teton)

On this 30th day of September, in the year 2003, before me a notary public in and for said State, personally appeared JOHN WINGER known or identified to me (or proved to me on the oath of _____) to be the president, or vice-president, or secretary or assistant secretary, of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Sharon W. Woolstenhulme
Notary Public for Idaho
Residing at Victor, Idaho
My commission expires: 10/15/2008

Teton Springs Golf & Casting Club, LLC

By: Anthony S. Vest
Its: Managing Member

STATE OF IDAHO)
)ss.
County of Teton)

On this 30th day of September, in the year 2003, before me a notary public in and for said State, personally appeared Anthony Vest known or identified to me (or proved to me on the oath of _____) to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

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



Shannon R. Herndon
Notary Public for Idaho
Residing at Victor ID
My commission expires: 9-15-2009

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**QUITCLAIM DEED
FOR
WATER RIGHTS**

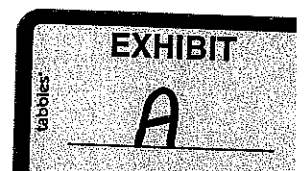
THIS INDENTURE is made this 30th day of September, 2003, between Teton Springs Golf & Casting Club, LLC, referred to herein as the "GRANTOR" and Trail Creek Sprinkler Irrigation Company, whose principle place of business is in Teton County, Idaho, near the town of Victor, and whose mailing business is Box 131, Victor, Idaho 83455, referred to herein as the "GRANTEE",

WITNESSETH, that the GRANTOR, for an in consideration of the sum of Ten and No/100 Dollars (\$10.00) lawful money of the United States of America and other good and valuable consideration to GRANTOR, in hand paid by the GRANTEE, the receipt whereof is hereby acknowledged, does by these presents remise, release and forever QUITCLAIM unto the GRANTEE, and to GRANTEE's successors and assigns forever, all right, title and interest now owned or hereafter acquired by the Grantor in all the following described water rights or portions thereof in the County of Teton, State of Idaho, to-wit:

<u>Water Right No.</u>	<u>Amount in CFS</u>	<u>Source</u>	<u>Priority Date</u>
22-435A	1.2 cfs	Trail Creek	June 15, 1889
22-222A	2.134 cfs	Trail Creek	April 1, 1890
22-221C	0.2 cfs	Trail Creek	September 1, 1890
22-12981	0.76 cfs	Sherman Springs	April 1, 1890

TOGETHER, with the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and any reversions, remainders, or rents, issues and profits therefrom.

TO HAVE AND TO HOLD the said water rights unto the GRANTEE, and to GRANTEE's successors and assigns forever.



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

IN WITNESS WHEREOF, the GRANTOR has executed the within instrument the day and year first above written.

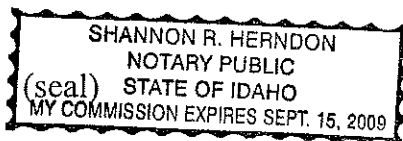
Teton Springs Golf & Casting Club, LLC

By: Anthony F. Vest
Its: Managing Member

STATE OF IDAHO)
)ss.
County of Teton)

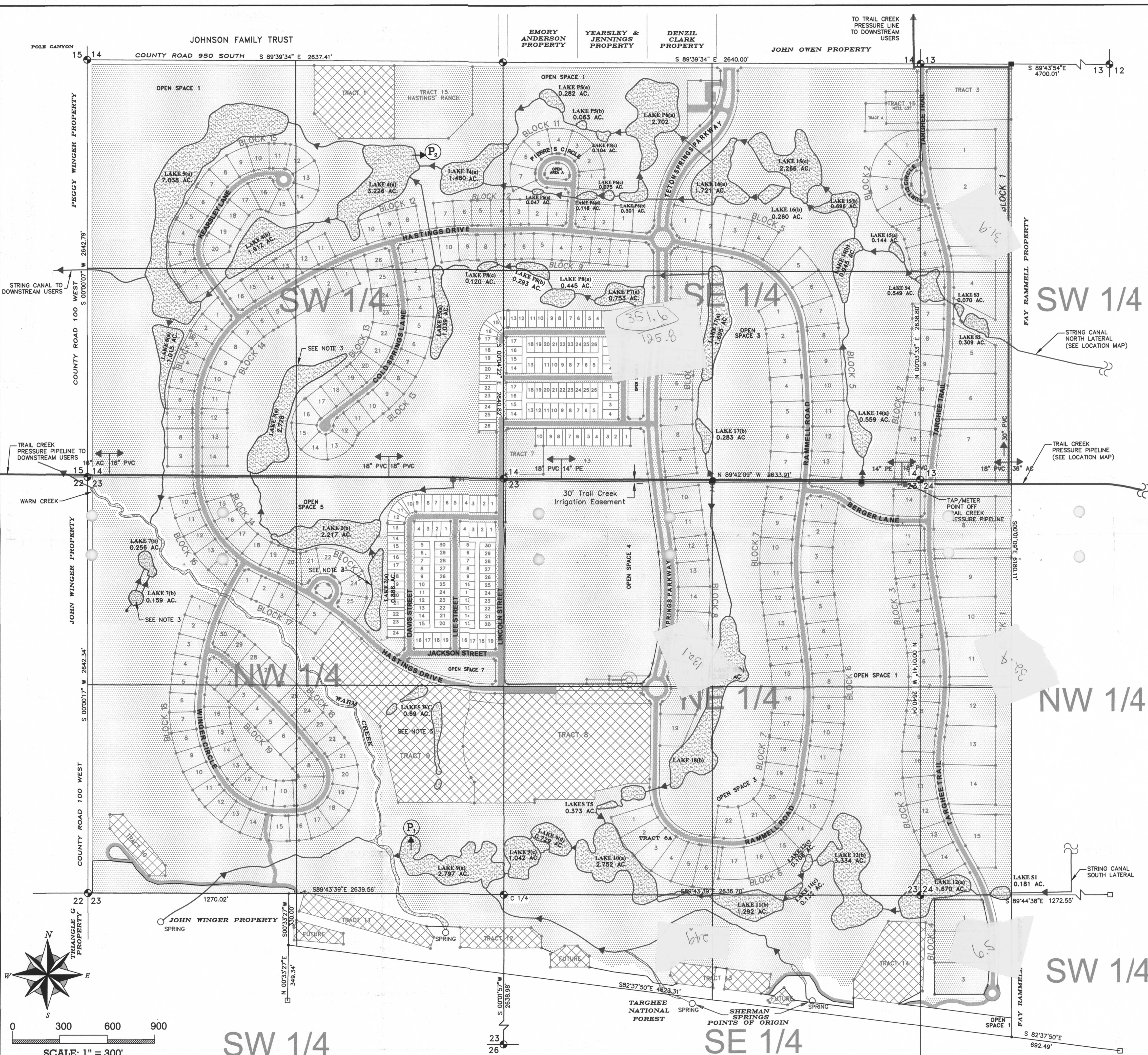
On this 30th day of September, 2003, before me a notary public in and for said State, personally appeared Anthony Vest known or identified to me (or proved to me on the oath of _____) to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

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



Shannon R Herndon
Notary Public for Idaho
Residing at Victor, ID
My commission expires: 9-15-2009

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Legend

Lotline and Corners (Based upon available subdivision plats of record and masterplan for Teton Springs)

Public Land Survey Corner—as Indicated

8" Lateral Tap with Meter on Trail Creek Pipeline to Pressure Lateral

Surface Discharge Point From The Main Pressure Lateral Line

Waterway/Pipeline with Direction of Flow

Intake Point To Underground Pressure Sprinkler System With Meter On Discharge

Denotes Area to be Sprinkler Irrigated with Underground Pressure Sprinkler System. Road Area Excluded From Area Calculation.

Denotes Area Of Partial Irrigation Where Only Landscaped Areas Will Be Irrigated

Total Area Sprinkled = 592.62

NOTES:

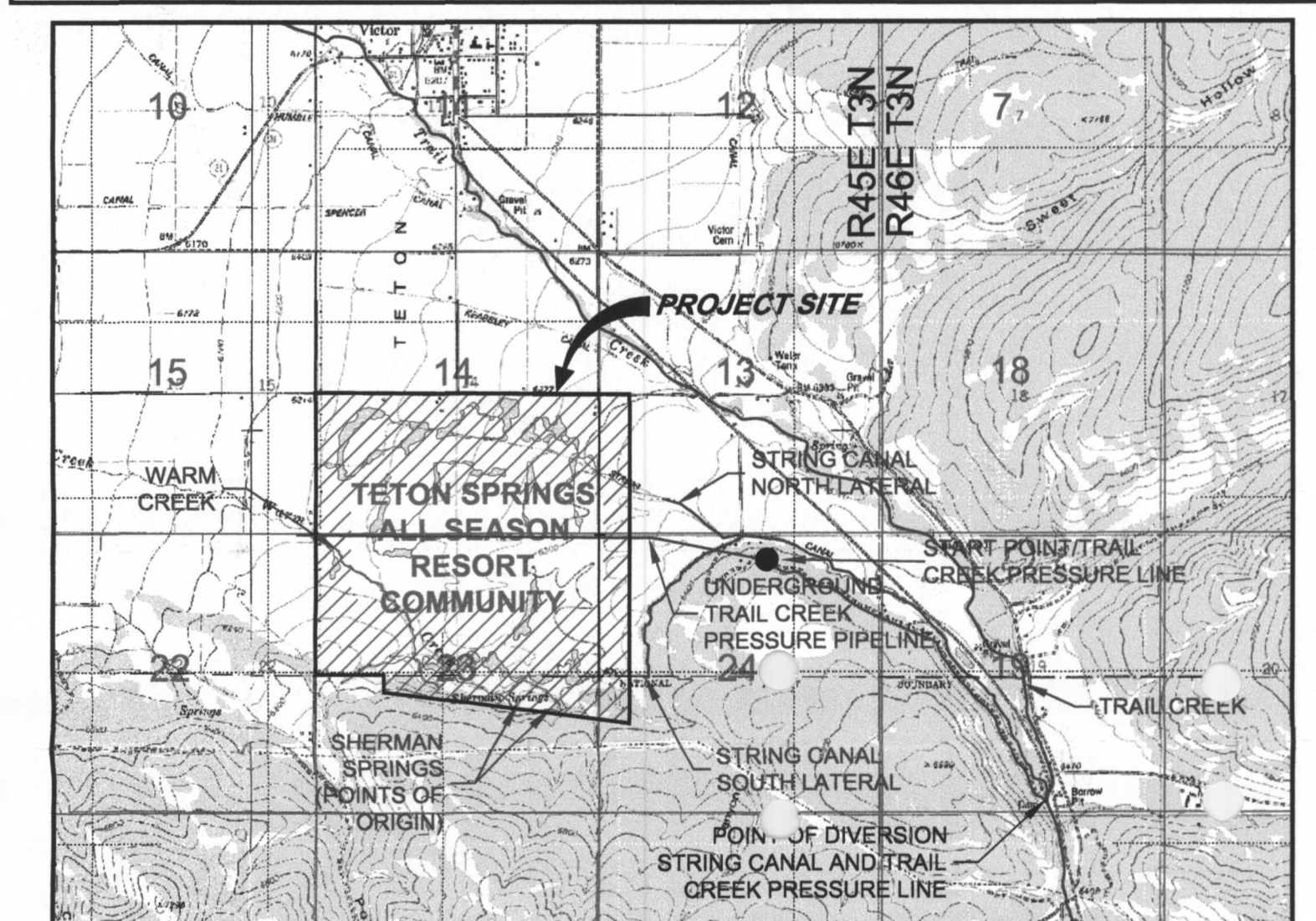
1.) Lakes Will Be Supplied By North And South Laterals Of The String Canal And From a Tap Off The Trail Creek Pressure Line Located in the NE 1/4 NE 1/4 SEC 23 T3N R45E.

2.) The Teton Springs' Sprinkler Irrigation System Will Have Intakes In Lakes 4a and 9a.

3.) Lakes 2a, 3b, WC and 7b To Be Filled Directly From Separate Taps Off The Underground Sprinkler System.

4.) Lake WC (Warm Creek) is a series of small ponds with a total area of 0.69 acres.

5.) All lakes to be constructed with PVC membrane liner to minimize seepage.



LAKE AREA TABLE

LAKE NUMBER	TOTAL AREA (ACRES)	LAKE NUMBER	TOTAL AREA (ACRES)	LAKE NUMBER	TOTAL AREA (ACRES)
2a	0.886	12c	0.108	P6b	0.301
2b	2.217	14a	0.559	P6c	0.075
3a	2.728	14b	0.945	P6d	0.118
4a	3.226	15a	0.144	P6e	0.047
4b	1.912	15b	0.696	P7a	0.753
5a	7.038	15c	2.266	P8a	0.445
6a	1.015	16a	1.721	P8b	0.293
7a	0.256	16b	0.260	P8c	0.120
7b	0.159	17a	1.695	S1	0.181
9a	2.797	17b	0.283	S2	0.309
9c	1.042	18b	3.827	S3	0.070
9d	0.729	P3a	1.039	S4	0.549
10a	2.752	P4a	1.480	T5	0.373
11b	1.292	P5a	0.282	WC East	0.433
11c	0.132	P5b	0.063	WC West	0.262
12a	1.670	P5c	0.104	TOTAL	55.688
12b	3.334	P6a	2.702		

PLACE OF USE: IRRIGATED LANDS

TWP	RGE	SEC	NE 1/4	NW 1/4	SW 1/4	SE 1/4	TOTALS
3N	45E	13	18.2	18.2	18.2	18.2	72.8
3N	45E	14	29.3	29.3	29.3	29.3	117.2
3N	45E	23	37.2	38.8	18.2	38.1	132.3
3N	45E	24	18.7	15.7	6.5		40.9
							263.2

PLACE OF USE: LAKES AND WATER FEATURES

TWP	RGE	SEC	NE 1/4	NW 1/4	SW 1/4	SE 1/4	TOTALS
3N	45E	13	0.001	0.001	0.001	0.001	0.004
3N	45E	14	4.8	7.1	4.8	6.1	22.8
3N	45E	23	1.5	0.1	0.8	3.1	5.5
3N	45E	24	1.0	0.3			1.3
							19.6

EXISTING PLACE OF USE: IRRIGATED LANDS (RECORD INFORMATION)

TWP	RGE	SEC	NE 1/4	NW 1/4	SW 1/4	SE 1/4	TOTALS
3N	45E	13	16	17	16	16	65
3N	45E	14	29	38	40	38	145
3N	45E	23	38	40	38	38	154
3N	45E	24	19	19			38
							312

Prepared By: EDD
Date: Jan 11, 2002
Rev. Date: December 16, 2003
Plot Info:
Data:
Path:

RENDEZVOUS ENGINEERING, P.C.
P.O. BOX 4858 JACOBSON, WYOMING 83001
25 SOUTH GROS VENTRE STREET
PHONE - 307.733.5252 FAX - 307.733.2334

DRAWING TITLE:
MAP SHOWING SURFACE WATER PLAN, LAKES AND IRRIGATED AREAS

PROJECT TITLE:
TETON SPRINGS ALL SEASON RESORT COMMUNITY

PROJECT NUMBER:
00-023

DRAWING NUMBER:
WR1