

Transfer No. 71599
Receipt No.S027148

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**

1. Applicant Information PETER J GRUSH

2025 S HWY 81
MALTA ID 83342
(208)645-2361

And

SYLVIA T GRUSH

2025 S HWY 81
MALTA ID 83342
(208)645-2361

And

RALPH WALLIN JR FAMILY INTER VIVOS TRUST

PO BOX 243
GRACE ID 83241
(208)425-9016

Will this transfer result in an ownership change? No

2. Current Water Right**Part 2 Attached for Each Right**

	Origin/Basis	Rate	Volume	Acre Limit	Total Acres	Source
43-12966	WR/License	3.42	682.0		171.0	GROUND WATER

3. Purpose of Transfer (Change Proposed)**Part 3A Attached for Each Proposed Right****Part 3B Attached for Each Split Right**

Right	Split	POD	POU	Add POD	Period of Use	Nature of Use
43-12966	NO	NO	NO	YES	NO	NO

Describe the reason for the proposed changes

The existing well pumps sand & gravel that continuously wears out the bowls, and only pumps about 500 gpm without ruining the system. We want to drill a new well to get up to our allowed pumping rate, and will discontinue the use of the existing well if the new hole provides enough water. Right 43-12967 is still licensed under the existing well, but will not be watered from the new well (so is not included in this transfer).

4. FOR CHANGES IN NATURE OF USE ONLY

A. Describe the expected quantity of the return flows and location of discharge after the proposed change

B. Describe the effects on other water uses resulting from the proposed change

5. Total Amounts Transferred

	Rate	Acre Limit	Total Acres	Volume
43-12966	3.42 cfs		171.0	682.0 af
TOTAL	3.42 cfs	171.0	171.0	682.0 af

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in voiding its approval.

J. E. Stanton
Secretary

Peter J. Hersh

(Signature of Applicant)

President

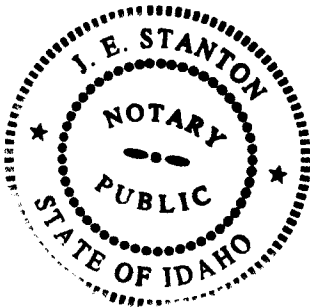
(Title or Office)

Subscribed and sworn to before me this 29th day of October, 2004.

J. E. Stanton

(Notary Public)

My commission expires 10-25-2006



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**IDAHO DEPARTMENT OF WATER RESOURCES
 APPLICATION FOR TRANSFER OF WATER RIGHT
 PART 2**

Current Water Right No. 43-12966

Priority Date: December 04, 1951

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	3.42 CFS	682.0 AFA	
Total Diversion		3.42 CFS	682.0 AFA	

Source and Point(s) of Diversion:

GROUND WATER L7 (SWSWSW) Sec. 6 Twp 14S Rge 27E CASSIA County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
14S 27E 6						49.0	49.0			49.0	24.0						171.0
						L 4	L 5			L 6	L 7						

Total Acres: 171

Conditions/Remarks:

1. THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. RIGHT NO. 43-12967 IS ALSO DIVERTED THROUGH POINT OF DIVERSION DESCRIBED ABOVE.

Documentation of Ownership of the Current Place of Use

Is this property subject to any liens, deeds of trust, mortgages, or contracts or other encumbrances?
NO

Describe the effect on the current place of use for this water right if the place of use is changed pursuant to this transfer
N/A

To your knowledge, has any portion of the water right undergone a period of five(5) or more consecutive years of non-use?
NO

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**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3A**

Proposed Water Right No. 43-12966

Priority Date: December 04, 1951

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	3.42 CFS	682.0 AFA	
Total Diversion		3.42 CFS	682.0 AFA	

Source and Point(s) of Diversion:

GROUND WATER L5 (SWSWNW) Sec. 6 Twp 14S Rge 27E CASSIA County

GROUND WATER L7 (SWSWSW) Sec. 6 Twp 14S Rge 27E CASSIA County

Describe the proposed diversion system

Point of Diversion # 1 New well, 150 hp motor, pump, mainline to sprinklers

PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
14S	27E	6						49.0	49.0			49.0	24.0						171.0
								L 4	L 5			L 6	L 7						

Total Acres: 171

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This Agreement made this 30th day of August 2001, between Ralph Wallin Jr. & Diane Wallin, Trustees of the Ralph Wallin Jr. Inter Vivos Trust. Trust agreement dated March 21, 1980, hereinafter "Lessors" and Peter Grush and Sylvia Grush, husband and wife DBA P Bar S Dairy hereinafter "Lessee."

WITNESSETH:

That the Lessors, for and in consideration of the rents and covenants hereinafter mentioned to be paid and performed by the Lessee, have demised, leased, and let and by these presents do demise lease and let unto the Lessee, the following described land to wit:

Refer to attachment "Exhibit A" for complete legal description.

To have and to hold the above rented premises to the said Lessee, his heirs, executors, administrators and assigns, for and during the full term of TWELVE YEARS from and after September 1, 2001, subject to the conditions hereinafter provided and the Lessee for himself, his heirs, executors, administrators and assigns, agrees to and with the lessors to pay them, their heirs, executors, administrators and assigns, as rent for the above-mentioned premises, the sum of FOUR THOUSAND SEVEN HUNDRED TWENTY FIVE DOLLARS (\$4725.00) per month during the TWELVE year LEASE term beginning on September 1, 2001. Also as consideration for entering into the twelve year lease, the Lessor agrees to pay a one time, good faith up front lease prepayment fee of FIFTY THOUSAND DOLLARS (\$50,000.00). Receipt of which is hereby acknowledged. This agreement shall be escrowed at Land Title and Escrow with the Lessor and the Lessee each paying one half of the Escrow charges.

The Lessors hereby give to the Lessees the *option* of purchasing all of the above-described premises at the end of the TWELVE year Lease for a one time payment of FOUR HUNDRED FIFTY ONE THOUSAND SIX HUNDRED SEVENTY DOLLARS (\$451,670.00) lawful money of the United States of America. In the event the Lessees elects to exercise their option to purchase, they shall give the Lessors written notice thereof at least 60 days before the expiration of this lease. The Lessees will thereafter have until the expiration of this 60-day period to make payment of the purchase amount set forth in this agreement. The Lessees may with the consent of the Lessors, exercise the option prior to the expiration of the 12-year lease. If the option to purchase is exercised prior to the expiration of the twelve-year lease, the lessees shall receive some credit for their lease payments, in an amount to be mutually agreed upon between the Lessor and the Lessee. In the event Lessees elect to exercise an early option, they shall give the Lessors 60 days written notice. The early option payoff shall reflect credit for the \$50,000.00 up front good faith fee paid at the time of signing.

It is further agreed by and between the parties that the Lessee and Lessor and their respective heirs, executors, administrators, and assigns shall be bound by the following covenants:

(1) The lessee shall pay all rents on the 1st day of each month beginning September 1, 2001. Payments made after the 10th will be assessed a 5% penalty in the amount of \$236.25. Payments made 30 days late will constitute default and the Lessors may exercise their rights under the lease agreement. That should the Lessee, his heirs, executors, administrators or assigns fail to make the above-mentioned payments as herein specified or fail to fulfill any of the covenants herein contained, then it shall be lawful for the Lessors, their heirs, executors, administrators or assigns, to reenter and take full absolute possession of the above-rented premises and hold and enjoy the same fully and absolutely, without such re-entering working a forfeiture of the rents to be paid and covenants to be performed by the Lessee, his heirs, executors, administrators or assigns, for the full terms of this lease. Upon breach of this agreement by the Lessee, the Lessors shall have all remedies at law and at equity, and the Lessee shall forfeit to the Lessors all payments made under this lease.

(2) The Lessee shall keep and maintain the said premises in good order and condition. The Lessee shall commit no waste upon said premises or permit any waste to be committed by someone else. The Lessee shall maintain fences, wells, pumps, lateral moves and other improvements on said property in such condition as they are presently found normal wear and tear excepted. Any improvements to the property by the Lessee shall become the property of the Lessors, in the event the Lessee terminates this lease, or at the time of its natural end thereof.

(3) The Lessee shall maintain proper liability, property, and all other insurance that will protect the Lessors from any and all claims of liability for the actions of the Lessee, his agents, assigns and all others at his command, whether or not the same be associated with the business of the Lessee or his private activities.

(4) The Lessor shall pay all property taxes and other assessments levied against the above-described property during the term of the lease. At such time as the Lessee shall exercise his option to purchase this premises, then the Lessee shall assume any such tax or assessment obligation at a pro rata portion to be determined at such time as the option to purchase is exercised.

(5) The Lessee shall not assign this lease, in whole or in part, nor to underlet the demised premises, or any part thereof, without the written consent of the Lessors.

(6) The Lessee shall not use or occupy the demised premises in any manner, or for any purpose, other than for the lessees farming and dairy operation and a private residence without the prior written consent of the Lessors.

(7) The Lessee shall not engage in any activities that would be considered to be in violation of the laws and statutes of the State of Idaho or of the United States of America on said premises. This lease shall be deemed forfeited and the Lessors shall have the right to re-enter the property upon discovery of any illegal actions or activities on the part of the Lessee, his heirs, executors, or others at the command of the Lessee.

(8) The Lessee agrees to pay to the Lessors a reasonable attorney fee and costs associated with any action to enforce the terms of this agreement.

(9) It is mutually agreed that the Buyers accept the said property in its present state and condition, and that there are no representations, covenants or agreements between the parties hereto with reference to said property except as contained within this contract

(10) It is mutually agreed that the irrigation wells, the vertical turbine pumps and motors, the two Liners with assessories and all water rights and permits presently in place and the Manufactured home on the subject property are to be considered part of the Lease and when the option is exercised, part of the eventual sale. The home is located on Parcel #3 of Exhibit "A".

(11) Laef and Melissa Wallin can occupy the house on the subject property for a period of 6 months for a nominal rent of \$300.00 per month, rent to be due the 1st day of each month, beginning September 1st, 2001. They agree to care for the home and yard and maintain the same in its present condition.

(12) All maintenance, repairs or upgrades of the wells, pumps, motors, liners and other irrigation equipment shall be the sole responsibility of the LESSEE

(13) LESSOR to be responsible for title insurance, and one half of all other closing costs including recording fees, escrow set up, document preparation, etc. when the **option** is exercised. Lessor agrees to pay a 3% sales commission of the original sales price of \$660,000.00 to Mountain West Realty when the option is exercised.

(14) Lessee agrees that the property will be conveyed subject to easements, rights of way, reservations and restrictions of record or enforceable in law or equity and would be subject to any liens, encumbrances, or restrictions created by the Lessee.

IN WITNESS WHEREOF the parties have executed this agreement on this 30th day of August, 2001.

Ralph Wallin Jr.
Ralph Wallin Jr., Trustee for Lessor

Diane Wallin
Diane Wallin, Trustee for Lessor

Peter J. Grush
Peter J. Grush, Lessee

Sylvia Grush
Sylvia Grush, Lessee

STATE OF IDAHO)
SS.
County of Cassia)

On this 30th day of August, 2001, before me a Notary Public in and for the said state, personally appeared Ralph Wallin Jr. and Diane Wallin, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing document and who acknowledged to me that they executed the same.

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

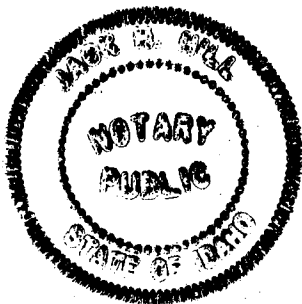


Jack A. Hill
NOTARY PUBLIC FOR IDAHO
Residing at: Burley, ID
My Commission Expires: 1/18/02

STATE OF IDAHO)
SS.
County of Cassia)

On this 30th day of August, 2001, before me a Notary Public in and for the said state, personally appeared Peter J. Grush and Sylvia Grush, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing document and who acknowledged to me that they executed the same.

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



Jack A. Hill
NOTARY PUBLIC FOR IDAHO
Residing at: Burley, ID
My Commission Expires: 1/18/02

EXHIBIT A

PARCEL NO. 1

TOWNSHIP 14 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN, CASSIA
COUNTY, IDAHO

Section 7: Lots 2, 3 and 4, SE1/4NW1/4 and E1/2SW1/4

A43-02444

PARCEL NO. 2

TOWNSHIP 14 SOUTH RANGE 27 EAST OF THE BOISE MERIDIAN, CASSIA
COUNTY, IDAHO

Section 6: Lots 4, 5, 6, and 7, except the south 690 feet of said Lot 7

well Drilling Permit

43-12966

PARCEL NO. 3

Doc 23676

TOWNSHIP 14 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN, CASSIA
COUNTY, IDAHO

Section 18: That portion of Lot 4 lying East of the East right-of-way of Highway 81,
formerly U.S. Highway 30

4 bedroom, 3 bath, 2052 Sq. Ft. Manufactured Home located on Parcel #3.
RP14S27E186000 Tax #8290 S18 T14 R27

TOGETHER WITH all water and water rights, ditches and ditch rights used thereon or
appurtenant thereto including but not limited to State of Idaho, Department of Water Resources
Adjudication Nos. ~~A43-02374~~ as to 3.48 CFS; and A43-02444

43-12966