

Proposed Hot Water Wells

BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

MICROFILMED

JUN 21 1988

TRAVELERS MORTGAGE CORPORATION

By

(Applicant)

Gary D. Slette
Attorney for Travelers Mortgage Corp.

37-8205

**Water right app.
filed by Travelers**

**NOTICE OF APPLICATION
FOR WATER RIGHT**

NOTICE IS HEREBY GIVEN,
That the following application has
been submitted for permit to ap-
propriate the public waters of the
State of Idaho:

36-8205 37

**TRAVELERS MORTGAGE
CORP.**

c/o NELSON, ROSHOLT, et al.
P.O. Box 1906

Twin Falls, Idaho 83301

Source: GROUNDWATER

Date Filed: 03/12/1985

Diversion Point: SWSE Sec 27 T
03N R 17E NWNE NENW Sec 34
T 03N R 17E

Use: HEATING (5.00 CFS)
RECREATION (5.00 CFS)

In: SESE SWSE Sec 27 T 03N R
17E NENE NWNE NENW SWNW
SENW Sec 34 T 03N R 17E

If issued, the permit will be sub-
ject to all prior water rights. Pro-
tests against the granting of any
permit must be filed with the
Director of the Idaho Department
of Water Resources, 1041 Blue
Lakes Boulevard North, Twin
Falls, Idaho 83301, and received
on or before MAY 6, 1985.

A. KENNETH DUNN
Director

Publish: Wood River Journal-
April 18 & 25, 1985.

**Water right app.
filed by Travelers**

**NOTICE OF APPLICATION
FOR WATER RIGHT**

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That the following application has
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State of Idaho:

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MORTGAGE CORP.
c/o NELSON, RSHOLT, et al.
P.O. Box 1906
Twin Falls, Idaho 83301

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03N R 17E NWNE NENW Sec 34
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ject to all prior water rights. Pro-
tests against the granting of any
permit must be filed with the
Director of the Idaho Department
of Water Resources, 1041 Blue
Lakes Boulevard North, Twin
Falls, Idaho 83301, and received
on or before MAY 27, 1985.

A. KENNETH DUNN
Director

Publish: Wood River Journal-
May 9 & 16, 1985.

For Office Use Only
\$50 Fee Received by: J. M. M.
Date: 6-23-03
Receipt No.: 2069701

37-STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

REQUEST FOR EXTENSION OF TIME
TO PROVIDE ADDITIONAL TIME IN WHICH TO SUBMIT PROOF OF
BENEFICIAL USE FOR A WATER RIGHT PERMIT

RECEIVED
JUN 23 2003

Department of Water Resources

The Idaho Department of Water Resources will consider this form as a request that the permit holder(s) be granted an additional period of time under the provisions of Section 42-204, Idaho Code in which to complete development of a water right.

Permit No.: 37-08205

Name(s) of Permit Holder: Sun Valley Land and Mineral Inc.

Mailing Address: P.O. Box 1959

Date Proof is Due: January 1, 2004 Telephone No.: 208-726-4113

Describe what work has been completed toward the development of this water right:
(This must be filled out! If no work has been completed, show "none".)

Work completed was outlined in previous requests for extension (Aug 1996, May 2000). In addition, preliminary
evaluations of the geothermal resource and development alternatives have been performed by Brockway Engineering

Costing \$ 10,000

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

On-going litigation- see attached Exhibit A

Permit holder(s) request an extension to January 1, 2009.

FEE \$ 50.00

Alma R. Kelsey
(Signature)

*If other than permit holder, Power of Attorney must be supplied.

ACTION OF THE DEPARTMENT OF WATER RESOURCES

IT IS HERBY ORDERED that the above request for extension of time be

APPROVED and the time within which to submit proof of beneficial use
is extended to October 17, 2006.

Signed this 17th day of July, 2003. L. Glen Saxton
L. GLEN SAXTON, Administrator
Water Management Division

WATER RIGHT SUMMARY

ACTION	RIGHT NO.	NAME	AMOUNT CFS
Original Application	37-08205	Travelers Mortgage Corp.	5.00
~~Full Assignment~~	~~37-08205~~	~~Interstate Investment Corp.~~	~~5.00~~
Full Assignment	37-08205	Sun Valley Land and Mineral Co.	5.00

RECEIVED

FEB 17 1993

RECEIVED

MAY 19 2000

For Office Use Only
\$50 Fee Received by AA
Date 5/19/00
Receipt No. 3023114

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

REQUEST FOR EXTENSION OF TIME
TO PROVIDE ADDITIONAL TIME IN WHICH TO SUBMIT PROOF OF
BENEFICIAL USE FOR A WATER RIGHT PERMIT

The Idaho Department of Water Resources will consider this form as a request that the permit holder(s) be granted an additional period of time under the provisions of Section 42-204, Idaho Code in which to complete development of a water right.

Permit No. 37-08205

MAY 22 2000

Name(s) of Permit Holder: Sun Valley Land & Minerals, Inc.

Department of Water Resources

Mailing Address: PO Box 1959, Sun Valley, ID 83353

Date Proof is Due: October 1, 2000 Telephone No. (520) 577-9871

Describe what work has been completed toward the development of this water right:
(This must be filled out! If no work has been completed, show "none".)

The work completed was described in the last Request for Extension of Time submitted
in 1996. Since that time, ongoing litigation has prevented further work.

Costing \$ _____

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

SEE ATTACHED EXHIBIT A

Permit holder(s) request an extension to October 1, ~~XX~~ 2005.

FEE: \$50.00

Donna Kelsey
(Signature)* Donna Kelsey, President, Sun Valley Land & Minerals, Inc.
*If other than permit holder, Power of Attorney must be supplied.

ACTION OF THE DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above request for extension of time be

APPROVED and the time within which to submit proof of beneficial use is
extended to January 1, 2004.

Signed this 1st day of June, ~~XX~~ 2000.

L. Glen Saxton
L. Glen Saxton, Chief
Water Allocation Bureau

EXHIBIT A

Sun Valley Hot Springs Ranches, Inc. v. Sun Valley Land & Minerals, Inc., Blaine County Case No. CV 95-2376, pending at the time of the last Request for Extension of Time and described in the October 4, 1996 letter to Ms. Julie Yarborough by Mr. Edward A. Lawson, attorney for Sun Valley Land & Minerals, Inc. ("SVLM"), finally ran its course with a judgment in favor of SVLM which was affirmed by the Idaho Supreme Court on July 23, 1998. Since that date, however, other parties have asserted other claims to the property owned by Sun Valley Land & Minerals, Inc. Unfortunately, these claims could not be resolved without further litigation which compelled Sun Valley Land & Minerals, Inc. to file in April, 1999, an action for quiet title and seeking other relief, denominated *Sun Valley Land & Minerals, Inc. et al v. Hawkes et al*, Blaine County Case No. CV 99-5804. A copy of the Complaint instituting this action is enclosed. In addition, I have also enclosed a copy of Mr. Lawson's April 18, 2000 letter to James P. Speck describing this litigation.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

REQUEST FOR EXTENSION OF TIME
TO PROVIDE ADDITIONAL TIME IN WHICH TO SUBMIT PROOF OF
BENEFICIAL USE FOR A WATER RIGHT PERMIT

Department of Water Resources

The Idaho Department of Water Resources will consider this form as a request that the permit holder(s) be granted an additional period of time under the provisions of Section 49-804, Idaho Code in which to complete development of a water right.

Permit No. 37-08205

Name(s) of Permit Holder: Sun Valley Land & Minerals

Mailing Address: P.O. box 1959, Sun Valley, ID 83353

Date Proof is Due: October 1, 1996

Telephone No. 208-443-2180 must take until 241
then 520-577-9871
TUCSON,

Describe what work has been completed toward the development of this water right:
(This must be filled out if no work has been completed, show "none")

partial use: 3 spas
Heated

Costs: 10-15,000?
prior owner's Costs

3 spas (recreation)

warm water injected into lake for fish habitat in winter
irrigating service & wells which were installed by prior owner

Completion: cannot complete due to continuing litigation (1) Pat Ryan lawsuit (2) Bull
Point lawsuit (3) Travelers lawsuit (4) presently: SK Hot Springs Ranches (pat Ryan again)
Lawsuit

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

Litigation: (SV Hot Springs Ranches, Inc. v. USIA);
Case No. CV-95-2376 (Sun Valley Land & Minerals, Inc
District Court of 5th Judicial District, Salt Lake, and for the County of Blaine

Permit holder(s) request an extension to Oct 1, 2001

FEE: \$99.00

(5 years - maximum amount)

Donna R. Helgeson, President
(Signature) Sun Valley Land & Minerals
*If other than permit holder, Power of Attorney must be supplied.

ACTION OF THE DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above request for extension of time be APPROVED and the time within which to submit proof of beneficial use is extended to October 1, 2000. MICROFILMED

Signed this 20th day of November, 1996

J. Glen Saylor
Chief, Water Allocation Bureau
NOV 29 1996

State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 37-08205

Proposed Priority: March 12, 1985 Maximum Diversion Rate: 5.00 CFS

This is to certify, that **SUN VALLEY LAND AND MINERAL INC**
PO BOX 1959

SUN VALLEY ID 83353

has applied for a permit to appropriate water from: **GROUNDWATER**
and a permit is **APPROVED** for development of water as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>
HEATING	01/01 to 12/31	5.00 CFS
RECREATION	01/01 to 12/31	5.00 CFS
Totals		5.00 CFS

LOCATION OF POINT(S) OF DIVERSION:

SWSE , Sec. 27, Township 03N, Range 17E
NWNE , Sec. 34, Township 03N, Range 17E
NENW , Sec. 34, Township 03N, Range 17E
BLAINE County

PLACE OF USE: HEATING
TWN RGE SEC

03N 17E 27	SWSE	SESE	
34	NENE	NWNE	NENW
	SWNW	SESW	

PLACE OF USE: RECREATION, same as HEATING use

CONDITIONS/REMARKS:

1. Proof of construction of works and application of water to beneficial use shall be submitted on or before October 1, 1996.
2. Subject to all prior water rights.
3. Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.
4. A flow measurement port or other device as specified by the Department shall be installed by the right holder to provide for the installation of measuring equipment and the determination of the rate of diversion by the Department.
5. Return flow if discharged to a subsurface system must be authorized by a separate injection well permit, and return flow if discharged to a surface water system shall meet Idaho Water Quality Standards.
6. The issuance of this right in no way grants any right-of-way or easement across the land of another.

MICROFILMED
FEB 17 1993

Permit To Appropriate Water

NO. 37-08205

CONDITIONS/REMARKS:

7. The permit holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code, and shall submit a drilling prospectus to the Department for review and approval prior to any well construction.
8. The permit holder is required to file and maintain a bond with the Department in the amount required by the Department prior to the construction of any well.
9. Failure of the permit holder to comply with the conditions of approval of this permit shall be cause for the Department to cancel the permit pursuant to Section 42-311, Idaho Code.
10. The heating use under this right is for heating 45 domestic dwellings, 115 townhouses, commercial office space, greenhouses, a gym, and an indoor pool.
11. Recreational use under this right is for a horse center, an indoor pool, gym, and tennis facilities.
12. Three points of diversion are located within NE1/4, S34, T03N, R17E.
13. Two points of diversion are located within SW1/4, S27, T03N, R17E.
14. Water use under this shall be nonconsumptive. If use is found to be consumptive in the future, the consumption must be replaced or the user of the water must cease diversion until a plan of replacement is implemented.
15. Water diverted must either be reinjected into the groundwater or discharged to a natural stream.

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code.
Witness the signature of the Director, affixed at Boise, this

8th day of February, 1993.

R. Keith Higginson
for R. Keith Higginson, Director

RECEIVED
FEB 17 1993

State of Idaho
Department of Water Resources
ASSIGNMENT OF ^{Application} PERMIT

RECEIVED
AUG 30 1990

Department of Water Resources

I, Interstate Investment, hereby assign to Sun Valley Land and Mineral, Inc.
of Corporation
Address P.O. Box 1959, Sun Valley, Idaho 83353

All my right, title, and interest in and to ^{Application} Permit No. 37-8204, 8205,
to appropriate the public waters of the State of Idaho.

^{App.} The following described portion of my right, title, and interest in and
to Permit No. 37-8205, 8205 to appropriate the public waters of the
State of Idaho.

(Describe that portion of the permit being assigned by listing the acreage
within each 40 acre subdivision, the point of diversion and the amount of
water in cubic feet per second for direct diversion, or acre feet for storage)

The whole permit is being assigned (8204) and also (8205)

Made this 27 day of August, 19 90.

Interstate Investment Corporation
Permit Holder Applicant

Donna R. Kelsey
~~Spouse of Permit Holder~~ President
Donna R. Kelsey

State of Idaho)
County of Blaine) ss

On this 24th day of August, 1990, personally
appeared before me the signer(s) of the above instrument, who duly acknowledged
to me that he (she) (they) executed the same.

Bruce S. May
Notary Public residing at
Blaine Co.

seal

My commission expires:

2-26-92

FEB 17 1993

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
AUG 30 1990

POWER OF ATTORNEY

Department of Water Resources

The undersigned holder(s) of Permit/Application No. 37-8204, 37-8205 of the Department of Water Resources of the State of Idaho hereby nominates Charles E. Brockway, whose address is 706 Sunrise Blvd. North Twin Falls, Id. as attorney-in-fact, with full authority to act for and on behalf of the undersigned in all matters pertaining to the above numbered permit or application. Such acts shall include, but not be limited to, the filing of application, receiving of all notices, the signing and filing of applications for extension of time and for amendments of said permits, and the submission of proofs of completion of works and beneficial use of water.

Dated this 29 day of August, 19 90.

SUN VALLEY LAND AND MINERALS, INC.

Donna R. Kelsey

Donna R. Kelsey, President

STATE OF IDAHO)

) ss.

County of Blaine)

On this 29th day of August, 1990, personally appeared before me the signer(s) of the above instrument, who duly acknowledged to me that he (she) (they) executed the same.

Bonnie S. May

Notary Public

Residing at

Blaine Co.

My Commission expires:

2-26-93

FEB 17 1993

State of Idaho

Department of Water Resources

Per attached deed
Application for
ASSIGNMENT OF PERMIT

I, _____, hereby assign to Interstate Investment Corporation
of P.O. Box 1959, Sun Valley, Idaho 83353
Address

CHECK ONE

☒ All my right, title, and interest in and to Permit No. 37-8205
to appropriate the public waters of the State of Idaho.

☐ The following described portion of my right, title, and interest in and to Permit
No. _____ to appropriate the public waters of the State of Idaho.

(Describe that portion of the permit being assigned by listing the acreage within
each 40 acre subdivision, the point of diversion and the amount of water in cubic
feet per second for direct diversion, or acre feet for storage)

RECEIVED

AUG 18 1989
Department of Water Resources
Southern Region Office

Made this _____ day of _____, 19____.

Permit Holder

Spouse of Permit Holder

State of Idaho)
County of _____) ss.

On this _____ day of _____, 19____, personally
appeared before me the signer(s) of the above instrument, who duly acknowledged to me
that he (she) (they) executed the same.

seal

Notary Public residing at

My commission expires:

MICROFILMED

SEP 21 1989

37-8205

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

1. Name of applicant TRAVELERS MORTGAGE CORPORATION Phone (208)-734-0700
Post office address c/o Nelson, Rosholt et.al. P.O. Box 1906 Twin Falls, ID 83301

2. Source of water supply Groundwater which is a tributary of _____

3. Location of point of diversion is ^(2 points) SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 27 Township 3N

Range 17 E. B.M. Blaine County, additional points of diversion if any: _____

^(1 point) NW1/4 NE1/4 Sec. 34, NE1/4 NW1/4 Sec. 34 T. 3N, R. 17 E.B.M. ^(3 points)

4. Water will be used for the following purposes:

Amount 5.0 c/f/s Heating purposes from Jan 1 to Dec 31 (both dates inclusive)
(cfs or acre-feet per annum)

Amount 5.0 cfs for Recreation purposes from Jan 1 to Dec 31 (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

5. Total quantity to be appropriated:

a. 5.0 c/f/s cubic feet per second and/or b. _____ acre-feet per annum.

6. Proposed diverting works:

a. Description of ditches, flumes, pumps, headgates, etc. Wells and enclosed distribution system (pipe).

b. Height of storage dam _____ feet, active reservoir capacity _____ acre-feet; total reservoir capacity _____ acre-feet, materials used in storage dam: _____

Period of year when water will be diverted to storage _____ to _____ inclusive.
(Month/Day) (Month/Day)

c. Proposed well diameter is _____ inches; proposed depth of well is _____ feet.

7. Time required for the completion of the works and application of the water to the proposed beneficial use is 5 years (minimum 1 year - maximum 5 years).

8. Description of proposed uses:

a. If water is not for irrigation:

(1) Give the place of use of water: SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 27 Township 3N

Range 17 E. B.M. and SW1/4 SE1/4 Sec. 27, NE1/4 NE1/4, NW1/4 NE1/4, NE1/4 NW1/4 and SE1/4 NW1/4, Sec. 34 T. 3N

(2) Amount of power to be generated: _____ horsepower under _____ feet of head.

(3) List number of each kind of livestock to be watered _____

(4) Name of municipality to be served _____, or number of families to be supplied with domestic water _____

(5) If water is to be used for other purposes describe: See remarks JUN 21 1988

b. If water is for irrigation, indicate acreage in each subdivision in the tabulation below:

TWP	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

Total number of acres to be irrigated _____

c. Describe any other water rights used for the same purposes as described above. Other claimed
rights as evidenced by 37-4368 and 37-4370

9. a. Who owns the property at the point of diversion Applicant

b. Who owns the land to be irrigated or place of use Applicant

c. If the property is owned by a person other than the applicant, describe the arrangement enabling the
applicant to make this filing _____

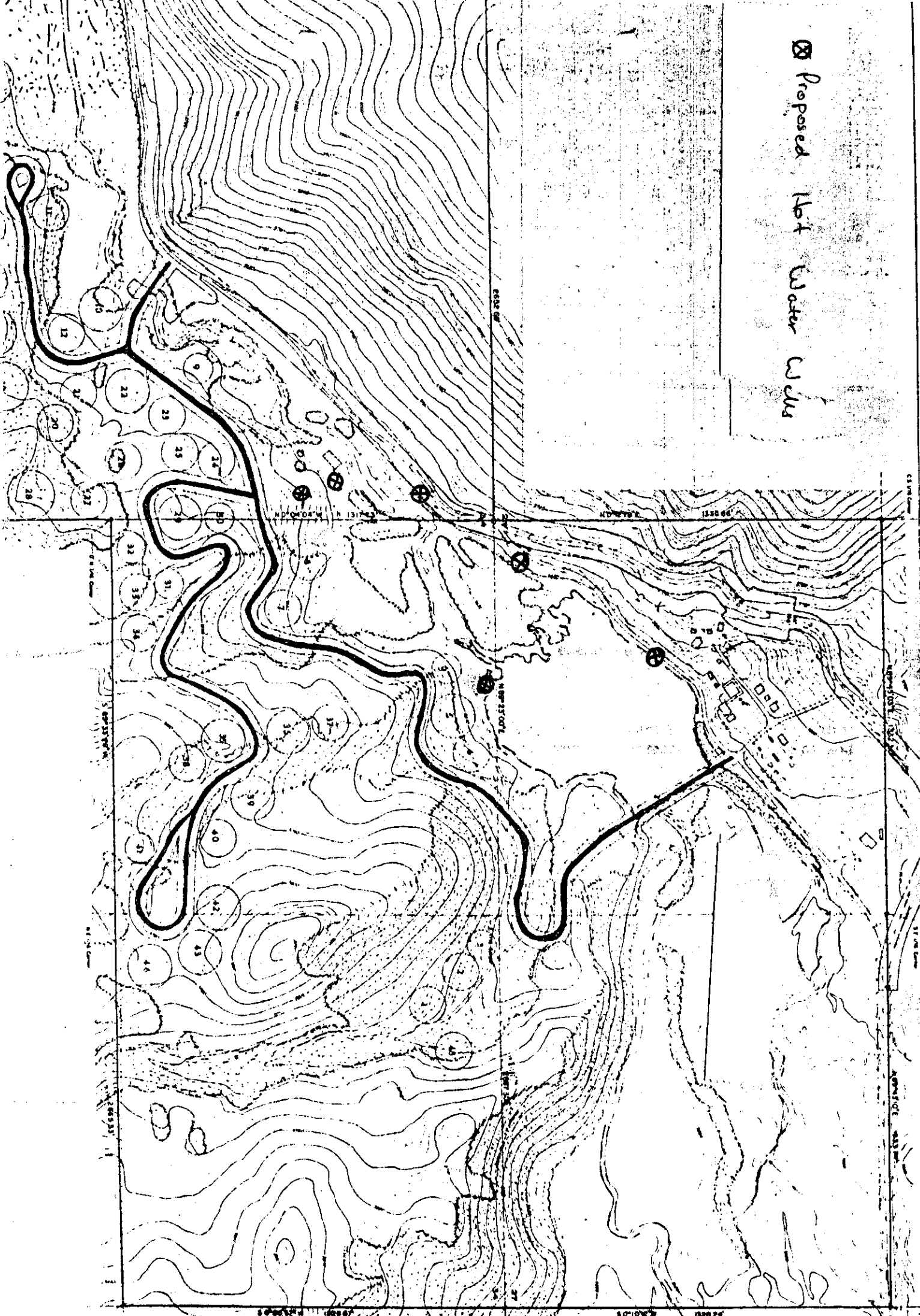
10. Remarks Space heating for residences, greenhouses, swimming pools
Water temperature assumed to be 125° Fahrenheit

See Mar 25, 1985 addendum letter.

RECEIVED

JUN 21 1988

Proposed Hot Water Wells



BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

MICROFILMED

JUN 21 1988

TRAVELERS MORTGAGE CORPORATION

By

[Signature]

(Applicant)

Gary D. Slette
Attorney for Travelers Mortgage Corp.

37-8205

QUITCLAIM DEED

For Value Received

TRAVELERS LEASING CORPORATION,
a Washington corporation,

do hereby convey, release, remise and forever quitclaim unto
Interstate Investment Corporation, an Idaho Corporation

whose current address is 319 Walnut Avenue, P.O. Box 297, Ketchum, Idaho 83340

the following described premises, to-wit:

That certain real property in the State of Idaho, County of Blaine, described in Exhibit "A" attached hereto and incorporated herein by this reference, together with that portion of roadway described in Deed to the United States of America, recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, which lies in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34 and in the water rights appurtenant to the property conveyed by this deed including, but not limited to, Claim Nos. 37-4368, 37-4369, 37-4370, 37-8132, 37-8133, 37-8204 and 37-8205.

"AS IS AND WITH ALL FAULTS" WITH NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.

Date
Books
Computer
Homeowner
Dev. Rate
Tax Lot #
Personal Property
Front Sheet
File

Gayforth Title Co., Inc.

BLAINE CO.

RECEIVED

SEP 22 PM 4 34

Doc

Deed

MICROFILMED

together with their appurtenances.

SEP 21 1988

Dated: September 22, 1988.

TRAVELERS LEASING CORPORATION

By: Christopher Davis

STATE OF IDAHO, COUNTY OF BLAINE
On this 22 day of SEPT., 1988,
before me, a Notary Public in and for the said State, personally appeared CHRISTOPHER DAVIS, known or identified to me to be the President of TRAVELERS LEASING CORPORATION, and upon

STATE OF IDAHO, COUNTY OF
I hereby certify that this instrument was filed for record at
the request of
at minutes past o'clock M.,
this day of

238475

INST

Ship 3 North, Range 17 E., B.M., Blaine County, Idaho,
Section 34:

NINE, EXCEPT Lots 1, 2, 3, 44, and 45, CLARENDON SUBDIVISION NO. 1, Blaine County,
Idaho, according to the official plat thereof recorded in Book 14 of Plats, page 1, records
of Blaine County, Idaho.

PARCEL II

Township 3 North, Range 17 E., B.M., Blaine County, Idaho,
Section 27:

S1SE1, EXCEPT that portion of the SW1SE1 of Section 27 more particularly described as
follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE
N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the TRUE PLACE OF BEGINNING;
THENCE S. 50°14' W., 100 feet; THENCE N. 39°46' W., 100 feet; THENCE N. 50°14' E., 100 feet;
THENCE S. 39°46' W., 100 feet to the TRUE PLACE OF BEGINNING.

ALSO EXCEPT a portion of the SW1SE1 Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE
N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of
Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning;
THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet;
THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

ALSO EXCEPT a parcel of land in the SW1SE1 of Section 27 described as follows:

BEGINNING at the Section corner common to Sections 26, 27, 34, and 35 of said Township
and Range; THENCE North along said section line 1,329 feet to the Northeast corner of the
SE1SE1 of said Section 27; THENCE West along the North quarter section line of the S1SE1 of
said Section 27, a distance of 1,530 feet, to the TRUE POINT OF BEGINNING; THENCE West along
said quarter section line a distance of 120 feet; THENCE at right angles and running South to
the Deer Creek Road, as the same is now established; THENCE running in a northeasterly
direction along said Deer Creek Road to a point 190 feet South of the Point of Beginning and
which said point is 1,530 feet West of the East boundary of said Section 27; THENCE running
at right angles North a distance of approximately 190 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT Road right-of-way conveyed to the United States of America by Deed recorded in
Book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by
Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records
of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW1SE1 Section 27 described as follows:

BEGINNING at a point in the SW1SE1 of said Section 27 that bears N. 73°11'6" W., 2311.09
feet from the southeast corner of said Section 27, which point of beginning is the east
corner of the Randell house; THENCE S. 29°53'54" W., 145.20 feet; THENCE S. 78°32'54" W.,
46.84 feet; THENCE N. 10°25'30" E., 213.19 feet; THENCE N. 57°46'54" E., 181.40 feet; THENCE
S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homesite; THENCE
S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW1SE1 Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27 and running North 0°57' East for
1322.00 feet, more or less, along the easterly boundary of said Section 27; THENCE
South 89°47'30" West for 1391.00 feet along the northerly boundary of said SE1SE1 and SW1SE1;
THENCE South 49°40'30" West for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;
THENCE North 40°19'30" West for 45.00 feet to a 1/4-inch iron pin;
THENCE South 49°40'30" West for 100.00 feet to a 1/4-inch iron pin;
THENCE South 40°19'30" East for 100.00 feet to a 1/4-inch iron pin;
THENCE North 49°40'30" East for 100.00 feet to a 1/4-inch iron pin;
THENCE North 40°19'30" West for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: SW1

EXHIBIT "A"

MICROFILMED

SEP 1989

AFFIDAVIT of PUBLICATION

RECEIVED

OCT 9 1990

State of Idaho,

SS.

County of Blaine

Department of Water Resources
Southern Region Office

DANIEL J. GODHAM

being first duly sworn, deposes and says that he is the printer (publisher) of the Wood River Journal, a newspaper published every week in Hailey, County of Blaine, State of Idaho; that said newspaper has been continuously and uninterruptedly published for a period of seventy-eight consecutive weeks prior to the first publication of the annexed notice, and is a newspaper qualified to publish legal notices as provided by act of the 1919 session of the legislature of the State of Idaho, known as House Bill 145; that the

annexed advertisement was published once each week for 2 consecutive issues in said newspaper proper and not in a supplement; that the date of the first

publication of said advertisement was on the 19 day of 9, 1990, and

the date of the last publication was on the 26 day of 9, 1990.

Subscribed and sworn to before me this 26th day of Sept. 1990.
(SEAL)

NOTARY PUBLIC

#7265
WOOD RIVER JOURNAL
Hailey, Idaho

COST OF PUBLICATION

Number of Picas per Line _____
Number of Lines in Notice 60.75
Number of Insertions 2
Lines tabular at # 33.44 6c / Pica
Lines straight at # 26.73 5c / Pica
Subsequent lines at # 5.00 4c / Pica
TOTAL COST \$65.14 \$5.00 fee

COPY OF NOTICE

(Paste Here)

App. of Water Rights
TITLE OF NOTICE #37-0820

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept. of Water Res. - I.I.

BILL TO

Two file on water rights

'NOTICE OF APPLICATION FOR WATER RIGHT

The following application(s) have been filed to appropriate the public waters of the State of Idaho:

37-08204

SUN VALLEY LAND
AND MINERAL INC.
PO BOX 1959
SUN VALLEY ID 83353
Source: GROUNDWATER
Diversion Pt: SWSE Sec 27 T 03N
R 17E; NWNE Sec 34 T 03N R
17E; NENW Sec 34 T 03N R 17E
Use: IRRIGATION (.760 CFS)
STOCKWATER (.020 CFS)
COMMERCIAL (.700 CFS)
DOMESTIC (.700 CFS)
RECREATION (.200 CFS)
FIRE PROTECTION (2.000 CFS)
Total Diversion: (4.380 CFS)

Date Filed: 3/12/1985
In: T03N R17E S27 SWSE SESE;
S34 NENE NWNE NENW SWNW
SENW

38.0 ACRES TOTAL

37-08205

SUN VALLEY LAND
AND MINERAL INC.
PO BOX 1959
SUN VALLEY ID 83353
Source: GROUNDWATER
Diversion Pt: SWSE Sec 27 T 03N
R 17E; NWNE Sec 34 T 03N R
17E; NENW Sec 34 T 03N R 17E
Use: HEATING (5.000 CFS)
RECREATION (5.000 CFS)
Total Diversion: (5.000 CFS)

Date Filed: 3/12/1985
In: T03N R17E S27 SWSE SESE;
S34 NENE NWNE NENW SWNW
SENW

The permit(s) will be subject to all prior water rights. Protests may be submitted based on the criteria of Sec. 42-203A, Idaho Code, and/or the new public interest criteria of Sec. 42-203C, Idaho Code. Protests must be filed with the Director, Dept. of Water Resources, 222 Shoshone Street East, Twin Falls, Idaho 83301, on or before OCTOBER 8, 1990.

R. Keith Higginson, Director
Publish: Wood River Journal-
September 19 & 26, 1990.

AFFIDAVIT of PUBLICATION

RECEIVED

State of Idaho, }
County of Blaine } SS.

APR 29 1985

GORDON O. GLASMANN

Department of Water Resources
Southern District Office

being first duly sworn,
deposes and says that he is the printer (publisher) of the Wood River Journal, a newspaper published every week in Hailey, County of Blaine, State of Idaho; that said newspaper has been continuously and uninterruptedly published for a period of seventy-eight consecutive weeks prior to the first publication of the annexed notice, and is a newspaper qualified to publish legal notices as provided by act of the 1919 session of the legislature of the State of Idaho, known as House Bill 145; that the annexed advertisement was published once

each week for 2 consecutive issues in said newspaper proper and not in a supplement; that the date of the first publication

of said advertisement was on the 18th day of April

1985 and the date of the last publication was on the 25th

day of April 1985

Gordon O. Glasmann
4/30/85

Subscribed and sworn to before me this 26th

day of April 1985.
(SEAL)

Darls Lott
NOTARY PUBLIC

WOOD RIVER JOURNAL

Hailey, Idaho

COST OF PUBLICATION

Numer of Picas per Line 11

Number of Lines in Notice 34

Number of Insertions 2

34 Lines tabular at 5¢/Pica

34 Lines straight at 14.96 4¢/Pica

34 Subsequent lines at 11.22 3¢/Pica

TOTAL COST 26.18

COPY OF NOTICE

(Paste Here)

36-8205 App
TITLE OF NOTICE

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept of Water
ALL TO

PUBLICATION RATES

(Idaho Code, Rev. Statutes 1984)

7-8 pt. per line straight 4¢/Pica

7-8 pt. per line tabular 5¢/Pica

7-8 pt. per line successive

insertions 3¢/Pica

MICROFILMED

JUN 21 1988 3999

AFFIDAVIT OF PUBLICATION

State of Idaho, }
County of Blaine } SS.

CLINT STENNETT

being first duly sworn, deposes and says that he is the printer (publisher) of the Wood River Journal, a newspaper published every week in Hailey, County of Blaine, State of Idaho; that said newspaper has been continuously and uninterruptedly published for a period of seventy-eight consecutive weeks prior to the first publication of the annexed notice, and is a newspaper qualified to publish legal notices as provided by act of the 1919 session of the legislature of the State of Idaho, known as House Bill 145; that the annexed advertisement was published once

each week for 2 consecutive issues in said newspaper proper and not in a supplement; that the date of the first publication of said advertisement was on the 9th day of May 1985 and the date of the last publication was on the 16th day of May 1985

Subscribed and sworn to before me this 16th day of May 1985.
(SEAL)
Roberta Greffner
NOTARY PUBLIC

WOOD RIVER JOURNAL

Hailey, Idaho

COST OF PUBLICATION

Numer of Picas per Line 11
Number of Lines in Notice 40.5
Number of Insertions 2
Lines tabular at 5¢
40.5 Lines straight at 17.82 4¢/Pica
40.5 Subsequent lines at 13.37 3¢/Pica
TOTAL COST 31.19

COPY OF NOTICE
(Paste Here)

#37-8205 Reesholt
TITLE OF NOTICE

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept. of Water Res.
H.W.J. 111

PUBLICATION RATES

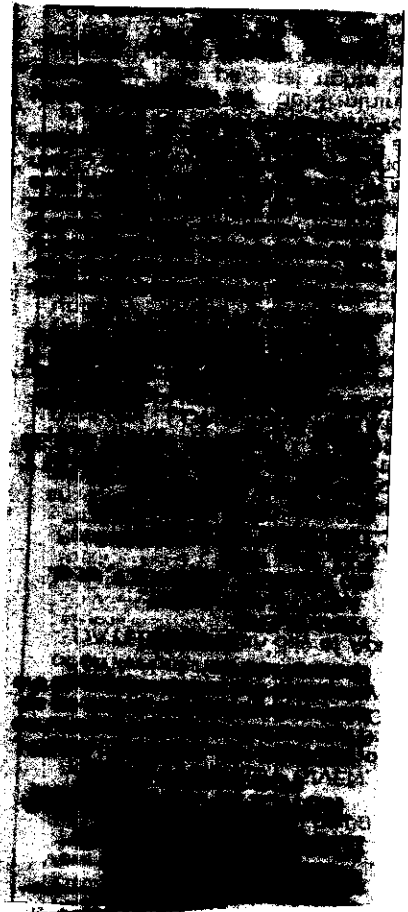
(Idaho Code, Rev. Statutes 1984)

7-8 pt. per line straight 4¢/Pica
7-8 pt. per line tabular 5¢/Pica
7-8 pt. per line successive
insertions 3¢/Pica

MICROFILMED & INDEXED
N^o 4057

JUN 21 1988 MAY 17 1985

Department of Water Resources
Southeastern District Office





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

July 18, 2003

SUN VALLEY LAND AND MINERAL INC
PO BOX 1959
SUN VALLEY ID 83353

RE: PERMIT NO. 37-8205

Dear Permit Holder:

Enclosed is a copy of the approved request for extension of time submitted in connection with the above referenced permit. This order extends the time within which to submit proof of beneficial use to **October 17, 2006**, due to delay of development caused by litigation. Please note that the department has granted the extension based on the actual time litigation was pending during the last development period, according to Section 42-204(1), Idaho Code. It is important that you work diligently toward the completion of the development, since the department may not be able to grant additional extensions in connection with this permit.

Section 42-248, Idaho Code, requires you or the owner of the water rights to maintain current ownership and address records on file with the department. Please contact any office of the department for the proper form to file a change of ownership of a water right and/or a change in the address of the owner.

Please contact me at (208) 327-7953, if you have any questions regarding this matter.

Sincerely,

Deborah J. Gibson
Administrative Assistant
Water Allocation Bureau

Enclosure

c: IDWR - Regional Office
Charles E. Brockway, Brockway Engineering, PLLC

Memorandum

To: File for Permit No. 37-8205 in the name of Sun Valley Land and Mineral, Inc.

From: Deborah Gibson

Date: July 15, 2003

Re: Request for Extension of Time

Charles E. Brockway, with Brockway Engineering, supplied information to the department that assisted in the calculation of the Request for Extension of Time. The department views the time frame the litigation was active as consistently running from 1995 through April 10, 2003, when the Supreme Court issued the final Order on the matter before them identified as Case. No. 27528. In Mr. Brockway's letter dated July 8, 2003 he recommends an extension to October 17, 2006 (2 years, 10 months and 17 days). The department has granted this request. See Request for Extension of Time, issued July 17, 2003.

ANALYSIS SHEET FOR EXTENSION OF TIME

Permit No.: 37-8205

Reviewed By: dgibson

Date: July 17, 2003

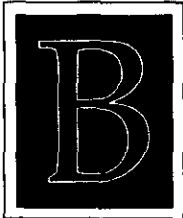
	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Request received timely?	X		Is delay by a government agency?		X
Appropriate fee	X		Is supporting documentation needed to support the file?		
Additional Amount Due:					
Receipt No.:	C069701		Has the permit been involved in litigation?	X	
Name and signature same as permit?	X		Is supporting documentation needed to support the file?		
Is address same as permit?	X		Is the project more than 25,000 acre feet for irrigation or 10,000 acre feet for a reservoir?		X
Has adequate work been completed to demonstrate due diligence?		X			

Priority Calculation

Extension request received	06/23/2003	New proof due date	10/17/2006
Date proof due	- 01/01/2004		
Lapse notice sent	-		
No. of days late	= 0		
Holiday allowance	+		
Priority date	+ 03/12/1985		
New priority date	= 03/12/1985		

Action Taken

Acknowledge request and extend proof deadline to October 17, 2006 based on litigation.
Memo to the file explains the basis for the calculation.



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

July 11, 2003

Ms. Deborah Gibson
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83720-0098

RECEIVED
JUL 14 2003
Department of Water Resources

Subject: Additional Material: Request for Extension of Time
Sun Valley Land and Mineral, Inc. (Permit #37-08205)

Dear Deborah:

I recently received this letter from Ed Lawson, attorney for Sun Valley Land and Mineral Inc regarding the Supreme court suit. This appears to identify the dates for the suit involving Hawkes et al.

Thank you for your efforts on this application.

Sincerely,

Charles E. Brockway

Enclosure: Remittur, Sun Valley Land and Minerals Inc. et al v. Hawkes et al.
Letter from Ed Lawson

cc: Sun Valley Land and Minerals, Inc.
Ed Lawson, Lawson and Laski, PLLC

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

LAWSON & LASKI, PLLC
ATTORNEYS AT LAW

Edward A. Lawson
eal@LawsonLaski.com

675 SUN VALLEY ROAD, SUITE A
POST OFFICE BOX 3310
KETCHUM, IDAHO 83340
TELEPHONE: 208-725-0055
FACSIMILE: 208-725-0076
WWW.LAWSONLASKI.COM

July 10, 2003

Dr. Charles E. Brockway
Brockway Engineering
2016 North Washington Street,
Suite 4
Twin Falls, Idaho 83301

Re: *Sun Valley Land & Minerals, Inc.*
Our File No. 30587-015

Dear Dr. Brockway:

Enclosed please find a copy of the Remittitur issued April 10, 2003 by the Idaho Supreme Court in the litigation styled, *Sun Valley Land & Minerals, Inc. vs Glen and Viola Hawkes, et al.*, Case No. CV-99-5804. The April 12, 2003 Order concluded the litigation which began with the filing of a complaint in the District Court on [REDACTED].

The litigation principally involved a question whether the defendants and counterclaimant's had any right, title, estate or interest outside the boundary of their respective lots and within the boundary of the failed Clarendon Subdivision plat. The four years involved in the litigation, including a trial and appeal to the Supreme Court, resulted in a determination that the defendants and counterclaimants had no right, title, estate or interest in the area outside the boundary of their respective lots other than to a single existing access road. Due to the uncertainties surrounding the title to the underlying real property during the pendency of the litigation, Sun Valley Land & Minerals, Inc. was understandably deterred from pursuing any development of its geothermal water rights.

Hopefully, the foregoing will assist you in obtaining an extension of time for development of Sun Valley Land & Minerals' geothermal water rights. If you require any additional information please let me know.

Dr. Charles E. Brockway
July 10, 2003
Page 2

Sincerely,

LAWSON & LASKI, PLLC

A handwritten signature in black ink, appearing to read "E. Lawson", with a long horizontal flourish extending to the right.

Edward A. Lawson

Cc: client

In the Supreme Court of the State of Idaho

SUN VALLEY LAND AND MINERALS,)
INC., an Idaho corporation; and DONNA R.)
KELSEY, an individual,)

Plaintiffs-Counterdefendants-)
Respondents,)

v.)

GLEN and VIOLA HAWKES, as Trustees of)
the Glen and Viola Hawkes Family Trust;)
DENISE BEAN; DENNIS A. and FAYE H.)
DIXON, as Trustees of the Dennis and Faye)
Dixon Family Trust; and LEE and BARBARA)
MORGAN,)

Defendants-Counterclaimants-Appellants.)

REMITTITUR

NO. 27528

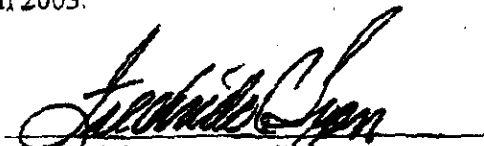
TO: FIFTH JUDICIAL DISTRICT, COUNTY OF BLAINE.

The Court having announced its Opinion in this cause February 10, 2003, which has now become final; therefore,

IT IS HEREBY ORDERED that the District Court shall forthwith comply with the directive of the Opinion, if any action is required; and

IT IS FURTHER ORDERED, inasmuch as no memorandum of costs on appeal was filed, such costs are hereby waived.

DATED this 10th day of April 2003.


Clerk of the Supreme Court

STATE OF IDAHO

cc: Counsel of Record
District Court Clerk
District Judge

I, Frederick C. Lyon, Clerk of the Supreme Court of the State of Idaho, do hereby certify that the above is a true and correct copy of the Remittitur entered in the above entitled cause and now on record in my office.

WITNESS my hand and the Seal of this Court

FREDERICK C. LYON

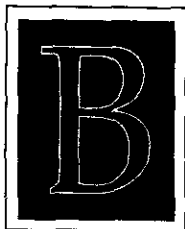
Clerk

Entered by ATS

By 

By 

Deputy



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

July 8, 2003

Ms. Deborah Gibson
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83720-0098

RECEIVED
JUL 11 2003
Department of Water Resources

Subject: Request for Extension of Time
Sun Valley Land and Mineral, Inc. (Permit #37-08205)

Dear Ms. Gibson:

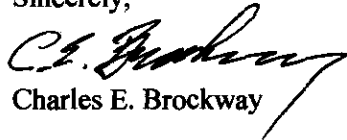
In your letter of June 25, 2003, you requested some clarification of the chronology of the recently completed litigation on the Clarendon property. As I understand the chronology, the Sun Valley Hot Springs Ranches, Inc. v. Hawkes et al, began with the former owner of the property, Pat Ryan. Through a series of property exchanges, Donna Kelsey became the owner of the property and inherited the lawsuits (see Exhibit A, submitted with my letter to Glen Saxton of June 19, 2003). A series of appeals and counter claims resulted in a final determination by the Supreme Court of the State of Idaho that the residential lot owners did not acquire any vested rights outside the boundaries of their individual lots, thereby ending the long term litigation. Essentially, this property has been involved in litigation continually since Donna Kelsey became involved. The recent Supreme Court decision, signed April 10, 2003, denies a petition for rehearing by the Appellants in the case Sun Valley Land and Minerals (Donna Kelsey) v. Glen and Viola Hawks et al. I am enclosing a copy of the Order and Opinion and the Remittitur that was dated April 10, 2003.

Your letter indicated that the Extension of Time could only be granted for delays due to litigation since June 1, 2000, not to exceed 3 years and 3 months duration. Since the litigation has been on-going for the period June 1, 2000 through April 17, 2003 (2 years, 10 months, 17 days), I am requesting an extension of time in which to submit proof of beneficial use on Permit #37-08205 from the period of January 1, 2004 to October 17, 2006 (2 years 10 months and 17 days).

The chronology of events, transactions, litigation, and constraints to development which I submitted with my letter to you on June 19, 2003, was not explicit as to dates, so I hope this clarifies for you the specific timing of litigation. Please let me know if you have additional questions. If you need any specifics on the litigation you can call Ed Lawson, attorney for Sun Valley Land and Minerals, Inc. His telephone number is (208) 725-0055.

Thank you for you efforts on this application.

Sincerely,


Charles E. Brockway

Enclosure: Order and Opinion, Sun Valley Land and Minerals Inc. et al v.
Hawkes et al.
Remittitur

cc: Sun Valley Land and Minerals, Inc.
Ed Lawson, Lawson and Laski, PLLC

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

7-13-03 11:18 AM FAX DOC
1512 3894895

COPY

In the Supreme Court of the State of Idaho

SUN VALLEY LAND AND MINERALS,)
INC., an Idaho corporation; and DONNA R.)
KELSEY, an individual,)

Plaintiffs-Counterdefendants-)
Respondents,)

v.)

GLEN and VIOLA HAWKES, as Trustees of)
the Glen and Viola Hawkes Family Trust;)
DENISE BEAN; DENNIS A. and FAYE H.)
DIXON, as Trustees of the Dennis and Faye)
Dixon Family Trust; and LEE and BARBARA)
MORGAN,)

Defendants-Counterclaimants-Appellants.)

REMITTITUR

NO. 27528

TO: FIFTH JUDICIAL DISTRICT, COUNTY OF BLAINE.

The Court having announced its Opinion in this cause February 10, 2003, which has now become final; therefore,

IT IS HEREBY ORDERED that the District Court shall forthwith comply with the directive of the Opinion, if any action is required, and

IT IS FURTHER ORDERED, inasmuch as no memorandum of costs on appeal was filed, such costs are hereby waived.

DATED this 10th day of April 2003.


Clerk of the Supreme Court

STATE OF IDAHO

cc: Counsel of Record
District Court Clerk
District Judge

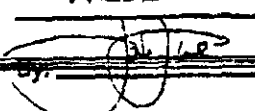
I, Frederick C. Lyon, Clerk of the Supreme Court of the State of Idaho, do hereby certify that the above is a true and correct copy of the Remittitur entered in the above entitled cause and now on record in my office.
WITNESS my hand and the Seal of this Court 4-10-03

FREDERICK C. LYON

Clerk

Entered on ATS

By: 

By: 

Deputy

1012 389489

COPY

In the Supreme Court of the State of Idaho

SUN VALLEY LAND AND MINERALS,
INC., an Idaho corporation; et al.,

Plaintiffs-Counterdefendants-Respondents,

v.

GLEN and VIOLA HAWKES, as Trustees of
the Glen and Viola Hawkes Family Trust; et al.,

Defendants-Counterclaimants-Appellants.

ORDER DENYING PETITION
FOR REHEARING

NO. 27528

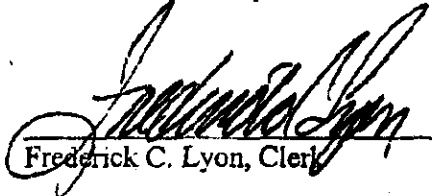
Ref. No. 02RH-6

The Appellants having filed a PETITION FOR REHEARING on February 26, 2003 and supporting BRIEF on March 10, 2003 of the Court's Opinion released February 10, 2003; therefore, after due consideration,

IT IS HEREBY ORDERED that Appellant's PETITION FOR REHEARING be, and hereby is, DENIED.

DATED this 10th day of April 2003.

By Order of the Supreme Court


Frederick C. Lyon, Clerk

cc: Counsel of Record
West Publishing
Lexis/Nexis
Goller Publishing



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

June 25, 2003

DR CHARLES E BROCKWAY
2016 NORTH WASHINGTON ST
SUITE 4
TWIN FALLS ID 83301

RE: APPLICATION FOR EXTENSION OF TIME - PERMIT 37-8205

Dear Dr. Brockway:

The department has reviewed the request for extension of time ("extension request") and supporting information you recently submitted in connection with the above referenced permit. My review of the water right file shows that the last extension of time issued on June 1, 2000 extended the proof due date to January 1, 2004. This time period of 3 years and 3 months was based on a showing of delay due to litigation in the preceding period that prevented development. In connection with the present request, the department can only extend the proof due date for a period of time not longer than 3 years and 3 months. The new extension must be based on a showing of delays between June 1, 2000 and January 1, 2004 that has prevented development of the project due to litigation that have brought title to said water in question. (See Section 42-204,1, Idaho Code).

I reviewed the chronology of events that you submitted with the extension request and cannot determine the time period (not to exceed 3 years and 3 months) that qualifies for additional extension between June 1, 2000 and January 1, 2004. From previous correspondence in the file, I determined that new litigation titled Sun Valley Hot Springs Ranches, Inc. v. Hawkes et. al. started on April 7, 1999, but cannot determine from the chronology if the Supreme Court holding of Kelsey on May 17, 2003 is for the same action.

Please provide additional explanatory information together with copies of appropriate documents to support the period of delay resulting from ongoing or new litigation during the last development period.

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

Sincerely,

Deborah J. Gibson
Administrative Assistant
Water Allocation Bureau

c: IDWR - S. Region

Memorandum

To: Glen Saxton
From: Deborah J. Gibson 
Date: June 24, 2003
Re: Request for Extension of Time, for Permit No. 37-8205 in the name of Sun Valley Land & Mineral, Inc.

Attached is a Request for Extension of Time filed by Charles E. Brockway on behalf of Sun Valley Land & Mineral, Inc. This is the third extension of time from Sun Valley since the permit was issued in February of 1993. They have gone over the ten-year period of time for development. The most recent Request for Extension of Time has granted an extension for filing the proof of beneficial use to January 1, 2004. That brings another problem to light; Mr. Brockway is early with his request since the department can't accept it until November or December.

I am requesting that you review this matter and give me your suggestion. I would send it back to Chuck or hold it until November/December for processing, but I'm not sure the department can grant another extension based on 42-204 & 42-218. Is there any statute that extends the time for development based on litigation?

What do you recommend? I have attached a memo you prepared May 31, 2000 when the last extension was processed, it may be helpful, to explain the basis of how we granted the last extension.

Thank you.

Debbie Gibson

MEMORANDUM

To: Debbie
From: Glen *WJ*
RE: EXTENSION OF TIME REQUEST - 37-08205
Date: May 31, 2000

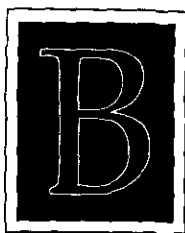
Dates of significance to the permit and to the 2nd extension of time request appear to include the following:

Feb 1993	-	Permit issued
June 27, 1995	-	Litigation started - Sun Valley Hot Sprs Ranches, Inc v. Sun Valley Land & Minerals, Inc.
Oct 1, 1996	-	Original Proof due date
Nov 1996	-	First Ext of time granted
July 23, 1998	-	Litigation ended - Sun Valley Hot Sprs Ranches, Inc v. Sun Valley Land & Minerals, Inc.
April 7, 1999	-	New litigation started - Sun Valley Hot Sprs Ranches, Inc v. Hawkes, et. al. - Case No. CV 99-5804
Oct 1, 2000	-	2nd proof due date

The time we can grant a second extension for is the time lost during the last authorized development period, i.e.

October 1, 1996 to July 23 1998 = about 21 months
April 7, 1999 to October 1, 2000 = about 18 months
Total Litig delay = 39 months = 3 yrs and 3 months

Hence, it appears we are authorized to grant a limited extension of time based on the actual time litigation was pending during the last development period.



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JUN 23 2003

Department of Water Resources

June 19, 2003

Mr. Glen Saxton
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83720-0098

Subject: Request for Extension of Time
Sun Valley Land and Mineral, Inc. (Permit #37-08205)

Dear Glen:

Enclosed is a completed Request for Extension of Time in which to submit proof of beneficial use for the above permit.

Also, I have enclosed a chronology of events, transactions, litigation and constraints to development in support of this application. The application for permit was submitted in 1985 and a permit was granted on February 8, 1993. Since that time the property has been in continuous litigation as shown on the enclosed chronology of events. This litigation over property ownership and access has prevented development of the property.

In addition to the litigation constraints on development, there was difficulty in obtaining a water right transfer for the pond system and to rebuild the former dam and access road. The transfer was finally granted in 2002 and a recent Idaho Supreme Court ruling terminated the litigation. Brockway Engineering has begun the evaluation of the geothermal resource to develop a plan for utilization.

I am requesting, on behalf of Sun Valley Land and Mineral Inc., that an extension of time for proof of beneficial use for Permit #37-08205 for an additional five (5) years (January 1, 2009).

If you require additional information, please contact me.

Sincerely,


Charles E. Brockway

Enclosure: Exhibit A
Request for Extension of Time

cc: Sun Valley Land and Mineral Inc.

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

Chronology of Events, Transactions, Litigation and Constraints to Development in Aid of
Application for Extension of Time to Avoid Forfeiture
Clarendon Project Geothermal Water- Water Right Permit 37-08205
Prepared by C.E. Brockway from data furnished by J. Stone and D. Kelsey and IDWR
files June 17, 2003

Date	
March 14, 1935	Water License 17762 issued to E.C. Smith for 10 cfs, dam and headgate for pleasure resort and power
	Mr. Pat Ryan, purchased property, developed subdivision plan including reservoir
October 28, 1975	IDWR indicates owner plans to enlarge embankment and remove silt from the reservoir. Memo. From A. Merritt IDWR
May 18, 1976	Proposal for repair and rehab of the dam and reservoir submitted to IDWR by C.E. Brockway
June 22, 1976	Allegations of violations of Goldsmith lease agreement relative to reservoir elevation. Letter from C.G. McIntyre
April 24, 1978	IDWR order to remove flashboards from spillway to accommodate flood
June 22, 1978	IDWR memo indicating inspection of dam and proposed enlargement of embankment according to plans submitted
May 10, 1979	IDWR order requiring breaching of the dam down to stream bed level or submittal of plans for rehabilitation of the dam and structures
July 6, 1979	Submittal of plans for dam rehabilitation by Sawtooth Engineers
May 1981	Suite by V.W. Goldsmith Case No 9578 Blaine County
May 1985	Travelers Ins. acquires title to property March 12, 1985, Application for Permit 37-08205 submitted for 5.0 cfs of groundwater for Heating and Recreation
Oct 1988	Interstate Investments-Bogner and Kelsey purchase from Travelers group
Late 1989	Legal action by Bogner initiated
1990	Kelsey acquires full ownership
1992	William Burt(Deer Creek Ranch) filed suit against Kelsey/Sun Valley Land and Mineral over property dispute

1993	Permit 37-08205 issued to Sun Valley Land and Mineral Inc. for 5.0 cfs of groundwater for Heating and Recreation.
1994	Burt v. Kelsey settled
March 1, 1994	Notice of intention of proceed with reconstruction and litigation constraints-Letter from J. Speck to IDWR
March 28, 1994	Reiteration of intent to reconstruct the reservoir/day complex and that JUB and C. Brockway will be utilized-Letter from Jim Stone to IDWR
1995	Pat Ryan, former owner, sued Kelsey(Sun Valley Land and Mineral) for specific performance and land dispute
1996	Extension of Time to Avoid Forfeiture Permit 37-08205 granted to October 1, 2000
1998	Supreme Court decision upholding Kelsey in Kelsey v Ryan
1999, Apr 8 ?	Kelsey sued to quite title to land parcels adjacent to the reservoir and counter claim for 20 acres of the Clarendon Ranch including roadway across the dam.
1999	Sun Valley Land and Minerals removes dam embankment in preparation for restoration of dam and reservoir in conformance with IDWR water right requirements
2000	Kelsey prevails in District Court. Holders of land parcels adjacent to reservoir have no right to common area. Kelsey has no obligation to complete subdivision as platted (ie geothermal use). Road access across embankment clarified.
2000	Excavation of 3 ponds of complex and rehabilitation of old dam embankment completed. <i>6/1/00 -</i> Extension of Time to Avoid Forfeiture Permit 37-08205 granted to January 1, 2004
2001	<i>5/24/01 (per S. J. + Brockway)</i> District Court decision appealed to Supreme Court by inholders
2002	Water right transfer approved by IDWR for stream, dam and pond system Exploration of geothermal system development alternatives by Brockway

	Engineering
2003	Supreme Court upholds Kelsey, May 17, ~~2003~~ 2/10/03

This chronology, although not complete, shows the consistent intent and attempt to reconstruct the dam and reservoir and develop the property. The continuous litigation involved on this property has impeded and prevented the intended action.

The extension to provide proof of beneficial use under this water right should be requested for five years beyond January 1, 2004. — see 7/8/03 letter.



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 327-7900 FAX: (208) 327-7866

June 1, 2000

DIRK KEMPTHORNE
GOVERNOR

KARL J. DREHER
DIRECTOR

JAMES P SPECK
SPECK & AANESTAD
PO BOX 987
KETCHUM ID 83340

RE: Permit No. 37-08205

Dear Permit Holder:

Enclosed is a copy of the approved request for extension of time submitted in connection with the above referenced permit. This order extends the time within which to submit proof of beneficial use to **January 1, 2004**, due to delay of development caused by litigation. Please note that the department has granted the extension based on the actual time litigation was pending during the last development period, according to Section 42-204(1), Idaho Code. Immediately following settlement of the litigation, it is important that you work diligently toward the completion of the development, since the department may not be able to grant additional extensions in connection with this permit.

Section 42-248, Idaho Code, requires you or the owner of the water rights to maintain current ownership and address records on file with the department. Please contact any office of the department for the proper form to file a change of ownership of a water right and/or a change in the address of the owner.

Please contact me at (208)327-7953, if you have any questions regarding this matter.

Sincerely,

Deborah Drew-Ellis
Administrative Assistant
Water Allocation Bureau

Enclosure

c: IDWR - Regional Office

ANALYSIS SHEET FOR EXTENSION OF TIME

Permit No. 37-08205 Reviewed by D. Ellis Date 5/31/00

BASIC INFORMATION

5/19 Date stamp received
Yes Extension received timely
Yes Fee received and receipted
Yes Name and signature same as permit
No Address Change

BASIS FOR EXTENSION REQUEST

No Has adequate work been completed to demonstrate due diligence?
Yes Has the permit been involved in litigation?
Is supporting documentation needed to complete the file? _____ Requested? _____
No Is delay by a government agency?
Is supporting documentation needed to complete the file? _____ Requested? _____
No Is the project more than 25,000 acre feet for irrigation or 10,000 acre feet for a reservoir?

ACTION TAKEN

Approve extension & allow 3 yrs. & 3 mos. due to litigation. (Refer to Glen Saxton's memo re: calculation.)

PRIORITY CALCULATION

Date extension received	<u>5/19/00</u>	=	_____
Proof due date	<u>10/1/2000</u>	=	_____
Number of days late	_____	=	_____
Priority date	_____	=	_____
New Priority Date	_____	=	_____

DATA ENTRY

New Address No
Change Proof Due Date Jan. 1, 2004
Change Priority Date No

RECEIPT
For Monies Paid
to the
Idaho Department of Water Resources

Receipt No: S023114

Date: 5/19/2000
Time: 11:59:02

Received
From: SPECK & AANESTAD

Type of Payment	Program A cct	Amount
EXTENSION OF TIME PERMIT 37-08205	64103 229 21 1155	50.00

CHECK 29938

Total \$ 50.00

Region: SOUTHERN

Signature: _____



SPECK & AANESTAD

A PROFESSIONAL CORPORATION
ATTORNEYS

120 EAST AVENUE
POST OFFICE BOX 987
KETCHUM, IDAHO 83340

TELEPHONE
(208) 726-4421
FACSIMILE
(208) 726-0752

JAMES P. SPECK
DOUGLAS J. AANESTAD
BENJAMIN W. WORST

May 18, 2000

RECEIVED
MAY 19 2000
Department of Water Resources
Southern Region

Mr. Allen Merritt
Idaho Department of Water Resources
1341 Fillmore, Suite 200
Twin Falls ID 83301

RE: Permit No. 37-08205
Our File No.: 950080

Dear Allen:

Enclosed you will find the Request for Extension of Time for submitting proof of beneficial use for Permit No. 37-08205 in the name of Sun Valley Land & Minerals, Inc. I have also included my firm's check payable to IDWR for the \$50 filing fee. Please call me right away if you have any questions about this Request.

Thank you.

Sincerely yours,

SPECK & AANESTAD
A Professional Corporation

By: 
James P. Speck

JPS:rsd
enclosures
cc: client, w/encl.



RECEIVED
APR 19 2000
SPECK & AANESTAD

540 Second Avenue North
P.O. Box 297
Ketchum, Idaho 83340-0297
(208) 726-1700 • Fax (208) 726-9743
www.hteh.com

EDWARD A. LAWSON

EMail: EAL@hteh.com

April 18, 2000

RECEIVED
MAY 19 2000
Department of Water Resources
Southern Region

James P. Speck, Esq.
Speck & Aanestad
Post Office Box 987
Ketchum, Idaho 83340

Re: Sun Valley Land & Minerals, Inc. Water Permit No. 3708205
Your File No. 950080

Dear Jim:

In response to your January 24, 2000 letter, please be advised that there is indeed another lawsuit preventing development of the project. The lawsuit is entitled *Sun Valley Land & Minerals, Inc. v. Glenn and Viola Hawkes, et al.*, Case No. CV-99-5804. It raises substantially the same issues raised in the prior litigation involving Sun Valley Hot Springs Ranches, Inc., which litigation formed the basis for the previous request for extension of time. In the pending case, as in the prior case, the defendants/counterclaimants are asserting rights to portions of the property outside of the boundaries of their platted lot. I believe, therefore, that you could assert the same reasons for the current request for extension of time that you asserted in the prior request.

If you have any questions regarding the foregoing, please advise.

Sincerely,

HAWLEY TROXELL ENNIS & HAWLEY LLP

Edward A. Lawson

EAL/jrt
pc: clients

Edward A. Lawson, Esq.
 Daniel D. James, Esq.
 HAWLEY TROXELL ENNIS & HAWLEY LLP
 371 Walnut Avenue
 Post Office Box 297
 Ketchum, Idaho 83340
 Telephone No. (208) 726-1700
 Facsimile No. (208) 726-9743

Attorneys for plaintiffs.

FILED
 1998 APR 3 PM 2 17
 HAWLEY TROXELL ENNIS & HAWLEY LLP
 371 WALNUT AVENUE
 KETCHUM, IDAHO 83340

RECEIVED
 MAY 19 2000
 Department of Water Resources
 Southern Region

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT
 OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

SUN VALLEY LAND AND MINERALS,)
 INC., an Idaho corporation; and)
 DONNA R. KELSEY, an individual,)

Plaintiffs,)

v.)

GLEN and VIOLA HAWKES, as)
 trustees of the Glen and Viola)
 Hawkes Family Trust; DENISE)
 BEAN; DENNIS A. and FAYE H.)
 DIXON, as trustees of the Dennis)
 and Faye Dixon Family Trust; and)
 LEE and BARBARA MORGAN,)

Defendants.)

Case No. CV 99-5804

COMPLAINT

Fee: \$77.00

Category: A1

Plaintiffs Donna R. Kelsey ("Kelsey") and Sun Valley Land And Minerals, Inc. ("SVLAM"), by and through their counsel of record, complain against defendants and allege as follows:

THE SUBJECT PROPERTY

1. In this action, Kelsey and SVLAM seek a declaratory judgment regarding, and to quiet the title to, approximately 320 acres of land consisting of an approximately 240 acre tract (the

"240 Acre Tract") and an adjoining approximately 80 acre tract (the "80 Acre Tract"). These two tracts will be referred to collectively as the "Two Tracts." The legal description of the Two Tracts is set forth in Exhibit "A" hereto which is incorporated herein by reference. At one time, the 240 Acre Tract was purportedly subject to a plat of Clarendon Subdivision No. 1, recorded as Instrument No. 165353 in the records of Blaine County, Idaho, on April 9, 1976 (the "Plat") (a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein by reference).

THE PARTIES AND OTHER LOT OWNERS

2. Kelsey is an individual who resides in Blaine County, Idaho, and is the record owner of the 80 Acre Tract.

3. SVLAM is a corporation organized and existing under the laws of the state of Idaho, doing business in Blaine County, Idaho. SVLAM is the record owner of the 240 Acre Tract (except for 5 circular parcels of land within the tract shown as Lots 1, 2, 3, 44, and 45 on the Plat).

4. Defendants Glen E. Hawkes and Viola I. Hawkes (the "Hawkes"), as trustees of the Glen and Viola Hawkes Family Trust, are the record owners of Lot 1 shown on the Plat.

5. Defendant Denise Bean (formerly Denise Arave) ("Bean") is the record owner of Lot 2 shown on the Plat.

6. Defendants Dennis A. and Faye H. Dixon (the "Dixons"), as trustees of the Dennis and Faye Dixon Family Trust, are the record owners of Lot 3 shown on the Plat.

7. Defendants Lee and Barbara Morgan (the "Morgans") are the record owners of Lot 45 shown on the Plat.

8. Sun Valley Hot Springs Ranch, Inc. ("SVHSR"), is a corporation organized and existing under the laws of the state of Idaho, and is the record owner of Lot 44 shown on the Plat. SVHSR is the alter ego of Clarendon Hot Springs Ranch, Inc. and Patrick D. Ryan ("Ryan"). Ryan is one of the principals of SVHSR, and was the president of SVHSR during the period 1968 to at least October 24, 1988.

JURISDICTION AND VENUE

9. The Court has jurisdiction over this matter by virtue of I.C. § 6-401.

10. Venue is proper in this Court because the Two Tracts are located in Blaine County, Idaho.

GENERAL ALLEGATIONS

(Applicable to all Claims For Relief)

11. Clarendon Hot Springs Ranch, Inc. ("CHSR") was an Idaho corporation incorporated on April 4, 1970. Ryan was the president and alter ego of CHSR.

12. In the mid 1970s, Ryan intended to develop both the 240 Acre Tract and the adjoining 80 Acre Tract, both of which he then owned. Ryan intended to develop the 80 Acre Tract after he had completed development of the 240 Acre Tract. Ryan purported to subject the 240 Acre Tract to the Plat.

13. The Plat is the only plat recorded in the records of Blaine County which purports to affect the 240 Acre Tract. The Plat does not purport to affect the 80 Acre Tract.

14. The words "common area" appear nowhere on the Plat, and the Plat contains no express language promising construction of improvements on the 240 Acre Tract or conveyance of any "common area" to a homeowners' association.

15. The subdivision plan approved by the county called for a central sewer system. Ryan planned to locate the sewage lagoons and other parts of the system on the 80 Acre Tract. Without the ability to locate the sewage lagoons on the 80 Acre Tract, it would not have been possible to complete the sewer system.

16. Ryan also planned to sprinkle the waste from the sewage lagoons on a 40 acre parcel adjacent to the 240 Acre Tract owned at the time by Ryan, which, like the 80 Acre Tract, was not subject to the Plat or the CC&Rs. Without the ability to sprinkle the waste on these 40 acres, the system would have to have been redesigned, and county approval reobtained. Neither Ryan, SVHSR, Kelsey, nor SVLAM presently owns this 40 acre parcel.

17. The subdivision plan approved by the county also called for a central water system. Ryan intended that the wells and pumps for the central water system be located on the 80 Acre Tract.

18. Kelsey and SVLAM lack a permit to operate a central water or central sewer system on or for the 240 Acre Tract.

19. To secure a four hundred thousand dollar loan to CHSR made by First Federal Savings And Loan Association Of Twin Falls ("First Federal"), CHSR gave First Federal a mortgage (the "Mortgage") on the Two Tracts. The Mortgage was recorded as Instrument No. 161942 in Blaine County on September 18, 1975.

20. On or about April 9, 1976, the "Declaration Of Covenants, Conditions And Restrictions" (the "CC&Rs"), which purported to bind the 240 Acre Tract, was recorded as Instrument No. 165354 in the records of Blaine County. The CC&Rs do not purport to bind the 80 Acre Tract.

21. The preamble to the CC&Rs states, inter alia,

NOW, THEREFORE, Declarant hereby declares that the Properties (as that term is hereinafter defined) shall be held, sold and conveyed subject to the easements, covenants, conditions, restrictions, liens, and charges contained herein, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties. These easements, covenants, restrictions, liens, charges and conditions shall run with the Properties and shall be binding on all parties having or acquiring any right, title or interest in the Properties or any part thereof, and shall inure to the benefit of each Owner thereof.

22. According to Section 2 of Article I of the CC&Rs, "Properties" meant and referred to,

the above described real property together with such additional property as hereafter becomes subject to the provisions of this Declaration pursuant to the provisions of Article II of this Declaration.

23. The only real property "described" in the CC&Rs "above" Section 2 of Article I of the CC&Rs stated,

WHEREAS, Declarant is the owner of that certain real property in the County of Blaine, State of Idaho, described as Tract No. _____, as per Plat (the "Plat") recorded on April 9, 1976, in Book 14, Pages 1, of Plats in the office of the County Recorder of Blaine County.

24. According to Section 3 of Article I of the CC&Rs, "common area" meant,

all those portions of the Properties shown on any recorded final subdivision plat of any portion of the Properties excluding portions of the Properties dedicated to the public, which are owned by the Association for the common use and enjoyment of the members of the Association.

25. According to Section 1 of Article I of the CC&Rs, the term "Association" meant and referred to,

Clarendon Home Owner's Association, Inc., an Idaho non profit corporation, its successors and assigns.

26. As used in the CC&Rs, "Declarant" meant and referred to,

Clarendon Hot Springs Ranch, Inc., its successors and assigns if such successors and assigns should acquire any portion of the Properties from the Declarant for the purpose of development and are designated by Clarendon Hot Springs Ranch, Inc., as the Declarant, for the purpose hereof by a duly recorded written instrument.

27. The original Declarant in the CC&Rs was CHSR.

28. No duly recorded written instrument exists wherein CHSR designated Kelsey, SVLAM, First Federal, or anyone else as the "Declarant."

29. Section 3 of Article VI of the CC&Rs states (with emphasis added),

The Declarant hereby covenants for itself, its heirs and assigns, that it will convey the fee simple title to the Common Area to the Association [sic], free and clear of all encumbrances, except this Declaration, and easements and utility rights then of record, prior to the conveyance of the first Lot to an Owner other than Declarant.

30. The signature page of the CC&Rs reads as follows:

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this ____ day of _____, 19 ____.

CLARENDON HOT SPRINGS RANCH, INC.

By [signature of Ross G. Little]
President

per [signature of Patrick D. Ryan]

ATTEST:

[corporate seal]

By [illegible signature]

Secretary

31. On or about September 21, 1976, CHSR conveyed Lot 45 shown on the Plat to the Morgans. This deed was recorded on October 19, 1976, as Instrument No. 169026 in the records of Blaine County. This was the first conveyance of any of the lots shown on the Plat.

32. Ryan and CHSR failed to designate any part of the 240 Acre Tract as "common area" prior to the conveyance of Lot 45, or at any time thereafter.

33. Ryan and CHSR did not form an Idaho non profit corporation called "Clarendon Home Owner's Association, Inc." There did not exist as of April 9, 1976, nor does there exist now or at any time subsequent to April 9, 1976, an Idaho non profit corporation called "Clarendon Home Owner's Association, Inc."

34. As of September 21, 1976, and as of the date hereof, no part of the 240 Acre Tract had or has been deeded to the "Association" as that term is defined in the CC&Rs.

35. On or about October 18, 1976, CHSR deeded Lot 44 shown on the Plat to James E. and Deama Davis. This deed was recorded on October 19, 1976, as Instrument No. 169027 in the records of Blaine County.

36. On or about October 21, 1976, First Federal signed a partial release of its mortgage regarding Lots 44 and 45 (the "First Partial Release"). This partial release was recorded on October 22, 1976, as Instrument No. 169099 in the records of Blaine County. The First Partial Release states in pertinent part that

the Mortgage was,

released and discharged as to that part of the mortgaged property described as follows:

Lots 44 and 45 of CLARENDON SUBDIVISION NO. 1, Blaine County,

but said mortgage and the lien thereof is retained as to any other than the above described property.

37. In order to have the Plat approved by Blaine County, CHSR was required by county ordinance to construct certain roads, and water and sewer facilities on the 240 Acre Tract within a maximum of two years of the date of the approval of the Plat. The Plat was approved on April 9, 1976. To guarantee that such work was completed, CHSR and Ryan gave the Blaine County Commissioners a performance bond.

38. Ryan and CHSR failed to construct the improvements on the 240 Acre Tract by April 9, 1978, or at any time thereafter, as they had agreed to do.

39. Through a written agreement dated August 13, 1978 (the "Joint Venture Agreement"), CHSR and Ryan entered into a joint venture with a James P. Stone and Clements Stone, Inc. the purpose of which was to "complete the Clarendon Project," forming, "if necessary," a "new entity" to do so. The Joint Venture Agreement contained no express promise by anyone to make any improvements on the 240 Acre Tract or to convey any common area.

40. On or about October 30, 1978, Blaine County and Clarendon Development Corporation ("Clarendon Development") entered into an Agreement And Escrow Instructions (the "Escrow Agreement"). Under the Escrow Agreement, Clarendon Development obligated itself to

COMPLAINT - 8

deposit some money and some documents into an escrow account upon execution of the agreement, and some additional documents into the escrow account within thirty days of the date the agreement was signed. These documents included a "construction contract with Shamrock Excavation obligating Shamrock Excavation to complete the water and sewer project for the bid price of \$399,400.00." Neither this document, to the extent it ever existed, nor any other agreement regarding construction of improvements on the 240 Acre Tract, was recorded.

41. The Escrow Agreement was signed on behalf of Clarendon Development by Ryan.

42. The Escrow Agreement contains no express promise by Clarendon Development, or any one else, to make any improvements on the 240 Acre Tract.

43. Neither Kelsey nor SVLAM is a party to either the Joint Venture Agreement or the Escrow Agreement.

44. Neither the Joint Venture Agreement nor the Escrow Agreement are recorded.

45. Neither Kelsey nor SVLAM received any of the bond proceeds.

46. On or about February 22, 1979, CHSR conveyed Lot 1 shown on the Plat to Glen and Viola Hawkes. This deed was recorded on February 23, 1979, as Instrument No. 191526 in the records of Blaine County.

47. On or about February 22, 1979, CHSR conveyed Lot 2 shown on the Plat to Dennis and Faye Dixon and Bean. This deed was

recorded on February 23, 1979, as Instrument No. 191527 in the records of Blaine County.

48. On or about February 22, 1979, CHSR conveyed Lot 3 shown on the Plat to Dennis and Faye Dixon and Bean. This deed was recorded on February 23, 1979, as Instrument No. 191528 in the records of Blaine County.

49. Glen Hawkes, Bean, and Dennis Dixon read the CC&Rs and reviewed the Plat at the time they purchased their respective lots.

50. On or about February 28, 1979, First Federal signed a partial release of its mortgage regarding Lots 1, 2, and 3 (the "Second Partial Release"). This partial release was recorded on March 1, 1979, as Instrument No. 191698 in the records of Blaine County. Like the First Partial Release, the Second Partial Release states in pertinent part that the Mortgage was,

released and discharged as to that part of the mortgaged property described as follows:

Lots 1, 2, and 3 of CLARENDON SUBDIVISION NO. 1, Blaine County,

but said mortgage and the lien thereof is retained as to any other than the above described property.

51. In connection with his sale of lots shown on the Plat, Ryan had prepared two "Property Report, Notice And Disclaimer By Office Of Interstate Land Sales Registration, U.S. Department Of Housing And Urban Development" with respect to the 240 Acre Tract. One of these had an effective date of February, 1979. An earlier version, with an effective date of 1975, was also prepared. The earlier version was substantially similar in content to the February, 1979, version. The two versions will be collectively

referred to herein as the "HUD Report."

52. Everyone who purchased a lot received a copy of the HUD Report prior to the purchase.

53. Among other things, the HUD Report disclosed that, (a) the 240 Acre Tract was burdened with a blanket mortgage in favor of First Federal; (b) purchasers could lose their entire financial interest in the property in the event of the default of CHSR (Ryan) on its obligation to First Federal; (c) in the event of default, First Federal would not be obligated to perform any of CHSR's agreements with the purchaser; (d) there was no assurance, other than the mere promise of CHSR, that the road system planned for the 240 Acre Tract would be completed; (e) the central water and sewer systems were not complete; (f) CHSR might not be able to obtain the necessary permits or licenses for the water and sewer system; (g) lot owners would not be permitted to use a water or sewer system until the central systems had been completed; (h) no electrical system was in place; (i) there was no assurance other than the mere promise of CHSR that an electrical system would be completed; (j) no telephone system was in place; (k) there was no assurance other than the promise of CHSR that a telephone system would be completed; (l) a homeowners' association had not yet been formed; and (m) Ryan's "proposal lack[ed] definition, and he may not be able to carry it out."

54. Ryan also sent out financial reports on CHSR to potential purchasers. Financial statements were also attached to the HUD Report. Such financial statements disclosed that,

The Company has incurred operating losses in each fiscal year since its inception The Company's future as a going concern is contingent upon, among other things, its ability to obtain a sufficiently profitable level of operations and its ability to obtain adequate funds from the sale of land being improved, other sales of real property, and/or additional borrowings to finance completion of the required improvements and to meet its financial and operating obligations as they become due.

55. The Hawkes, the Dixons, Bean, and the Morgans were kept well informed by Ryan of the fact that the improvements had not been completed and that the financing necessary to complete the improvements was lacking.

56. Ryan informed prospective purchasers of the lots of the risks involved and ensured that the purchasers accepted such risks before selling them a lot.

57. The price paid by the lot owners for their lots reflected the fact that the improvements had not been completed.

58. As a result of CHSR's default on its note to First Federal, First Federal obtained the 240 Acre Tract (except for Lots 1, 2, 3, 44, and 45 as to which it had released its mortgage (the "Released Lots")) and the 80 Acre Tract at a sheriff's sale, the certificate for which was recorded on May 25, 1984, as Instrument No. 252053 in the records of Blaine County, Idaho.

59. After acquiring the Two Tracts, First Federal did not undertake to continue their development.

60. On or about November 15, 1984, First Federal assigned all of its right, title, and interest in the Two Tracts to the Travelers Mortgage Corporation. At this time, Travelers Mortgage Corporation also received all of First Federal's right, title, and

interest in the following:

a \$400,000 note secured by a mortgage on the Two Tracts recorded as Instrument No. 161942 in the records of Blaine County;

a summary judgment entered April 19, 1982, against Clarendon Hot Springs Ranch Inc. in favor of First Federal in Fifth Judicial District Court Case No. 10872, recorded as Instrument No. 226740 in the records of Blaine County; and

a Sheriff's Certificate of Sale on Foreclosure in Case No. 10872, recorded as Instrument No. 252053 in the records of Blaine County.

61. In addition to the assignment, First Federal conveyed the Two Tracts to Travelers Mortgage Corporation on November 15, 1984, under and by virtue of a quitclaim deed recorded as Instrument No. 258306 in the records of Blaine County.

62. On or about February 11, 1985, Travelers Mortgage Corporation redeemed the two tracts from J.U.B. Engineers, Inc., which had redeemed it from First Federal pursuant to the Notice of Redemption recorded as Instrument No. 260493 in the records of Blaine County.

63. On or about June 6, 1985, Travelers Mortgage Corporation received a Sheriff's Deed to the Two Tracts which was recorded as Instrument No. 263516 in the records of Blaine County.

64. By virtue of a deed recorded on December 4, 1986, as Instrument No. 279637 in the records of Blaine County, Dennis A. and Faye H. Dixon deeded their interest in Lot 2 to Bean.

65. In March, 1988, the Morgans, the Davises, the Hawkes, the Dixons, and Bean, through a letter from their counsel dated March 25, 1988, wrote to the "Traveller's Group" admitting that they were "painfully aware of the fact that the subdivision improvements

required by Blaine County were never completed by the developer" even though it had been represented to them at the time they purchased their lots that the "improvements would be completed within a year." These lot owners, among other things, demanded the conveyance of an undivided 1/45th interest in the alleged common area. These lot owners did not demand that the improvements be completed. No conveyance of common area was made in response to this demand.

66. On or about July 21, 1988, the Davises deeded their interest in Lot 44 to SVHSR. This deed was recorded on August 2, 1988, as Instrument No. 296950 in the records of Blaine County. At the time of SVHSR's acquisition of Lot 44, no "common area" had been conveyed, the improvements had not been completed, and Ryan and SVHSR knew that the improvements had not been completed. The Davises did not assign any claims or causes of action to Ryan or SVHSR relating to Lot 44.

67. On or about October 18, 1988, Travelers Leasing Corporation conveyed to Interstate Investment Corporation its interest in the Two Tracts by a deed recorded as Instrument No. 299670 in the records of Blaine County. Travelers Leasing Corporation acquired its right, title and interest in the Two Tracts under and by virtue of a merger with Travelers Mortgage Corporation.

68. Kelsey acquired her interest in the Two Tracts from Interstate Investment Corporation under and by virtue of a deed recorded on October 28, 1988, as Instrument No. 299784 in the

records of Blaine County.

69. SVLAM acquired its interest in the 240 Acre Tract and the 80 Acre Tract through and by virtue of a quitclaim deed made by Kelsey to SVLAM, recorded on October 28, 1988, as Instrument No. 299785 in the records of Blaine County, and a quitclaim deed made by Interstate Investment Corporation, an Idaho corporation, to SVLAM, recorded on October 28, 1988, as Instrument No. 299786 in the records of Blaine County.

70. On or about November 17, 1988, Travelers Mortgage Corporation received a Sheriff's Deed to the Two Tracts which was recorded as Instrument No. 300738 in the records of Blaine County.

71. On November 23, 1988, Travelers Mortgage Corporation conveyed its interest in the Two Tracts to SVLAM via a quitclaim deed recorded as Instrument No. 300838, in the records of Blaine County.

72. In or about June, 1989, SVLAM gave Rosmarie Bogner two quitclaim deeds involving the 240 Acre Tract and the 80 Acre Tract, which were recorded on July 13, 1989, as Instrument Nos. 307520 and 307521 in the records of Blaine County.

73. In or about June, 1989, Rosmarie Bogner gave Sawtooth Title Co., Inc. ("Sawtooth Title") two quitclaim deeds involving the 240 Acre Tract and the 80 Acre Tract, which were recorded on July 13, 1989, as Instrument Nos. 307522 and 307523 in the records of Blaine County.

74. In July, 1989, Sawtooth Title gave Kelsey two quitclaim deeds involving the 240 Acre Tract and the 80 Acre Tract, which

were recorded on July 14, 1989, as Instrument Nos. 307563 and 307564 in the records of Blaine County.

75. In October, 1996, Kelsey gave SVLAM a quitclaim deed to the 240 Acre Tract, which was recorded on October 15, 1996, as Instrument No. 395520 in the records of Blaine County.

76. In October, 1996, SVLAM gave Kelsey a quitclaim deed to the 80 Acre Tract, which was recorded on October 15, 1996, as Instrument No. 395521 in the records of Blaine County.

77. By virtue of the foregoing transactions and chain of title to the Two Tracts, Kelsey acquired the right, title, estate, and interest in the 80 Acre Tract derived from First Federal's Mortgage.

78. By virtue of the foregoing transactions and chain of title to the Two Tracts, SVLAM acquired the right, title, estate, and interest in the 240 Acre Tract derived from First Federal's Mortgage.

79. Neither Kelsey nor SVLAM acquired the 240 Acre Tract or the 80 Acre Tract for the purpose of development.

80. At no time have Kelsey and SVLAM expressly agreed to assume any liability or obligation to convey any "common area" or to construct any improvements on the 240 Acre Tract, or any obligation of CHSR or any party to the Joint Venture Agreement, Escrow Agreement, or any other agreement.

81. In the summer of 1989, Jim Stone met with the lot owners and informed them that neither Kelsey nor SVLAM had any intention of continuing development of the 240 Acre Tract, and that, as far

as Kelsey and SVLAM were concerned, the lot owners had no common area or access rights.

82. By virtue of a deed recorded on February 16, 1993, as Instrument No. 350013 in the records of Blaine County, Dennis A. and Faye H. Dixon conveyed their interest in Lot 3 to Dennis A. And Faye H. Dixon as trustees of the Dennis and Faye Dixon Family Trust dated January 27, 1993.

83. By virtue of a deed recorded on April 5, 1993, as Instrument No. 351470 in the records of Blaine County, Glen E. and Viola I. Hawkes conveyed their interest in Lot 1 to Glen Hawkes and Viola Hawkes as trustees of the Glen and Viola Hawkes Family Trust dated January 16, 1993.

84. On or about May 28, 1996, SVHSR filed a second amended complaint against Kelsey and SVLAM in Blaine County, Case No. CV-95-2376 (the "First Action"). The Morgans were listed as plaintiffs in the caption of such second amended complaint. Through the second amended complaint, SVHSR and the Morgans sought, among other things, a declaration that they, as well as the other lot owners, had common rights in all portions of the 240 Acre Tract not constituting platted lots (which they referred to as "common area"). SVHSR and the Morgans also sought an order compelling Kelsey and SVLAM to convey to an unformed homeowners' association all of the so-called "common area."

85. Ryan has admitted that the purpose of the First Action was to force Kelsey and SVLAM to complete the improvements on the 240 Acre Tract that Ryan had originally promised to make.

86. SVHSR agreed to pay the attorney fees incurred by the Hawkes, the Dixons, and Bean if they would join SVHSR and the Morgans in the First Action. The Hawkes, the Dixons, and Bean declined this offer, and did not join SVHSR and the Morgans in the First Action.

87. In the First Action, SVHSR filed a motion to join the Hawkes, the Dixons, and Bean as indispensable parties. In a letter dated July 29, 1996, to Judge Roger Burdick from Richard K. Smith, who was the attorney for the Hawkes, the Dixons, and Bean, such lot owners resisted SVHSR's motion for joinder. As a result, the Hawkes, the Dixons, and Bean did not become parties to the First Action. In addition, the Morgans were removed as plaintiffs in such action.

88. In the First Action, Judge Burdick ruled that the Plat and the CC&Rs had been foreclosed out, and did not burden any portion of the 240 Acre Tract. Judge Burdick also ruled that Kelsey and SVLAM had no duty to convey any common area and that no access rights existed by virtue of the Plat or CC&Rs. A copy of Judge Burdick's Memorandum Decision Granting Defendants' Motion For Summary Judgment, dated December 6, 1996, is attached hereto as Exhibit "C." This decision was affirmed by the Idaho Supreme Court on July 23, 1998.

89. Kelsey and SVLAM have given the owners of Lots 1, 2, 3, 44, and 45 permission only to use a private road located on the 240 Acre Tract to access their respective lots and to maintain certain improvements outside their respective lots. No easement appears of

record with respect to such road or improvements and no existing road providing access to Lots 1, 2, 3, or 45 is shown on the Plat.

90. Marty and Brett Goldsmith own a long-term leasehold interest in a portion of the 240 Acre Tract that Ryan attempted to subject to the Plat and the CC&Rs. The predecessors to this tenant held the leasehold at the time Ryan purported to record the Plat and the CC&Rs. These leaseholders did not approve the Plat or the CC&Rs. At least one of the leaseholders has been denied a building permit because the leasehold is located in what Ryan claims is "common area."

91. Plaintiffs have been required to retain legal counsel to prosecute the claims raised in this complaint and are entitled to an award of their reasonable attorneys' fees and costs. If this action is resolved by default, reasonable attorney fees would be twenty-five hundred dollars (\$2,500).

CLAIMS FOR RELIEF

First Claim For Relief -- Declaratory Relief

92. Paragraphs 1 through 91 are incorporated herein by reference.

93. An actual controversy exists between plaintiffs and defendants relating to their respective rights and duties, if any, arising out of the above-described transactions and events. Defendants may claim that they have an interest in common with one another in all portions of the 240 Acre Tract other than the circular tracts shown on the Plat. Plaintiffs dispute this contention and contend that, (a) neither the Plat nor the CC&Rs

created any common area or rights in defendants to any portion of the 240 Acre Tract other than the fee simple interest to the defendants' respective lots; (b) any rights in or to "common area" in the 240 Acre Tract created by the Plat or the CC&Rs were foreclosed out by plaintiffs' predecessor in interest; and (c) plaintiffs have no obligation to improve the purported common area.

Second Claim For Relief -- Quiet Title

94. Paragraphs 1 through 93 are incorporated herein by reference.

95. Plaintiffs seek to quiet title against any claims of defendants arising out of the Plat and the CC&Rs which purport to create an interest in any portion of the 240 Acre Tract beyond the borders of Lots 1, 2, 3, 44, and 45, or any interest in the 80 Acre Tract.

96. Defendants' claims are without any right, and defendants have no right, title, estate, lien or interest in the 240 Acre Tract, the 80 Acre Tract, or any part of them, other than their respective fee simple interests in Lots 1, 2, 3, 44, and 45.

Third Claim For Relief -- Injunction

97. Paragraphs 1 through 96 are incorporated herein by reference.

98. With the permission of Kelsey and SVLAM, defendants have, among other things, stored items of personal property on areas of the 240 Acre Tract outside of the boundaries of their respective lots, and have constructed a corral, and have installed wires and pipes on the 240 Acre Tract outside of the boundaries of their

lots. Kelsey and SVLAM have requested that the defendants remove such items, but defendants have failed and refused to do so.

99. Defendants have no legal right to store their personal property on real property owned by plaintiffs or utilize plaintiffs' real property for defendants' benefit in the absence of permission by plaintiffs.

100. Defendants intend to, and unless restrained, will trespass upon plaintiffs' property.

101. If defendants are unrestrained and allowed to do the things complained of above, plaintiffs will suffer great and irreparable harm in the diminution in value of their property and the use and enjoyment thereof.

102. Plaintiffs have no other plain, speedy or adequate remedy, and the injunctive relief prayed for below is necessary and appropriate at this time in order to prevent said great and irreparable harm.

PRAYER FOR JUDGMENT

WHEREFORE, plaintiffs pray for judgment:

1. under their first claim for relief, for a declaration that, (a) plaintiffs have no obligation under the Plat, the CC&Rs, or any other document, or otherwise to, (i) convey any portion of the 240 Acre Tract or the 80 Acre Tract to any person or entity, or (ii) construct any improvements in any portion of the 240 Acre Tract or the 80 Acre Tract; and (b) defendants have no right, title, or interest in any portion of the 240 Acre Tract or the 80 Acre Tract by virtue of the Plat, the CC&Rs, or any other document,

other than the fee simple interest in their respective lots as shown on the Plat;

2. under their second claim for relief, for judgment quieting title in plaintiffs to the 240 Acre Tract and the 80 Acre Tract free and clear of any right, title, estate, lien, or interest therein except for the fee simple interest in their respective lots as shown on the Plat;

3. under their third claim for relief, for an order directing defendants to remove from the 240 Acre Tract any and all personal property existing at any location on such tract other than within the boundaries of defendants' respective lots as shown on the Plat, and enjoining defendants from placing or suffering the placement of any personal property on the 240 Acre Tract other than within the confines of defendants' respective lots as shown on the Plat;

4. under all claims for relief, for an award of costs and reasonable attorney fees; and

5. for such further relief as the Court deems just and equitable.

DATED this 7th day of April, 1999.

HAWLEY TROXELL ENNIS & HAWLEY LLP

By: 
Edward A. Lawson

30587\011\complain.d4j

ANALYSIS SHEET FOR EXTENSION OF TIME

Permit No. 37-08205 Reviewed by [Signature] Date _____

BASIC INFORMATION

8-15-96 Date stamp received

yes Extension received timely

yes Fee received and receipted

yes Name and signature same as permit

no Address Change

BASIS FOR EXTENSION REQUEST

_____ Has adequate work been completed to demonstrate due diligence?

yes Has the permit been involved in litigation?
Is supporting documentation needed to complete
the file? no Requested? no

_____ Is delay by a government agency?
Is supporting documentation needed to complete
the file? _____ Requested? _____

_____ Is the project more than 25,000 acre feet for
irrigation or 10,000 acre feet for a reservoir?

ACTION TAKEN Recommend extend to Oct. 1, 2000, on
basis of litigation.

PRIORITY CALCULATION

Date extension received	_____	=	_____
Proof due date	_____	=	_____
Number of days late	_____	=	_____
Priority date	_____	=	_____
New Priority Date	_____	=	_____

DATA ENTRY

New Address X _____

Change Proof Due Date 10-1-2000

Change Priority Date X _____



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

November 20, 1996

Sun Valley Land & Minerals
P.O. Box 1959
Sun Valley, ID 83353

RE: Permit No. 37-08205

Dear Permit Holder:

Enclosed is a copy of the approved request for extension of time. The time within which to submit proof of beneficial use is extended to **October 1, 2000**. Please note that the department has granted this extension based on litigation. It is important that you work diligently toward the completion of this project during the construction period allowed. The department **may not** be able to grant additional extension requests.

Please be advised that Section 42-248, Idaho Code, which became affective on July 1, 1996, requires you or the owner of this water right to maintain current ownership and address records on file with the department. Please contact any office of the department for the proper form to file a change of ownership of a water right and/or a change in the address of the owner. Failure to maintain current records with the department could result in the assessment of a monetary penalty.

Please contact me at (208)327-7953 if you have any questions concerning this matter..

Sincerely,

JULIE L. YARBROUGH
Senior Secretary

Enclosure

C: IDWR - Regional Office

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NOV 29 1996

HAWLEY TROXELL ENNIS & HAWLEY

ATTORNEYS AND COUNSELORS

319 WALNUT AVENUE
POST OFFICE BOX 297
KETCHUM, IDAHO 83340-0297

TELEPHONE
(208) 726-1700

FAX
(208) 726-9743

RECEIVED

OCT 07 1996

Department of Water Resources
BOISE OFFICE

877 MAIN STREET, SUITE 1000
POST OFFICE BOX 1617
BOISE, IDAHO 83701-1617

POCATELLO OFFICE

125 NORTH GARFIELD
POST OFFICE BOX 4167
POCATELLO, IDAHO 83205-4167

EDWARD A. LAWSON

EMail: EAL@hteh.com

October 4, 1996

Ms. Julie Yarborough
Senior Secretary
Idaho Department of Water Resources
1301 N. Orchard Street
Statehouse Mail
Boise, Idaho 83720-9000

Re: Sun Valley Land & Minerals/Permit No. 37-08205
HTEH File No. 30587-12

Dear Ms. Yarborough:

Your September 6, 1996 letter to my client, Sun Valley Land & Minerals, Inc. ("Permit Holder") has been forwarded to me for a reply because of the nature of the information you have requested.

The lawsuits upon which the Permit Holder has based its request for an extension of time are the following:

1. *Sun Valley Land & Minerals, Inc. v. William Burt*, Case No. 15032. This action was commenced on February 1, 1989, and a final judgment following an appeal was entered on June 29, 1993. The complaint in this action sought to quiet title to property which is to be served by the water which is the subject of the permit.

2. *Sun Valley Hot Springs Ranches, Inc. v. Sun Valley Land & Minerals, Inc.*, Case No. CV 95-2376. This action was commenced on June 27, 1995. The plaintiff seeks to compel the Permit Holder to complete a purported subdivision which failed in the late 1970's, which includes land to which the water described in the subject permit is appurtenant. The Permit Holder disputes the plaintiff's contentions and seeks through its counterclaim to quiet title to the subject property. Copies of the Complaint, Answer and Counterclaim are enclosed for your review.

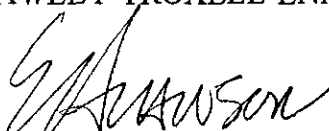
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Ms. Julie Yarborough
October 4, 1996
Page 2

The aforementioned lawsuits have clouded the title to the land and rights to the water, which has rendered development of the water impractical. Accordingly, we request the Department to rule favorably on the requested extension.

Sincerely,

HAWLEY TROXELL ENNIS & HAWLEY


Edward A. Lawson

EAL/jrt
Encl.
pc: client

dwr.ltr

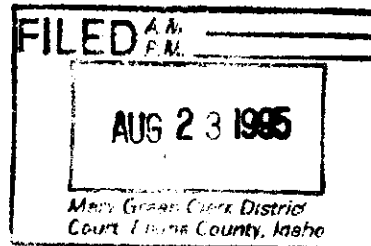
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OCT 07 1996

Department of Water Resources

Edward A. Lawson, Esq.
Daniel D. James, Esq.
HAWLEY TROXELL ENNIS & HAWLEY
319 Walnut Avenue
Post Office Box 297
Ketchum, Idaho 83340
Telephone No. (208) 726-1700
Facsimile No. (208) 726-9743



Attorneys for Defendants.

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

SUN VALLEY HOT SPRINGS
RANCH, INC., an Idaho
corporation

Plaintiffs,

v.

SUN VALLEY LAND &
MINERALS, INC., an Idaho
corporation

Defendants.

Case No. CV 95-2376

ANSWER AND COUNTERCLAIM

H. 1. b. \$12.00

J. 7. b. \$8.00

Defendants in answer to the Complaint on file herein admit,
deny and allege, as follows:

1. Defendants admit the allegations contained in paragraph
1.

2-5. Defendants are without information or knowledge
sufficient to form a belief as to the truth of the allegations
contained in paragraphs 2-5 inclusive, and so deny these
allegations.

6. Defendants admit they never completed any subdivision

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are without information or knowledge sufficient to form a belief as to the truth of the allegations in paragraph 6 and so deny those allegations.

7. Defendant SVLAM admits it acquired an interest in real property located in Blaine County, Idaho on or about October 26, 1988 and Defendant Kelsey admits acquiring an interest in the same property on or about July 12, 1989. Except as otherwise expressly admitted the Defendants deny the allegations contained in paragraph 7.

8. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 8, and so deny these allegations.

9-10. Defendants deny the allegations contained in paragraphs 9 and 10.

11-13. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 11 through 13 inclusive, and so deny these allegations.

14-15. Defendants deny the allegations contained in paragraphs 14 and 15.

AFFIRMATIVE DEFENSES

As affirmative defenses to the complaint on file herein and each claim for relief thereof, defendants are informed and believe and on the basis of such information and belief allege as follows:

First Affirmative Defense
(Failure to State a Claim For Relief)

The complaint fails to state facts sufficient to constitute a Claim for Relief against the Defendants.

Second Affirmative Defense
(Waiver)

Plaintiff, by reason of the knowledge, statements and conduct, of its officers, agents and employees, has waived any rights which it has for any acts or omissions of the Defendants.

Third Affirmative Defense
(Estoppel)

Plaintiff by reason of the knowledge, statements and conduct, of its officers, agents and employees, is estopped to complain of any act or omission on the part of the Defendants.

Fourth Affirmative Defense
(Consent)

Plaintiff, by reason of the knowledge, statements and conduct of its officers, agents and employees, has heretofore consented to all of the acts or omissions on the part of the Defendants on which Plaintiff basis its claims.

Fifth Affirmative Defense
(Ratification)

Plaintiff, with full knowledge of all the facts connected with or relating to the transactions and property alleged in the complaint, ratified and confirmed the acts and omissions of Defendants which are complained of in the Complaint.

Sixth Affirmative Defense
(Laches)

Plaintiff is barred by Laches from pursuing any remedy

afforded to it.

Seventh Affirmative Defense
(Statute of Limitations)

Plaintiff's actions were not commenced within the applicable period of limitation prescribed by law.

Eighth Affirmative Defense
(Causation)

Plaintiff's damages, if any, were proximately caused by the superseding, intervening acts, omissions or negligence of third persons, and the acts omissions and statements of Defendants were not a proximate cause of the alleged loss to Plaintiff.

Ninth Affirmative Defense
(Indispensable Party)

Plaintiff has failed to join indispensable parties.

Tenth Affirmative Defense
(Mitigation of Damages)

Plaintiff failed to mitigate any damages sustained by it as a consequence of the transaction which forms the basis of this litigation.

Eleventh Affirmative Defense
(Alter Ego)

Plaintiff is the alter ego of Clarendon Hot Springs Ranch, Inc., and Patrick D. Ryan, the developer of Clarendon.

COUNTERCLAIM

Defendants, Sun Valley Land & Minerals, Inc., ("SVLAM") Donna Kelsey ("Kelsey", together with SVLAM the "Counterclaimants") Counterclaim against Plaintiff, Sun Valley Hot Springs Ranch, Inc. ("Counterdefendant") and allege as

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follows:

GENERAL ALLEGATIONS
(Applicable To All Counts)

1. SUN VALLEY LAND AND MINERALS, INC. is, and at all times relevant was, a corporation formed under the laws of the State of Idaho, doing business in Blaine County. SVLAM is the owner of an undivided 65% interest in the fee simple title to that certain real property commonly known as the Clarendon Ranch consisting of approximately 320 acres located in Blaine County, Idaho, and which is more particularly described in Exhibit "A" attached hereto ("Clarendon").

2. DONNA KELSEY is, an individual who resides in Blaine County, Idaho, and is the owner of an undivided 35% interest in fee simple title to Clarendon.

3. On information and belief, SUN VALLEY HOT SPRINGS, INC., is a corporation organized and existing under the laws of the State of Idaho. On information and belief, Sun Valley Hot Springs, Inc., is the alter ego of Clarendon Hot Springs Ranch, Inc. and Patrick D. Ryan, and should be treated as one and the same for purposes of the claims made herein.

4. SVLAM acquired its interest in Clarendon through and by virtue of a deed made by Kelsey, to SVLAM, recorded as Instrument No. 299785, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "B", and a deed made by Interstate Investment Corporation, an Idaho corporation, to SVLAM, recorded as Instrument No. 299786, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "C".

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5. Kelsey's current interest in Clarendon was acquired on July 12, 1989, through and by virtue of a deed made by Sawtooth Title Co., Inc. to Kelsey, recorded as Instrument No. 307563, records of Blaine County, Idaho, a copy of which is attached hereto as exhibit "D". On or about October 26, 1988, Kelsey's interest in Clarendon was first acquired from Interstate Investment Corporation, under and by virtue of a deed recorded as Instrument No. 299784, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "E".

6. On or about October 18, 1988, Interstate Investment Corporation's interest in Clarendon was acquired from Travelers Leasing Corporation, a Washington Corporation under and by virtue of a deed recorded as Instrument No. 299670, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "F".

7. Travelers Leasing Corporation acquired its right, title and interest in Clarendon under and by virtue of a merger with Travelers Mortgage Corporation, a Washington corporation.

8. On or about November 15, 1984, Travelers Mortgage Corporation received an assignment from First Federal Savings and Loan Association of Twin Falls of all its right, title and estate in Clarendon and in the following:

a. \$400,000 note secured by mortgage on Clarendon recorded as Instrument No. 161942, records of Blaine County, Idaho;

b. Summary Judgment entered 4/19/82 against Clarendon Hot Springs Ranch Inc. in favor of First Federal Savings & Loan Association of Twin Falls in Fifth Judicial District Court Case No. 10872, recorded as Instrument No. 226740, records of Blaine County, Idaho; and

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c. Sheriff's Certificate of Sale on Foreclosure in said Case no. 10872, recorded as Instrument No. 252053, records of Blaine County, Idaho.

A copy of the assignment is attached hereto as Exhibit "G". In addition to the assignment, on November 15, 1984, First Federal Savings & Loan Association of Twin Falls conveyed Clarendon to Travelers Mortgage Corporation under and by virtue of a quitclaim deed recorded as Instrument No. 258306, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "H".

9. On or about February 11, 1985, Travelers Mortgage Corporation redeemed Clarendon from J.U.B. Engineers, Inc., which had redeemed from First Federal Savings & Loan Association of Twin Falls, pursuant to the Notice of Redemption recorded as Instrument No. 260493, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "I".

10. On or about June 6, 1985, Travelers Mortgage Corporation received a Sheriff's Deed to Clarendon which was recorded as Instrument No. 263516, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "J".

11. On or about November 17, 1988, Travelers Mortgage Corporation received a Sheriff's Deed to Clarendon which was recorded as Instrument No. 300738, records of Blaine County, Idaho, a copy of which is attached hereto as Exhibit "K".

12. By virtue of the chain of title to Clarendon and the transactions described in paragraphs 4 through 11 hereof, Counterclaimants acquired the right, title, estate and interest in Clarendon derived from the Real Estate Mortgage of First

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Federal Savings & Loan Association of Twin Falls described in paragraph 8.

13. A plat was recorded on April 9, 1976, in Book 14, page 1 of plats, records of Blaine County, Idaho purporting to subdivide 240 acres of Clarendon into circular lots ("Plat") to which access was ostensibly provided by the Plat.

14. A document entitled Declaration of Covenants, Conditions and Restrictions was recorded on April 9, 1976 as Instrument No. 165354, records of Blaine County, Idaho ("Declaration") and purported to create a "common area" within the 240 acre portion of Clarendon described in the Plat.

15. Lot 44 as described in the purported Plat was conveyed by Clarendon Hot Springs Ranch, Inc. on or about October 18, 1976. On or about July 22, 1988, Counterdefendant acquired said lot 44.

16. Counterclaimants have been required to retain legal counsel to defend against the claims in the complaint and to prosecute the claims raised in the counterclaim and are entitled to an award of their reasonable attorneys' fees and costs.

Count I
(Declaratory Relief)

17. An actual controversy exists between Counterclaimants and Counterdefendants relating to their respective rights and duties, one to the other, arising out of the above-described transactions and events. Counterdefendant contends a) it has an interest in the common area described in the Declaration and b) that Counterclaimant is obligated to improve the said common

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area. Counterclaimant disputes these contentions and contends that a) the Plat and Declaration are deficient and do not create any common area, b) the rights of Counterdefendant to a common area, if any there was, were foreclosed out by Counterclaimants predecessor in interest, and c) Counterclaimants has no obligation to improve the purported common area.

Count II
(Quiet Title)

18. Counterclaimants seek to quiet title against the claim of Counterdefendant arising out of the Plat and the Declaration which purport to create an interest in that portion of Clarendon beyond the border of Lot 44.

19. Counterdefendant's claims are without any right, and Counterdefendants have no right, title, estate, lien or interest in Clarendon, or any part of it, other than Lot 44.

Count III
(Injunction)

20. Counterdefendant intends to, and unless restrained will trespass upon Counterclaimants' property and slander Counterclaimant's title.

21. If Counterdefendant is unrestrained and allowed to do the things complained of above, Counterclaimant will suffer a great and irreparable harm in the diminution in value of their property and the use and enjoyment thereof.

22. Counterclaimants have no other plain, speedy or adequate remedy, and the injunctive relief prayed for below is necessary and appropriate at this time in order to prevent said

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NOV 29 1986

great and irreparable harm.

PRAYER

WHEREFORE, Counterclaimants pray judgment as follows:

A. On Count I.

For a declaration of the rights and duties of the parties, including a declaration that the Plat and Declaration do not create any common area, that any common area which may have been created was foreclosed out, and that Counterclaimants have no obligation to install, repair, replace or maintain any improvements in the purported common area.

B. On Count II.

For a judgment quieting title in SVLAM and Kelsey as owners in fee simple of the property described in paragraph 1 and that Counterdefendant has no right, title, estate, lien or interest in the property adverse to SVLAM and Kelsey, or either of them.

C. On Count III.

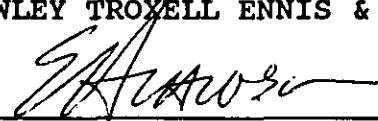
That a temporary restraining order, preliminary injunction and permanent injunction issue restraining Counterdefendant, and its officers, directors, shareholders, employees, agents, attorneys, representatives, contractors and their guests and invitees, and all persons in active concert or participation with them, or any of them, from trespassing upon Counterclaimant's property or from slandering Counterclaimant's title.

D. On All Counts.

- (a) For costs of suit and attorneys' fees;
and
(b) For all other relief the Court deems
proper.

DATED August 22, 1995

HAWLEY TROYELL ENNIS & HAWLEY



Edward A. Lawson

30587\012\answer.cc

EXHIBIT "A"

PARCEL 1:

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 34: NINE;

EXCEPTING THEREFROM Lots 1, 2, 3, 44 and 45, Clarendon Subdivision No. 1, Blaine County, Idaho, according to the official plat thereof on file in the office of the County Recorder as Instrument No. 165353, records of Blaine County, Idaho.

PARCEL 11:

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 27: S1/2SE1/4, EXCEPT that portion of the SW1/2SE1/4 of Section 27 more particularly described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the TRUE PLACE OF BEGINNING; THENCE S. 50°14' W., 100 feet; THENCE N. 39°46' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 100 feet to the TRUE PLACE OF BEGINNING.

ALSO EXCEPT a portion of the SW1/2SE1/4 Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

AND ALSO EXCEPT a parcel of land in the SW1/2SE1/4 of Section 27 described as follows:

BEGINNING at the Section Corner common to Sections 26, 27, 34, and 35 of said Township and Range;
THENCE North along said section line 1,329 feet to the Northeast corner of the SE1/2SE1/4 of said Section 27;
THENCE West along the North quarter section line of the S1/2SE1/4 of said Section 27, a distance of 1,530 feet to the TRUE POINT OF BEGINNING;
THENCE West along said quarter section line a distance of 120 feet;
THENCE at right angles and running South to the Deer Creek Road, as the same is now established;
THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1, 1/2 feet West of the East boundary of said Section 27;
THENCE running at right angles North a distance of approxima. 190 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW1/2SE1/4 of Section 27, described as follows:

BEGINNING at a point in the SW1/2SE1/4 of said Section 27 that bears N. 73°11'6" W., 1311.05 feet from the Southeast corner of said Section 27, which point of beginning is the East corner of the Randell house;
THENCE S. 29°53'54" W., 145.20 feet;
THENCE S. 78°32'54" W., 146.84 feet;
THENCE N. 10°25'30" E., 213.19 feet;
THENCE N. 57°46'54" E., 181.40 feet;
THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead;

THENCE S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW1/2SE1/4 Section 27 described as follows:

COMMENCING at the Southeast corner of said Section 27 running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27;
THENCE S. 89°39'30" W., for 1391.00 feet along the northerly boundary of said SE1/2SE1/4 and SW1/2SE1/4;
THENCE S. 49°40'30" W., for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;
THENCE N. 40°19'30" W., for 45.00 feet to a 1/2-inch iron pin;
THENCE S. 49°40'30" W., for 100.00 feet to a 1/2-inch iron pin;
THENCE S. 40°19'30" E., for 100.00 feet to a 1/2-inch iron pin;
THENCE N. 49°40'30" E., for 100.00 feet to a 1/2-inch iron pin;
THENCE N. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

EXHIBIT A

MICROFILMED
JUN 29 1986

INSTRUMENT No

QUITCLAIM DEED

For Value Received, 650 shares, representing 65% of the stock in Sun Valley Land and Minerals, Inc.,

DONNA R. KELSEY

do hereby convey, release, remise and forever quit claim

unto SUN VALLEY LAND AND MINERALS, INC., an Idaho Corporation

whose address is c/o Roark, Donovan, Praggastis; P. O. Box 3240; Ketchum, ID 83340
the following described premises, to-wit:

An undivided 65% interest, being all of the Grantor's interest, in and to the property described in Exhibit "A" attached hereto and made a part hereof.

299785

BLAINE CO. REQUEST
OFFICIAL USE ONLY

88 OCT 28 PM 4 09

MARY GREEN, CLERK S.H.

FEES \$ 6.00

together with their appurtenances.

Dated: October 26, 1988

Donna R. Kelsey

DONNA R. KELSEY

STATE OF IDAHO, COUNTY OF BLAINE

On this 26th day of October 19 88
before me, a notary public in and for said State, personally
appeared

DONNA R. KELSEY

known to me to be the person whose name
subscribed to the within instrument, and acknowledged
to me that she executed the same

MICROFILMED

NOV 29 1988

EXHIBIT B

EXHIBIT "A"

PARCEL 1

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 34: N1/4E1/4

EXCEPTING THEREFROM Lots 1, 2, 3, 44 and 45, Clarendon Subdivision No. 1, Blaine County, Idaho, according to the official plat thereof on file in the office of the County Recorder as Instrument No. 165353, records of Blaine County, Idaho.

PARCEL 11

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 27: S1/2E1/4, EXCEPT that portion of the SW1/4E1/4 of Section 27 more particularly described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the TRUE PLACE OF BEGINNING; THENCE S. 50°14' W., 100 feet; THENCE N. 39°46' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 100 feet to the TRUE PLACE OF BEGINNING.

ALSO EXCEPT a portion of the SW1/4E1/4 Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

AND ALSO EXCEPT a parcel of land in the SW1/4E1/4 of Section 27 described as follows:

BEGINNING at the Section Corner common to Sections 26, 27, 34, and 35 of said Township and Range;
THENCE North along said section line 1,329 feet to the Northeast corner of the SE1/4E1/4 of said Section 27;
THENCE West along the North quarter section line of the S1/2E1/4 of said Section 27, a distance of 1,530 feet to the TRUE POINT OF BEGINNING;
THENCE West along said quarter section line a distance of 120 feet;
THENCE at right angles and running South to the Deer Creek Road, as the same is now established;
THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1, 190 feet West of the East boundary of said Section 27;
THENCE running at right angles North a distance of approximately 190 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW1/4E1/4 of Section 27, described as follows:

BEGINNING at a point in the SW1/4E1/4 of said Section 27 that bears N. 73°11'6" W., 2311.05 feet from the Southeast corner of said Section 27, which point of beginning is the East corner of the Randell house;
THENCE S. 29°53'54" W., 145.20 feet;
THENCE S. 78°32'54" W., 146.84 feet;
THENCE N. 10°25'30" E., 213.19 feet;
THENCE N. 57°46'54" E., 181.40 feet;
THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead;
THENCE S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW1/4E1/4 Section 27 described as follows:

COMMENCING at the Southeast corner of said Section 27 running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27;
THENCE S. 84°39'30" W., for 1391.00 feet along the northerly boundary of said SE1/4E1/4 and SW1/4E1/4;
THENCE S. 49°40'30" W., for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;
THENCE N. 40°19'30" W., for 45.00 feet to a 1/2-inch iron pin;
THENCE S. 49°40'30" W., for 100.00 feet to a 1/2-inch iron pin;
THENCE S. 40°19'30" E., for 100.00 feet to a 1/2-inch iron pin;
THENCE N. 49°40'30" E., for 100.00 feet to a 1/2-inch iron pin;
THENCE N. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

MICROFILMED
NOV 1986

QUITCLAIM DEED

For Value Received, 350 shares, representing 35% of the stock in Sun Valley Land and Minerals, Inc.,

INTERSTATE INVESTMENT CORPORATION, an Idaho Corporation,

do hereby convey, release, remise and forever quit claim

unto SUN VALLEY LAND AND MINERALS, INC., an Idaho Corporation,

whose address is: c/o Roark, Donovan, Praggastis; P. O. Box 3240; Ketchum, ID 83340
the following described premises, to-wit:

an undivided 35% interest in and to the property described in Exhibit "A" attached hereto and made a part hereof.

299786
BLAINE CO. REQUEST
OF: Interstate Investment Corporation
88 OCT 28 PM 4 10
MARY GREEN, CLERK
FEES \$ 6.00

together with their appurtenances.

Dated: October 26, 1988

INTERSTATE INVESTMENT CORPORATION

BY: James R. Kelsey
President

STATE OF IDAHO.

County of Blaine

On this 26th day of October, 1988,
before me, a Notary public in and for said State, personally appeared DOYNA R. KELSEY and

known to me to be the President of the corporation that executed this instrument or the persons 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.

MICROFILMED
NOV 29 1988

EXHIBIT "A"

PARCEL I

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 14: NINE:

EXCEPTING THEREFROM Lots 1, 2, 3, 44 and 45, Clarendon Subdivision No. 1, Blaine County, Idaho, according to the official plat thereof on file in the office of the County Recorder as Instrument No. 165353, records of Blaine County, Idaho.

PARCEL II

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 27: S½SE½, EXCEPT that portion of the SW½SE½ of Section 27 more particularly described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the TRUE PLACE OF BEGINNING; THENCE S. 50°14' W., 100 feet; THENCE N. 39°46' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 100 feet to the TRUE PLACE OF BEGINNING.

ALSO EXCEPT a portion of the SW½SE½ Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

AND ALSO EXCEPT a parcel of land in the SW½SE½ of Section 27 described as follows:

BEGINNING at the Section Corner common to Sections 26, 27, 34, and 35 of said Township and Range;

THENCE North along said section line 1,329 feet to the Northeast corner of the SE½SE½ of said Section 27;

THENCE West along the North quarter section line of the S½SE½ of said Section 27, a distance of 1,530 feet to the TRUE POINT OF BEGINNING;

THENCE West along said quarter section line a distance of 120 feet;

THENCE at right angles and running South to the Deer Creek Road, as the same is now established;

THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1,530 feet West of the East boundary of said Section 27;

THENCE running at right angles North a distance of approximately 190 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW½SE½ of Section 27, described as follows:

BEGINNING at a point in the SW½SE½ of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the East corner of the Randell house;

THENCE S. 29°53'54" W., 145.20 feet;

THENCE S. 78°32'54" W., 146.84 feet;

THENCE N. 10°25'30" E., 213.19 feet;

THENCE N. 57°46'54" E., 181.40 feet;

THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead;

THENCE S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW½SE½ Section 27 described as follows:

COMMENCING at the Southeast corner of said Section 27 running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27;

THENCE S. 89°39'30" W., for 1391.00 feet along the northerly boundary of said SE½SE½ and SW½SE½;

THENCE S. 49°40'30" W., for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;

THENCE N. 40°19'30" W., for 45.00 feet to a ½-inch iron pin;

THENCE S. 49°40'30" W., for 100.00 feet to a ½-inch iron pin;

THENCE S. 40°19'30" E., for 100.00 feet to a ½-inch iron pin;

THENCE N. 49°40'30" E., for 100.00 feet to a ½-inch iron pin;

THENCE N. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW½

TOGETHER WITH all water, water rights, claims

applications therefor.

MICROFILMED
NOV 29 1986

INSTRUMENT No.

QUITCLAIM DEED

For Value Received
 SAWTOOTH TITLE CO., INC., an Idaho Corporation

do hereby convey, release, remise and forever quit claim
 unto DONNA R. KELSEY

whose address is: P. O. Box 1959; Sun Valley, Idaho 83353
 the following described premises, to-wit:

An undivided 35% interest in and to the property described in Exhibit "A"
 attached hereto and made a part hereof.

together with their appurtenances.

Dated: July 12, 1989

SAWTOOTH TITLE CO., INC.

BY: Avery Floyd

PRESIDENT

STATE OF IDAHO

COUNTY OF BLAINE

On this 12th day of July, 1989,
 before me, a Notary Public in and for said
 State, personally appeared AVERY FLOYD
 known to me to be the President of the
 corporation who executed the instrument on
 behalf of said corporation, and acknowl-
 edged 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.

Notary Public for the State of Idaho
 Residing at Hailey, Idaho

89 JUL 17 PM 2:23
 MARY GREEN, CLERK

FEES \$ 6.00

BLAINE CO. REQUEST
 OF: SAWTOOTH TITLE CO., INC.

307563

MICROFILMED
 NOV 2 1989

EXHIBIT D

EXHIBIT "A"PARCEL I

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 34: NW1/4;

EXCEPTING THEREFROM Lots 1, 2, 3, 44 and 45, Clarendon Subdivision No. 1, Blaine County, Idaho, according to the official plat thereof on file in the office of the County Recorder as Instrument No. 165353, records of Blaine County, Idaho.

PARCEL II

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 27: S1/2E1/2

EXCEPT a portion of the SW1/2E1/2 Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW1/2E1/2 of Section 27, described as follows:

BEGINNING at a point in the SW1/2E1/2 of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the East corner of the Randell house;
THENCE S. 29°53'54" W., 145.20 feet;
THENCE S. 78°32'54" W., 146.84 feet;
THENCE N. 10°25'30" E., 213.19 feet;
THENCE N. 57°46'54" E., 181.40 feet;
THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead;

THENCE S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW1/2E1/2 Section 27 described as follows:

COMMENCING at the Southeast corner of said Section 27, running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27;
THENCE S. 89°39'30" W., for 1391.00 feet along the northerly boundary of said SE1/2E1/2 and SW1/2E1/2;
THENCE S. 49°40'30" W., for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;

THENCE N. 40°19'30" W., for 45.00 feet to a 1/2-inch iron pin;
THENCE S. 49°40'30" W., for 100.00 feet to a 1/2-inch iron pin;
THENCE S. 40°19'30" E., for 100.00 feet to a 1/2-inch iron pin;
THENCE N. 49°40'30" E., for 100.00 feet to a 1/2-inch iron pin;
THENCE N. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW1/4

TOGETHER WITH all water, water rights, claims and applications therefor.

MICROFILMED

NOV 28 1995

QUITCLAIM DEED

For Value Received, 650 shares, representing 65% of the stock in Sun Valley Land and Minerals, Inc.,

INTERSTATE INVESTMENT CORPORATION, an Idaho Corporation,

do hereby convey, release, remise and forever quit claim

unto DONNA R. KELSEY, as tenant in common,

whose address is: c/o Roark, Donovan, Praggastis; P. O. Box 3240; Ketchum, ID 83340
the following described premises, to-wit:

An undivided 65% interest in and to the property described in Exhibit "A" attached hereto and made a part hereof.

299784
BLAINE CO. REQUEST
OF: ~~INTERSTATE INVESTMENT CORPORATION~~
deed
'88 OCT 28 PM 4 00
MARY GREEN, CLERK STH
FEES \$ 6.00

together with their appurtenances.

Dated: October 26, 1988

INTERSTATE INVESTMENT CORPORATION

BY: Donna R. Kelsey

President

STATE OF IDAHO.

County of Blaine

On this 26th day of October, 1988,
before me, a Notary public in and for said State, personally appeared DONNA R. KELSEY and

known to me to be the President and ~~authorized officer~~ of the corporation that executed this instrument or the persons 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.

Theresa L. Smith
Notary Public for the State of Idaho.
Residing at _____

EXHIBIT E

MICROFILMED
NOV 28 1988

EXHIBIT "A"

PARCEL I

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 34: NINE;

EXCEPTING THEREFROM Lots 1, 2, 3, 44 and 45, Clarendon Subdivision No. 1, Blaine County, Idaho, according to the official plat thereof on file in the office of the County Recorder as Instrument No. 165353, records of Blaine County, Idaho.

PARCEL II

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 27: S½SE¼, EXCEPT that portion of the SW¼SE¼ of Section 27 more particularly described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the TRUE PLACE OF BEGINNING; THENCE S. 50°14' W., 100 feet; THENCE N. 39°46' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 100 feet to the TRUE PLACE OF BEGINNING.

ALSO EXCEPT a portion of the SW¼SE¼ Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

AND ALSO EXCEPT a parcel of land in the SW¼SE¼ of Section 27 described as follows:

BEGINNING at the Section Corner common to Sections 26, 27, 34, and 35 of said Township and Range;

THENCE North along said section line 1,329 feet to the Northeast corner of the SE¼SE¼ of said Section 27;

THENCE West along the North quarter section line of the S½SE¼ of said Section 27, a distance of 1,530 feet to the TRUE POINT OF BEGINNING;

THENCE West along said quarter section line a distance of 120 feet;

THENCE at right angles and running South to the Deer Creek Road, as the same is now established;

THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1,530 feet West of the East boundary of said Section 27;

THENCE running at right angles North a distance of approximately 190 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW¼SE¼ of Section 27, described as follows:

BEGINNING at a point in the SW¼SE¼ of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the East corner of the Randell house;

THENCE S. 29°53'54" W., 145.20 feet;

THENCE S. 78°32'54" W., 146.84 feet;

THENCE N. 10°25'30" E., 213.19 feet;

THENCE N. 57°46'54" E., 181.40 feet;

THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead;

THENCE S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW¼SE¼ Section 27 described as follows:

COMMENCING at the Southeast corner of said Section 27 running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27;

THENCE S. 89°39'30" W., for 1391.00 feet along the northerly boundary of said SW¼SE¼ and SW¼SE¼;

THENCE S. 49°40'30" W., for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;

THENCE N. 40°19'30" W., for 45.00 feet to a ½-inch iron pin;

THENCE S. 49°40'30" W., for 100.00 feet to a ½-inch iron pin;

THENCE S. 40°19'30" E., for 100.00 feet to a ½-inch iron pin;

THENCE N. 49°40'30" E., for 100.00 feet to a ½-inch iron pin;

THENCE N. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

QUITCLAIM DEED

For Value Received

TRAVELERS LEASING CORPORATION, a Washington corporation

do hereby convey, release, remise and forever quit claim

unto INTERSTATE INVESTMENT CORPORATION, an Idaho corporation

whose address is: 319 Walnut Avenue; P. O. Box 297; Ketchum, Idaho 83340
the following described premises, to-wit:

That certain real property in the State of Idaho, County of Blaine, described in Exhibit "A" attached hereto and incorporated herein by this reference, together with that portion of roadway described in Deed to the United States of America, recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, which lies in the NW 1/4 NE 1/4 of Section 34 and in the water rights appurtenant to the property conveyed by this deed including, but not limited to, Claim Nos. 37-4368, 37-4369, 37-4370, 37-8132, 37-8133, 37-8204, and 37-8205.

"AS IS AND WITH ALL FAULTS" WITH NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.

(Document being re-executed and re-recorded to correct that Quitclaim Deed recorded September 22, 1988, as Instrument No. 298475, records of Blaine County, Idaho.)

299670
BLAINE CO. REQUEST
OF: Sawtooth Title Co. Inc.
88 OCT 25 PM 4 34
MARY GREEN, CLERK S.H.
FEES \$ 6.00

together with their appurtenances.

Dated: October 18, 1988

TRAVELERS LEASING CORPORATION

BY:

Christopher Davis

CALIFORNIA
STATE OF ~~XXXXXX~~ COUNTY OF San Diego
On this 19th day of October 19 88
before me, a notary public in and for said State, personally appeared CHRISTOPHER DAVIS, known or identified to me to be the President of TRAVELERS LEASING CORPORATION, an upon oath did depose he is the officer of said corporation as designated, and that the corporation executed said instrument freely and voluntarily and for the uses and purposes therein mentioned.

Bonnie L. Jones
Notary Public
Residing at San Diego

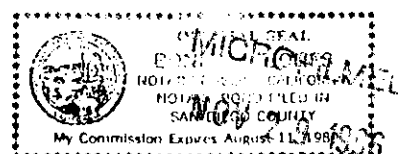


EXHIBIT "A"

PARCEL I

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 34: N½NE½;

EXCEPTING THEREFROM Lots 1, 2, 3, 44 and 45, Clarendon Subdivision No. 1, Blaine County, Idaho, according to the official plat thereof on file in the office of the County Recorder as Instrument No. 165353, records of Blaine County, Idaho.

PARCEL II

Township 3 North, Range 17 East, Boise Meridian, Blaine County, Idaho
Section 27: S½SE½, EXCEPT that portion of the SW½SE½ of Section 27 more particularly described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the TRUE PLACE OF BEGINNING; THENCE S. 50°14' W., 100 feet; THENCE N. 39°46' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' W., 100 feet to the TRUE PLACE OF BEGINNING.

ALSO EXCEPT a portion of the SW½SE½ Section 27 described as follows:

BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the Real Point of Beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the Real Point of Beginning.

AND ALSO EXCEPT a parcel of land in the SW½SE½ of Section 27 described as follows:

BEGINNING at the Section Corner common to Sections 26, 27, 34, and 35 of said Township and Range;
THENCE North along said section line 1,329 feet to the Northeast corner of the SE½SE½ of said Section 27;
THENCE West along the North quarter section line of the S½SE½ of said Section 27, a distance of 1,530 feet to the TRUE POINT OF BEGINNING;
THENCE West along said quarter section line a distance of 120 feet;
THENCE at right angles and running South to the Deer Creek Road, as the same is now established;
THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1,530 feet West of the East boundary of said Section 27;
THENCE running at right angles North a distance of approximately 190 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, as partially terminated by Partial Termination of Easement recorded December 19, 1986, as Instrument No. 280235, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW½SE½ of Section 27, described as follows:

BEGINNING at a point in the SW½SE½ of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the East corner of the Randell house;
THENCE S. 29°53'54" W., 145.20 feet;
THENCE S. 78°32'54" W., 146.84 feet;
THENCE N. 10°25'30" E., 213.19 feet;
THENCE N. 57°46'54" E., 181.40 feet;
THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead;
THENCE S. 1°10'54" E., 105.30 feet to the PLACE OF BEGINNING.

AND ALSO EXCEPT a portion of the SW½SE½ Section 27 described as follows:

COMMENCING at the Southeast corner of said Section 27 running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27;
THENCE S. 89°39'30" W., for 1391.00 feet along the northerly boundary of said SE½SE½ and SW½SE½;
THENCE S. 49°40'30" W., for 646.5 feet, more or less, to the REAL POINT OF BEGINNING;
THENCE N. 40°19'30" W., for 45.00 feet to a ½-inch iron pin;
THENCE S. 49°40'30" W., for 100.00 feet to a ½-inch iron pin;
THENCE S. 40°19'30" E., for 100.00 feet to a ½-inch iron pin;
THENCE N. 49°40'30" E., for 100.00 feet to a ½-inch iron pin;
THENCE N. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW½

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John R. Coleman
 Coleman, McIntyre & Ritchie
 Attorneys at Law
 156 2nd Avenue West
 P. O. Box 525
 Twin Falls, Idaho 83303-0525
 Telephone: (208) 734-1224

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 RUBIN BAKER &
 CLARENCE CO.
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 JUDGMENT
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IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
 STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

FIRST FEDERAL SAVINGS & LOAN)
 ASSOCIATION OF TWIN FALLS,)
 a corporation,)
 Plaintiff,)
 v.)
 CLARENDON HOT SPRINGS RANCH,)
 INC., et al.,)
 Defendants.)

Case No. 10872
 Consolidated with Case Nos.
 10536, 10538, 10564, 10567
 10669 and 10872
NOTICE OF ASSIGNMENT

NOTICE IS HEREBY GIVEN THAT First Federal Savings & Loan
 Association, a corporation, has assigned to Travelers Mortgage
 Corporation, a Washington corporation, all of its right, title and
 interest in and to the following:

(1) That certain promissory note in the sum
 of \$400,000, together with all interest
 thereon, and real property mortgage dated
 September 17, 1975, executed by Clarendon
 Hot Springs Ranch, an Idaho corporation, to
 First Federal Savings & Loan Association of
 Twin Falls, recorded September 18, 1975, as
 Instrument No. 161942, records of Blaine
 County, Idaho.

RECORDED

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(2) That certain Summary Judgment entered April 19, 1982, against Clarendon Hot Springs Ranch, Inc., an Idaho corporation, et al., and Defendants, in favor of First Federal Savings & Loan Association of Twin Falls, a corporation, Plaintiff, recorded June 2, 1982, as Instrument No. 226740, records of Blaine County, Idaho, in Case No. 10872, consolidated with Case Nos. 10536, 10538, 10564, 10567, 10669 and 10879, in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Blaine, entitled FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF TWIN FALLS, a corporation v. CLARENDON HOT SPRINGS RANCH, INC.; RAYMOND D. LITTLE; RICHARD S. MEYER and LOIS SORENSEN MEYER, husband and wife; SAWTOOTH TITLE CO., INC.; THE LOCKHART CO.; TRAVELERS MORTGAGE CORPORATION; UNITED PACIFIC INSURANCE COMPANY; DALBRAY HOLDINGS, LTD.; ARCHER INVESTMENTS, LTD.; WATER AND WASTE WATER EQUIPMENT CO.; WALKER WATER SYSTEMS, INC.; PATRICK J. MURPHY dba SHAMROCK EXCAVATION; J-U-B ENGINEERS, INC.; SAWTOOTH ENGINEERS, a partnership; HARLESK LAND CORPORATION, INC.; JACK MILLER; and PATRICK D. RYAN, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference; and

(3) That certain Sheriff's Certificate of Sale on Foreclosure dated May 25, 1984, in said Case No. 10872, consolidated with Case Nos. 10536, 10538, 10564, 10567, 10669 and 10879, in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Blaine, a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference. That said Sheriff's Certificate served to sell to First Federal Savings & Loan Association of Twin Falls, a corporation, all that certain real property situate in Blaine County, State of Idaho, commonly known as Clarendon Hot Springs Ranch, and more particularly described on Exhibit "C" attached hereto and incorporated herein by this reference.

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(4) All other right, title and interest of Assignor of any kind or nature in the real property more particularly described on Exhibit "C" attached hereto and incorporated herein.

DATED this 15th day of November, 1984.

~~COLEMAN, MCINTYRE & RITCHIE~~

By John R. Coleman
John R. Coleman
Attorneys for First Federal
Savings & Loan Association of
Twin Falls

STATE OF IDAHO)
County of Blaine) ss.

On this 15th day of November, 1984, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOHN R. COLEMAN of Coleman, McIntyre & Ritchie, Attorneys at Law, attorney for First Federal Savings & Loan Association of Twin Falls, known or identified to me to be the person whose name subscribed to the within instrument, and acknowledged to me that executed the same.

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

John R. Coleman
Notary Public for Idaho
Residing at:

1 JOHN R. COLEMAN
2 Coleman & McIntyre
3 Attorneys at Law
4 P. O. Box 525
5 Twin Falls, Idaho 83301
6 Telephone: (208) 734-1224

7 IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF
8 THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

9 FIRST FEDERAL SAVINGS & LOAN) Case No. 10872
10 ASSOCIATION OF TWIN FALLS,)
11 a corporation,) CONSOLIDATED WITH CASE NOS.
12) 10536, 10538, 10564, 10567
13 Plaintiff,) 10669 and 10879
14 vs.)
15 CLARENDON HOT SPRINGS RANCH,) SUMMARY JUDGMENT
16 INC., et al,)
17 Defendants.)

18 The above-entitled matter came on for hearing on
19 February 19, 1982, on motion for summary judgment of the plain-
20 tiff, First Federal Savings & Loan Association of Twin Falls.
21 The following appearances were made: Stephen W. Boller for
22 Clarendon Hot Springs Ranch, Inc., John R. Coleman and William J.
23 Langley for First Federal Savings & Loan Association of Twin
24 Falls, R. E. Rayborn for Patrick J. Murphy dba Shamrock Excava-
25 tion, Loren C. Ipsen for JUB Engineers, Inc., James J. Davis for
26 Travelers Mortgage Company, M. R. Kildew for Water and Waste
27 Water Equipment Company, John R. Coleman for Walker Water
28 Systems, Inc., and Bruce Collier for William R. Burt, Jean Burt,
29 Cynthia Burt Beebe and Deer Creek Ranch Company. Based upon the
30 affidavits and other admissible materials on file, and having
31 heard the oral argument of counsel and being fully advised in the
32 premises, and good cause appearing therefor;

MICROFILMED

NOV 29 1982

1 IT IS HEREBY ORDERED that the motion for summary judgment of First Federal Savings & Loan Association of Twin Falls
2 against the named defendants in Case No. 10872 be, and the same
3 is hereby granted.
4

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
6 plaintiff, First Federal Savings & Loan Association of Twin
7 Falls, have and recover from Clarendon Hot Springs Ranch, Inc.,
8 the principal sum of \$376,072.05, with interest thereon from
9 October 11, 1980, to February 19, 1982, in the amount of
10 \$81,411.70, together with costs and disbursements of First
11 Federal Savings & Loan Association of Twin Falls in the amount of
12 \$_____, and attorney's fees as may be allowed by the Court
13 in the amount of \$_____, all in the total amount of
14 \$_____. Said judgment to bear interest at the rate of
15 18% per annum from February 19, 1982, until paid.

16 BE IT FURTHER ORDERED, ADJUDGED AND DECREED that the
17 plaintiff is entitled to have its mortgage, described in its
18 complaint in this action, enforced and foreclosed and the lands
19 and premises sold in the manner prescribed by law, and the
20 proceeds arising from such sale be applied as follows:

21 1. \$457,483.75 to the payment of the note dated
22 September 10, 1975, given by defendant, Clarendon Hot
23 Springs Ranch, Inc., to the plaintiff.

24 2. Plaintiff's costs incurred in this action in the
25 amount of \$_____.

26 3. Plaintiff's attorney's fees incurred in this action
27 in the amount of \$_____.

28 4. Interest accruing on said judgment from and after
29 February 19, 1982, at 18% per annum.

30 5. Sheriff's costs of sale.

31 All of said sums above described are hereby declared to be a lien
32 upon the premises hereinafter described.

1 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
2 lien established by the mortgage given by Clarendon Hot Springs
3 Ranch, Inc., dated September 17, 1975, is a first mortgage lien
4 on the premises described therein to secure the payment of said
5 note dated September 10, 1975, given by Clarendon Hot Springs
6 Ranch, Inc., to the plaintiff.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
8 claims of the defendants, Raymond D. Little, Richard B. Meyer and
9 Lois Sorensen Meyer, husband and wife, Sawtooth Title Co., Inc.,
10 The Lockhart Co., Travelers Mortgage Corporation, United Pacific
11 Insurance Company, Dalbray Holdings, Ltd., Archer Dalbray
12 Holdings, Ltd., Water and Waste Water Equipment Co., Walker Water
13 Systems, Inc., Patrick J. Murphy dba Shamrock Excavation, JUB
14 Engineers, Inc., Sawtooth Engineers, a partnership, Harless Land
15 Corporation, Inc., Jack Miller and Patrick D. Ryan, in and said
16 to said premises, is subject to, and inferior to the mortgage
17 lien held by the plaintiff.

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
19 plaintiff have judgment and decree of this Court foreclosing said
20 mortgage and directing the Sheriff of Blaine County, Idaho, to
21 carry out the foregoing and to sell said premises and apply the
22 proceeds in the order hereinabove set forth.

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that an
24 order of sale in the usual form be issued by the Clerk of this
25 Court on application of the plaintiff and without notice to the
26 defendants, at any time after entry of this decree, requiring and
27 directing the said Sheriff to proceed to sell the said premises
28 as aforesaid ordered.

29 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
30 said Sheriff, after the time allowed by law for redemption for
31 law has expired, execute a deed to the purchaser of the premises
32 on said sale; that the Sheriff retain, out of the proceeds of

1 said sale, his fees and disbursements on said sale and pay to the
2 plaintiff or its attorneys out of said proceeds, the amount so
3 found as aforesaid, together with interest thereon at the rate of
4 18% per annum from the 19th day of February, 1982, to the date of
5 such sale, or so much thereof as the said proceeds of said sale
6 will pay of the same. If there be any surplus over and above the
7 amounts required to satisfy this judgment in full plus costs of
8 sale, the Sheriff shall pay such surplus over to the Clerk of
9 this Court for payment to the parties entitled thereto.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
11 purchaser or purchasers of said premises at such sale, be let
12 into possession thereof and any person who, since the commence-
13 ment of this action has come into possession under the
14 defendants, deliver possession thereof to such purchaser or pur-
15 chasers on production of the Sheriff's deed for such premises, or
16 any part thereof, and that in case said purchaser or purchasers
17 be refused such possession, a writ of assistance issue without
18 further notice requiring the Sheriff of the county in which the
19 lands are situated to place and maintain said purchaser or pur-
20 chasers in quiet and peaceful possession of the said lands and
21 premises purchased by him and the whole thereof.

22 The lands and premises referred to in this decree and
23 directed to be sold by this decree are situated in Blaine County,
24 State of Idaho, and more particularly described as follows,
25 to-wit:

26 PARCEL I:

27 Township 3 North, Range 17 E., B.M., Blaine County, Idaho
28 Section 34: N4NE4, EXCEPT that portion of roadway described in
29 Deed to the United States of America recorded in
30 Book 189 of Deeds, page 134, records of Blaine
31 County, Idaho, which lies in the NW4NE4 of said
32 Section 34.

33 PARCEL II.

34 Township 3 North, Range 17 E., B.M., Blaine County, Idaho
35 Section 27: S4SE4, EXCEPT that portion of the SW4SE4 Section
36 27, described as follows: BEGINNING at the

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NOV 28 1982

1 Southeast corner of said Section 27; THENCE North
2 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE
3 S. 50°14' W., 724.5 feet to the true place of
4 beginning; THENCE S. 50°14' W., 100 feet; THENCE
5 N. 39°40' W., 100 feet; THENCE N. 50°14' E., 100
6 feet; THENCE S. 39°46' W., 100 feet to the true
7 place of beginning. ALSO EXCEPT a portion of the
8 SW¼SE¼ Section 27, described as follows:
9 BEGINNING at the Southeast corner of said Section
10 27; THENCE North 1322 feet; THENCE N. 89°47' W.,
11 1391 feet; THENCE S. 50°14' W., 758.5 feet along
12 the Northerly boundary line of Clarendon Hot
13 Springs Road; THENCE N. 39°46' W., 100 feet to the
14 real point of beginning; THENCE N. 39°46' W., 56
15 feet; THENCE N. 50°14' E., 100 feet; THENCE E.
16 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet
17 to the real point of beginning.

18 ALSO EXCEPT a parcel of land in the SW¼SE¼ of
19 Section 27, described as follows: BEGINNING at
20 the Section corner common to Sections 26, 27, 34
21 and 35 of said Township and Range; THENCE North
22 along said section line 1,329 feet to the
23 Northeast corner of the SE¼SE¼ of said Section 27;
24 THENCE West along the North quarter section line
25 of the S¼SE¼ of said Section 27, a distance of
26 1,530 feet, to the true point of beginning; THENCE
27 West along said quarter section line a distance of
28 120 feet; THENCE at right angles and running South
29 to the Deer Creek Road, as the same is now
30 established; THENCE running in a northeasterly
31 direction along said Deer Creek Road to a point
32 190 feet South of the point of beginning and which
said point is 1,530 feet West of the East boundary
of said Section 27; THENCE running at right angles
North a distance of approximately 190 feet to the
true point of beginning.

ALSO EXCEPT road right of way conveyed to the
United States of America by Deed recorded in Book
189 of Leeds, page 134, records of Blaine County,
Idaho.

AND ALSO EXCEPT a portion of the SW¼SE¼ Section
27, described as follows: BEGINNING at a point in
the SW¼SE¼ of said Section 27 that bears N.
73°11'6" W., 2311.09 feet from the Southeast
corner of said Section 27, which point of
beginning is the east corner of the Randell house;
THENCE S., 29°53'54" W., 145.20 feet; THENCE S.
78°32'54" W., 146.84 feet; THENCE N. 10°25'30" E.,
213.19 feet; THENCE N. 57°46'54" E., 181.40 feet;
THENCE S. 25°39'6" E., 51.12 feet to the Southeast
corner of the garage on said homestead; THENCE S.
1°10'54" E., 105.30 feet to the place of
beginning.

AND ALSO EXCEPT a portion of the SW¼SE¼ Section 27
described as follows: COMMENCING at the Southeast
corner of said Section 27 and running N. 0°57' E.
for 1322.5 feet, more or less, along the easterly
boundary of said Section 27; THENCE S. 89°39'30"
W., for 1391.00 feet along the northerly boundary
of said SE¼SE¼ and SW¼SE¼; THENCE S. 49°40'30" W.,
for 646.5 feet, more or less to the REAL POINT OF
BEGINNING; THENCE N. 40°19'30" W., for 45.00 feet
to a 4 inch iron pin; THENCE S. 49°40'30" W., for
100.00 feet to a 4 inch iron pin; THENCE S.

JOHN R. COLEMAN
Coleman, McIntyre & Ritchie
Attorneys at Law
156 2nd Avenue West
P. O. Box 525
Twin Falls, Idaho 83303-0525
Telephone: (208) 734-1224

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

FIRST FEDERAL SAVINGS & LOAN
ASSOCIATION OF TWIN FALLS,
a corporation,

Plaintiff,

vs.

CLARENDON HOT SPRINGS RANCH,
INC.; RAYMOND D. LITTLE;
RICHARD B. MEYER and LOIS
SORENSEN MEYER, husband and
wife; SAWTOOTH TITLE CO., INC.;
THE LOCKHART CO.; TRAVELERS
MORTGAGE CORPORATION; UNITED
PACIFIC INSURANCE COMPANY;
DALBRAY HOLDINGS, LTD.; ARCHER
INVESTMENTS, LTD.; WATER AND
WASTE WATER EQUIPMENT CO.;
WALKER WATER SYSTEMS, INC.;
PATRICK J. MURPHY dba SHAMROCK
EXCAVATION; J-U-B ENGINEERS,
INC.; SAWTOOTH ENGINEERS, a
partnership; HARTLESK LAND
CORPORATION, INC.; JACK MILLER;
and PATRICK D. RYAN.

Defendants.

Case No. 10872

CONSOLIDATED WITH CASE NOS.
10536, 10538, 10564, 10567
10669 and 10872

SHERIFF'S CERTIFICATE OF
SALE ON FORECLOSURE

I, DENNIS L. HAYNES, Sheriff of the County of Blaine
State of Idaho, do hereby certify that under and by virtue of a
Order of Sale on foreclosure issued out of the District Court of

State of Idaho, do hereby certify that the same was and by virtue of the
Order of Sale on foreclosure issued out of the District Court of

EXHIBIT "B" to Notice of Assignment

the Fifth Judicial District of said State, in and for the County
of Blaine, in the action of First Federal Savings & Loan Associ-
ation of Twin Falls, plaintiff, vs. Clarendon Hot Springs Ranch,
Inc.; Raymond D. Little; Richard B. Meyer and Lois Sorensen
Meyer, husband and wife; Sawtooth Title Co., Inc.; The Lockhart
Co.; Travelers Mortgage Corporation; United Pacific Insurance
Company; Dalbray Holdings, Ltd.; Archer Investments, Ltd.; Water
and Waste Water Equipment Co.; Walker Water Systems, Inc.;
Patrick J. Murphy dba Shamrock Excavation; J-U-B Engineers, Inc.;
Sawtooth Engineers, a partnership; Harless Land Corporation,
Inc.; Jack Miller; and Patrick D. Ryan, defendants, reciting the
material part of the decree in said action, rendered on the 19th
day of February, 1982, and entered on the 19th day of April,
1982, duly attested the 30th day of April, 1984 and to me, as
such Sheriff, duly directed and delivered on the 30th day of
April, 1984, whereby I was commanded to execute the said decree
by making sale, and to apply the proceeds of such sale, in con-
formity therewith, towards the satisfaction of the decree in said
action, with interest, amounting to the sum of \$480,749.65 on
behalf of First Federal Savings & Loan Association of Twin Falls;
all in lawful money of the United States, with interest and costs
accruing since the 19th day of April, 1982, I duly levied on, and
on the 25th day of May, 1984, at 11:00 A.M. at the front door of
the Courthouse in the City of Hailey, in the said County of
Blaine, Idaho, I duly sold at public auction, according to law
and after due and legal notice, the real property hereinafter

NOV 29 1984

... only sold at public sale, and after due and legal notice, the real property hereinafter

described, to First Federal Savings & Loan Association of Twin Falls, who made the highest and best bid therefor at such sale, for the sum of \$ 694,671.36, lawful money of the United States. The sum of \$ 694,671.36, was paid by First Federal Savings & Loan Association of Twin Falls, by applying the judgment and interest in the amount of \$ 694,288.46 and payment of costs of sale in the amount of \$ 382.90 for the real estate in said decree, described as follows, to-wit:

PARCEL I:

Township 3 North, Range 17 E., R.M., Blaine County, Idaho

Section 34: NW¼, EXCEPT that portion of roadway described in Deed to the United States of America recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, which lies in the NW¼NE¼ of said Section 34.

PARCEL II.

Township 3 North, Range 17 E., R.M., Blaine County, Idaho

Section 27: SE¼, EXCEPT that portion of the SW¼SE¼ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the true place of beginning; THENCE S. 50°14' W., 100 feet; THENCE N. 39°40' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' W., 100 feet to the true place of beginning. ALSO EXCEPT a portion of the SW¼SE¼ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the real point of beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the real point of beginning.

ALSO EXCEPT a parcel of land in the SW¼SE¼ of

THENCE N. 39°46' W., 100 feet to the
real point of beginning; THENCE E. 40° W., 56
feet; THENCE N. 50°14' E., 100 feet; THENCE S.
39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet
to the real point of beginning.
ALSO EXCEPT a parcel of land in the SW¼SE¼ of

Section 27, described as follows: BEGINNING at
the Section corner common to Sections 26, 27, 34
and 35 of said Township and Range; THENCE North
along said section line 1,329 feet to the
Northeast corner of the SE¼SE¼ of said Section 27;
THENCE West along the North quarter section line
of the S¼SE¼ of said Section 27, a distance of
1,530 feet, to the true point of beginning; THENCE
West along said quarter section line a distance of
120 feet; THENCE at right angles and running South
to the Deer Creek Road, as the same is now
established; THENCE running in a northeasterly
direction along said Deer Creek Road to a point
190 feet South of the point of beginning and which
said point is 1,530 feet West of the East boundary
of said Section 27; THENCE running at right angles
North a distance of approximately 190 feet to the
true point of beginning.

ALSO EXCEPT road right of way conveyed to the
United States of America by Deed recorded in Book
189 of Deeds, page 134, records of Blaine County,
Idaho.

AND ALSO EXCEPT a portion of the SW¼SE¼ Section
27, described as follows: BEGINNING at a point in
the SW¼SE¼ of said Section 27 that bears N.
73°11'6" W., 2311.09 feet from the Southeast
corner of said Section 27, which point of
beginning is the east corner of the Randell house;
THENCE S., 29°53'54" W., 145.20 feet; THENCE S.
78°32'54" W., 146.84 feet; THENCE N. 10°25'30" E.,
213.19 feet; THENCE N. 57°46'54" E., 181.40 feet;
THENCE S. 25°39'6" E., 51.12 feet to the Southeast
corner of the garage on said homesite; THENCE S.
1°10'54" E., 105.30 feet to the place of
beginning.

AND ALSO EXCEPT a portion of the SW¼SE¼ Section 27
described as follows: COMMENCING at the Southeast
corner of said Section 27 and running N. 0°57' E.
for 1322.5 feet, more or less, along the easterly
boundary of said Section 27; THENCE S. 89°39'30"
W., for 1391.00 feet along the northerly boundary
of said SE¼SE¼ and SW¼SE¼; THENCE S. 49°40'30" W.,
for 646.5 feet, more or less to the REAL POINT OF
BEGINNING; THENCE N. 40°19'30" W., for 45.00 feet
to a ½ inch iron pin; THENCE S. 49°40'30" W., for
100.00 feet to a ½ inch iron pin; THENCE S.
40°19'30" E., for 100.00 feet to a ½ inch iron
pin; THENCE N. 49°40'30" E., for 100.00 feet to a
½ inch iron pin; THENCE 40°19'30" W., for 55.00
feet to the REAL POINT OF BEGINNING.

BE THENCE N. 49°40'30" E. 1/4
h from pt; THENCE 40°19'00"
feet to the REAL POINT OF BEGINNING.

Section 34: NW4

That the said real estate is subject to redemption
within twelve months as provided by statute.

IN WITNESS WHEREOF, I have hereunto set my hand this
25th day of May, 1984.

DEBBIE L. HAYNES
Sheriff of Blaine County, Idaho

By M. F. Higbee

STATE OF IDAHO)
County of Blaine) ss.

On this 25 day of May, 1984, before me, the under-
signed, a Notary Public in and for said County and State,
personally appeared M. F. Higbee, known to me
to be the persons whose name is subscribed to the foregoing
instrument, and he acknowledged to me that he executed the same.

I, I have hereunto set my hand and
day and year in this certificate

Debbie L. Haynes
NOTARY PUBLIC

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PARCEL I:

Township 3 North, Range 17 E., B.M., Blaine County, Idaho

Section 34: NW $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPT that portion of roadway described in Deed to the United States of America recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, which lies in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34.

PARCEL II.

Township 3 North, Range 17 E., B.M., Blaine County, Idaho

Section 27: SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPT that portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the true place of beginning; THENCE S. 50°14' W., 100 feet; THENCE N. 39°40' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°45' W., 100 feet to the true place of beginning. ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 738.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the real point of beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the real point of beginning.

ALSO EXCEPT a parcel of land in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, described as follows: BEGINNING at the Section corner common to Sections 26, 27, 34 and 35 of said Township and Range; THENCE North along said section line 1,329 feet to the Northeast corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27; THENCE West along the North quarter section line of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27, a distance of 1,530 feet, to the true point of beginning; THENCE West along said quarter section line a distance of 120 feet; THENCE at right angles and running South

MICROFILMED

NOV 29 1963

to the Deer Creek Road, as the same is now established; THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1,530 feet West of the East boundary of said Section 27; THENCE running at right angles North a distance of approximately 190 feet to the true point of beginning.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at a point in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the east corner of the Randell house; THENCE S., 29°53'54" W., 145.20 feet; THENCE S. 78°32'54" W., 146.84 feet; THENCE N. 13°25'30" E., 213.19 feet; THENCE N. 57°46'54" E., 181.40 feet; THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homesite; THENCE S. 1°10'54" E., 105.30 feet to the place of beginning.

AND ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27 described as follows: COMMENCING at the Southeast corner of said Section 27 and running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27; THENCE S. 89°19'30" W., for 1391.00 feet along the northerly boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$; THENCE S. 49°40'30" W., for 646.5 feet, more or less to the REAL POINT OF BEGINNING; THENCE N. 40°19'30" W., for 45.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE S. 49°40'30" W., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE S. 40°19'30" E., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE N. 49°40'30" E., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW $\frac{1}{4}$

RECORDED

NOV 20 1960

QUITCLAIM DEED

For Value Received First Federal Savings and Loan of Twin Falls
County, Idaho,

do hereby convey, release, remise and forever quit claim

unto Travelers Mortgage Corporation, a Washington corporation,

whose address is: 10150 Sorrento Valley Road, Suite 200, San Diego, CA
92121

the following described premises, to-wit:

All that real property described in
attached Exhibit "A".

258306
Blaine C. Proulx
Notary Public
Marie Lee Clerk
6:29
DEPUTY

together with their appurtenances.

Dated

November 15, 1984

First Federal Savings & Loan Assn.

James D. [Signature]
President

STATE OF IDAHO, COUNTY OF

on this 15th day of November, 1984,
I, [Signature], a notary public in and for said State, per-
sonally appeared [Signature], President
First Federal Savings &
Loan Association of Twin Falls

me to the person whose name is
recited in the within instrument, and acknowledged
me that [Signature] executed the same
on behalf of said Corp.

Notary Public

Residing at Twin Falls, Idaho

STATE OF IDAHO, COUNTY OF

I hereby certify that this instrument was filed for
record at the request of

at _____ minutes past _____ o'clock _____ m.
this _____ day of _____
19 _____, in my office, and duly recorded in Book
of Deeds at page _____

Ex-Officio Recorder

By

Fee \$ _____
Mail to _____

RECORDED
NOV 29 1984

INSTRUMENT NO.

EXHIBIT A

PARCEL I:

Township 3 North, Range 17 E., B.M., Blaine County, Idaho

Section 34: NW $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPT that portion of roadway described in Deed to the United States of America recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, which lies in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34.

PARCEL II.

Township 3 North, Range 17 E., B.M., Blaine County, Idaho

Section 27: S $\frac{1}{2}$ SE $\frac{1}{4}$, EXCEPT that portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the true place of beginning; THENCE S. 50°14' W., 100 feet; THENCE N. 39°40' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' W., 100 feet to the true place of beginning. ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the real point of beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the real point of beginning.

ALSO EXCEPT a parcel of land in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, described as follows: BEGINNING at the Section corner common to Sections 26, 27, 34 and 35 of said Township and Range; THENCE North along said section line 1,329 feet to the Northeast corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27; THENCE West along the North quarter section line of the S $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 27, a distance of 1,550 feet, to the true point of beginning; THENCE West along said quarter section line a distance of 120 feet; THENCE at right angles and running South

to the Deer Creek Road, as the same is now established; THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1,530 feet West of the East boundary of said Section 27; THENCE running at right angles North a distance of approximately 190 feet to the true point of beginning.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at a point in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the east corner of the Randell house; THENCE S., 29°53'54" W., 145.20 feet; THENCE S. 78°32'54" W., 146.84 feet; THENCE N. 10°25'30" E., 213.19 feet; THENCE N. 57°46'54" E., 181.40 feet; THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead; THENCE S. 1°10'54" E., 105.30 feet to the place of beginning.

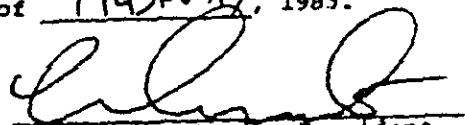
AND ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27 described as follows: COMMENCING at the Southeast corner of said Section 27 and running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27; THENCE S. 89°39'10" W., for 1391.00 feet along the northerly boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$; THENCE S. 49°40'30" W., for 646.5 feet, more or less to the REAL POINT OF BEGINNING; THENCE N. 40°19'30" W., for 45.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE S. 49°40'30" W., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE S. 40°19'30" E., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE N. 49°40'30" E., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW $\frac{1}{4}$

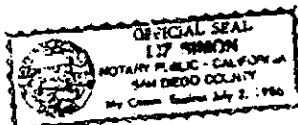
NOTICE OF REDEMPTION

Travelers Mortgage Corporation, a Redemptioner as defined in Idaho Code §11-401(2), has redeemed that property described in attached Exhibit "A", from J-U-B Engineers, Inc. The property was sold at that certain Sheriff's sale dated May 25, 1984, to the purchaser, First Federal Savings and Loan Association of Twin Falls. The property was redeemed by J-U-B Engineers, Inc., by and through its assignee, on February 15, 1985.

The Redemption was made pursuant to Idaho Code §11-403.
DATED this 11 day of FEBRUARY, 1985.


Christopher Davis, President
Travelers Mortgage Corporation

SUBSCRIBED AND SWORN To before me this 11th day of February, 1985.




NOTARY PUBLIC FOR San Diego County, California
Residing at San Diego, CA

EXHIBIT I

25 Feb 15 PM 2:25
Clerk of Superior Court
J. Murphy
Clerk

260493

EXHIBIT A

PARCEL I:

Township 5 North, Range 17 E., B.M., Blaine County, Idaho

Section 34: N $\frac{1}{2}$ NE $\frac{1}{4}$, EXCEPT that portion of roadway described in Deed to the United States of America recorded in Book 189 of Deeds, page 114, records of Blaine County, Idaho, which lies in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34.

PARCEL II:

Section 27: THENCE running at right angles a distance of approximately 100 feet to the Township 5 North, Range 17 E., B.M., Blaine County, Idaho

Section 27: S $\frac{1}{2}$ SE $\frac{1}{4}$, EXCEPT that portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the true place of beginning; THENCE S. 50°14' W., 100 feet; THENCE N. 39°40' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' W., 100 feet to the true place of beginning. ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27; THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the real point of beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the real point of beginning.

ALSO EXCEPT a parcel of land in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, described as follows: BEGINNING at the Section corner common to Sections 26, 27, 34 and 35 of said Township and Range; THENCE North along said section line 1,329 feet to the Northeast corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27; THENCE West along the North quarter section line of the S $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 27, a distance of 1,530 feet, to the true point of beginning; THENCE West along said quarter section line a distance of 120 feet; THENCE at right angles and running South

to the Deer Creek Road, as the same is now established; THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of beginning and which said point is 1,530 feet West of the East boundary of said Section 27; THENCE running at right angles North a distance of approximately 190 feet to the true point of beginning.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 139 of Deeds, page 134, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27, described as follows: BEGINNING at a point in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the east corner of the Randell house; THENCE S., 29°53'34" W., 145.20 feet; THENCE S. 78°32'54" W., 145.84 feet; THENCE N. 10°25'30" E., 213.19 feet; THENCE N. 57°46'54" E., 181.40 feet; THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homesite; THENCE S. 1°10'54" E., 105.33 feet to the place of beginning.

AND ALSO EXCEPT a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27 described as follows: COMMENCING at the Southeast corner of said Section 27 and running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27; THENCE S. 89°39'30" W., for 1191.00 feet along the northerly boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$; THENCE S. 49°40'30" W., for 646.5 feet, more or less to the REAL POINT OF BEGINNING; THENCE N. 40°19'30" W., for 45.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE S. 49°40'30" W., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE S. 40°19'30" E., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE N. 49°40'30" E., for 100.00 feet to a $\frac{1}{4}$ inch iron pin; THENCE 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW $\frac{1}{4}$

RECORDED

NOV 29 1900

SHERIFF'S DEED

THIS INDENTURE, made this 6 day of June, 1985, between Dennis L. Haynes, Sheriff of the County of Blaine, State of Idaho, and Travelers Mortgage Corporation, a Washington corporation, located at 10150 Sorrento Valley Road, Suite 200, San Diego, CA 92121:

W I T N E S S E T H :

WHEREAS, in and by a certain Judgment and Decree, made and entered by the Fifth District Court of the State of Idaho, in and for the County of Blaine, on the 19th day of April, 1982, in a certain action then pending in said court, wherein it was, among other things, ordered, adjudged and decreed that all the mortgaged premises described in the Complaint in said action, and specifically described in said Judgment and Decree be sold at public auction by the Sheriff of the said County of Blaine in the manner prescribed by law; and

WHEREAS, in accordance with said Judgment and Decree, an Order of Sale was, on the 30th day of April, 1984, issued and delivered to the Sheriff of the County of Blaine commanding him to seize the premises described in said Judgment and Decree and sell the same as under execution, and apply the proceeds of said sale toward the satisfaction of said judgment; and

WHEREAS, pursuant to said Order of Sale to him directed and delivered, the Sheriff of the County of Blaine, duly levied on the premises mentioned in said Judgment and Decree and hereafter described; and pursuant to said Judgment and Decree and the provisions of law, did, at the hour of 11:00 a.m. on the 25th day of May, 1984, after due public notice had been given as required by the laws of this State and the course and practice of said Court, sell said premises at public auction at the front door of the Courthouse in the City of Hailey, in the said County of Blaine, State of Idaho, at which sale the premises mentioned in the Judgment and Decree, and hereinafter described, were fairly struck off to First Federal Savings & Loan Association of Twin Falls, for the sum of Six Hundred Ninety-Four Thousand Six Hundred Seventy-One Dollars and Thirty-Six Cents (\$694,671.36), being the highest bidder, and that being the highest sum bid for the same; and

WHEREAS, the sum of Six Hundred Ninety-Four Thousand Six Hundred Seventy-One Dollars and 36 Cents (\$694,671.36), was paid by First Federal Savings & Loan Association of Twin Falls, by applying the Judgment and interest in the amount of Six Hundred Ninety-Four Thousand Two Hundred Eighty-Eight Dollars and Forty Cents (\$694,288.40), and payment of costs of sale in

the amount of Three Hundred Eighty-Two Dollars and Ninety-Six Cents (\$382.96), for the real estate in said decree; and

WHEREAS, the said Sheriff, by and through his Deputy M. F. Higbee, thereupon made and issued the usual Sheriff's Certificate of Sale on said foreclosure in due form of law, and delivered one thereof to said purchaser and caused the other to be filed in the office of the County Recorder of said County of Blaine; and

WHEREAS, the said real estate was redeemed from First Federal Savings & Loan Association of Twin Falls, on February 15, 1985, by and on behalf of J-U-B Engineers, Inc., a judgment lien creditor, in accordance with the applicable laws of the State of Idaho; and

WHEREAS, the said real estate was redeemed from J-U-B Engineers, Inc. by Travelers Mortgage Corporation, a mortgagee, on February 15, 1985, in accordance with the applicable laws of the State of Idaho; and

WHEREAS, no redemption beyond those aforementioned has been made of the premises so redeemed by Travelers Mortgage Corporation by or on behalf of any other person.

NOW, THEREFORE:

I, Dennis L. Haynes, in order to carry into effect the sale so made by me as aforesaid, in pursuance of said Judgment and Decree, and in conformity to the statute in such case made and provided, and also in consideration of the premises and of the sums paid by the purchaser, the redemptioner, and the subsequent redemptioner, I hereby grant, bargain, sell, and convey unto Travelers Mortgage Corporation, and to its assigns forever, all that certain lot, piece, or parcel of land situate, lying and being in the said County of Blaine, State of Idaho, and more particularly described in Exhibit "A," attached hereto and incorporated by reference herein. Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anyway appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

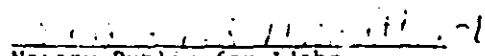
TO HAVE AND TO HOLD, all and singular, the premises hereby conveyed or intended so to be, together with the appurtenances, to said Travelers Mortgage Corporation, and their assigns forever.

RECORDED
NOV 29 1985

IN WITNESS WHEREOF, I have hereunto set my hand.


DENNIS L. HAYNES, Sheriff
Blaine County, Idaho

SUBSCRIBED AND SWORN TO Before me this ____ day of
June, 1985.


Notary Public for Idaho
Residing at: _____

SHERIFF'S DEED - 3

RECORDED
MAY 28 1986

EXHIBIT "A"

PARCEL I:

Township 3 North, Range 17 E., B.M., Blaine County, Idaho
Section 34: N1/2 NE1/4, EXCEPT that portion of roadway described in Deed to the United States of America recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho, which lies in the NW1/4 NE1/4 of said Section 34.

PARCEL II:

Township 3 North, Range 17 E., B.M., Blaine County, Idaho
Section 27: S1/2 SE1/4, EXCEPT that portion of the SW1/4 SE1/4 Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27: THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 724.5 feet to the true place of beginning; THENCE S. 50°14' W., 100 feet; THENCE N. 39°40' W., 100 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' W., 100 feet to the true place of beginning. ALSO EXCEPT a portion of the SW1/4 SE1/4 Section 27, described as follows: BEGINNING at the Southeast corner of said Section 27: THENCE North 1322 feet; THENCE N. 89°47' W., 1391 feet; THENCE S. 50°14' W., 758.5 feet along the Northerly boundary line of Clarendon Hot Springs Road; THENCE N. 39°46' W., 100 feet to the real point of beginning; THENCE N. 39°46' W., 56 feet; THENCE N. 50°14' E., 100 feet; THENCE S. 39°46' E., 56 feet; THENCE S. 50°14' W., 100 feet to the real point of beginning. ALSO EXCEPT a parcel of land in the SW1/4 SE1/4 of Section 27, described as follows: BEGINNING at the Section corner common to Sections 26, 27, 34 and 35 of said Township and Range; THENCE North along said section line 1329 feet to the Northeast corner of the SE1/4 SE1/4 of said Section 27; THENCE West along the North quarter section line of the S1/2 SE1/4 of said Section 27, a distance of 1530 feet, to the true point of beginning; THENCE West along said quarter section line a distance of 120 feet; THENCE at right angles and running South to the Deer Creek Road, as the same is now established; THENCE running in a northeasterly direction along said Deer Creek Road to a point 190 feet South of the point of

WITNESSED

(Exhibit "A" cont.)

beginning and which said point is 1530 feet West of the East boundary of said Section 27; THENCE running at right angles North a distance of approximately 190 feet to the true point of beginning.

ALSO EXCEPT road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 134, records of Blaine County, Idaho.

AND ALSO EXCEPT a portion of the SW1/4 SE1/4 Section 27, described as follows: BEGINNING at a point in the SW1/4 SE1/4 of said Section 27 that bears N. 73°11'6" W., 2311.09 feet from the Southeast corner of said Section 27, which point of beginning is the east corner of the Randell house; THENCE S., 29°53'54" W., 145.20 feet; THENCE S. 78°32'54" W., 146.84 feet; THENCE N. 10°25'30" E., 213.19 feet; THENCE N. 57°46'54" E., 181.40 feet; THENCE S. 25°39'6" E., 51.12 feet to the Southeast corner of the garage on said homestead; THENCE S. 1°10'54" E., 105.30 feet to the place of beginning.

AND ALSO EXCEPT a portion of the SW1/4 SE1/4 Section 27 described as follows: COMMENCING at the Southeast corner of said Section 27 and running N. 0°57' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27; THENCE S. 89°39'30" W., for 1391.00 feet along the northerly boundary of said SE1/4 SE1/4 and SW1/4 SE1/4; THENCE S. 49°40'30" W., for 646.5 feet, more or less to the REAL POINT OF BEGINNING; THENCE N. 40°19'30" W., for 45.00 feet to a 1/2 inch iron pin; THENCE S. 49°40'30" W., for 100.00 feet to a 1/2 inch iron pin; THENCE S. 40°19'30" E., for 100.00 feet to a 1/2 inch iron pin; THENCE N. 49°40'30" E., for 100.00 feet to a 1/2 inch iron pin; THENCE 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

Section 34: NW1/4

BLAINE
DEED
6 JAN 6 AND 65
10.00
NOV 29 1985
Valencia Brothers

263516

SHERIFF'S DEED

THIS INDENTURE made this ___ day of November, 1988, between WALTER FEMLING, Sheriff of the County of Blaine, State of Idaho, and Travelers Mortgage Corporation, a Washington corporation, located at 10150 Sorrento Valley Road, Suite 200, San Diego, California 92121.

W I T N E S S E T H:

WHEREAS, in and by a certain Judgment and Decree, made and entered by the Fifth District Court of the State of Idaho, in and for the County of Blaine, in a certain action then pending in said court, wherein it was, among other things, ordered, adjudged and decreed that all the mortgaged premises described in the Complaint in said action, and specifically described in said Judgment and Decree be sold at public auction by the Sheriff of the said County of Blaine in the manner prescribed by law; and

WHEREAS, in accordance with said Judgment and Decree, an Order of Sale was, on the December 18, 1986, issued and delivered to the Sheriff of the County of Blaine commanding him to seize the premises described in said Judgment and Decree and sell the same as under execution, and apply the proceeds of said sale toward the satisfaction of said judgment; and

WHEREAS, pursuant to said Order of Sale to him directed and delivered, the Sheriff of the County of Blaine, duly levied on the premises mentioned in said Judgment and Decree and hereafter described; and pursuant to said Judgment and Decree and the provisions of law, did, on January 30, 1987, after due public notice had been given as required by the laws of this State and the course and practice of said Court, sell said premises at public auction at the front door of the Courthouse in the City of Hailey, in the said County of Blaine, State of Idaho, at which sale the premises mentioned in the Judgment and Decree, and hereinafter described, were fairly struck off to Travelers Leasing Corporation, for the sum of \$100,000, being the highest bid, and that being the highest sum bid for the same; and

WHEREAS, the sum of \$100,000 was paid by Travelers Leasing Corporation (the predecessor of Travelers Mortgage Corporation) by applying the Judgment and interest in the amount of \$100,747.91 (as of March 25, 1982), and payment of costs of sale for the real estate in said decree; and

WHEREAS, the said Sheriff, by and through his Deputy, Karen E. Toller, thereupon made and issued the usual Sheriff's Certificate of Sale on said foreclosure in due form of law, and delivered one thereof to said purchaser and caused the other to

to filed in the office of the County Recorder of said County of Blaine; and

WHEREAS, no redemption has been made of the premises by or on behalf of any person.

NOW, THEREFORE:

I, WALTER FENLING, in order to carry into effect the sale so made by me as aforesaid, in pursuant of said Judgment and Decree, and in conformity to the statute in such case made and provided, and also in consideration of the premises and of the sums paid by the purchaser, I hereby grant, bargain, sell and convey unto Travelers Mortgage Corporation, and to its assigns forever, all that certain lot, piece, or parcel of land situate, lying and being in the said County of Blaine, State of Idaho, and more particularly described in Exhibit "A," attached hereto and incorporated by reference herein. Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in any way appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD, all and singular, the premises hereby conveyed or intended so to be, together with the appurtenances, to said Travelers Mortgage Corporation, and its assigns forever.

IN WITNESS WHEREOF, I have hereunto set my hand.

Walter Fenling
Walter Fenling
Sheriff, Blaine County, Idaho

SUBSCRIBED AND SWORN to before me this 17 day of November, 1988.

Donald L. Grier
Notary Public for Idaho
Residing at Chambers

es. Claren.she

RECORDED
NOV 20 1988

Township 3 North, Range 17 E., S. 1, Idaho County, Idaho

Section 34: EXCEPT that portion of roadway ... of said Section 34.
N.W. 1/4 of said Section 34, 44 and 45, CLARKSON SUBDIVISION No. 1,
Idaho County, Idaho, according to the official plat thereof
recorded in Book 16 of Plats, page 1, records of Idaho County,
Idaho.

Township 3 North, Range 17 E., S. 1, Idaho County, Idaho

Section 27: EXCEPT that portion of the SW 1/4 of Section 27, more
particularly described as follows:

Commencing at the SE corner of said Section 27 and running
North 69° 37' East for 1222.5 feet, more or less, along the
easterly boundary of said Section 27;
THENCE South 89° 29' 30" West for 1291.00 feet along the northerly
boundary of said SW 1/4 and NW 1/4;
THENCE South 45° 40' 30" West for 646.5 feet, more or less, to the
REAL POINT OF BEGINNING;
THENCE North 40° 19' 30" West for 45.00 feet to a 1/4 inch iron pin;
THENCE South 49° 40' 30" West for 100.00 feet to a 1/4 inch iron pin;
THENCE South 40° 19' 30" East for 100.00 feet to a 1/4 inch iron pin;
THENCE North 49° 40' 30" East for 100.00 feet to a 1/4 inch iron pin;
THENCE North 40° 19' 30" West for 35.00 feet to the REAL POINT OF
BEGINNING.

ALSO EXCEPT a portion of the SW 1/4 of Section 27, described as
follows: BEGINNING at the southwest of said Section 27; THENCE
North 1222 feet; THENCE E. 49° 47' W., 1291 feet; THENCE S. 50° 14'
E., 124.5 feet along the northerly boundary line of Clarkson
Subdivision; THENCE S. 39° 46' W., 100 feet to the REAL POINT
OF BEGINNING; THENCE S. 39° 46' W., 36 feet; THENCE S. 50° 14' E.,
100 feet; THENCE S. 39° 46' E., 36 feet; THENCE S. 50° 14' W., 100
feet to the REAL POINT OF BEGINNING.

ALSO EXCEPT a parcel of land in the SW 1/4 of Section 27, described
as follows: BEGINNING at the section corner common to Sections 26,
34, and 35 of said Township and Range; THENCE North along said
section line 1,329 feet to the Northwest corner of the SW 1/4 of
said Section 27; THENCE West along the North quarter section line
of the SW 1/4 of said Section 27, a distance of 1,350 feet, to the
TRUE POINT OF BEGINNING; THENCE West along said quarter section
line a distance of 120 feet; THENCE at right angles and running
South to the Deer Creek Road, as the same is now established; THENCE
running in a northeasterly direction along said Deer Creek Road to
a point 170 feet South of the point of beginning and which said
point is 1,350 feet West of the East boundary of said Section 27;
THENCE running at right angles North a distance of approximately
190 feet to the TRUE POINT OF BEGINNING.

RECORDED
1900-11-10

ALSO a portion of the road right of way conveyed to the United States of America by Deed recorded in Book 189 of Deeds, page 124, Section of Blaine County, Idaho.

ALSO EXCEPT a portion of the SW1/4 Section 27, described as follows: BEGINNING at a point on the W1/2 of said Section 27 that bears S. 72°11'47" W., 2311.09 feet from the southeast corner of said Section 27, which point of beginning is the east corner of the Landall House; THENCE S. 29°33'34" W., 145.20 feet; THENCE S. 74°22'24" W., 144.34 feet; THENCE N. 10°23'30" E., 213.23 feet; THENCE N. 37°46'34" E., 181.40 feet; THENCE S. 33°39'57" E., 31.22 feet to the southeast corner of the garage on said homestead; THENCE S. 1°10'54" E., 105.30 feet to the place of beginning.

AND ALSO EXCEPT a portion of the SW1/4 Section 27, described as follows: BEGINNING at the southeast corner of said Section 27 and running N. 6°37' E., for 1322.5 feet, more or less, along the easterly boundary of said Section 27; THENCE S. 19°27'30" W., for 1291.00 feet along the northerly boundary of said SW1/4 and TOWN; THENCE S. 47°40'30" W., for 544.5 feet, more or less to the REAL POINT OF BEGINNING; THENCE S. 40°19'30" W., for 45.00 feet to a 4 inch iron pin; THENCE S. 49°40'30" W., for 100.00 feet to a 4 inch iron pin; THENCE S. 40°19'30" E., for 100.00 feet to a 4 inch iron pin; THENCE S. 41°40'30" E., for 100.00 feet to a 4 inch iron pin; THENCE S. 40°19'30" W., for 55.00 feet to the REAL POINT OF BEGINNING.

300738

BLAINE CO. REQUEST

OF

'88 NOV 21 PM 2 05

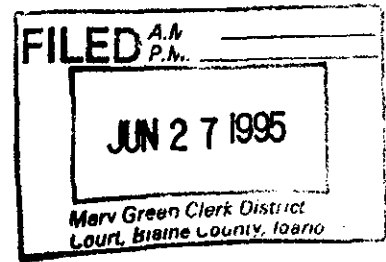
MARY GREEN, CLERK

FEES \$

RECORDED
NOV 22 1988

ORIGINAL IN 3

RECEIVED
OCT 07 1996
Department of Water Resources



ROGER E. CRIST, ESQ.
P.O. Box 2326
Ketchum, ID 83340
208/726-4242

Attorney for Plaintiff

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BLAINE

SUN VALLEY HOT SPRINGS RANCH,)
INC., an Idaho corporation,)
Plaintiff,)

v.)

DONNA R. KELSEY and)
SUN VALLEY LAND)
AND MINERALS, INC.,)
an Idaho corporation,)
Defendants.)

Case No. CV-95-2376

COMPLAINT

Fee Category: A-1
Fee: \$65.00

COUNT I

1. Sun Valley Land and Minerals, Inc. is an Idaho corporation doing business in Blaine County, Idaho.

2. The Plaintiff, Sun Valley Hot Springs Ranch, Inc., is a corporation duly organized and existing under the laws of the State of Idaho.

3. The County of Blaine, State of Idaho (hereinafter "Blaine County"), by resolution of its Board of County Commissioners approved on March 22, 1976, the Clarendon Hot Springs Ranch Subdivision No. 1 containing 45 platted lots.

4. A final subdivision plat for said subdivision signed by Blaine County, and by the then owner of said subdivision, Clarendon Hot Springs Ranch, Inc., was recorded

COMPLAINT/1

MICROFILMED
NOV 29 1995

in the official records of Blaine County on April 9, 1976, as Instrument No. 165353.

5. In the spring of 1978, and again in October of 1978, said developer of said subdivision entered into a subdivision development agreement with Blaine County, for the improvement of said subdivision property pursuant to the requirements of Blaine County.

6. Said subdivision improvements as required by the County were never completed by said developer of said subdivision, Clarendon Hot Springs Ranch, Inc., or any of said developer's successors-in-interest, including the current owner of said subdivision, the Defendants, Donna R. Kelsey and Sun Valley Land and Minerals, Inc.

7. On or about November 7, 1988, the Defendant, Sun Valley Land and Minerals, Inc., acquired ownership of said subdivision, ^[EXCEPT LOTS 44 AND 45, INC.] with actual or constructive knowledge that said subdivision improvements had never been completed as required by Blaine County and on or about July 12, 1989, the Defendant Donna R. Kelsey, acquired a thirty five percent (35%) interest in said subdivision with the same knowledge.

8. On or about July 22, 1988, the Plaintiff, Sun Valley Hot Springs Ranch, Inc., acquired title to Lot 44 in said subdivision and is presently the owner of said property and the present fair market value of said Lot as a buildable residential site is the sum of approximately \$300,000.00.

9. The requirements of the Defendant, Blaine County, for the construction of certain subdivision improvements on said subdivision by the developer of said subdivision and the Subdivision Development Agreement dated October of 1978, entered into between Blaine County, and the developer and others, constituted a third party beneficiary contract intended to benefit all of the prospective owners of Lots in said subdivision and their successors-in-interest, including the Plaintiff.

10. The Defendants, Donna R. Kelsey and Sun Valley Land and Minerals, Inc., assumed the obligations of the developer of said subdivision to construct the improvements to the subdivision as required by the Defendant, Blaine County, when it took title to the subdivision with actual and constructive knowledge of said requirements.

11. On or about February 2, 1995, the Plaintiff applied to Blaine County for a building permit to construct a single family dwelling on said Lot 44, which application was denied by Blaine County on or about March 22, 1995.

12. Said denial of building permit application by Blaine County requires that the completion of all subdivision improvements as required by the County before Plaintiff can obtain a building permit.

13. The approximate cost of completing said subdivision requirements is the sum of approximately \$1,500,000.00.

14. The Defendants, DONNA R. KELSEY and SUN VALLEY LAND AND MINERALS, INC., have breached their obligations to construct said subdivision improvements and as a result of said breach the Plaintiff has suffered damage in the sum of \$300,000.00.

15. The Plaintiff has been required to retain an attorney to prosecute this action and under Idaho law the Plaintiff is entitled to reasonable attorney's fees and costs.

WHEREFORE, Plaintiff prays for judgment against the Defendants, and each of them, as follows:

1. For damages in the sum of \$300,000.00.
2. For reasonable attorney's fees and costs.
3. For such other and further relief as the Court deems just and proper.

DATED this 20 day of June 1995.



ROGER E. CRIST

VERIFICATION

STATE OF IDAHO)
) ss.
County of Blaine)

CAM HAIR, being first duly sworn upon oath, deposes and states:

That he is the Secretary of SUN VALLEY HOT SPRINGS RANCH, Inc., the Plaintiff in this action, and as such, is an authorized agent to verify the foregoing COMPLAINT; that he has read the foregoing document, knows the contents thereof, and believes the same to be true and correct.

By *Cam Hair*
CAM HAIR

SUBSCRIBED AND SWORN TO before me this 20 day of June, 1995.

Dochnella
Notary Public for Idaho
Residing at *Bellevue*
Com. expires *5/97*

civ.wk\ryan.com

COMPLAINT/5

MICROFILMED
NOV 29 1995



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

October 4, 1996

James P. Speck
HOGUE SPECK & AANESTAD
120 E Ave.
P.O. Box 987
Ketchum, ID 83340

RE: Extension of Time (37-08205) Sun Valley Land and Mineral, Inc.

Dear Mr. Speck:

Please find the enclosed the Request for Extension of Time you submitted for Sun Valley Land and Mineral, Inc. on October 1, 1996. I have initiated the process to refund the \$50.00 filing fee and you should receive the refund in seven (7) to ten (10) days under separate cover.

Additionally, on September 6, I corresponded with your clients to request specific information regarding the legal proceedings which affect the development of this water right. The department requires this additional information before a decision regarding the extension request can be made, however, to date I have not received any additional information.

If you have any questions regarding this matter, please contact me at (208)327-7953.

Sincerely,

A handwritten signature in cursive script that reads "Julie L. Yarbrough".

JULIE L. YARBROUGH
Senior Secretary

Enclosure

C: Allen Merritt, Southern
Fiscal

MICROFILMED
NOV 29 1996

HOGUE, SPECK & AANESTAD

A PROFESSIONAL ASSOCIATION
ATTORNEYS

TERRY G. HOGUE
JAMES P. SPECK
DOUGLAS J. AANESTAD
TRACY DUNLAP
MICHELE C. MESKE

120 EAST AVENUE
POST OFFICE BOX 987
KETCHUM, IDAHO 83340
(208) 726-4421
FAX (208) 726-0752

HAILEY OFFICE:
16 WEST CROY STREET
SUITE K
POST OFFICE BOX 460
HAILEY, IDAHO 83333
(208) 788-3567
FAX (208) 788-4230

September 30, 1996

VIA FACSIMILE - (208) 736-3037
ORIGINAL TO FOLLOW BY MAIL

Mr. Alan Merritt
Idaho Department of Water Resources
222 Shoshone East
Twin Falls ID 83301

Re: Permit 37-08205 - Sun Valley Land and Mineral, Inc.

Dear Alan:

Enclosed is a Request for Extension of Time to Prove Beneficial Use for the above-referenced Permit based upon pending litigation, together with my firm's check for the \$50.00 filing fee. I will forward to you copies of any of the pleadings from the lawsuit if you will specify which ones IDWR requires. Thank you.

Sincerely yours,

HOGUE, SPECK & AANESTAD, P.A.



James P. Speck

JPS/j
Enclosures (2)

Cc: Client

RECORDED
OCT 01 1996
Department of Water Resources
Southern Region

F:\WPDATA\JIM\LETTERS\MERRITT.001

MICROFILMED
NOV 29 1996

From: DWR60::MBALDWIN 2-OCT-1996 12:51:59.75
To: MBALDWIN,DWR03::JYARBROU
CC:
Subj: Permit # 37-08205

On 10/1/96 a Request for Extension of Time was received from Attorney Jim Speck -receipted (S019570) and sent on to your attention.

Today, we received a telephone call from Mr. Speck saying that his client, Sun Valley Land & Mineral, had already submitted an Extension of Time. He requested we return his check and the form he had submitted. I have already deposited his check and you probably have the form by now. Would you please take care of his refund and contact him? His telephone number is 726-4421. I see from the bar code that you may have an Extension of Time in your basket dated 8/15/96???. Thanks!

MICROFILMED

NOV 29 1996



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

September 6, 1996

VIA FACSIMILE

Sun Valley Land & Minerals
Attn: Donna Kelsey
HCR 5 Box 123
Priest Lake, ID 83856

RE: Permit No. 37-08205

Dear Permit Holder:

The Department acknowledges receipt of your request for extension of time. The request states that the delay in completion of this project is due to litigation. Before the department takes final action on your request, more information regarding the litigation is needed.

Please provide documentation of when the litigation began, the present status of the suit and evidence which clearly shows how the lawsuit has brought the title of the water in question. The department will then review the information and if possible, grant an extension for the period of delay caused by the litigation.

Please return this documentation within **thirty (30) days** of the date of this mailing and address your correspondence to my attention.

If you have any question regarding this matter, please contact me at (208)327-7953.

Sincerely,

A handwritten signature in cursive script that reads "Julie L. Yarbrough".

JULIE L. YARBROUGH
Senior Secretary

MICROFILMED
NOV 29 1996

09/06/86

15:04

1 208 327 7866

ID WATER RESOURS

001

*** ACTIVITY REPORT ***

TRANSMISSION OK

TX/RX NO.	6319
CONNECTION TEL	8p912084433316
CONNECTION ID	
START TIME	09/06 15:03
USAGE TIME	00'34
PAGES	1
RESULT	OK

MICROFILMED
NOV 29 1986

MEMORANDUM

To: Julie
From: Glen *MS*
RE: EXTENSION OF TIME REQUEST BASED UPON LITIGATION
Date: August 19, 1996

Since, we can only grant an extension of time for delays incurred due to legislation, (not for the anticipated time a law suit may be ongoing), we need more information.

Please correspond with the permit holder and ask for specific evidence to show when each law suit started, the present status of the suit and to clearly show how the lawsuit has brought the title to the water in question as required in Section 42-204, Idaho Code, subsection 1.

The applicant should provide appropriate copies of information to support the dates of delay and the title question.

Ed Lawsen
fox #
208-443-3316
Danni

MICROFILMED
NOV 29 1996

DONNA R. KELSEY

P.O. BOX 1959

SUN VALLEY, IDAHO 83353

See Below

LETTER

RECEIVED

IN REFERENCE TO:

AUG 15 1996

FIRST CLASS MAIL ☐ INTER-OFFICE ☐

Department of Water Resources

FOR

Department of Water Resources
1301 No. Orchard Street - ~~Statehouse~~ ^{mail}
Boise, ID 83720-9000

HOW TO USE THIS

DAY/TIMER

Time-Saver

LETTER TO SAVE TIME.

or write your reply in the space below. Then mail the white copy to us and keep the pink copy for your files. You'll save time and effort, and we'll have your answer much faster! Thank you.

MESSAGE

REPLY

FOLD

DATE

10/8/96

Hello Julie:

I hope you can read this Request for extension and thank for your help!

I have listed current usage of the various on-going lawsuits.

If you have any questions —
Call me at 208-443-2180 or write:
Donna Kelsey HCR 5, Box 123, Priest
Lake, ID 83856. SIGNED *Smiley* *Donna*

DATE

FOLD

MICROFILMED

NOV 29 1996

SIGNED

SUN VALLEY LAND AND MINERAL INC
PO BOX 1959
SUN VALLEY ID 83353

July 31, 1996

PROOF DUE NOTICE

RE: PERMIT NO. 37-08205

Dear Permit Holder:

One of the conditions of approval of the above referenced water permit was that proof of the extent of your beneficial use must be submitted to this office on or before October 1, 1996. (See last page of your approved permit or your last approved extension request.) Enclosed is a form which when accompanied by the license examination fee or a complete field examination report prepared by a certified water right examiner may be used to submit the required proof.

If you have not fully completed your project, and you or a previous owner of this permit have not received a prior extension of time, you may request an extension of time if the delay is for reasonable cause as provided in Section 42-204, Idaho Code. If you have been prevented from proceeding by a governmental agency or by litigation which might bring title to the water in question, more than one extension of time can be granted. An extension of time request form is enclosed for your convenience.

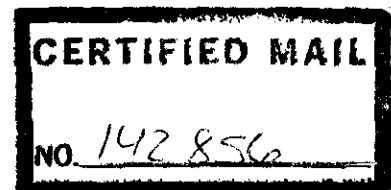
Either an acceptable proof of beneficial use submittal or an acceptable request for an extension of time must be received by this department on or before the above described proof due date. If neither is received, the department will send you a lapse notice. Within sixty (60) days of the mailing of the lapse notice, the permit will no longer be of any force nor effect.

SINCERELY,

JULIE L. YARBROUGH
Senior Secretary

Enclosures

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NOV 29 1996





State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

May 3, 1993

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

James P. Speck
Hogue, Speck & Aanestad
P.O. Box 987
Ketchum, ID 83340

RE: APPLICATION FOR PERMIT NO. 37-08205 - SUN VALLEY LAND AND
MINERAL COMPANY

Dear Mr. Speck:

This letter is a follow-up to our telephone conversation on April 30, 1993 concerning the above referenced application.

Our Southern Regional office has reviewed the data which was readily available concerning past irrigation in parts of Sections 27 and 34, T3N, R17E.BM. Enclosed for your information is a listing of notes compiled by Doug Jones in this matter.

Based on the notes and my brief review, it appears the department can consider issuing a permit as follows:

0.35 cfs for domestic use (in-house use only)
0.70 cfs for commercial use (to be essentially non-
consumptive)
0.55 cfs for irrigation use (This is based on 1/2 acre each
for the 55 family units - to be utilized only when
the domestic unit is constructed)).
0.20 cfs for recreation
2.00 cfs for fire protection
0.02 cfs for stockwater

3.82 cfs Total

As I described to you, I have not reviewed the water right file in detail to determine whether there are other matters which would delay permit issuance. While you review this matter with your client, I will have the file further reviewed in terms of permit issuance.

Please contact me if you have questions.

Sincerely,

L. GLEN SAXTON, Chief
Water Allocation Bureau

Encl: 1

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NOV 29 1996

10/2

2/8/93 D. Jones

File 37-8204

Sun Valley Land & Minerals

Re: Verification of Pre-1984 irrigation

- 1) Well logs indicate "test" proposed use.
- 2) 8/2/1987 NAPP photo shows no irrigation occurring ~~at~~ at time of photo.
- 3) 8/2/87 NAPP photo shows 2 "lagoons" present (unused) in SESE 327.73N, R17E.
- 4) 1984 ASCS NAPP photo shows ghosts of same lagoons present in north part of indicated tract.
- 5) The "36.0" label in tract in 84 ASCS photo is in different script than other labelled tracts. Outlined tract includes land in SWSE and SESE and appears inclusive of Deer Cr & area "riparian area"
- 6) 1984 Safety of Dams photo shows that area is NOT irrigated & that lagoons are present.
- 7) 4/1982 SOD are nonconclusive about irr. as too early in year
- 8) Summer '81 photo clearly shows no irrigation uses on subject tracts.

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NOV 29 1996

pg 2/2

2/8/93 ~~Interim~~

File 37-8204

Sun Valley Land & Minerals

9) I could not verify or disprove small acreages in section 34 dating to '84, but no use has been made (no pumps, power, etc) since 1988

Recommendations:

- 1) Deny irrigation except to the extent allowed in moratorium in assoc. w/ Dom.
- 2) Allow irrigation only when house is constructed & not beforehand.
- 3) Decrease dom. diversion to 0.35 cfs for service to 55 houses (15 townhouses changed to 10 houses, total $45 + 10 = 55$ houses).
- 4) Fire Protection needs stated to be 1500 gpm (3.30 cfs), they applied for 2.0 cfs for fire & a total of 4.38. If irrigation is reduced to ~~5.8~~ 5.2 cfs ($55 \text{ homes} \times \frac{1}{2} \text{ acre/home} \times .02 \text{ cfs/acre}$), then total diversion would be 4.20 cfs (or 2.2 w/o fire). Fire protection diversion must be approved to provide ample diversion rate for fire from all approved uses.

MICROFILMED

NOV 29 1996

HOGUE, SPECK & AANESTAD

A PROFESSIONAL ASSOCIATION
ATTORNEYS

TERRY G. HOGUE
JAMES P. SPECK
DOUGLAS J. AANESTAD
J. STEPHEN CRABTREE
TRACY DUNLAP
JOHN A. SEILLER

120 EAST AVENUE
POST OFFICE BOX 987
KETCHUM, IDAHO 83340
(208) 726-4421
FAX (208) 726-0752

HAILEY OFFICE:
16 WEST CROY STREET
SUITE K
POST OFFICE BOX 460
HAILEY, IDAHO 83333
(208) 788-3567
FAX (208) 788-4230

January 18, 1993

Mr. Gary Spackman
Department of Water Resources
1301 North Orchard Street
Boise, Idaho 83720

Re: Sun Valley Land and Minerals, Inc. - Applications
for Permit No. 37-08204 and 37-08205

Dear Gary:

In November, 1992, you asked if my clients had any current proposal for the use of the low temperature geothermal resource within the parameters of their application for permit no. 37-08205. The purposes proposed in the original application included heating 45 single family homes of approximately 2,000 square feet each, 115 townhouse of approximately 2,000 square feet each, 25,000 square feet of commercial space, greenhouses and gym, an indoor pool and snowmelting on sidewalks. The only change from this proposal would be replacing the 115 townhouses with 10 single family homes and related outbuildings to be located on five acre "ranchette" parcels where the water would be used for heating purposes as well as private pools for recreation. Given the current trend toward larger homes in this valley, I would also estimate that the 45 single family homes would probably exceed 3,000 square feet each rather than the 2,000 square feet estimated in the original application. There are no written plans or specifications at this point since that might be putting the cart before the horse without the actual water right permit in hand! I hope you find this information sufficient to proceed to issue the permit with appropriate conditions. Would you kindly send me, as soon as possible, a copy of the proposed conditions?

Was Loren or anyone else from the Southern Region able to confirm the prior irrigation use shown in the aerial photographs and plat map which I sent you in August, 1992? My clients would certainly like to have that permit issued in time for the coming irrigation season.

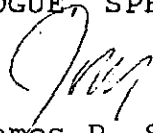
MICROFILMED
NOV 29 1996

Mr. Gary Spackman
January 18, 1993
Page 2

Congratulations again on your new "title" and position with the Department. Perhaps an "endangered species" will turn up in the Wood River Valley and once again require your skill and expertise!

Sincerely yours,

HOGUE, SPECK & AANESTAD



James P. Speck

JPS\dlw
cc: Mr. Jim Stone
Ms. Donna Kelsey

MICROFILMED
NOV 29 1996



State of Idaho
DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

February 9, 1993

SUN VALLEY LAND AND MINERAL INC
PO BOX 1959
SUN VALLEY ID 83353-1959

PERMIT APPROVAL NOTICE

RE: PERMIT NO. 37-08205

Dear Permit Holder(s):

Enclosed is a copy of your approved application for permit. We direct your attention to the conditions of approval on the final page.

As a permit owner you must commence the excavation or construction of the diverting works within one year of the date the permit was issued, and you must proceed diligently until the project is completed. The date shown under Condition No. 1 is the date when the project must be completed. You will receive a "Proof Due Notice" from this Department approximately 60 days prior to the completion date requiring you to file either a Proof of Beneficial Use form stating that the project has been completed or file a Request for an Extension of Time in which to file the proof statement.

Be sure to note the special condition requiring you to install a measuring device. Enclosed, for your reference, is a list of measuring device options.

You should be aware that you are located within a drainage basin where surface water diversions are regulated by a watermaster. It is possible that diversion of groundwater under your permit may cause a reduction of surface water flow. Siting your well as

MICROFILMED

FEB 17 1993

far as possible from surface water channels and casing your well so that groundwater tributary to surface water flows are not diverted will reduce the potential for the watermaster to regulate your water use.

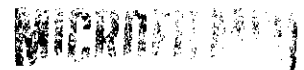
Sincerely,

Brenda L. Miller

BRENDA L. MILLER
Water Resource Agent

BLM:cz

Enclosure



FEB 1 1988

HOGUE, SPECK & AANESTAD

A PROFESSIONAL ASSOCIATION
ATTORNEYS

TERRY G. HOGUE
JAMES P. SPECK
DOUGLAS J. AANESTAD
J. STEPHEN CRABTREE
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16 WEST CROY STREET
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(208) 788-3567
FAX (208) 788-4230

January 18, 1993

Mr. Gary Spackman
Department of Water Resources
1301 North Orchard Street
Boise, Idaho 83720

Re: Sun Valley Land and Minerals, Inc. - Applications
for Permit No. 37-08204 and 37-08205

Dear Gary:

In November, 1992, you asked if my clients had any current proposal for the use of the low temperature geothermal resource within the parameters of their application for permit no. 37-08205. The purposes proposed in the original application included heating 45 single family homes of approximately 2,000 square feet each, 115 townhouse of approximately 2,000 square feet each, 25,000 square feet of commercial space, greenhouses and gym, an indoor pool and snowmelting on sidewalks. The only change from this proposal would be replacing the 115 townhouses with 10 single family homes and related outbuildings to be located on five acre "ranchette" parcels where the water would be used for heating purposes as well as private pools for recreation. Given the current trend toward larger homes in this valley, I would also estimate that the 45 single family homes would probably exceed 3,000 square feet each rather than the 2,000 square feet estimated in the original application. There are no written plans or specifications at this point since that might be putting the cart before the horse without the actual water right permit in hand! I hope you find this information sufficient to proceed to issue the permit with appropriate conditions. Would you kindly send me, as soon as possible, a copy of the proposed conditions?

Was Loren or anyone else from the Southern Region able to confirm the prior irrigation use shown in the aerial photographs and plat map which I sent you in August, 1992? My clients would certainly like to have that permit issued in time for the coming irrigation season.

RECORDED

FEB 17 1993

Mr. Gary Spackman
January 18, 1993
Page 2

Congratulations again on your new "title" and position with the Department. Perhaps an "endangered species" will turn up in the Wood River Valley and once again require your skill and expertise!

Sincerely yours,

HOGUE, SPECK & AANESTAD



James P. Speck

JPS\dlw
cc: Mr. Jim Stone
Ms. Donna Kelsey

FEB 17 1993

MEMORANDUM

TO: File No. 37-08205 in the Name of Sun Valley Land & Minerals
Inc.

FROM: Gary Spackman *Gary*

DATE: December 2, 1992

RE: Conditions of Approval

The following conditions of approval should be added to permit to appropriate water no. 37-08205 in addition to those already recommended.

Water use under this shall be nonconsumptive. If use is found to be consumptive in the future, the consumption must be replaced or the user of the water must cease diversion until a plan of replacement is implemented.

Water diverted must either be reinjected into the groundwater or discharged to a natural stream.

MICROFILMED

FEB 17 1993

MEMORANDUM

To: Jim Johnson ✓ Brenda
From: L. Glen Saxton LS
RE: CONDITIONS OF APPROVAL - APPLICATION 37-8205
Date: August 25, 1992

Let's add some additional conditions of approval as follows:

- The permit holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code, and shall submit a drilling prospectus to the department for review and approval prior to any well construction.
- The permit holder is required to file and maintain a bond with the department in the amount required by the department prior to the construction of any well.
- Failure of the permit holder to comply with the conditions of approval of this permit shall be cause for the department to cancel the permit pursuant to Section 42-311, Idaho Code.

We may then want to send the application on for additional review since it is located within a ground water management area.

RECEIVED
FEB 17 1993

MEMORANDUM

To: Mark S.
From: Glen S. *ms*
RE: CONDITIONS OF APPROVAL - APPLICATION 37-8205
Date: August 25, 1992

The attached application has been kicking around for a while and proposes the diversion of 5.0 cfs of low temperature Geothermal water for year round heating and recreation purposes in the Big Wood River drainage. The department can consider approval of the application even though there is a moratorium if approval is for non-consumptive purposes and will not adversely affect prior rights.

It appears that any approval we give should include at least the following low temperature geothermal water resource conditions or similar conditions:

- The permit holder is required to file a bond with the department in the amount of _____ dollars prior to construction of any well.
- The permit holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code, and shall submit a drilling prospectus to the department for review and approval prior to any well construction.

Please add any additional suggested conditions or provide any comments which should be considered before the department issues a permit.

MICROFILMED

FEB 17 1993

APPLICATION FOR PERMIT REVIEW

Application #: 37-08205 Reviewer: Brenda Miller *Brenda*
 Date: 5-4-92

SYSTEM COMPLETED:

No - 26A-P17
 Complete in 1 year - P16
 Yes
 Proof not submitted - P16
 Proof submitted - N/A

GROUNDWATER:

GT. 0.2 cfs <flo-ch> - 01G-P03, 01C-P03 (existing well)
 - NMR <fl ch>, A of C BIG WOOD RIVER GWMA
 LT. 0.2 cfs - No measurement required <flow chart>
 Drilling Permit:

Approved w/permit - P99
 Not included - 046-P23 (existing wells-7/1/87 to present)
 SURFACE WATER: not in w/d - 01C-P03 (=GT.2 w/pump), NMR <flow chart>

LOCATION:

Water Districts - WD No. 37
 Surface water - 005, 005-01H-P01 (LT.2 w/pump)
 005-01J-P08 (GT.2), NMR <flow chart>
 Groundwater - P05
 Irrigation Districts - 023
 Canal Co. Areas - 023
 Drainage Districts - 024
 Boise Front (63) - 058 (Groundwater)
 Swan Falls Flag - M (1, Blank or Other)
 Trust EXEMPT - 051-052-053-P74 (Consumptive Uses)
 Non Trust <1> - 048-049

RIVER BASINS:

(Surface Water) Water District Control Condition &....
 Boise (63) - 05A & 11E
 Payette (65) - 047-P04, 059-P71
 Snake (01, 02 & 03) - 11A-P04(01), 061-P07(02/03 No W.D.Cond.)

USE:

Fish Propagation - 06A, 09E-P10 & 010 (WQ/Choose One),
 042(req.), 002-P06(MD), 07A(Spec.),
 044(Policy 5G)
 Power - Use Power Review
 Mining - 06A, 010, or 09E-P10 & 054(req.)
 Storage - 18A-for multiple measuring devices(In WD),
 18B-P09(Size)
 Rec/Wildlf/Aes - 027 (Non-Consumptive)
 Domestic - 021 (restricted areas)

OWNERSHIP:

Non land owner - 004

PROTESTED:

Agreement - 020

Beneficial Use Due Date: - 06-03-1996

Other Conditions Recommended

IN BIG WOOD RIVER GWMA

09C

Additional per Glen's Memo of 8-25-92

HOGUE, SPECK & AANESTAD

A PROFESSIONAL ASSOCIATION
ATTORNEYS

TERRY G. HOGUE
JAMES P. SPECK
DOUGLAS J. AANESTAD
J. STEPHEN CRABTREE
TRACY DUNLAP
DONALD E. MITCHELL

120 EAST AVENUE
POST OFFICE BOX 987
KETCHUM, IDAHO 83340
(208) 726-4421
FAX (208) 726-0752

HAILEY OFFICE:
16 WEST CROY STREET
SUITE K
POST OFFICE BOX 460
HAILEY, IDAHO 83333
(208) 788-3567
FAX (208) 788-4230

April 24, 1992

RECEIVED
APR 28 1992

Department of Water Resources

Mr. Gary Spackman
Department of Water Resources
1301 North Orchard Street
Statehouse Mail
Boise, Idaho 83720

Re: Application for Permit No. 37-⁸²⁰⁵~~0805~~
Sun Valley Land and Minerals, Inc.

Dear Gary:

This letter will confirm out telephone conversation of April 21, 1992. I represent Sun Valley Land and Minerals, Inc., the holder of application for permit no. 37-08205 which seeks the diversion of 5.0 cfs of a low-temperature geothermal resource for heating and recreational purposes. As we discussed, the proposed recreational use is non-consumptive. Therefore, you agreed the processing of this application for permit shall NOT be subject to the restrictions and requirements of the Big Wood River Groundwater Management Area.

This application was advertised in May, 1985 and, after the Swan Falls hold-up, again in September, 1990. No protest was filed on either occasion. Thus, I hope your office can quickly complete the processing of the application and issue the permit. I understand the Department may wish to impose certain conditions concerning control over the injection of the low-temperature geothermal resource back into the aquifer or into a surface flow after it has served its non-consumptive heating and recreation purposes. Please contact me at your convenience to discuss further any such proposal.

I will be out of the office from April 28 through May 15, 1992. When I return, I will contact you to discuss further

FEB 17 1993

j\corres92\spackmg

Mr. Gary Spackman
April 24, 1992
Page 2

any conditions for approval of this Application. Thank you once again for your continuing cooperation and assistance in these matters.

Sincerely yours,

HOGUE, SPECK & AANESTAD


James P. Speck

JPS\dmk
cc: Sun Valley Land and Minerals, Inc.

FEB 17 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

April 27, 1992

Sun Valley Land and Minerals
c/o Jim Stone
P.O. Box 1959
Sun Valley, ID 83353

RE: Applications for Permit Nos. 37-8204 and 37-8205

Dear Mr. Stone:

This letter acknowledges our telephone conversation of April 21, 1992. I am sorry I failed to document our prior conversation.

I spoke to Jim Speck after our discussion, and we determined that the application no. 37-8205 was non-consumptive and could be immediately processed.

Pursuant to our discussion, I will withhold any action on your application for permit no. 37-8204 until September 1, 1992. You must submit to this office, before the deadline, information concerning your use of water prior to October 1, 1984. Please submit well logs, evidence of irrigated acreage, and evidence of any other beneficial uses of cold water. You should also detail which wells have been used for what purpose. Aerial photographs would be helpful to document irrigation use.

The Department will recognize a beneficial use applied for in your pending applications which was in place prior to October 1, 1984. If the beneficial use occurred after that date, you must conduct a hydrologic evaluation to determine the extent of interference with the Big Wood River, and compensate for any depletions caused by your proposal.

Respectfully,

GARY SPACKMAN, Manager
Water Right Permits Section

GS:js

cc: Southern Region
Jim Speck

FILED 17 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

April 13, 1992

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

Sun Valley Land & Minerals
c/o Donna R. Kelsey
P.O. Box 1959
Sun Valley, ID 83353

RE: Applications for Permit Nos. 37-8204 and 37-8205

NOTICE OF PENDING ORDER VOIDING APPLICATION

Dear Ms. Kelsey:

The Department of Water Resources sent you a letter dated November 1, 1991, informing you about the designation of the Big Wood Ground Water Management Area. We informed you of the creation of the ground water management area because you have applications for permit to appropriate water pending before the Department of Water Resources which propose diversion of water within the Ground Water Management Area.

The letter also informed you that you were required to submit information to the Department regarding your applications. A copy of the letter is enclosed for your reference.

The letter gave you thirty (30) days to submit a schedule for completion of required studies or acquisition of mitigation water.

You responded on November 5, 1991, asking for a ninety (90) day extension of time to submit the required information.

The Department granted you a ninety (90) day extension of time to submit a plan of mitigation or withdraw your applications. The time in which to submit such information expired March 1, 1992.

This letter is a notice that if you do not submit the requested information within fifteen (15) days of the date of this letter, your applications for permit will be voided.

Respectfully,

GARY SPACKMAN, Manager
Water Rights Permits Section

GS:js

Enclosure

FEB 17 1993



State of Idaho
DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

December 24, 1991

Sun Valley Land & Minerals
c/o Donna R. Kelsey
P.O. Box 1959
Sun Valley, ID 83353

RE: Applications for Permit to Appropriate Water Nos. 37-8204
and 37-8205

Dear Ms. Kelsey:

This letter acknowledges receipt of your correspondence dated November 5, 1991, and a request for a deferral while Dr. Charles Brockway is performing or evaluating hydrologic information regarding your applications. This letter grants an additional ninety (90) days from the date of this letter within which to complete the evaluation and submit a proposal to the Department. You should submit the proposal on or before March 1, 1992.

Respectfully,

A handwritten signature in cursive script, reading 'Gary Spackman'.

GARY SPACKMAN, Manager
Water Right Permits Section

GS:js

cc: Southern Region

RECEIVED
FEB 17 1992

FEB 17 1992

DAY/TIMER

Time Saver

LETTER

IN REFERENCE TO:

DONNA R. KELSEY

P. O. BOX 1959

SUN VALLEY, IDAHO 83353

FIRST CLASS MAIL ☐ INTER-OFFICE ☐

FOR

Mr. Gary Spackman, Mgr
Water Rights Permits Section
Department of Water Resources
1301 No. Orchard St. Ste. 100 Mail
Boise, ID 83720-9000

MESSAGE

HOW TO USE THIS

DAY/TIMER

Time Saver LETTER TO SAVE TIME.

Type or write your reply in the space below. Then mail the white copy to us and keep the pink copy for your files. You'll save time and effort, and we'll have your answer much faster! Thank you.

REPLY

Dear Mr. Spackman

DATE

Nov 5 1991

DATE

FOLD

Re: Application for Permit # 37-8204 and 37-8205
and your letter dated November 1, 1991.

In response to your letter of above date,
I have retained Mr. Charles Brockway of Iwm
to perform the necessary hydrologic
evaluation as required for these two applications
for a permit.

I do not wish to withdraw either of these
applications, however it will not be possible to
submit the required hydrologic data
the 30 day period.

I, therefore am requesting
an extension of the
required submittal date
to September 1992

Thank you for your
help!

SIGNED

FEB 17 1993

SIGNED

Donna R. Kelsey



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

November 1, 1991

Sun Valley Land and Mineral Co.
P.O. Box 1959
Sun Valley, ID 83353

RE: Applications for Permit Nos. 37-8204 and 37-8205

Dear Applicant:

The Department of Water Resources recently designated a ground water management area which encompasses the upper Big Wood River Valley, the Bellevue Triangle, a portion of the Silver Creek drainage, and the Camas Prairie. Our records show that you have filed an application for permit to appropriate water with the Department which proposes a point of diversion within the ground water management area.

The Department intends to process pending applications within the ground water management area. Any applicant who proposes consumptive use, other than domestic use not exceeding one-half acre of irrigation, must show that his proposed use will not reduce flows in the Big Wood River or Silver Creek, or he must propose a reasonable plan to mitigate the reduction in flow.

Our records show that you have applied for a consumptive use of water. Prior to processing your application, or conducting a hearing if the application is protested, you must submit the following information:

1. Hydrologic evaluation of the ground water aquifer at the proposed point of diversion and its relationship to surface water, including timing of potential impacts.
2. If the hydrologic evaluation results in a conclusion that a well can be constructed without impact, a prospectus discussing well construction methods and standards must be submitted which will be implemented to prevent depletion of surface flow.
3. If the hydrologic evaluation results in a conclusion that a well cannot be constructed without depleting surface flow, a plan of mitigation and/or compensation must be submitted that will replace depletions of surface water caused by proposed ground water withdrawal.

RECEIVED

FEB 17 1993

If you do not wish to submit the above information, you may withdraw your application by completing the enclosed withdrawal form. If your application includes a domestic component, and you wish to limit the application to domestic use, please inform the Department.

Failure to respond to this inquiry within thirty (30) days, with either the withdrawal or a schedule for submittal of the above information, is cause for the Department to void the application for failure to submit requested information.

Respectfully,



GARY SPACKMAN, Manager
Water Right Permits Section

GS:js

RECEIVED

FEB 17 1993

September 5, 1991

Re: Applications for Permit Nos. 37-08204, ~~08205~~

SUN VALLEY LAND AND MINERAL CO
PO BOX 1959
SUN VALLEY ID 83353

Dear Applicant(s):

We acknowledge receipt of the correspondence transferring ownership of the above referenced water rights to you. We have modified our computer records to reflect this change in ownership.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,

SHARLA CURTIS
Technical Records Specialist

SC:blm

MICROFILMED

FEB 17 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

RECEIVED
SEP 03 1991

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

August 26, 1991

Department of Water Resources

Re: Applications for Permit Nos. 37-08204/08205

Interstate Investment Corp.
ATTN: Donna R. Kelsey
P.O. Box 1959
Sun Valley, ID 83353

Dear Applicant(s):

We have received correspondence transferring ownership of the above referenced water rights to Sun Valley Land and Mineral, Inc. In reviewing the applications, we note you signed the Assignment of Application for Permit form as President of Interstate Investment. The Power of Attorney form we received at the same time also lists you as President of Sun Valley Land and Minerals.

This situation is not highly unusual, we just need to verify that you are the president of the company assigning the applications to Sun Valley Land and Mineral. A statement from you to this effect will be sufficient.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,

Sharla Curtis

SHARLA CURTIS
Technical Records Specialist

FEB 17 1993

8-29-91

SC:blm

Hello Sharla:
Yes, I was president of IIC which transferred
all its interests to Sun Valley Land & Mineral.
I am now president & Chairman of Board of Sun Valley
Land & Mineral. Thanks for your thoroughness.
Donna Kelsey



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

August 26, 1991

Re: Applications for Permit Nos. 37-08204/08205

Interstate Investment Corp.
ATTN: Donna R. Kelsey
P.O. Box 1959
Sun Valley, ID 83353

Dear Applicant(s):

We have received correspondence transferring ownership of the above referenced water rights to Sun Valley Land and Mineral, Inc. In reviewing the applications, we note you signed the Assignment of Application for Permit form as President of Interstate Investment. The Power of Attorney form we received at the same time also lists you as President of Sun Valley Land and Minerals.

This situation is not highly unusual, we just need to verify that you are the president of the company assigning the applications to Sun Valley Land and Mineral. A statement from you to this effect will be sufficient.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,

SHARLA CURTIS
Technical Records Specialist

SC:blm

RECEIVED
AUG 27 1991

1991

APPLICATION FOR PERMIT REVIEW

Application #: 37-8265
Date: 6-26-91

Reviewer: Pam Skaggs

Existing:

✓No - 26A-P17
Complete in 1 year - P16

Yes

Proof not submitted - P16
Proof submitted - N/A

Groundwater:

✓GT. 0.2 cfs - 01G-P03, 01C-P03(existing well)
LT. 0.2 cfs - N/A

Drilling Permit:

Approved w/permit - P99
Not included - 046-P23 (All GW, even existing wells)

Location:

✓Water Districts - WD No. 37
Surface water - 005, 005-01H-P01(LT.2 w/pump)
005-01J-P08(GT.2)

✓Groundwater - P05

Irrigation Districts - 023

Canal Co. Areas - 023

Drainage Districts - 024

Boise Front (63) - 058 (Groundwater)

✓Swan Falls Flag - (1, Blank or Other)

Trust - 051-052-053-P74(Cons.), 041(DCMI, w/Irr
Non Trust - 048-049 or Irr & Dom)

River Basins:

(Surface Water) Water District Control Condition &....

Boise (63) - 05A & 11E

Payette (65) - 047-P04, 059-P71

Snake (01, 02 & 03) - 11A-P04(01), 061-P07(02/03 No W.D.Cond.)

Use:

Fish Propagation - 06A, 09E-P10 & 010 (WQ/Choose One),
042(req.), 002-P06(MD), 07A(Spec.),
044(Policy 5G)

Power - Use Power Review

Mining - 06A or 010, 09E-P10 & 054(req.)

Storage - 18A-for multiple measuring devices(In WD),
18B-P09(Size)

✓Rec. & Aesthetic - 027(Non-Consumptive)

Domestic - 021(restricted areas)

Ownership:

Non land owner - 004

Protested:

Agreement - 020

✓Beneficial Use Due Date: - 07-03-1995
Other Conditions Recommended Need Corp. Officers

5.0 cfs
4,5,3 Data

State of Idaho
Department of Water Resources

APPLICATION FOR PERMIT ANALYSIS SHEET

TRAVELERS MORTGAGE CORP.

INITIAL REVIEW BY: ADM

APPLICATION NUMBER: 37-8205

CHECK:

- ☒ Source.
☒ Point of diversion.
☒ County.
☒ Quantity of water and period of use.
☒ Description of diverting works.
☒ Time required for beneficial use of water.
☒ Place of use or acres irrigated.
☒ Map.
☒ Signature.
☒ Fee.

Field check by: _____

Date: _____

Comments: _____

☐ Yes ☒ No Field check required.

☐ Yes ☒ No Critical groundwater area.

☐ Yes ☒ No Request dam safety information. Sent by: _____ Date: _____

☒ Yes ☐ No* In form to receipt.

*REQUEST THE FOLLOWING ADDITIONAL INFORMATION FROM THE APPLICANT: _____

SEND COPIES TO:

- ☒ Idaho State Health Department.
☐ Idaho Fish and Game Department.
☐ Idaho Department of Lands.
☐ U.S. Bureau of Land Management.
☐ U.S. Forest Service.
☐ Other _____

Copies sent by: _____ Date: _____

PROCESSING:

- ☐ Yes ☐ No Platted by: _____ Map No. _____
☒ Yes ☐ No Other rights on same place of use. 37-8132 & 37-8133
(See letters enclosed in file)
☒ Yes ☐ No* In form for advertising.
Final date for protests: 5/6/85 5/26/85
☐ Yes ☒ No Protests received. If yes, record information on 4th page of application.

FINAL REGIONAL PROCESSING REVIEW:

- ☒ Affidavit of publication received. Date: 5/17/85
☒ Application published correctly. If not, record action taken: _____
☒ Fee amount, receipt date & number, recorded on application.
☒ Publication dates and paper, recorded on application.
☒ Protests, dates, withdrawal, etc., recorded on application.
☒ Recommendation & initial, recorded on application.
☐ Yes ☒ No Measuring device required.
☒ Yes ☐ No Access port required.
☐ Yes ☒ No Will water be delivered by watermaster? If yes, what district? _____
3/12/85 Date of priority recommended.
Special conditions of approval or cover letter. OIC, -09C, 09C, 04
26, 27

RECEIVED
JUN 11 1991

Department of Water Resources

By: ADM Date: 6/21/85

STATE OFFICE REVIEW:

- ☐ See attached sheet for more information.

By: _____ Date: _____

RECEIVED
JUN 24 1985

Department of Water Resources

POINT OF DIVERSION AND STREAM INDEX INFORMATION

11/1/80

TRACT	SEC	TWP	RGE	gov't lot	rediv. (R)	REACH
-------	-----	-----	-----	--------------	---------------	-------

IDAHO STREAM CODE INDEX

TRACT	SEC	TWP	RGE	gov't lot	rediv. (R)	REACH
-------	-----	-----	-----	--------------	---------------	-------

IDAHO STREAM CODE INDEX

TRACT	SEC	TWP	RGE	gov't lot	rediv. (R)	REACH
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IDAHO STREAM CODE INDEX

TRACT	SEC	TWP	RGE	gov't lot	rediv. (R)	REACH
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IDAHO STREAM CODE INDEX

TRACT	SEC	TWP	RGE	gov't lot	rediv. (R)	REACH
-------	-----	-----	-----	--------------	---------------	-------

IDAHO STREAM CODE INDEX

37-08205

SUN VALLEY LAND AND MINERAL INC.
PO BOX 1959
SUN VALLEY ID 83353

Source: GROUNDWATER

Diversion Pt:	SWSE	Sec 27 T 03N R 17E
	NWNE	Sec 34 T 03N R 17E
	NENW	Sec 34 T 03N R 17E

Use: HEATING	(5.000 CFS)
RECREATION	(5.000 CFS)
Total Diversion:	(5.000 CFS)

Date Filed: 3/12/ 1985

In: T03N R17E S27	SWSE	SESE		
S34	NENE	NWNE	NENW	SWNW
	SENW			

MICROFILMED
FEB 17 1993

The permit(s) will be subject to all prior water rights. Protests may be submitted based on the criteria of Sec. 42-203A, Idaho Code and/or the new public interest criteria of Sec. 42-203C, Idaho Code. Protests must be filed with the Director, Dept. of Water Resources, 222 Shoshone St. East, Twin Falls, Idaho 83301 on or before OCTOBER 8, 1990.

R. Keith Higginson, Director

Published 9/19/1990 & 9/26/1990

MICROFILMED

FEB 17 1993

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region
222 Shoshone Street East
Twin Falls, ID 83301
(208)734-3578

SEPTEMBER 13, 1990

WOOD RIVER JOURNAL
P.O. BOX 988
HAILEY, ID 83333

Gentlemen:

Enclosed you will find a legal notice which we wish to have published on the dates indicated (once a week for two consecutive weekly issues) in your newspaper. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Your cooperation is appreciated.

Please send the affidavit of publication and publication billing to this office before OCTOBER 8, 1990.

Yours truly,

Mary Baldwin
Secretary/Office Coordinator

Enclosure

FILED
FEB 17 1993

13-Sep-1990

SUN VALLEY LAND & MINERALS INC
C/O CHARLES E BROCKWAY
706 SUNRISE BLVD
TWIN FALLS ID 83301

Re: Application for Permit No. 37-08204 & 37-08205

Dear Mr. Brockway:

Enclosed please find a copy of the legal ads for the above referenced two Applications for Permit for your information. The legals will appear in the Wood River Journal on 9/19 & 9/26/90 with the final date for the submittal of timely protests on 10/08/90.

On March 25, 1988 the Federal Energy Regulatory Commission (FERC) issued an order satisfying the last condition to make the Swan Falls Agreement effective. The Department is now prepared to proceed with the normal processing of the above referenced applications.

If the applications are protested you will be sent a copy of the protest. The protest must be resolved before the applications are approved or denied. If the protest is not resolved voluntarily, this Department will conduct a conference and/or hearing on the matter.

If the applications are not protested, they will be forwarded to our State Office in about five weeks. State office personnel will conduct a complete review prior to final processing of the applications and will notify you of the outcome of this review. When a permit is issued, you will be sent a copy. A typical processing time for an unprotested application is about eight weeks. Please see attached list for additional information requirement.

Please feel free to contact this office if you have any questions regarding this procedure.

Very truly yours,

MICROFILMED
James E. Stanton
State Water Resource Agent

FEB 17 1993

S. Region
5/89

Application No. 37-08205

ADDITIONAL INFORMATION REQUIREMENTS
FOR APPLICATIONS IN THE NAME OF A CORPORATION,
COMPANY, OR PARTNERSHIP

In reviewing the application for compliance with the requirements of the Department's Rules and Regulations for Water Appropriations, we have determined that the following information is required to make the Application complete for processing.

- 1) If the Application is filed in the name of a corporation, the names and addresses of its directors and officers shall be provided. If the application is filed by or in behalf of a partnership or joint venture, the application shall provide the names and addresses of all partners and shall designate the managing partner, if any. (Rule 3,3,2,1)

Because the required information does not appear in the legal notice, we are proceeding with advertising of your Application. If the required information is received within ten days of the second publication date, no additional delay should be incurred in processing.

RECEIVED
FEB 17 1993

IDAHO DEPARTMENT OF WATER RESOURCES

MEMO-REPLY	Date <u>8-30-90</u>
------------	---------------------

To Southern
MARY B.

From Tim Luke

☐ Take Appropriate Action ☐ Draft A Reply ☐ Action Required By _____ ☐ See Me ☐ Call Me ☐ Return To Me	RECEIVED SEP 04 1990 Department of Water Resources Southern Region Office	☐ For Your Information ☐ For Your Approval ☐ For Your Comments ☐ As You Requested ☐ Copy (____ Copies) ☐ File
---	---	--

Comments These Apps. Are exempt from
TRUST WATER processing & are being
returned to you for routine processing.

Tim

Reply NOTE: DATABASE changes
have not been made. Please
change ownership/addresses.

Also - on 37-8204 → Application has
been amended. Pkg Add Review as shown
& ADVANCE priority to 8/3/90.

Signed _____ Date _____

FEB 17 1993

MEMORANDUM

TO: FILE

FROM: TIM LUKE *TL*

DATE: August 30, 1990

RE: TRUST WATER PROCESSING/APP. NO.S 37-8204 & 8205

=====

Application no. 37-820~~5~~ is a proposed appropriation of water for heating and recreational uses. These uses are exempt from the review criteria of section 42-203C, Idaho Code.

Application no. 37-820~~4~~ proposes appropriatin of water for domestic, commercial, recreational and irrigation uses. The irrigation use is incidental to the domestic use and does not exceed the 3 acre per lot trust water limitation. This application is also exempt from the review criteria of section 42-203C, Idaho Code.

Both applications are being returned to the region for routine processing.

REPROFILMED
FEB 17 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720 -(208) 327-7900

CECIL D. ANDRUS

GOVERNOR

R. KEITH HIGGINSON

DIRECTOR

August 30, 1990

Donna Kelsey
Sun Valley Land & Minerals, Inc.
P.O. Box 1959
Sun Valley, ID 83353

RE: Application for Permit No.s 37-8204 & 37-8205

Dear Ms. Kelsey:

The Department acknowledges assignment of the above referenced applications from Interstate Investment to Sun Valley Land & Mineral, Inc. We also acknowledge receipt of the affidavit appointing Charles Brockway as power of attorney.

The Department plans to provide legal notice of the applications during the latter part of September. Since I received no further information concerning the proposed amendment of application no. 37-8205, I will recommend the application be advertised for the additional acreage and the priority date be advanced to August 3, 1990.

Please contact this office or our office in Twin Falls if you have questions concerning these filings.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Tim Luke'.

Tim Luke

Sr. Water Resource Agent

cc: Charles Brockway
Region

RECEIVED
AUG 31 1990

7 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720 -(208) 327-7900

CECIL D. ANDRUS

GOVERNOR

R. KEITH HIGGINSON

DIRECTOR

September 19, 1989

RE: Permit Nos. 37-8204/8205

Interstate Investment Corporation
P.O. Box 1959
Sun Valley, Idaho 83353

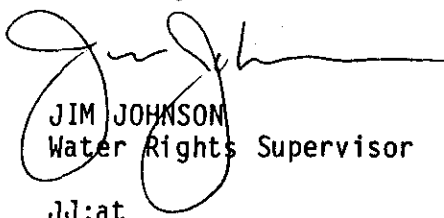
Dear Water Right Holders:

We acknowledge receipt of the correspondence transferring ownership of the above referenced water rights to you. We have modified our computer records to reflect this change in ownership.

We assume you are aware of requirements remaining to finalize the permits into licenses.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,


JIM JOHNSON
Water Rights Supervisor
JJ:at

MICROFILMED
SEP 21 1989

INTER-DEPARTMENT MEMO — 1

FROM

L. Glen Saxton

DATE 9-9-86

TO

Files 37-8404 & 37-8205

SUBJECT

DIRECT FUTURE CORRESPONDENCE ACTION ON THE FILES TO HOWARD CARSMAN

MICROFILMED
JUN 21 1988

SIGNATURE



State of Idaho

DEPARTMENT OF WATER RESOURCES

STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS

Governor

A. KENNETH DUNN

Director

Mailing address:

Statehouse

Boise, Idaho 83720

(208) 334-4440

September 9, 1986

Howard Carsman
EBERLE, BERLIN, KADING, TURNBOW & GILLESPIE
P. O. Box 1368
Boise, ID 83701

Dear Howard:

Re: Applications for Permit Nos. 37-8204 and 37-8205

In response to your letter of August 28, 1986, please find enclosed a copy of the Water Appropriation Rules and Regulations adopted April 8, 1986 by the director. As you probably know, Idaho Power Company objected to Rule 5,2. as well as the general promulgation procedure causing the department to stay the effect of Rule 5,2. and to essentially go through the promulgation process a second time. Upon adoption of a "final" set of rules, the department will forward a copy to you.

With respect to advising your firm when the department will review the above referenced applications for final approval, the department will direct to your firm requests for additional information required, if any, and will send a copy of final department action to you. There is not a system in effect to advise an applicant prior to the above described actions that applications are in the process of final review.

I hope this is satisfactory with your needs and suggest you may wish to check the status of the pending applications from time to time if you so choose.

Please feel free to contact me if we can be of further assistance.

Sincerely,

L. GLEN SAXTON
Chief, Operations Bureau

Enclosure

MICROFILMED

JUN 21 1988

EBERLE, BERLIN, KADING, TURNBOW & GILLESPIE,
CHARTERED

ATTORNEYS AND COUNSELORS AT LAW
CAPITOL PARK PLAZA
300 NORTH SIXTH STREET
POST OFFICE BOX 1368
BOISE, IDAHO 83701

TELEPHONE
(208) 344-8535

JAMES L. BERLIN
R. B. KADING, JR.
R. M. TURNBOW
JAMES R. GILLESPIE
WILLIAM J. MCKILVEEN
DALE G. HIGER
WARREN E. JONES
MARK S. GESTON
B. NEWAL SOUYRES, JR.
WILLIAM L. VASCONCELLOS
THOMAS R. LINVILLE
RICHARD A. RILEY
JAMES J. DAVIS
JOE H. UBERUAGA II
T. A. BANDUCCI
MARY S. HOBSON
JOHN MICHAEL BRASSEY
ROBERT L. BERLIN
HOWARD W. CARSMAN
SCOTT D. HESS
BRADLEY G. ANDREWS
KATHY PERKINS BROOKS
WILLIAM A. FUHRMAN
J. BRENT FERY
KAY C. MANWEILER

August 28, 1986

J. L. EBERLE (1890-1964)
T. H. EBERLE (1922-1977)

RECEIVED

AUG 29 1986

Department of Water Resources

L. Glen Saxton
Chief of the Operations Bureau
Department of Water Resources
450 W. State Street
Boise, Idaho 83702

Re: Permit Application Nos. 37-8204, 8205

Dear Glen:

Our firm represents Travelers Mortgage Corporation, and from this point on will be assisting our client in the processing of the above-referenced water right applications. We briefly discussed these two applications on Thursday, August 28, while I was reviewing the files for them. It is my understanding that both applications have been recommended for approval, but that the Department is waiting to enact its rules and regulations before formally approving these applications. Once the Department adopts its rules and regulations, these two applications will be reviewed, and the Department will request any additional information from our client which it deems necessary, if the regulations so require.

Please notify our firm when the Department is ready to review the two above-referenced applications for final approval. In addition, could the Department provide our firm with a copy of the proposed rules and regulations, as well as the final rules and regulations when they are finally adopted.

Finally, please direct all future correspondence regarding Travelers Mortgage Corporation and the above-referenced water right applications to our firm, rather than to the firm in Twin Falls which had represented Travelers Mortgage Corporation.

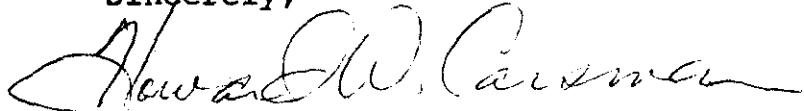
MICROFILMED

JUN 21 1988

L. Glen Saxton
August 28, 1986
Page 2

It was a pleasure visiting the Department's offices
and seeing old friends again. Say "hi" to everyone for me,
and I look forward to hearing from you soon.

Sincerely,


Howard W. Carsman

HWC:ngr

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JUN 21 1988



State of Idaho

DEPARTMENT OF WATER RESOURCES

STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

July 10, 1985

Gary D. Slette
Nelson, Rosholt, Robertson,
Tolman & Tucker
P.O. Box 1906
Twin Falls, ID 83303

Re: Application for Permit No. 37-8202
(Travelers Mortgage Corporation)

Dear Mr. Slette:

The above-referenced application has been forwarded from our Twin Falls office for final action.

The changes to Section 42-203, Idaho Code, effective July 1, 1985, will necessitate additional review of the application including evaluation against the public interest criteria of Section 42-203C, Idaho Code. Rules and regulations to supplement the code requirements are presently being drafted. Until such rules are promulgated, final action will not be taken on the application.

In addition, the Department will require the submittal of information relative to the hot water source proposed for use and will likely condition the permit, if issued, relative to well construction requirements.

If you have questions, please feel free to contact this Department.

Sincerely,

L. GLEN SAXTON
Chief, Operations Bureau

LGS/lrs

cc: Southern Region

MICROFILMED

JUN 21 1988

NOTICE OF APPLICATION FOR WATER RIGHT

Notice is hereby given that the following application(s) have been submitted for permit to appropriate the public waters of the State of Idaho:

~~37~~-8205.

TRAVELERS MORTGAGE CORP.

C/O NELSON, RUSHOLT ET AL, P.O. BOX 1906, TWIN FALLS, ID 83301

Source: GROUNDWATER

Date Filed: 03/12/1985

Diversion Pt: SWSE Sec 27 T 03N R 17E NWNE NENW Sec 34 T 03N R 17E

Use: HEATING (5.00 CFS)
RECREATION (5.00 CFS)

In: SESE SWSE Sec 27 T 03N R 17E NENE NWNE NENW SWNW SENW Sec 34 T 03N R 17E

If issued, the permit(s) will be subject to all prior water rights. Protests against the granting of any permit must be filed with the Director of the Idaho Department of Water Resources, 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301 and received on or before ~~MAY 6, 1985~~.

May 27, 1985

A. KENNETH DUNN

Director

Published 4/18 & 4/25/85.

5/9 & 5/16/85

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JUN 21 1988

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region

1041 Blue Lakes Blvd N.
Twin Falls, Idaho 83301
(208) 734-3578

APRIL 8, 1985

Wood River Journal
P.O.Box 988
Hailey ID 83333

Gentlemen:

Enclosed you will find a legal notice which we wish to have published on the dates indicated (once a week for two consecutive weekly issues) in your newspaper. We have allowed ample time for you to submit a galley proof to this office for review before the first publication date. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Your cooperation is appreciated.

Please send the affidavit of publication and publication billing to this office before MAY 6, 1985.

Yours truly,

Mary A. Newby
Secretary

Encl.

MICROFILMED

JUN 21 1988

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
Chartered

ATTORNEYS AT LAW
142 3RD AVE NO.

MAILING ADDRESS: P.O. Box 1906
TWIN FALLS, ID 83303-1906
TELEPHONE (208) 734-0700
SUN VALLEY (208) 726-4661

THOMAS G. NELSON
JOHN A. ROSHOLT
J. EVAN ROBERTSON
STEVEN K. TOLMAN
JAMES C. TUCKER

TERRY T. UHLING
LAIRD B. STONE
GARY D. SLETTE

March 25, 1985

Idaho Department of Water Resources
1041 Blue Lakes Blvd. North
Twin Falls, ID 83301

ATTN: Terry Blau

Dear Terry:

Would you please attach this letter to the two water right applications filed in the name of Travelers Mortgage Corporation. This addendum is intended to explain some of the water usage on the Clarendon property. Sun Valley Shamrock Resources, Inc., originally proposed a plan for the development of the property, which plan is on file with your office in their folder. The forty-five lot subdivision has already been approved in its final form by Blaine County, while the townhouse/commercial development is in its preliminary stages. Travelers Mortgage Corporation has foreclosed its mortgage on the subject property, and consequently, Sun Valley Shamrock Resources, Inc., is in the position of being a tenant in possession of the property. Its right to redeem the property expires on May 25, 1985. If unredeemed, all right, title and interest to the property will be vested in Travelers Mortgage Corporation. As such, Travelers will take the property with the subdivision plat in place for the forty-five single family units. Travelers retains the option to proceed with the townhouse/commercial plan that had been preliminarily approved by Blaine County.

As to the consumptive water right filed by Travelers Mortgage Corporation, the following uses should be appended to the remarks section on the application.

1. Domestic Use - Forty-five single family units supplied with culinary water. 115 townhouses supplied with culinary water.

2. Commercial Use - Water would be used in the approximate 25,000 square feet of commercial area in which shops, tourist facilities, greenhouses, and other small businesses would be constructed.

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JUN 21 1988

Idaho Department of Water Resources
ATTN: Terry Blau
March 25, 1985
Page -2-

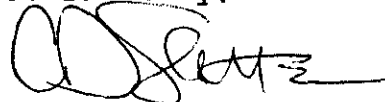
3. Recreational Use - Water would be used for the horse center, an indoor pool, and potential gym and tennis facilities.

4. Fire Protection - A fire flow of 1,500 gpm would be used in the protection of the plan unit development. Most of this flow would come from the storage reservoir in the system.

With regards to the application for 5 c/f/s for heating, it is anticipated that the forty-five single family units in the presently platted subdivision would be approximately 2,000 square feet in size. The 115 townhouses to be constructed would contain approximately 2,000 square feet each. The units would be constructed according to current Blaine County insulation requirements that require ceilings to have an insulation factor of R-30 and walls to have an insulation factor of R-16.5. The non-consumptive space heating right would also be applied towards heating 25,000 square feet of commercial space, greenhouses, a gym, an indoor pool, and also be applied towards snow melting on sidewalks.

If any further information is required to be furnished, please let me know at your earliest convenience.

Yours truly,



Gary D. Slette

GDS/kk
cc: Chris Davis
John Wedum

MAILED

JUN 21 1988

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
Chartered

ATTORNEYS AT LAW
142 3RD AVE NO.

MAILING ADDRESS: P.O. Box 1906
TWIN FALLS, ID 83303-1906
TELEPHONE (208) 734-0700
SUN VALLEY (208) 726-4661

THOMAS G. NELSON
JOHN A. ROSHOLT
J. EVAN ROBERTSON
STEVEN K. TOLMAN
JAMES C. TUCKER

RECEIVED
MAR 14 1985

Idaho Department of Water Resources
Shamrock Division Office

TERRY T. UHLING
LAIRD B. STONE
GARY D. SLETTE

March 12, 1985

Mr. L. Glen Saxton
Chief, Operations Bureau
Idaho Department of Water Resources
Statehouse
Boise, ID 83720

Dear Mr. Saxton:

Our firm represents the interests of Travelers Mortgage Corporation. Travelers Mortgage Corporation has foreclosed its interest in certain real property located in Blaine County, commonly known as the Clarendon property. The statutory period of redemption of the mortgagor will expire on May 25, 1985. The purpose of this letter is to inform you of the foreclosure which occurred in May of 1984, and the ensuing expiration of the redemptionary rights in approximately two months. Travelers Mortgage Corporation is the current owner of the property and Sun Valley Shamrock Resources, Inc. is, by operation of the Idaho Code, a tenant in possession.

I spoke with Loren Holmes and Terry Blau of the southern office regarding this matter. It is my understanding that Claim Nos. 37-4368, 37-4369, and 37-4370 are real property appurtenances of the Clarendon property. It is also my understanding that these Claims to Right cannot be transferred without a formal request for change in the point of use.

Two applications for permit to appropriate public waters have been filed as Nos. 37-8132 and 37-8133. In the event the property is not redeemed by May 25, 1985, Sun Valley Shamrock Resources, Inc., will no longer have any interest in the real property. Additionally, since Sun Valley Shamrock Resources, Inc., has made no arrangement with Travelers Mortgage Corporation in accordance with 9(c) of the applications, Travelers Mortgage Corporation objects to the issuance of the permits. The point of diversion and place of use of these permits is located on land not owned by the applicant. On behalf of Travelers Mortgage Corporation, I request that approval of these permits be placed in abeyance until this matter is resolved.

MICROFILMED

JUN 21 1988

Mr. L. Glen Saxton
March 12, 1985
Page -2-

If you have any questions regarding this matter,
please do not hesitate to contact me.

Yours truly,

A handwritten signature in dark ink, appearing to read 'G. Slette', with a horizontal line extending to the right.

Gary D. Slette

GDS/kk

cc: Loren Holmes, Idaho Department of Water Resources
Terry Blau, Idaho Department of Water Resources
Chris Davis, Travelers Mortgage Corporation
John Wedum, Wedum Foundation

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JUN 21 1988