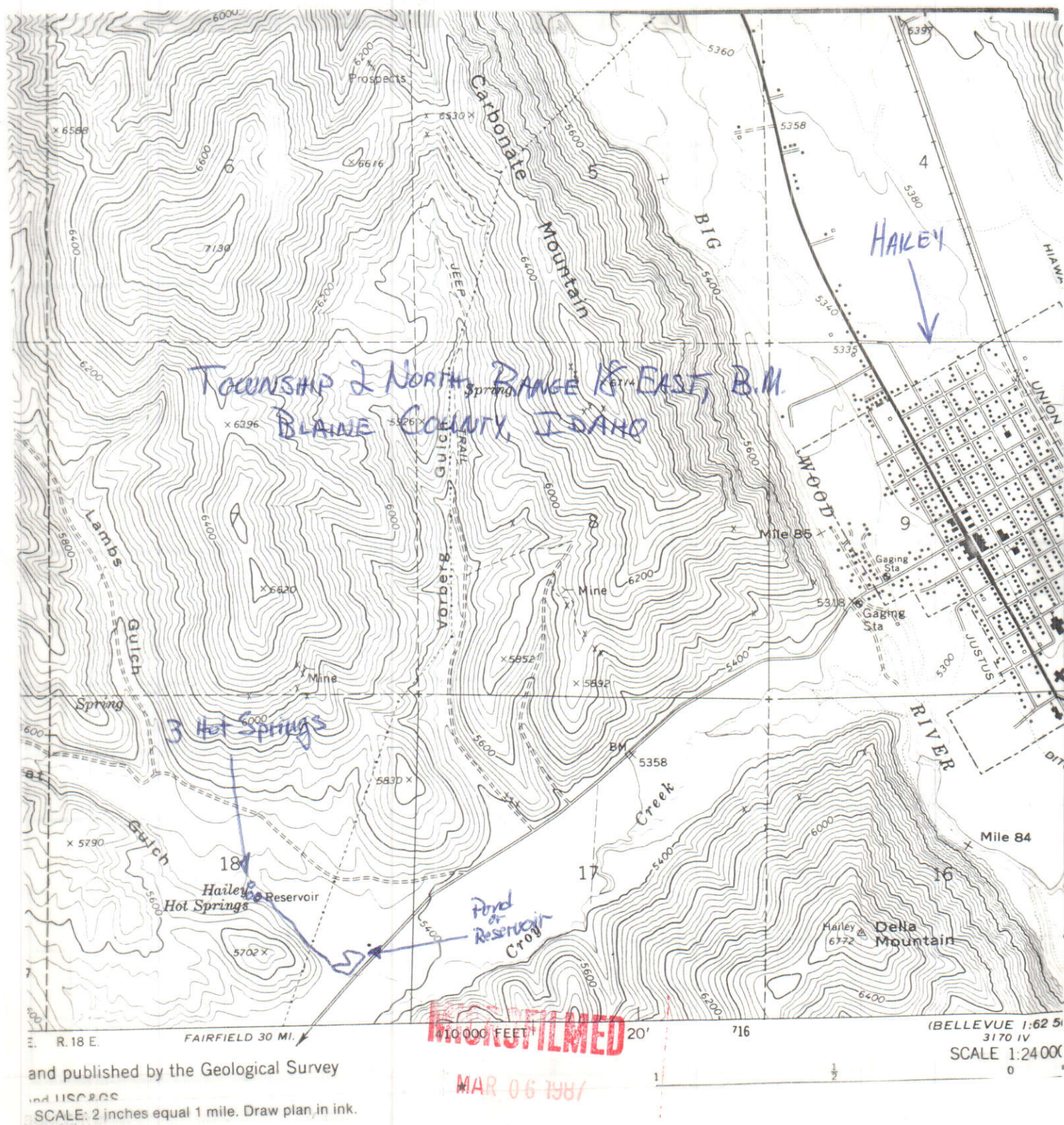


c. Describe the lands or place of use to which the right will be transferred:

TWP.	RANGE	SEC.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				TOTALS
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
2N	18E	18													X			X	--

Total number of acres to be irrigated N/A

4. Describe any other water rights used for the same purpose as described above. None
5. Draw a map indicating the new point(s) of diversion and/or the new land to be irrigated. Show clearly the land involved by section, township and range number.



AFFIDAVIT of PUBLICATION

RECEIVED

State of Idaho, }
County of Blaine } SS.

NOV 28 1986

Department of Water Resources
Southern Region Office

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 20th day of Nov. 1986, and the date of the last publication was on the 26th day of Nov, 1986.

Clint Stennett

Subscribed and sworn to before me this 26th day of November, 1986.
(SEAL)

R. A. Ketchum

NOTARY PUBLIC

WOOD RIVER JOURNAL

Hailey, Idaho

COST OF PUBLICATION

Number of Picas per Line 11
Number of Lines in Notice 45
Number of Insertions 2
Lines tabular at 5¢/Pica
45 Lines straight at 19.80 4¢/Pica
45 Subsequent lines at 14.85 3¢/Pica
TOTAL COST 34.65

COF OF NOTICE

(paste Here)

Not. of Proposed Change
#37-4139 Humboldt Invest.

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept. of Water Res.
BILL TO

Water right change filed by Humboldt Co.

NOTICE OF PROPOSED CHANGE OF WATER RIGHT NO. 37-4139

Notice is hereby given that Humboldt Investment Co., a partnership, c/o James P. Speck, Attorney at Law of Ketchum, ID, has applied to the Department of Water Resources for a change of nature of use of the waters of Warm Springs tributary to Big Wood River.

The right sought to be changed is evidenced by Claim No. 37-4139 and is recorded as follows:

Amount: 0.5 cfs &/or 297.56 afa
Priority: 1926

Point of Diversion: NWSE, Sec. 18, T2N, R18E, B.M., Blaine County.

The water is used for heating and recreation within Block 23, Hailey Townsite (NESE), Sec. 9, T2N, R18E (Old Hiawatha Hotel)

TO BE CHANGED AS FOLLOWS:

Amount: 0.5 cfs & 3.0 afa
Point of Diversion: No change

The water will be used for recreation and fish propagation within E1/2SE1/4, Sec. 18, T2N, R18E (2 1/4 miles SW of Hailey).

Any protest against approval of the proposed change of water right application must be filed with the Department of Water Resources on or before DECEMBER 8, 1986.

A. KENNETH DUNN
Director

Publish: Wood River Journal—November 20 & 26, 1986.

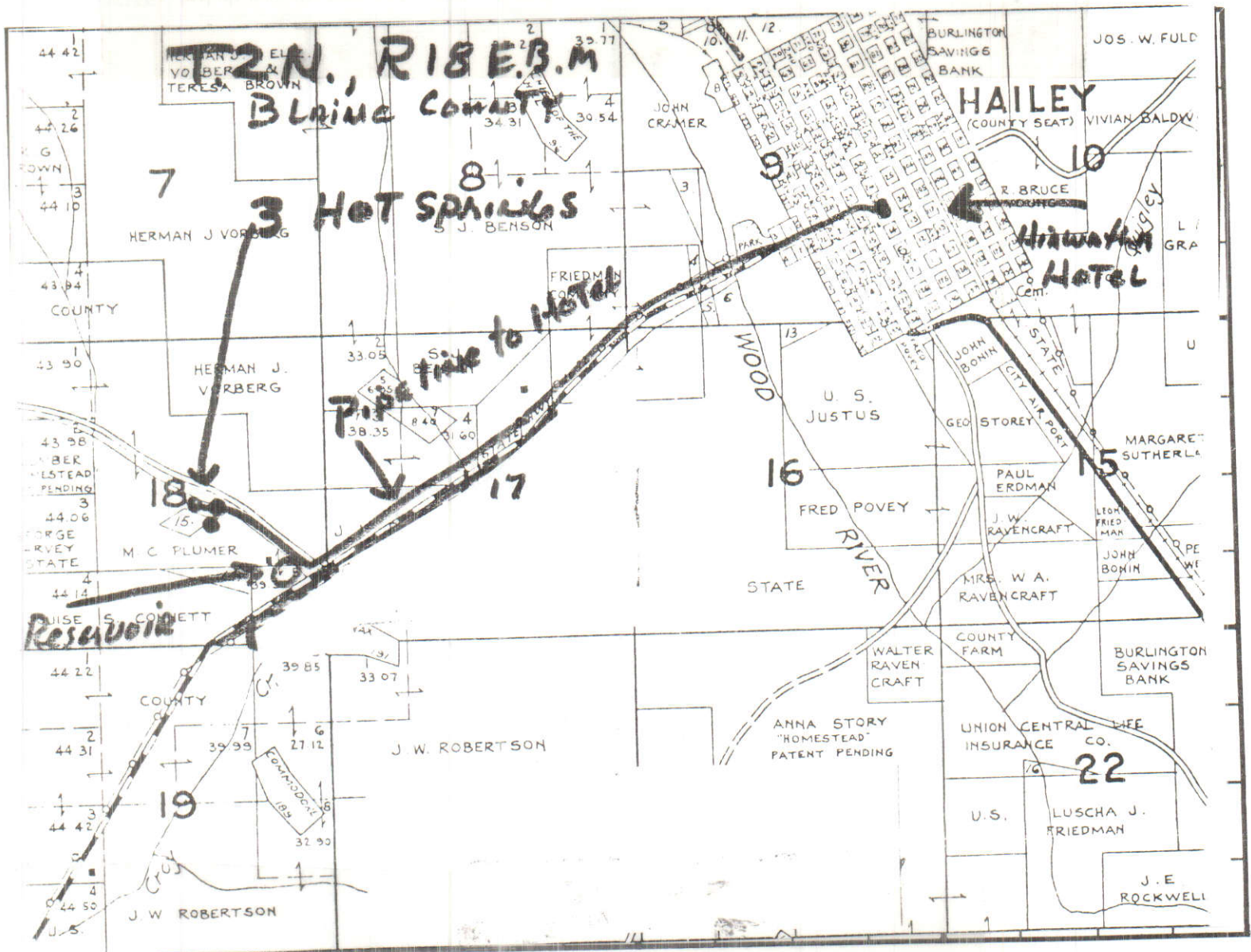
No 5054

OK MB 12/2/86

MICROFILMED

MAR 06 1987

- (8) Remarks Maximum of .5 cfs diverted through pipeline to Hotel in winter. Overflow from lesser summer diversions to Hotel. Overflow turned into reservoir and used for irrigation. Overflow runs into Croy Creek in non-irrigation season.



Scale: 2 inches equal 1 mile.

Map should show the location of the point of diversion and the place of use of the water by 40-acre subdivisions, section, township and range of the public land survey system.

State of Idaho

County of Blaine

Be it known that the undersigned, being duly sworn, deposes and says that he, she, they subscribed the foregoing claim to a water right, together with all attached information, and that the matters and facts therein are true to the best of the affiant's knowledge.

Sworn to before me this 21st day of April, 1980.

Humboldt Investments by
Dennis E. Barker
(Claimant)

John A. Burke
Notary Public
Residing at Hailey, Idaho

My commission expires May 14, 1981

FOR DEPARTMENT USE ONLY

Received by <u>maria</u>	Date <u>4/24/80</u>	Exception filed by:	Forwarded to	Date
Prelim. check by <u>maria</u>	Date <u>4-30-80</u>		claimant by:	
\$20.00 fee received by <u>maria</u>	Date <u>4/4/80</u>			
Published in <u>Wood River Journal</u>				
Dates <u>5/15 + 5/22/80</u>				

AFFIDAVIT of PUBLICATION

State of Idaho, }
 Connty of Blaine } SS.

GORDON O. GLASMANN, 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 15 day of May

1980, and the date of the last publication was on the 22

day of May, 1980.

Subscribed and sworn to before me this 23rd

day of May, 1980.
 (SEAL)

Robert G. Fisher
 NOTARY PUBLIC

WOOD RIVER JOURNAL
 Hailey, Idaho

COST OF PUBLICATION

Number of Lines in Notice 31
 Number of Insertions 2
 _____ Lines tabular at 39c
31 Lines straight at 26c 8.06
31 Subsequent lines at 15c 4.65
 TOTAL COST 12.71

COPY OF NOTICE

(Paste Here)

Permit 37-4139
 TITLE OF NOTICE

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept of Water Resources
1041 Blue Lakes Blvd. N. TF

NOTICE OF CLAIM TO WATER RIGHT

NOTICE IS HEREBY GIVEN, That the following claim to water right has been established by diversion and application to beneficial use:

37-4139

HUMBOLT INVESTMENT CO.

P. O. Box 326, Sun Valley, Idaho 83353

Source: Warm Springs tributary to Big Wood River

Priority Date: 01 01 1926

Amount: 0.50 cfs

Diversion Point: NWSE Sec 18 T 02N R 18E, Blaine Co.

Use: Heating (0.50 cfs) from 01 01 to 12 31

Recreation (0.50 cfs) from 01 01 to 12 31

Place of Use: NESE Sec 09 T 02N R 18E

Diversion Means: Pipeline

Any exception to any claim of water right may be filed with the Director of the Idaho Department of Water Resources, 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301.

C. STEPHEN ALLRED
 Director

Publish: Wood River Journal--
 May 15th & 22nd, 1980.

8 pt. per line, successive
 insertions 15c

RECEIVED

JUN 9 1980 1354

Department of Water Resources
 Southern District Office

MICROFILMED

**NOTICE OF
PROPOSED CHANGE
OF WATER RIGHT**

NO. 37-4139

Notice is hereby given that Humboldt Investment Co., a partnership, c/o James P. Speck, Attorney at Law of Ketchum, ID, has applied to the Department of Water Resources for a change of nature of use of the waters of Warm Springs tributary to Big Wood River.

The right sought to be changed is evidenced by Claim No. 37-4139 and is recorded as follows:

Amount: 0.5 cfs &/or 297.56 afa
Priority: 1926

Point of Diversion: NWSE, Sec. 18, T2N, R18E, B.M., Blaine County.

The water is used for heating and recreation within Block 23, Hailey Townsite (NESE), Sec. 9, T2N, R18E (Old Hiawatha Hotel)

TO BE CHANGED AS FOLLOWS:

Amount: 0.5 cfs & 3.0 afa
Point of Diversion: No change

The water will be used for recreation and fish propagation within E1/2SE1/4, Sec. 18, T2N, R18E (2 1/4 miles SW of Hailey).

Any protest against approval of the proposed change of water right application must be filed with the Department of Water Resources on or before DECEMBER 8, 1986.

A. KENNETH DUNN
Director

Publish: Wood River Journal-
November 20 & 26, 1986.

RECEIVED

NOV 10 1986

Southern Region Office

OK
MB

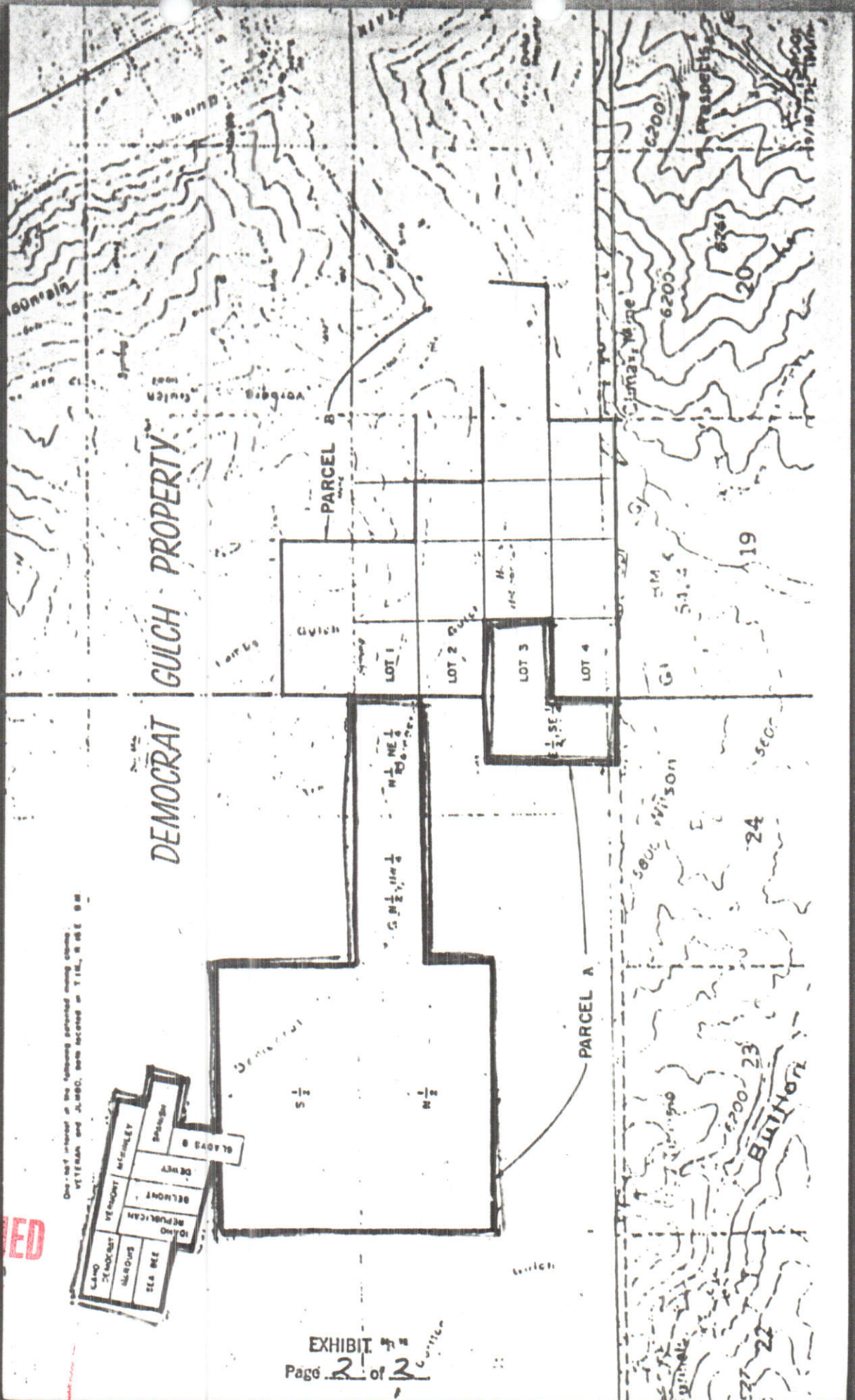
11/10/86

MICROFILMED
MAR 06 1987

2000 4:

MAR 06 198

EXHIBIT 77
Page 2 of 3



See text report of the following proposed mining claims:
 VILLAGE and ADJACENT, both located in T.10N., R.10E., S.2E.

Claim	10 Acres	Admitted	10/1/1987
Location	Section 19	Admitted	10/1/1987
Miner	DEMOCRAT	Admitted	10/1/1987
Mineral	DEMOCRAT	Admitted	10/1/1987

REPROFILMED
 MAR 06 1987

EXHIBIT "C"

DEMOCRAT GULCH PROPERTY

PARCEL 2

PARCEL 1



PARCEL
 Being
 Boise
 descri
 SECTION
 South
 SECTION
 The No
 southe
 SECTION
 All of
 Lot 4

Transfer No. 3282

Water Right No. 37-4139

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
To Change the Point of Diversion and/or the Place of Use

APPROVED

Name of applicant Humboldt Investment Co., a partnership Phone 208/726-4421
Post Office address c/o James P. Speck, Hogue, Speck & Aanestad, P.O. Box 987,
Ketchum, ID 83340

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right evidenced by:

- a. Decree No. Decreed to (Name)
in case of vs
dated in in county of (Name of court)
b. License No. issued by the Idaho Department of Water Resources
c. Claim No. 37-4139 on file with the Idaho Department of Water Resources

2. Attach a copy of last year's tax notice for the property to which the water right is appurtenant. If the applicant is not the original holder of the water right, explain how it was acquired

3. Source of water Warm Springs tributary to Big Wood River

4. Date of priority 1926

5. Water is used for the following purposes:

amount 0.5 cfs for heating-recreation purposes from October 1 to April 15
amount 0.3 cfs for heating/recreation purposes from April 15 to October 1
amount for purposes from to (month/day — both dates inclusive)

6. Total amount of water under right: a. 0.5 cubic feet per second
&/or
b. 297.56 acre feet per annum

7. Location of original point of diversion is NW 1/4 of SE 1/4 of Section 18
Township 2N Range 18E B.M., in Blaine County
Additional points of diversion, if any

8. Lands irrigated or place of use:

Block 23, Hailey Townsite

TWP.	RANGE	SEC.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				TOTALS
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
2N	18E	9													X				

MICROFILMED

MAR 06 1987

Total number of acres to be irrigated N/A

9. Describe any other water rights used for the same purpose as described above None

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of nonuse? No If yes, describe in item D, REMARKS.

B. DESCRIPTION OF PORTION OF RIGHT OWNED BY APPLICANT (If the entire right is owned by the applicant, omit part B).

1. Amount of water: a. _____ cubic feet per second
&/or
b. _____ acre feet per annum
2. Point of diversion _____ ¼ _____ ¼, Section _____ Township _____
Range _____, B.M., _____ County
Additional points _____

3. Place of use:

[illegible]

Total number of acres to be irrigated _____

C. DESCRIPTION OF RIGHT OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

- DESCRIPTION OF RIGHT OR PORTION THEREOF, AFTER THE REQUESTED CHANGE
3.0 acre feet January 1 - December 31
1. General Information
0.5 cfs October 1 - April 15
0.3 cfs April 15 - October 1
- a. Amount of water to be diverted _____ c.f.s. &/or _____ acre feet
- b. Description of diverting works 3 flowing warm springs are diverted into
a pond which is used for recreation and fish propagation
- c. Describe the reasons for the proposed changes to bring claim into conformity
with actual use of water since Hiawatha Hotel burned down in 1978.

2. Change in point of diversion None
- Point of diversion _____ ¼ _____ ¼, Section _____ Township _____
Range _____, B.M., _____ County
Additional points _____

3. Change in place of use
- a. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts? _____ Yes X No. If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed change.
- b. Describe the affect on the land now irrigated if the place of use is changed pursuant to this transfer
N/A

MICROFILMED

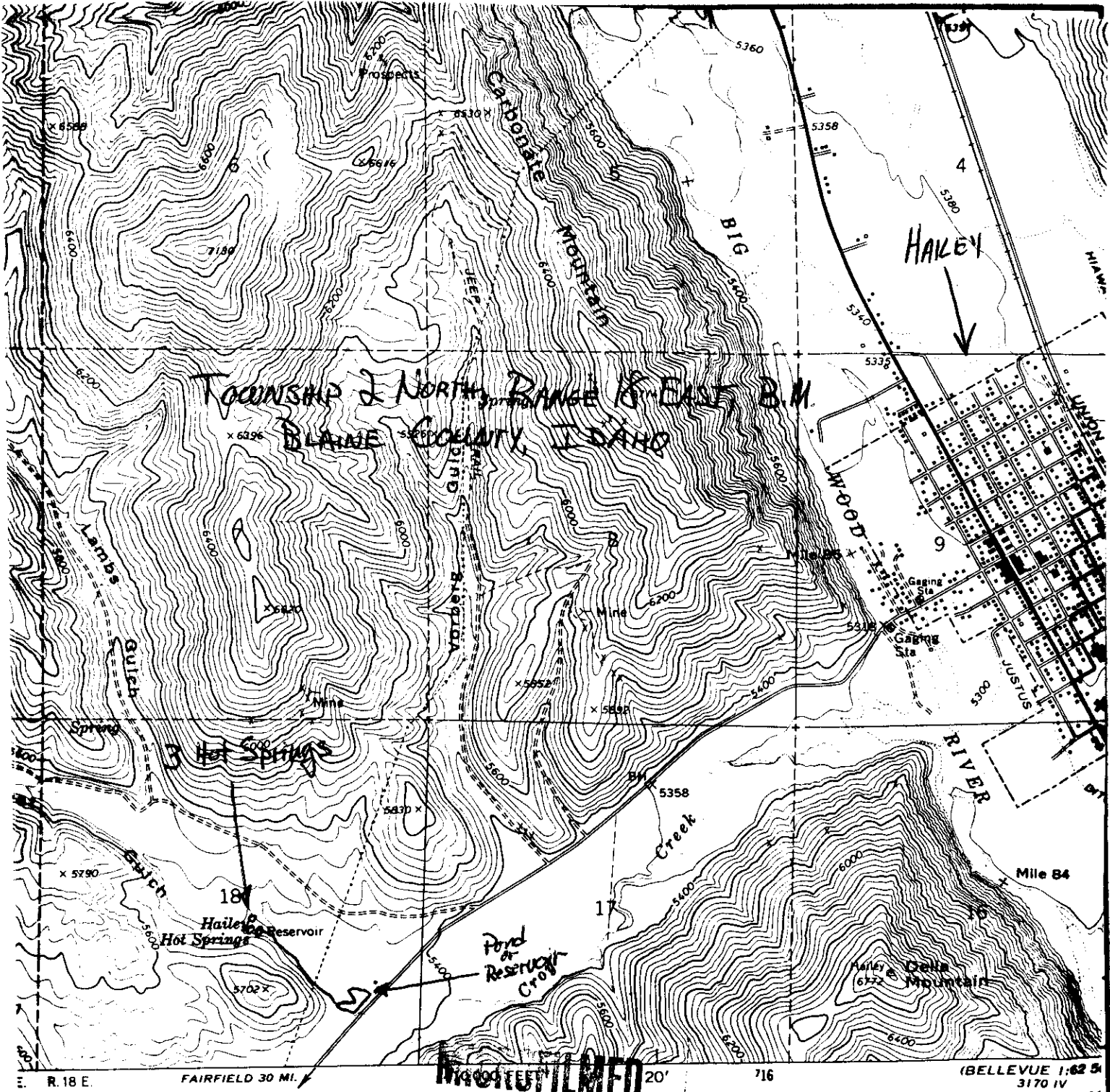
MAR 06 1987

c. Describe the lands or place of use to which the right will be transferred:

TWP.	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
2N	18E	18													X			X	--

Total number of acres to be irrigated N/A

4. Describe any other water rights used for the same purpose as described above. None
5. Draw a map indicating the new point(s) of diversion and/or the new land to be irrigated. Show clearly the land involved by section, township and range number.



and published by the Geological Survey
and USGCS
SCALE: 2 inches equal 1 mile. Draw plan in ink.

D. REMARKS

The hot water is diverted into the pond where it is used for recreation and fish propagation, both non-consumptive uses. The water then flows out of the pond into Croy Creek, a tributary to the Big Wood River

I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. The information contained in this application is true to the best of my knowledge.

I understand that any willfull misrepresentations made in this application may result in voiding its approval.

Denise E Barker
(Signature of Applicant)

Subscribed and sworn to before me this 2nd day of September, 19 86

James R. Speck
(Notary Public)

My commission expires 1/22/91

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Transfer of Water Rights No. 37-4139 and said application is hereby APPROVED, subject to the following limitations and conditions:

1. A measuring device and lockable controlling works of a type acceptable to the Department shall be permanently installed and maintained as part of the diverting works.
2. Approval of this transfer in no way confirms the right claimed.
3. Use of water under this right is subject to control by the watermaster of State Water District No. 37, Big Wood River.
4. The total volume diverted annually under this claim shall not exceed 290 acre feet.

Witness my hand this 6th day of February, 19 87

J. Glen Saxton
Chief, Operations Bureau

FOR DEPARTMENT USE ONLY

Received by M. Baldwin Date 10/15/86

Prelim. check by JS Fee 50.00

Receipted by M. Baldwin Date 10/15/86

Published in Wood River Journal

Pub. dates 11/20/86; 11/27/86

Watermaster recommendation requested on 11/5/86

rec'd. 11/12/86

Protest filed by None

Copies of protest forwarded by _____

Hearing held by _____ Date _____

Recommended for approval denial

by ADM Jim

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MAR 06 1987

AFFIDAVIT of PUBLICATION

RECEIVED

State of Idaho, }
County of Blaine } SS.

NOV 28 1986

Department of Water Resources
Southern Region Office

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 30th day of Nov. 1986, and the date of the last publication was on the 26th day of Nov 1986.

Clint Stennett

Subscribed and sworn to before me this 26th

day of November 1986.
(BEAL)

Robert R. Kuehn

NOTARY PUBLIC

WOOD RIVER JOURNAL

Hailey, Idaho

COST OF PUBLICATION

Numer of Picas per Line 11
Number of Lines in Notice 45
Number of Insertions 2

Lines tabular at 5¢/Pica
45 Lines straight at 19.80 4¢/Pica
45 Subsequent lines at 14.85 3¢/Pica

TOTAL COST 34.65

COF OF NOTICE

(Paste Here)

Not of Proposed Change
TITLE OF NOTICE
#37-4139 Humboldt Invest.

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept. of Water Res.
BILL TO

MICROFILMED

MAR 06 1987

No 5054

OK MB
12/2/86

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

APR 23 1980

Department of Water Resources
Southern District Office

CLAIM TO A WATER RIGHT

Under the provisions of Section 42-243, Idaho Code, any person using or claiming rights to the public waters of Idaho established by diversion and application to a beneficial use must file a claim with the Department of Water Resources on or before June 30, 1983. Exempted from this filing are single family domestic uses as defined in Section 42-230(d), Idaho Code. Also exempted are rights represented by a permit, license, decree, adjudicated right, or a previously filed claim.

The filing of this claim does not confirm the water right claimed but failure to file may result in forfeiture of a water right.

Notice is hereby given that Humbolt Investment Co., a partnership
(Name of Claimant)
P.O. Box 326, Sun Valley, Idaho 83353 Telephone No. (208) 726-5355
(Mailing Address) (Zip Code)

claims a right to the diversion and beneficial use of the surface or ground water. The extent and nature of said claim is as follows:

(1) Date of priority: (When was the water first applied to a beneficial use) 1926 - Heating and Recreation

A claim is not acceptable on a ground water source with a priority later than March 25, 1963 or on a surface water source with a priority later than May 20, 1971. An exception is that a claim may be filed on single family domestic use from a ground water source.

(2) Describe the source of water: (Name of stream, lake, spring, etc., or ground water)
Warm Springs tributary to Wood River

(3) Describe the purpose for which the water has been used and the time during the year when you have used the right claimed:

	(cfs, gpd, AFA)	(Domestic, Irrigation, Stock, Etc.)	(Both dates inclusive)	
			(Mo., Day)	(Mo., Day)
Quantity	.5	Use Heating & Recreation	Period of Use From Oct. 1	To Apr. 15
Quantity	.3	Use Heating & Recreation	Period of Use From Apr. 15	To Oct. 1
Quantity		Use	Period of Use From	To
Quantity		Use	Period of Use From	To
Quantity		Use	Period of Use From	To
(4)	.5	TOTAL QUANTITY USED.		
	(cfs, gpd, AFA)			

(5) A) Point of diversion: (Location of point where water is diverted from its source)
NW ¼ SE ¼, Sec. 18 Twp. 2 N. Rge. 18 E. B.M., County of Blaine
Additional points of diversion:

B) Describe means of diversion of water: (Pump and pipeline, well, diversion dam, reservoir, length of ditch and field, etc.). Give sizes and capacities: be as specific as possible. Describe any changes in the system and give the date of the change. 3 flowing Warm Springs diverted into 8" pipe and water conveyed East 2 1/2 miles along highway right of way and into City of Hailey to Hiawatha Hotel, and used for heating and for swimming pool.

(6) A) Describe location of use by listing number of irrigated acres within each 40-acre tract in appropriate box. If use is not for irrigation, place an "X" in appropriate box to show location.

Block 23, Hailey Townsite

T	R	SEC.	NE¼				NW¼				SW¼				SE¼				TOTAL
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
2 N.	18E.	9													X				

No. of acres

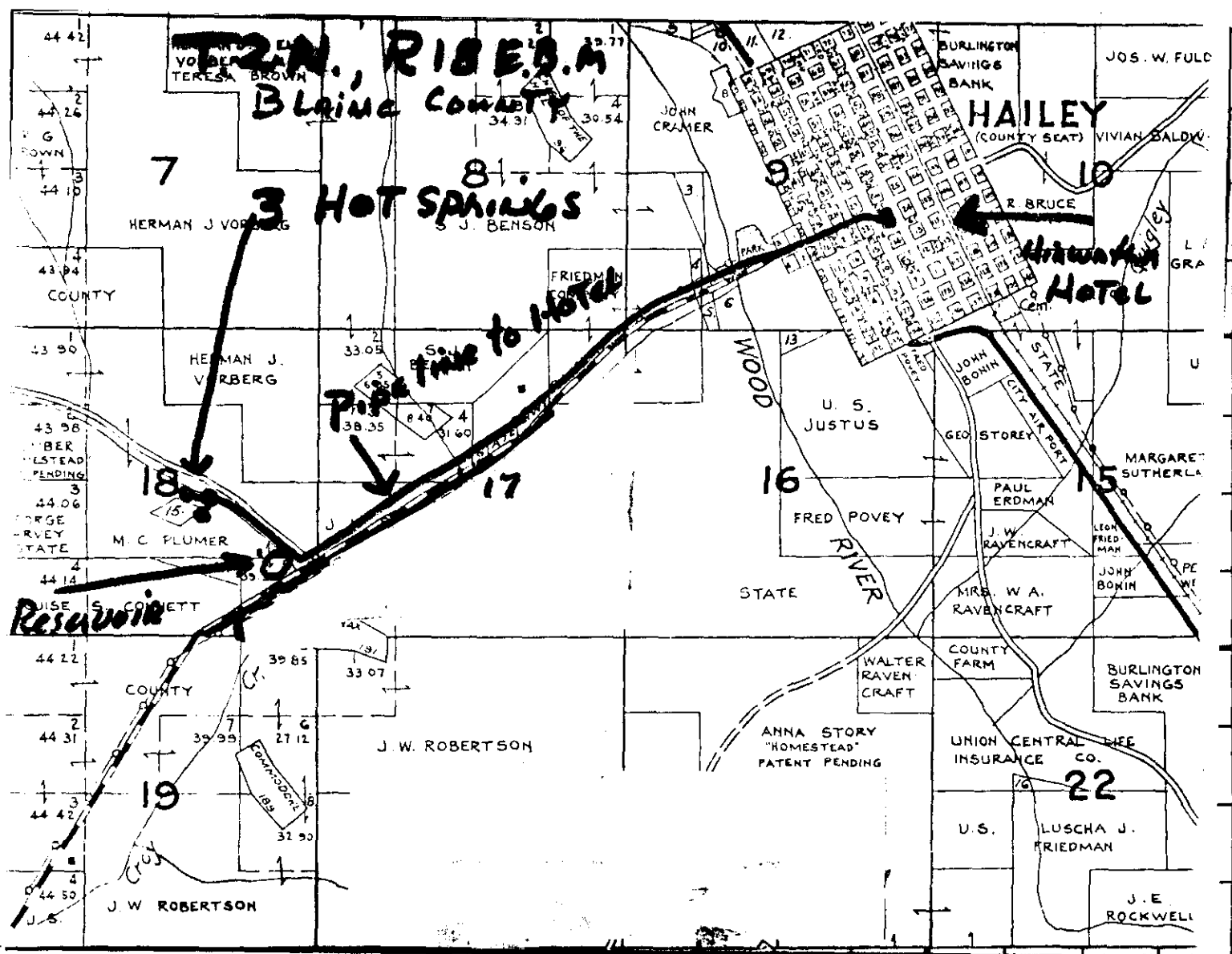
B) If water is used for other than irrigation, fully describe that use, being as specific as possible:
Water flows at 140 degrees and has traditionally heated Hiawatha Hotel and indoor swimming pool on year around basis.

NOTE: Include here the type and number of stock watered:

(7) If you are claiming water as a member of an organization, list name of organization:
Humbolt Investment Co., a partnership.

MICROFILMED

- (8) Remarks Maximum of .5 cfs diverted through pipeline to Hotel in winter. Overflow from lesser summer diversions to Hotel. Overflow turned into reservoir and used for irrigation. Overflow runs into Croy Creek in non-irrigation season.



Scale: 2 inches equal 1 mile.

Map should show the location of the point of diversion and the place of use of the water by 40-acre subdivisions, section, township and range of the public land survey system.

State of Idaho)
County of Blaine) ss.

Be it known that the undersigned, being duly sworn, deposes and says that he, she, they subscribed the foregoing claim to a water right, together with all attached information, and that the matters and facts therein are true to the best of the affiant's knowledge.

Humbolt Investments by
Dennis E. Barker
(Claimant)

Sworn to before me this 21st day of April, 1980.

John A. Burke
Notary Public
Residing at Hailey, Idaho

My commission expires May 14, 1981

FOR DEPARTMENT USE ONLY

Received by <u>maria</u>	Date <u>4/24/80</u>	Exception filed by:	Forwarded to	Date
Prelim. check by <u>maria</u>	Date <u>4-30-80</u>		claimant by:	
\$20.00 fee received by <u>maria</u>	Date <u>4/4/80</u> #17192			
Published in <u>Wood River Journal</u>				
Dates <u>5/15 + 5/22/80</u>				

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region

1041 Blue Lakes Blvd. N.
Twin Falls, Idaho 83301
(208) 734-3578

JUNE 9, 1980

HUMBOLT INVESTMENT CO.
P.O. BOX 326
SUN VALLEY ID 83353

RE: Claim No. 37-4139

Dear Claimant:

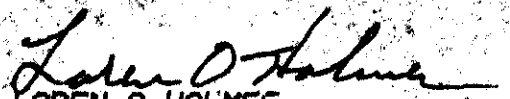
The Department of Water Resources has completed the advertising of your claim to a water right, and no further action is authorized under Section 42-243 and 42-244, IDAHO CODE. Your claim will be retained in our files and will be available at any time for use by you or the court.

The filing and advertising of the claim does not confirm the water right claimed, but will serve to record and preserve the information and the evidence which you included in your claim.

If, at a later date, you find that you have additional information or supporting evidence that you would like to have included with the claim, you may have that information or evidence added at any time. Please refer to the claim identification number when corresponding with this office.

We are enclosing a copy of your claim for your records. If you have questions, or if this office may be of further assistance, please feel free to contact us.

Yours truly,


LOREN O. HOLMES
Southern Region Supervisor

Enclosure

MICROFILMED



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
SOUTHERN REGION

John V. Evans
Governor

C. Stephen Allred
Director

1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301
(208) 734-3578

John Rosholt, Attorney
P. O. Box 1906
Twin Falls, Idaho
83301

April 28, 1980

Dear Mr. Rosholt;

Per our phone conversation of today, I am returning the Claim To A Water Right filed by Humbolt Investment Co. for heating of the Hiawatha Hotel. Please complete Item 6 (A) as we discussed, and return the Claim to this office for further processing.

Attached is Receipt #16415 for your filing fee of \$20. for the other claim submitted by Humbolt Investment Co.

Sincerely,

James E. Stanton

James E. Stanton
Senior Water Resource Agent

JS:

Enclosures

MICROFILMED

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
POWER OF ATTORNEY

MAY 14 1980

Department of Water Resources
Southern District Office

The undersigned hereby nominates and appoints John A. Rosholt, whose address is P. O. Box 1906, Twin Falls, Idaho 83301, as Attorney-in-Fact with full authority to act for and on behalf of the undersigned with the Department of Water Resources of the State of Idaho in all matters pertaining to applications and claims for water in Blaine County, Idaho. Such acts shall include, but not be limited to the filing of applications, claims, receiving all notices, the signing and filing of applications, claims, and amendments pertaining to said water rights in Blaine County, Idaho.

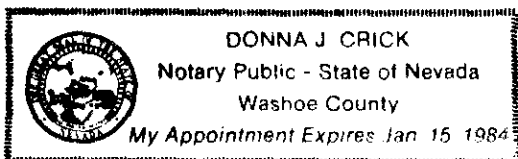
DATED this 6th day of MAY, 1980.

Devere E. Barker
Devere E. Barker
A General Partner
Humbolt Investment

STATE OF NEVADA)
) ss.
County of WASHOE)

On this 6th day of MAY, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared DEVERE E. BARKER, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.



Donna J. Crick
NOTARY PUBLIC FOR WASHOE COUNTY
Residing at: RENO NEVADA

MICROFILMED

AFFIDAVIT of PUBLICATION

State of Idaho, }
 County of Blaine } SS.

GORDON O. GLASMANN, 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 15 day of May, 1980, and the date of the last publication was on the 22 day of May, 1980.

[Signature of Gordon O. Glasmann]

Subscribed and sworn to before me this 23 day of May, 1980.
 (SEAL)

[Signature of Notary Public]
 NOTARY PUBLIC

WOOD RIVER JOURNAL Hailey, Idaho COST OF PUBLICATION

Number of Lines in Notice 31
 Number of Insertions 2
 _____ Lines tabular at 39c
31 Lines straight at 26c 8.06
31 Subsequent lines at 15c 4.65
 TOTAL COST 12.71

ok mace 6/1/80

COPY OF NOTICE (Paste Here)

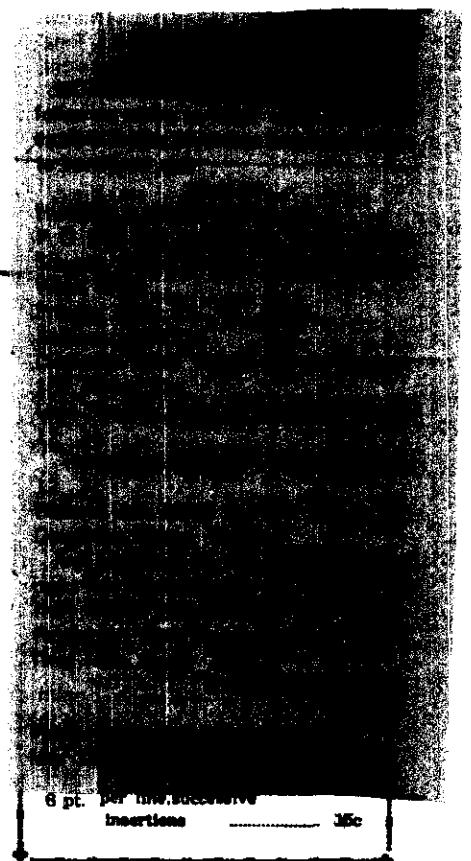
Permit 37-4139
 TITLE OF NOTICE

PLAINTIFF ATTORNEY

DEFENDANT

PLAINTIFF

Dept of Water Resources
1041 Blue Lakes Blvd. N. TF



6 pt. per line, successive insertions 35c

RECEIVED

JUN 9 1980 1354

Department of Water Resources
 Southern District Office

MICROFILMED

22-11708

736-W211

34/12/15/93

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Brian Barsotti, Esq.
P O Box 10013
Ketchum, Idaho 83340

BLAINE CO. REQUEST

OF **SUN VALLEY TITLE**

1993 DEC 16 P 4:00

360209

MARY GREEN, CLERK
FEES \$ 900

mp

Deed

(Space above this line for Recorder's use)

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, CRYSTAL HOT SPRINGS LIMITED PARTNERSHIP, an Idaho limited partnership, hereby bargains, sells, remises, releases, conveys and forever quitclaims to Helen Nan Crocker, Trustee and Donald W. Crocker, successor co-trustee of the Benjamin S. Crocker and Helen Nan Crocker Trust "D" dated March 24, 1973

whose address is P.O. Box 974 Ketchum, Idaho 83340 all of its right, title and interest which it has, if any, in the following water and water rights:

(a) Idaho Water Right No. 37-00548 for 3.8 cfs of the Warm Springs Creek with priority date of June 1, 1880, and claimed in In Re the General Adjudication of Rights to the Use of Water from the Snake River Basin Water System, Twin Falls District Court Case No. 39576 (hereinafter referred to as "Adjudication"), as Claim No. A37-00548;

(b) Idaho Water Right No. 37-00549 for 4.0 cfs of Croy Creek with priority date of June 30, 1882, and claimed in the Adjudication as Claim No. A37-00549;

(c) License Right No. 37-02142 for 1.50 cfs of Hot Springs Gulch with priority date unknown; no claim was made in the Adjudication for this license by Seller;

(d) Idaho Water Right No. 37-04138 for 1.05 cfs of Warm Springs Creek with priority date of December 31, 1948, and claimed in the Adjudication as Claim No. A37-04138;

(e) Idaho Water Right No. 37-01222 for 0.40 cfs of Democrat Creek with priority date of June 9, 1911, and claimed in the Adjudication as Claim No. A37-01222;

(f) Idaho Water Right No. 37-04139 for 0.50 cfs. This is a 1926 statutory claim and is claimed in the Adjudication as Claim No. A37-04139;

(g) Idaho Water Right No. 37-04440 for 0.72 cfs of groundwater with priority date of August 16, 1950, and is claimed in the Adjudication as Claim No. A37-04440;

(h) Idaho Water Right No. 37-12396 for 3.0 cfs of Democrat Creek with a priority date of December 31, 1947, and claimed in the Adjudication as Claim No. A37-12396;

(i) Idaho Water Right No. 37-12397 for the beneficial use rights to a domestic well for 0.04 cfs of groundwater with priority date of December 31, 1950, and claimed in the Adjudication as Claim No. A37-12397;

(j) Idaho Water Right No. 37-08659 for 2.50 cfs of groundwater with priority date of August 3, 1990, original proof due 11/1/92 but extended until 11/1/95;

(k) Idaho Water Right No. 37-08670 for 4.0 cfs of groundwater with priority date of August 13, 1990, original proof due 11/1/96.

DATED this 15th day of December, 1993.

CRYSTAL HOT SPRINGS LIMITED
PARTNERSHIP, an Idaho limited
partnership

By its general partner:

L. Z. CORP., an Idaho
corporation

By

Lynn T. Levy, Its President

STATE OF IDAHO)

County of Blaine)

ss.: Thomas P. Zeigler, Secretary

On this 15th day of December, 1993, before me, the undersigned, a Notary Public in and for said State, personally appeared LYNN T. LEVY, known to me to be the President of L. Z. CORP., an Idaho corporation, the general partner of CRYSTAL HOT SPRINGS LIMITED PARTNERSHIP, an Idaho limited partnership, and the person who executed the foregoing instrument on behalf of said corporation, in its capacity as the general partner of said limited partnership, and acknowledged to me that said corporation executed the same in said partnership name.

WITNESS my hand and seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____

realist\hopeutr.qcd

STATE OF IDAHO

COUNTY OF BLAINE

ON THIS 15TH DAY OF DECEMBER, 1993, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED LYNN T. LEVY AND THOMAS P. ZEIGLER, KNOWN OR IDENTIFIED TO ME TO BE THE PRESIDENT AND SECRETARY OF L.Z. CORPORATION AND THE GENERAL PARTNER OF CRYSTAL HOT SPRINGS LIMITED PARTNERSHIP, AN IDAHO LIMITED PARTNERSHIP, AND THE PERSONS WHO EXECUTED THE FOREGOING INSTRUMENT ON BEHALF OF SAID CORPORATION IN ITS CAPACITY AS THE GENERAL PARTNER OF SAID LIMITED PARTNERSHIP AND ACKNOWLEDGED TO ME THAT SAID CORPORATION EXECUTED THE SAME IN SAID PARTNERSHIP NAME.

Marla G. Mink

NOTARY PUBLIC
RESIDING AT BELLEVUE, ID
COMMISSION EXPIRES: 12/1/94



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
TRANSFER ANALYSIS SHEET

INITIAL REVIEW BY: J. P. Stanton

1. Right number 37-4139 Applicant Humboldt Investment Co.
2. Type of right: ☐ Decree ☐ License ☒ Claim
3. Purpose of transfer: ☐ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
☒ Other change nature of use
4. Check:
 - a. ☒ Source ☒ Priority ☒ Amount ☒ Purpose ☒ Period of use
 - b. ☒ Description of original point of diversion.
 - c. ☒ Description of original place of use.
5. Amount of land &/or water transferred:
 - a. ☒ All of right.
 - b. ☐ Part of right (NOTE! Part B should be filled in only if part of the right is owned by the applicant).
 - c. ☒ Check description of point(s) of diversion.
 - d. ☒ Check description of place of use.
 - e. ☒ Check map (shows p.d. and p.u. after transfer).
 - f. ☒ Check for correct signature, notarization, and fee.
 - g. ☒ Check proof of ownership of right &/or land from which water is transferred.
 - h. ☒ Check for expansion in use of right. Comments no expansion
 - i. ☒ Check for existing water rights from same source, on land water is being transferred to.
Right number(s) 37-0548, 37-4138 (irrigation)
 - j. ☒ Is use within a Watermaster District? ☒ Yes ☐ No
If yes, what district? 37

FINAL PROCESSING REVIEW BY: ADM

1. Watermaster recommendation requested on 11/5/86 Received on 11/12/86
2. Is transfer published correctly? ☒ Yes ☐ No
3. Protest received? ☐ Yes ☒ No

RECOMMENDED ACTION

1. ☒ Approve
2. ☐ Deny
3. Conditions* OIE, OS, 27
Approval of this transfer in no way validates right claimed.
4. By ADM Date 12/11/86

Jim use ABOVE CONDITIONS
* All uses within Watermaster Districts require special conditions.

RECEIVED

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RECEIVED

RECEIVED

APPLICATION FOR TRANSFER OF WATER RIGHT

NOV 12 1986

NO. 37-4139

RECOMMENDATION OF WATERMASTER

Department of Water Resources
Southern Region Office

ft

I, Reid J Newby, watermaster of Big Wood River,
o. Water District No. 37, County of Blaine, State of Idaho,
whose address is Box T Shoshone, Idaho 83352
have read the attached copy of the application for transfer of water right for _____
Humboldt Investment Co., and to the best of my knowledge believe the
(name)
application to be true.

A. I hereby endorse the above numbered Application for Transfer and recommend
that the Director of the Department of Water Resources approve the transfer subject to
the following conditions: None

OR

B. I do not endorse approval of the above numbered Application for Transfer as re-
quested for the following reasons: _____

Dated at Shoshone, Idaho, this 10th day of November 1986.

Reid J Newby
(signature)

RECEIVED

MAR 06 1987

Please use reverse side if needed.

NOTICE OF PROPOSED CHANGE OF WATER RIGHT

NO. 37-4139

Notice is hereby given that Humboldt Investment Co., a partnership, c/o James P. Speck, Attorney at Law of Ketchum, ID has applied to the Department of Water Resources for a change of nature of use of the waters of Warm Springs tributary to Big Wood River.

The right sought to be changed is evidenced by Claim No. 37-4139 and is recorded as follows:

Amount: 0.5 cfs &/or 297.56 afa

Priority: 1926

Point of Diversion: NWSE, Sec. 18, T2N, R18E., B.M., Blaine County.

The water is used for heating and recreation within Block 23, Hailey Townsite (NESE), Sec. 9, T2N, R18E. (Old Hiawatha Hotel).

TO BE CHANGED AS FOLLOWS

Amount: 0.5 cfs & 3.0 afa

Point of Diversion: No change

The water will be used for recreation and fish propagation within E1/2SE1/4, Sec. 18, T2N, R18E. (2 1/4 miles SW of Hailey).

Any protest against approval of the proposed change of water right application must be filed with the Department of Water Resources on or before December 8, 1986.

A. KENNETH DUNN
Director

Published in Wood River Journal on 11/20 & 11/27²⁶/86.

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MAR 06 1987

**NOTICE OF
PROPOSED CHANGE
OF WATER RIGHT**

NO. 37-4128

Notice is hereby given that Humboldt Investment Co., a partnership, c/o James P. S. Attorney at Law of Ketchikan, is applying to the Department of Water Resources for a change of the nature of the water right of Warm Springs tributary to the Wood River.

The right sought to be established is evidenced by Claim No. 37-4128 and is described as follows:

Amount: 0.5 cfs @ 1200 ft. elevation

Priority: 1920

Point of Diversion: NW 1/4, Sec. 18, T2N, R18E, B. Co., Blaine County.

The water is used for irrigating and recreation within Blaine County, Townsite, (NESE) Sec. 18, T2N, R18E (Old Hialeah Reservoir).

TO BE CHANGED AS FOLLOWS:

Amount: 0.5 cfs @ 1300 ft. elevation

Point of Diversion: No change

The water will be used for recreation and fish propagation within E1/2SE1/4, Sec. 18, T2N, R18E (2 1/4 miles SW of Hailey).

Any protest against approval of the proposed change of water right application must be filed with the Department of Water Resources on or before **DECEMBER 8, 1986**.

A. KENNETH DUNN
Director

Publish: Wood River Journal—
November 20 & 26, 1986

RECEIVED

NOV 10 1986

OK
MB
11/10/86

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MAR 06 1987



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
SOUTHERN REGION

John V. Evans
Governor

A. Kenneth Dunn
Director

1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301
(208) 734-3578

November 5, 1986

Wood River Journal
P.O. Box 988
Hailey, ID 83333

Re: Transfer No. 37-4139

Gentlemen:

Enclosed you will find a legal notice which we wish to have published once a week for two consecutive weekly issues of your newspaper. We have inserted the publication dates allowing ample time for you to submit us a galley proof for review before publication.

After sending us a galley proof, proceed with the publication on the dates we have inserted, assuming the notice is correct. If we have any corrections, we will notify you before the first publication. If you cannot publish the notice on the proposed dates, please contact us immediately.

In order to receive payment, an affidavit of publication must be submitted to the Department along with the publication bill.

Very truly yours,

Mary A. Baldwin
Sec/Office Coord.

Encl:

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MAR 06 1987



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
SOUTHERN REGION

John V. Evans
Governor

A. Kenneth Dunn
Director

1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301
(208) 734-3578

November 5, 1986

Humboldt Investment Co.
c/o James P. Speck, Esquire
P.O. Box 987
Ketchum, ID 83340

Re: Application for Transfer No. 37-4139

Gentlemen:

The Department of Water Resources acknowledges receipt of your Application for Transfer.

This office will be advertising the application in the Wood River Journal on 11/20 & 11/27/86. The advertisement will be published for two weeks, and a period of ten days following the second publication will be allowed for the submittal of protests.

If the application is protested, you will be sent a copy of the protest. The protest must be resolved before the application is approved or denied. If the protest is not resolved voluntarily, this Department will conduct a conference and/or hearing on the matter.

If the application is not protested, it 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 application 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.

Enclosed please find your receipt no. 38766 for the amount of \$50.00.

Please feel free to contact this office if you have any questions regarding this procedure.

Very truly yours,

Loren O. Holmes
Loren O. Holmes, P. E.
Southern Region Supervisor

LOH:mb

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MAR 06 1987



STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

SOUTHERN REGION

John V. Evans
Governor

A. Kenneth Dunn
Director

1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301
(208) 734-3578

November 5, 1986

Reid J. Newby
Watermaster, #37
Box 1
Shoshone, ID 83352

Re: Application for Transfer of Water Right

Dear Mr. Newby:

Enclosed is a copy of an Application for Transfer of a Water Right within your District, and Watermaster's Recommendation Form.

Section 42-222 of the IDAHO CODE requires that the watermaster must be advised of proposed changes in water rights in the water district and must notify the Department of his recommendation on the application.

Please complete the enclosed recommendation form and return it to this office.

Processing of the application can be completed in 20 days, so your prompt response to this request will be appreciated.

If you have any questions about the application, please contact this office or the applicant.

Very truly yours,

LOREN O. HOLMES
Southern Region Supervisor

LOH:MB

Encl:

MICROFILMED

MAR 06 1987

HOGUE, SPECK & AANESTAD

A PROFESSIONAL ASSOCIATION

OF

ATTORNEYS

120 EAST AVENUE

POST OFFICE BOX 987

KETCHUM, IDAHO 83340

(208) 726-4421

TERRY G. HOGUE

JAMES P. SPECK

DOUGLAS J. AANESTAD

J. STEPHEN CRABTREE

HAILEY OFFICE:

16 WEST CROY STREET

SUITE K

POST OFFICE BOX 460

HAILEY, IDAHO 83333

(208) 788-3567

November 3, 1986

RECEIVED

NOV 4 1986

Mr. Jim Stanton
Department of Water Resources
1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301

Department of Water Resources
Southern Region Office

Re: Humboldt Investment Co. - Application for Transfer
of Claim No. 37-4139

Dear Jim:

At your request I am enclosing copies the following documents for the above-referenced transfer application:

1. Tax Notices;
2. Real Estate Purchase Agreement;
3. Agreement;
4. Lease; and
5. October 8, 1986, letter from Jim W. Koonce, professional engineer.

I have highlighted on the first page of the Tax Notices the land owned by my client where the Hailey hot springs and reservoir are located. I hope this is adequate proof of ownership of the lands for the new place of use.

The Real Estate Purchase Agreement, Agreement and Lease are provided to document the former use of the hot water. The Agreement states the obligation by McCulloch Properties, Inc. to provide Merritt D. Hill with sufficient hot water from the Hailey hot springs to meet the terms of the Lease. The Real Estate Purchase Agreement is the document wherein my client purchased land on which Hailey hot springs is located from McCulloch Properties, Inc. This purchase included all appurtenant water rights. The Agreement merely provides that McCulloch (and subsequently Humboldt) is required to provide water from the Hailey

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MAR 06 1987

Mr. Jim Stanton
November 3, 1986
Page 2

hot springs to Hill for as long as Hill or the Hiawatha Hotel Corporation are obligated under the Lease and option pursuant to the Lease. This obligation ceased when the hotel burned down and the Lease went into default for failure to continue to make the \$200 per month payments.

You have also asked me to compute the annual volume of water diverted under the historical use. Using 0.5 cfs from October 1 through April 14 and 0.3 cfs from April 15 through September 30 I arrive at a total annual volume of 297.56 acre feet.

Please call me if you need any further information or have any additional questions concerning this Application for Transfer. Thank you.

Sincerely yours,

HOGUE, SPECK & AANESTAD


James P. Speck

JPS/pjn

Enclosures

cc: Humboldt Investment Co.

RECEIVED

MAR 06 1987

HOGUE, SPECK & AANESTAD

A PROFESSIONAL ASSOCIATION

OF

ATTORNEYS

120 EAST AVENUE

POST OFFICE BOX 987

KETCHUM, IDAHO 83340

(208) 726-4421

HAILEY OFFICE:

16 WEST CROY STREET

SUITE K

POST OFFICE BOX 460

HAILEY, IDAHO 83333

(208) 788-3567

TERRY G. HOGUE

JAMES P. SPECK

DOUGLAS J. AANESTAD

J. STEPHEN CRABTREE

RECEIVED

OCT 15 1986

Department of Water Resources
Southern Region Office

October 13, 1986

Department of Water Resources
1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301

Attention: Jim Stanton

Re: Humboldt Investment Co. - Application for Transfer
of Claim No. 37-4139

Dear Jim:

Enclosed you will find the above-referenced Application for Transfer of Water Right together with our firm's check for \$50 as the filing fee. Please call me if you have any questions concerning this application. Thank you.

Sincerely yours,

HOGUE, SPECK & AANESTAD

Jim

James P. Speck

JPS/pjn

Enclosure

cc: Humboldt Investment Co.

MICROFILMED

MAR 06 1987

October 8, 1986

Jim Speck, Attorney at Law
Hogue, Speck & Aanestad
P.O. Box 987
Ketchum, ID 83340

Re: Democrat Gulch Reservoir

Dear Jim:

According to our survey data the above referenced reservoir located within section 18, T.2N., R.18E., B.M., contained approximately 2 acre feet of water on October 1, 1986.

This could be expanded by dredging to accomodate approximately 150% of the present capacity.

If you need additional information please let me know.

Respectfully,



Jim W. Koonce, P.E.

JWK:kb

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MAR 06 1987

CONSOLIDATED TAX NOTICE AND RECEIPT
BLAINE COUNTY TAX COLLECTOR
HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
2.182	8-00	RP02N180072560A	13825
2.182L			

LOT 4, SESW, SEC 7
2N 18E

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	3.92	TAX 15.34
RECREATION	.000126	.28	PEN
SCHOOL DIST #61	.003447	7.52	SUB TOT
SCHOOL OVERRIDE	.001509	3.30	INT
HAILEY CEM	.000144	.32	TOT
			1ST INSTALLMENT
			TAX 7.67
			PEN
			SUB TOT
			INT
			TOT
			2ND INSTALLMENT
			TAX 7.67
			PEN
			SUB TOT
			INT
			TOT
TOTAL	.007019	15.34	

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

MICROFILMED

MAR 06 1987

CONSOLIDATED TAX NOTICE AND RECEIPT
BLAINE COUNTY TAX COLLECTOR
HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
64,261	85-00	RP02N180173560A	13917
45,999L			

19,2621 FR LOT 4 TL 2589, N1/2SW,
SEC 17

NW,SWNE,FR NESW TL 1190

FR NWSE TL 1191, S1/2SW, NESE

FR SESE TL 1016, S1/2SW, SWSE

SEC 18 2N 18E

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	115.22	TAX 491.18
RECREATION	.000126	8.10	PEN
SCHOOL DIST #61	.003447	221.52	SUB TOT
SCHOOL OVERRIDE	.001509	96.98	INT
HAILEY CEM	.000144	9.26	TOT
RURAL FIRE	.000624	40.10	1ST INSTALLMENT
			TAX 245.59
			PEN
			SUB TOT
			INT
			TOT
			2ND INSTALLMENT
			TAX 245.59
			PEN
			SUB TOT
			INT
			TOT
TOTAL	.007643	491.18	

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

592.390

VALLEY BANK
X HUMBOLOTT INVESTMENT CO
3500 LAKESIDE COURT
SUITE 125
RENO, NV 89509

DEINQUENT CERT

CONSOLIDATED TAX NOTICE AND RECEIPT

BLAINE COUNTY TAX COLLECTOR

HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
8.320	8-00	RP02N17011223AA	13763
8.320L			

S1/2, SEC 11
2N 17E

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	14.92	TAX 58.42
RECREATION	.000126	1.06	PEN.
SCHOOL DIST #61	.003447	28.68	SUB TOT.
SCHOOL OVERRIDE	.001509	12.56	INT.
HAILEY CEM	.000144	1.20	TOT.
			1ST INSTALLMENT
			TAX 29.21
			PEN.
			SUB TOT.
			INT.
			TOT.
			2ND INSTALLMENT
			TAX 29.21
			PEN.
			SUB TOT.
			INT.
			TOT.
TOTAL	.007019	58.42	

320.000 VALLEY BANK

~~127 HUMBOLDT INVESTMENT CO~~

3500 LAKESIDE COURT
SUITE 125
RENO, NV 89509

PAID JUN 9 1985

CK1470 HIC
373.61

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

PAID DEC 9 1985
CK1280 HIC 373.61

CONSOLIDATED TAX NOTICE AND RECEIPT

BLAINE COUNTY TAX COLLECTOR

HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
14.560	85-00	RP02N170132230A	13765
14.560L			

E1/2SE, N1/2NE, N1/2NW, SEC 13
N1/2, SEC 14
2N 17E

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	26.12	TAX 111.34
RECREATION	.000126	1.84	PEN.
SCHOOL DIST #61	.003447	50.20	SUB TOT.
SCHOOL OVERRIDE	.001509	21.98	INT.
HAILEY CEM	.000144	2.10	TOT.
RURAL FIRE	.000624	9.10	1ST INSTALLMENT
			TAX 55.67
			PEN.
			SUB TOT.
			INT.
			TOT.
			2ND INSTALLMENT
			TAX 55.67
			PEN.
			SUB TOT.
			INT.
			TOT.
TOTAL	.007643	111.34	

560.000 VALLEY BANK

X HUMBOLDT INVESTMENT CO

3500 LAKESIDE COURT
SUITE 125
RENO, NV 89509

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

RECEIVED

MAR 06 1987

CONSOLIDATED TAX NOTICE AND RECEIPT
BLAINE COUNTY TAX COLLECTOR
HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
1.750	85-00	RP02N13018356AA	13918
1.750L			
FR NESW & NWSE TL 1189, SEC 18 2N 18E			

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	3.14	TAX 13.40
RECREATION	.000126	.22	PEN
SCHOOL DIST #61	.003447	6.04	SUB TOT.
SCHOOL OVERRIDE	.001509	2.64	INT.
HAILEY CEM	.000144	.26	TOT.
RURAL FIRE	.000624	1.10	1ST INSTALLMENT
			TAX 6.70
			PEN
			SUB TOT.
			INT.
			TOT.
			2ND INSTALLMENT
			TAX 6.70
			PEN
			SUB TOT.
			INT.
			TOT.
TOTAL	.007643	13.40	

5.000 VALLEY BANK
% HUMBOLOT INVESTMENT CO
3500 LAKESIDE COURT
SUITE 125
RENO, NV 89509

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

MICROFILMED

MAR 06 1987

CONSOLIDATED TAX NOTICE AND RECEIPT
BLAINE COUNTY TAX COLLECTOR
HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
1.146	85-00	RP02N180183570A	13919
1.146L			
LOT 3, SEC 18 2N 18E			

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	2.06	TAX 8.80
RECREATION	.000126	.14	PEN
SCHOOL DIST #61	.003447	3.96	SUB TOT.
SCHOOL OVERRIDE	.001509	1.74	INT.
HAILEY CEM	.000144	.18	TOT.
RURAL FIRE	.000624	.72	1ST INSTALLMENT
			TAX 4.40
			PEN
			SUB TOT.
			INT.
			TOT.
			2ND INSTALLMENT
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			TOT.
TOTAL	.007643	8.80	

44.060 VALLEY BANK
% HUMBOLOT INVESTMENT CO
3500 LAKESIDE COURT
SUITE 125
RENO, NV 89509

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

CONSOLIDATED TAX NOTICE AND RECEIPT
BLAINE COUNTY TAX COLLECTOR
HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
5.080	8-00	RP1M0000000850A	14865
5.080L			
IDAHO DEMOCRAT. MARQUIS, VERMONT IDAHO REPUBLICAN CON SUR 1342, BELMONT, GLADYS B. DEWEY, MC KINLEY, SPANISH, SEE BEE CON SUR 2747, SEC 3 2N 18E			
195.367		MC CULLOCH PROP INC % HUMBOLDT INVESTMENT CO 3500 LAKESIDE COURT SUITE 125 RENO, NV 89509	

TAXING DISTRICT	RATE	AMOUNT	FULL PAYMENT
STATE			TAX 43.20
COUNTY	.001793	9.12	PEN.
RECREATION	.000126	.64	SUB TOT.
SCHOOL DIST #61	.003447	17.52	INT.
SCHOOL OVERRIDE	.001509	7.68	TOT.
HAILEY CEM	.000144	.74	1ST INSTALLMENT
			TAX 21.60
			PEN.
			SUB TOT.
			INT.
FOREST PROTECT.		7.50	TOT.
			2ND INSTALLMENT
			TAX 21.60
			PEN.
			SUB TOT.
			INT.
TOTAL	.007019	43.20	TOT.

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

CONSOLIDATED TAX NOTICE AND RECEIPT
BLAINE COUNTY TAX COLLECTOR
HAILEY, IDAHO 83333

1985

REAL PROPERTY

MARKET VALUE	TAX CODE AREA	PARCEL NUMBER	BILL NUMBER
804	5-00	RP1M0000000860A	14866
804L			
VETERAN (1/2 INT) JUMBO, SEC 1 1N 16E			
30.923		MC CULLOCH PROP INC % HUMBOLDT INVESTMENT CO 3500 LAKESIDE COURT SUITE 125 RENO, NV 89509	

TAXING DISTRICT	RATE	AMOUNT	RECEIPT
STATE			FULL PAYMENT
COUNTY	.001793	1.44	TAX 5.54
RECREATION	.000126	.10	PEN.
SCHOOL DIST #61	.003447	2.78	SUB TOT.
SCHOOL OVERRIDE	.001509	1.22	INT.
			TOT.
			1ST INSTALLMENT
			TAX 2.77
			PEN.
			SUB TOT.
			INT.
			TOT.
			2ND INSTALLMENT
			TAX 2.77
			PEN.
			SUB TOT.
			INT.
TOTAL	.006875	5.54	TOT.

YOUR CANCELLED CHECK IS YOUR RECEIPT
PLEASE RETURN TAX STUBS WITH YOUR PAYMENT

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REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of July, 1977, by and between McCULLOCH PROPERTIES, INC., a Delaware corporation, with principal offices at 16th East Palisades Boulevard, Fountain Hills, Arizona 85268 (hereinafter referred to as "SELLER") and HUMBOLDT INVESTMENT CO., a Nevada partnership (including B. Fountain a licensed real estate broker buying on his own behalf), with principal offices at Route No. 1, Box 349, Fernley, Nevada 89408 (hereinafter referred to as "BUYER").

WITNESSETH:

WHEREAS, SELLER is the owner of certain parcels of real property approximately 1793.23 acres in size located in the County of Blaine, State of Idaho commonly known and described as Democrat Gulch; and

WHEREAS, SELLER is desirous of selling said real property; and

WHEREAS, BUYER is desirous of purchasing said real property for the purposes of utilizing same as a commercial farming and/or ranching facility;

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) in hand paid by each of the parties to the other, and in consideration of the mutual covenants herein contained together with other good and valuable considerations, the receipt of which are hereby acknowledged, SELLER and BUYER hereby agree as follows:

1. PREMISES

BUYER hereby agrees to purchase from SELLER and SELLER agrees to sell to BUYER, for the amounts and upon the terms and conditions herein set forth, all that certain real property together with the improvements situated thereon, lying and being in the County of Blaine, State of Idaho, commonly known and described as Democrat Gulch, all as more particularly described on that preliminary title report attached hereto as Exhibit "A" and incorporated herein by this reference (such real property and improvements being hereinafter collectively referred to as the "Premises.")

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Handwritten:
Humboldt
July 16
agreement
done on 7/16
McCulloch & Dwyer

NO. 175571

II. EXCEPTIONS AND RESERVATIONS

It is agreed that the Premises are being sold subject to:

- a. Taxes and assessments which are to be prorated between the parties as of the date of the close of escrow.
- b. All conditions, covenants, easements and rights of way of record.
- c. Any and all existing zoning ordinances.
- d. Buyer's specific acknowledgement and agreement that Seller makes no warranties or representations, expressed or implied, concerning the fitness of the premises for any intended usage, specifically including but not necessarily limited to the fitness or suitability of the subject premises for any residential development purposes.
- e. An exception of all those certain mineral and mining rights described as follows:

Reservation of all mineral rights in Deed from the State of Idaho to David Ayarra and Pete Elia, dated September 15, 1955, recorded September 26, 1955 in Book 166 of Deeds, page 453, records of Blaine County, Idaho, covering Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 7, Lot 1, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and Lot 5 of Section 18; N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 17, all in Township 2 North, Range 18 E., B.M., Blaine County, Idaho

Reservation in United States Patent to David Ayarra, dated August 10, 1953, recorded July 26, 1968 as Instrument No. 130328, records of Blaine County, Idaho, reciting: "Reserving to the United States, pursuant to the provisions of the Act of August 1, 1946, (60 Stat. 755), all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same."

III. TRUSTEE

The legal title to the Premises is held by Valley Bank, an Idaho Corporation (hereinafter referred to as "TRUSTEE") as trustee for SELLER. The address of TRUSTEE is Country Club Shopping Center, Idaho Falls, Idaho 83401.

IV. PURCHASE PRICE

BUYER agrees to pay SELLER for the subject Premises for sale herein a total purchase price of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00). BUYER agrees to pay said purchase price as follows:

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MAR 06 1987

a. Forty-five Thousand Dollars (\$45,000.00) on or before the close of escrow.

b. The remaining balance of Two Hundred Fifty-five Thousand Dollars (\$255,000.00) with interest thereon at eight per cent (8%) per annum in ten (10) annual installments as follows: two (2) annual installment payments of interest only in the amount of Twenty Thousand Four Hundred Dollars (\$20,400.00) on August 1, 1978 and August 1, 1979; seven (7) equal annual installment payments of Thirty-five Thousand Dollars (\$35,000.00) payable on the first calendar day of August of each and every consecutive calendar year commencing August 1, 1980; and a final annual installment payment on August 1, 1987 equal to the entire principal balance then remaining unpaid, together with accrued interest thereon.

If the BUYER is not in default of any of the terms, covenants or conditions of this agreement, the BUYER shall have the privilege to prepay the whole or part of the unpaid indebtedness then outstanding at any time after August 1, 1980 upon not less than sixty (60) calendar days prior written notice to SELLER.

V. PAY OFF DEED AND TITLE INSURANCE

Upon full payment of the purchase price by BUYER in accordance with the terms hereof and BUYER'S full compliance with all other terms and conditions contained herein, SELLER agrees that it will instruct TRUSTEE to deliver to BUYER a Warranty Deed, in the form customarily used by the TRUSTEE, conveying the subject Premises free of any encumbrances except as herein referred to and excepting any encumbrances created or suffered by BUYER.

The parties hereto specifically understand and agree that notwithstanding the date upon which the subject premises may actually be conveyed by TRUSTEE to BUYER, SELLER has provided for the issuance and delivery to BUYER of a purchaser's policy of title insurance in the amount of the purchase price. In this regard, the parties specifically understand and agree that neither SELLER nor TRUSTEE shall be under any further obligation or duty to provide for the issuance or delivery of any further policy of title insurance upon the actual conveyance of the subject property.

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VI. TAXES AND ASSESSMENTS

Taxes, assessments, and governmental charges pertaining to the Premises shall be prorated between the parties as of the date of the close of escrow. BUYER shall promptly pay all general and special taxes, levies, charges, and all assessments of every nature levied, assessed, or accruing on the Premises after the date of the close of escrow. In the event BUYER shall fail or refuse to promptly pay and discharge any of said taxes, levies, charges or assessments before delinquency, the same shall constitute a default hereunder, and in addition to but in no manner in limitation of any other remedies which may be available to SELLER hereunder, SELLER may elect, without notice, to pay the same whereupon the amount so advanced by SELLER, together with interest thereon at ten percent (10%) per annum or the maximum interest rate allowable under the laws of the State of Idaho, whichever is less, from the date advanced until repaid, shall be due forthwith from BUYER to SELLER.

VII. LIENS AND ENCUMBRANCES

BUYER hereby agrees that during the term of this Agreement it will not permit the subject Premises under sale herein to become subject to any lien or encumbrance other than those specifically approved by SELLER in writing. In the event any such lien or encumbrance does arise against the Premises that was not specifically approved by SELLER in writing, BUYER agrees to immediately discharge the same.

VIII. DESTRUCTION OF PREMISES

Destruction of, or damage to, any building or other improvement now or hereafter placed on the Premises whether from fire or any other cause, shall not release BUYER from any of its obligations under this Agreement; it being expressly understood and agreed that BUYER bears all risk of loss to, or damage of, said Premises.

IX. INSURANCE

During the term of this Agreement, BUYER shall place and maintain, at its own cost and expense, public liability insurance and keep the Premises, including any improvements presently existing or to be erected on the Premises, insured from loss arising from fire, vandalism, storm or other similar catastrophes. SELLER shall be named as an additional named insured party on all insurance policies and the insurance carrier, the amount and type of policy

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shall all be subject to the reasonable approval of SELLER. Upon request, BUYER shall deposit with SELLER certificates of insurance evidencing such coverage.

X. MECHANIC'S LIENS

BUYER shall indemnify and hold SELLER, including SELLER'S and TRUSTEE'S interests in the Premises, free and harmless from liability for any and all mechanic's and or materialman's liens or other expense or damages resulting from the construction or alteration of any improvements, structures or other work placed or performed upon the Premises by BUYER or at BUYER'S direction.

XI. PERSONAL INJURIES

BUYER shall indemnify and hold SELLER free and harmless from any and all demands, loss or liability resulting from the injury to or death of any person or persons because of the negligence of BUYER or the condition of the Premises at any time or times after the date possession of the Premises is delivered to BUYER.

XII. POSSESSION OF PREMISES

BUYER shall be entitled to enter into possession of the Premises upon the close of escrow and to continue in possession thereof as long as BUYER is not in default in the performance of this Agreement. BUYER shall maintain the Premises and all improvements thereon in good repair, shall permit no waste thereof, and shall take the same care thereof that a prudent owner would take.

For the purposes of construing any part, portion, article or clause of this Agreement, the date of BUYER'S entry into possession of the Premises shall be deemed to be the date of the close of escrow.

XIII. DEFAULT

In the event BUYER shall fail to make any payment when due or to timely perform any other covenant or condition hereof or should the BUYER suffer or permit the filing of any liens or encumbrances against the Premises without the prior specific consent of SELLER, SELLER, without limiting any right or remedy it may have at law or in equity, may (a) obtain specific performance of this Agreement, or (b) terminate all of BUYER'S rights hereunder. Termination by SELLER shall be subject to the expiration of a default period of thirty (30) calendar days and a forfeiture period of thirty (30) calendar days for a total of sixty (60) calendar days pursuant to written notice of default and forfei-

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ture mailed to BUYER in accordance with Article XVIII hereof. BUYER agrees upon such termination to forfeit to SELLER as liquidated damages all payments made hereunder, and all right title and interest of BUYER in and to the Premises, together with any improvements made thereto, and forthwith surrender to SELLER peaceable possession of the Premises. TRUSTEE is hereby authorized by BUYER to prepare and file an Affidavit of Completion of Forfeiture, or other similar document, after forfeiture is complete, if deemed necessary by TRUSTEE.

XIV. RELEASE PRICE

BUYER, when not in default under any of the terms of this Agreement, shall be entitled to obtain releases (or deed out from TRUSTEE in fee) of portions of the subject Premises per the following schedule of release prices:

- a. Five Hundred Dollars (\$500.00) per acre, or any portion thereof, for that certain portion of the Premises described in Parcel A, as reflected on Exhibit "B", attached hereto and incorporated herein by this reference, which contains approximately 1117.06 acres
- b. One Thousand Two Hundred (\$1,200.00) per acre, or any portion thereof, for that certain portion of the Premises described in Parcel B, as reflected on Exhibit "C", attached hereto and incorporated herein by this reference, which contains approximately 676.17 acres.

In this regard, BUYER understands and agrees that all requests for releases of portions of the subject Premises must be made in increments of not less than five (5) contiguous acres and all costs and expenses incurred in the preparation of legal descriptions accompanying any requests by BUYER for the release of any portions of the subject Premises shall be the sole and exclusive responsibility of BUYER.

Notwithstanding the foregoing schedule of release prices, the parties agree that BUYER shall initially be entitled to a release of twenty (20) acres of the subject Premises for the Forty-five Thousand Dollars (\$45,000.00) downpayment paid to SELLER upon close of escrow. Said initial release of twenty (20) acres must be made in a single square contiguous parcel of BUYER'S selection as specified by written notice to SELLER. It is the specific understanding and agreement of the parties that SELLER shall have a reasonable period of time, but in no event less than fourteen (14) calendar days, following re-

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MAR 06 1987

ceipt of BUYER'S written notice of its selection for the initial release of property in which to effect said initial release.

All principal payments made on said purchase price pursuant to Article IV b of this Agreement shall apply against or accrue toward releases of portions of the subject Premises in accordance with the schedule of release prices set forth above. Notwithstanding anything hereinbefore contained to the contrary, it is the specific understanding and agreement of the parties that during the initial three (3) calendar years next following the date of the close of escrow, release prices paid to SELLER shall in no event equal or exceed the total purchase price of the Premises as set forth in Article IV of this Agreement.

All payments made by BUYER for the purpose of obtaining releases of portions of the subject Premises in accordance with the schedule of release prices set forth above and not constituting regular principle payments on the purchase price pursuant to the terms of Article IV b hereof shall be applied against the principle payments last due under the provisions of Article IV and shall in no manner otherwise effect or diminish the scheduled payments of principle and interest as set forth in said Article IV.

XV. CLOSING AGENT

In order to facilitate the transaction contemplated herein, the parties do hereby designate and appoint Sawtooth Title Company of P.O. Box 256, Ketchum, Idaho, 83340 as closing agent for the transaction represented by this Agreement. Unless otherwise specifically provided in this Agreement, the parties hereto shall each pay one-half of said closing agent's fees.

XVI. GRAZING RIGHTS

The parties hereto expressly recognize and agree that the subject Premises may be the designated base property for certain Bureau of Land Management (BLM) grazing rights representing one hundred forty (140) animal unit months (AUM) of which Ninety-three (93) are active and the same are specifically excluded from the sale of the subject Premises herein contemplated.

Notwithstanding the foregoing, SELLER does hereby agree to use reasonable efforts, as determined in the sole and exclusive discretion of SELLER,

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, INC.

Neither this Agreement nor any interest therein, shall be assigned by BUYER, either voluntarily, involuntarily, by operation of law, or otherwise, without the written consent of SELLER.

Time is expressly declared to be the essence of this Agreement.

The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or another provision of this Agreement.

The relationship of SELLER and BUYER is that of two independent business men dealing at arms length, and is not an agency, partnership, joint venture or any other form of joint enterprise.

This Agreement shall be governed by the laws of the State of Idaho.

The various titles of articles herein shall not be used for interpreting or construing any word, clause, article, part or portion of this Agreement, but are used solely for convenience.

(a) This Agreement may be executed simultaneously in more than one counterpart each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, which shall inure to the benefit of, and be binding upon, the heirs, administrators, successors and assigns of each of the parties hereto.

(b) All words used herein in the singular number shall extend to and include the plural. All words used in the plural number shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

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MAR 06 1987

to obtain and convey to BUYER without further consideration or compensation said BLM grazing rights for which the Premises may be the designated base property. In the event SELLER fails to obtain and convey said BLM grazing rights to BUYER on or before May 1, 1978, SELLER does hereby agree to reimburse BUYER for the reasonable costs incurred but in no event to exceed a maximum aggregate total sum of Five Thousand Five Hundred (\$5,500.00) Dollars for the construction of a standard three strand barbed wire fence upon portions of the subject Premises designed to prevent the trespass of cattle on the afore-mentioned BLM grazing rights allotment.

In order to implement the purposes of this Article XVI, SELLER does hereby agree to deposit into escrow with Closing Agent the full sum of Five Thousand Five Hundred Dollars (\$5,500.00). Said sum to be disbursed to BUYER by Closing Agent upon receipt of written request for same from BUYER delivered subsequent to May 1, 1978, and accompanied by invoices substantiating the completion of said construction. In the event SELLER is successful in obtaining and conveying to BUYER the subject BLM grazing rights prior to May 1, 1978, BUYER agrees to promptly execute and deliver to Closing Agent such instructions or other documents as may be necessary to extinguish said escrow and disburse all funds then being held in said escrow to SELLER.

ARTICLE XVII. COSTS AND ATTORNEY FEES

In the event either SELLER or BUYER is required to institute any legal proceedings against the other to enforce its rights hereunder, the prevailing party shall be entitled to recover all costs and expenses incurred in such proceedings, including its attorneys fees.

All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed duly served and given when mailed by the United States mail, registered mail, return receipt requested, addressed to the parties at their respective addresses as herein provided. Either party may change their address by giving written notice of such change to the other party in the manner provided in this Article.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

SELLER:

MCCULLOCH PROPERTIES, INC.

ATTEST:

[Signature]

[Signature]
Charles T. Thompson
Senior Vice President

BUYER:

HUMBOLDT INVESTMENT CO.

ATTEST:

[Signature]
Partner

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Partner
[Signature] Atty in Fact
Partner

TRUSTEE:

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STATE OF ARIZONA

County of Maricopa

On this 5th day of August, 1977,
before me, a Notary public in and for said State, personally appeared Charles T. Thompson and

Senior, known to me to be the Vice President and Secretary 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.

Norma J. McVee

Notary Public for the State of Arizona,
Residing at Maricopa County

My Commission Expires Oct. 24, 1980

STATE OF IDAHO, COUNTY OF Blaine

On this 8th day of August, 1977,
before me, a notary public in and for said State, personally appeared

Devere E. Barker

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he has executed the same.

John A. Burke

Notary Public

Residing at Hailey, Idaho

Comm. Expires May 14, 1983

STATE OF IDAHO
County of Blaine

I, the undersigned, a Notary Public in and for the state of Idaho do hereby certify that on this 8th day of August, 1977, personally appeared before me Devere E. Barker, to me known to be the individual described in and who executed the within instrument as attorney in fact for his principal, Jack B. Fountain, and acknowledged to me that he signed and sealed the same as the free and voluntary act and deed of his said principal, for uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that his said principal is now living and is sane.

Given under my hand and official seal the day and year in this certificate first above written.

John A. Burke

Notary Public

Residing at Hailey, Idaho

My commission expires May 14, 1983

STATE OF IDAHO.

County of Bonneville.

On this 2nd day of July, 1977,
before me, a Notary public in and for said State, personally appeared Thomas B. Minow and

Sr., known to me to be the Vice President and Secretary 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.

James A. McVee
Notary Public for the State of Idaho,
Residing at Idaho Falls, Idaho.

My Comm. Exp. 3-18-78

RECORDED
MAR 20 1981

SAINTOOTH TITLE Insurance Corporation

1. On this 17th day of March, 1967, I, the undersigned, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Blaine, Idaho.

Case No. 3457

Amount \$

Amount \$

Amount \$ 300,000.00

2. A Standard Coverage Policy Form 74

3. Title to the fee simple estate or interest in the land described or referred to in the Commitment is of the effective date hereof vested in

VALLEY BANK

estate or interest in the land

MAR 06 1967

4. The land referred to in this Commitment is described as follows:

Township 2 North, Range 18, E., S.M., Blaine County, Idaho

Section 7: Lot 4, E1/4SW1/4

Section 17: Right: That portion of Lot 4 described as follows: COMMENCING at the point where the Hailley to Fairfield road intersects the Northeast corner of said Lot 4; running THENCE South along the East line of Lot 4 to the Southeast corner thereof; THENCE West along the South line of said Lot 4 to where the Hailley to Fairfield Road intersects that line; THENCE Easterly along the southerly side of the right-of-way of the said Hailley to Fairfield road to the Place of Beginning.

Section 18: Lots 1, 2, 4, and 5, E1/4NW1/4, SW1/4NW1/4, N1/4SE1/4, E1/4SW1/4 and SW1/4SE1/4

Copyrighted at Ketchum, Idaho

SANTOOTH TITLE CO., INC.

BY:

Schedule A—Page 1—No.

BA 781408

Authorized Officer or Agent

(over)

STTA CORP

STATE OF A
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On this before me, a Notary Public, personally appeared C
Senior Vice President of the Vice Insurance Corporation that executed the instrument acknowledged to me.
IN WITNESS and affirmed my office first day

By Commission Expires

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I, the undersigned, do hereby personally be the individual attorney in and for the same as uses and p attorney a and that h
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Section 2--Page 12A 791400

Lawyers Title Insurance Corporation

A STOCK COMPANY
Home Office—Richmond, Virginia

SCHEDULE B—Section 1

Requirements

The following are the requirements to be complied with:

Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to-wit:

(1) Warranty Deed from Valley Bank, an Idaho Corporation, conveying fee simple title to Humboldt Investment Co., a Nevada Partnership.

(c) Recordation of Partnership Agreement of Humboldt Investment Co., a Nevada Partnership.

(d) Release of the property described in Schedule A hereof from Mortgage from Merritt D. Hill and Charlotte S. Hill, husband and wife, to Pete Elia and Leonia Elia, husband and wife, and David Ayarra and Marie Ayarra, husband and wife, dated August 1, 1968, recorded August 7, 1968, as Instrument No. 130411, in the office of the County Recorder of Blaine County, Idaho.
TO SECURE: \$300,000.00.

(e) Release of the property described in Schedule A hereof from Lien of Mortgage from Merritt D. Hill, a married man, dealing with his sole and separate property, to Bank of the Commonwealth, dated October 30, 1972, recorded January 26, 1973, as Instrument No. 147835, records of Blaine County, Idaho.
TO SECURE: \$404,746.39.

(f) Cancellation and release of Mortgage from Merritt D. Hill, a single man, individually and as survivor of himself and Charlotte S. Hill, and Bank of the Commonwealth, a Michigan Banking Corporation, dated February 8, 1972, recorded February 10, 1972, as Instrument No. 138217, records of Blaine County, Idaho.
TO SECURE: \$819,375.00.

(G) CANCELLATION OF MORTGAGE

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MAR 06 1987

FOR INFORMATION PURPOSES ONLY

RE TAPE NO. 76 W/ 805.39

INSTRUMENT NO. 130411 6743 6744
6745 6746-01 6747, 82, 83

Schedule B—Section 1—Page 1 RA 791400

Lawyers Title Insurance Corporation

A STOCK COMPANY
Home Office—Richmond, Virginia

SCHEDULE B—Section 2 Exceptions

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or affecting subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

"Matters specified in the attached General Exceptions Rider for Binders or Commitments (Form 91-120)."

2. No liability is assumed for possible unfilled Mechanics' or Materialmen's liens.

3. The Taxes for 1977, a lien but not yet due and payable and the Taxes for all subsequent years.

4. Rights of way for Public Roads.

5. Power Line Easement from David Ayarra and Marie Ayarra, his wife, and Pete Elia and Leoni Elia, his wife, to Idaho Power Company, dated July 24, 1962, recorded August 17, 1962, in Book 176 of Deeds, page 418, records of Blaine County, Idaho, granting right of way and easement over and across the NW¹/₄, SW¹/₄, Section 18, Township 2 North, Range 18 E., S.M., Blaine County, Idaho.

6. Reservation of all mineral rights in Deed from State of Idaho to David Ayarra and Pete Elia, dated September 15, 1955, recorded September 26, 1955, in Book 166 of Deeds, page 453, records of Blaine County, Idaho, covering Lot 4, SE¹/₄, Section 7, Lot 1, E¹/₂, SW¹/₄, SW¹/₄, NE¹/₄, NW¹/₄, and Lot 3 of Section 18; NW¹/₄ of Section 17, all in Township 2 North, Range 18 E., S.M., Blaine County, Idaho.

7. Reservation in United States Patent to David Ayarra, dated August 18, 1953, recorded July 26, 1968, as Instrument No. 130328, records of Blaine County, Idaho, reciting: "Reserving to the United States, pursuant to the provisions of the Act of August 1, 1946, (40 Stat. 755), all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same."

NOTE: If policy is to be issued in support of a mortgage loan, attention is directed to the fact that the Company can assume no liability under its policy, the closing instructions, or insured Closing Service for compliance with the requirements of any consumer credit protection or truth in lending law in connection with said mortgage loan.

Schedule B—Section 2—Page 1; BA 791408

Law

The following are the requirements:

Item (a) Payment to or for the to be insured.

Item (b) Proper instrument(s) on to-wit:

(1) Warranty Deed conveying fee simple Nevada Partnership.

(c) Recordation Co., a Nevada Partnership.

(d) Release of E from Mortgage from I and wife, to Pete E. David Ayarra and Marie Ayarra, dated August 1963, recorded August office of the County TO SECURE: \$300,000

(e) Release of E from Lien of Mortgage with his sole and separate dated October 30, 19 147835, records of B TO SECURE: \$404,746

(f) Cancellation of a single man, individual S. Hill, and Bank of dated February 8, 197 138217, records of B1 TO SECURE: \$819,375.

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MAR 06 1987

THE INFORMATION FIRST
RECEIVED IN 76
INSTRUMENTS RECEIVED IN 76
6745, 6581-

- 11 -

Lot 3, Section 18, Township 2 North, Range 18 East, B.M.;
The South 1/2 (S $\frac{1}{2}$) of Section 11, East Half of the Southeast Quarter
(E $\frac{1}{2}$ S $\frac{1}{2}$), E. 1/2 Half of the Quarter (N $\frac{1}{2}$ W $\frac{1}{2}$) North Half of the
Northwest Quarter (N $\frac{1}{2}$ W $\frac{1}{2}$) of Section 13, and the North Half (N $\frac{1}{2}$) of
Section 14, all in Township 2 North, Range 17 East, Boise Meridian,
Blaine County, Idaho;

And the following described patented mining claims, to-wit:
Idaho Democrat, Marquise, Vermont, Idaho Republican and Belmont,
all Consolidated Survey No. 1342; Gladys B., Dewey, McKinley,
Spanish, See Bee, all Consolidated Survey No. 2755, and all situate
in the Mineral Hill Mining District of Blaine County, Idaho;

And an undivided one-half interest in and to the Veteran, Survey No.
1149, and Jumbo, Survey 1150, Patented Lode Mining Claims in Mineral
Hill Mining District.

The policy or policies
the Company;

1. Defects, liens, and
subsequent to the
interest or mortgage

"Matters special
binders or Co.

2. No liability
Materialmen's

3. The Taxes
the Taxes for

4. Rights of

5. Power Line
wife, and Pet
dated July 24,
page 410, record
and easement
2 North, Range

6. Reservation
to David Ayers
September 26,
County, Idaho,
N $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$,
Township 2 North

7. Reservation
August 10, 195
records of Blaine
States, pursuant
(60 Stat. 755),
or may be determined
of fissionable
with the right
representatives
mine and remove

NOTE: If policy is to be in
no liability under its policy
consumer credit protection

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MAR 06 1987

BA 781408

Lawyers Title Insurance Corporation

A STOCK COMPANY
Home Office--Richmond, Virginia

ATTACH TO AND MADE A PART OF
LAWYERS TITLE INSURANCE CORPORATION COMMITMENT NO. BA 781408

GENERAL EXCEPTIONS RIDER FOR COMMITMENTS FOR
STANDARD COVERAGE POLICY-1968 (LTIC Policy 74)

PART I

1. Taxes or assessments which are not shown as existing here by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any lease, right, interest, or claim which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easement, claim of easement or encumbrance which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, changes in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unrecorded mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof under right, claim or title to water.

Lot 3, Section
The South 1/4 (S
(E4SE4), M. Ch Ha
Northwest Quarter
Section 14, all in
Blaine County, Id

And the following
Idaho Democrat, M
all Consolidated
Spanish, See Bee,
in the Mineral Hi

And an undivided
1149, and Jumbo,
Hill Mining Distr.

PARCEL A

Being a portion of Section 18 of Township 2 North, Range 18 East; Sections 11, 13 and 14 of Township 2 North Range 17 East, Boise Meridian, Blaine County, State of Idaho, being more particularly described as follows:

SECTION 18, T. 2 N., R. 18 E.

Lot 3

SECTION 11, T. 2 N., R. 17 E.

South $\frac{1}{4}$; Excepting therefrom all that portion of the patented mining claim, Gladys B., situate in the Mineral Hill mining district of said Blaine County.

SECTION 13, T. 2 N., R. 17 E.

North $\frac{1}{4}$ Northwest $\frac{1}{4}$; North $\frac{1}{4}$ Northeast $\frac{1}{4}$; East $\frac{1}{4}$ Southeast $\frac{1}{4}$

SECTION 14, T. 2 N., R. 17 E.

North $\frac{1}{4}$

PATENTED MINING CLAIMS

The following described patented mining claims, to-wit:

Idaho Democrat, Marquise, Vermont, Idaho Republican and Belmont, all Consolidated Survey No. 1342; Gladys B., Duvoy, McKinley, Spanish, See Bee, All Consolidated Survey No. 2755, and all situate in the Mineral Hill Mining District of Blaine County, Idaho.

And an undivided $\frac{1}{4}$ interest in and to the Veteran, Survey No. 1149 and Junco, Survey 1150, Patented Lode Mining Claims in Mineral Hill Mining District.

RECORDED
MAR 06 1987

cast to:

DEMOCRAT GULCH · PROPERTY ·

PARCEL

Quick

15

01 2 2

10

10

PARCEL A

The - and - stamps of the following postpaid stamps:
 10c, 15c, 20c, 25c, 30c, 35c, 40c, 45c, 50c, 60c, 70c, 80c, 90c, 1.00, 1.25, 1.50, 2.00, 2.50, 3.00, 3.50, 4.00, 4.50, 5.00, 5.50, 6.00, 6.50, 7.00, 7.50, 8.00, 8.50, 9.00, 9.50, 10.00, 10.50, 11.00, 11.50, 12.00, 12.50, 13.00, 13.50, 14.00, 14.50, 15.00, 15.50, 16.00, 16.50, 17.00, 17.50, 18.00, 18.50, 19.00, 19.50, 20.00, 20.50, 21.00, 21.50, 22.00, 22.50, 23.00, 23.50, 24.00, 24.50, 25.00, 25.50, 26.00, 26.50, 27.00, 27.50, 28.00, 28.50, 29.00, 29.50, 30.00, 30.50, 31.00, 31.50, 32.00, 32.50, 33.00, 33.50, 34.00, 34.50, 35.00, 35.50, 36.00, 36.50, 37.00, 37.50, 38.00, 38.50, 39.00, 39.50, 40.00, 40.50, 41.00, 41.50, 42.00, 42.50, 43.00, 43.50, 44.00, 44.50, 45.00, 45.50, 46.00, 46.50, 47.00, 47.50, 48.00, 48.50, 49.00, 49.50, 50.00, 50.50, 51.00, 51.50, 52.00, 52.50, 53.00, 53.50, 54.00, 54.50, 55.00, 55.50, 56.00, 56.50, 57.00, 57.50, 58.00, 58.50, 59.00, 59.50, 60.00, 60.50, 61.00, 61.50, 62.00, 62.50, 63.00, 63.50, 64.00, 64.50, 65.00, 65.50, 66.00, 66.50, 67.00, 67.50, 68.00, 68.50, 69.00, 69.50, 70.00, 70.50, 71.00, 71.50, 72.00, 72.50, 73.00, 73.50, 74.00, 74.50, 75.00, 75.50, 76.00, 76.50, 77.00, 77.50, 78.00, 78.50, 79.00, 79.50, 80.00, 80.50, 81.00, 81.50, 82.00, 82.50, 83.00, 83.50, 84.00, 84.50, 85.00, 85.50, 86.00, 86.50, 87.00, 87.50, 88.00, 88.50, 89.00, 89.50, 90.00, 90.50, 91.00, 91.50, 92.00, 92.50, 93.00, 93.50, 94.00, 94.50, 95.00, 95.50, 96.00, 96.50, 97.00, 97.50, 98.00, 98.50, 99.00, 99.50, 100.00, 100.50, 101.00, 101.50, 102.00, 102.50, 103.00, 103.50, 104.00, 104.50, 105.00, 105.50, 106.00, 106.50, 107.00, 107.50, 108.00, 108.50, 109.00, 109.50, 110.00, 110.50, 111.00, 111.50, 112.00, 112.50, 113.00, 113.50, 114.00, 114.50, 115.00, 115.50, 116.00, 116.50, 117.00, 117.50, 118.00, 118.50, 119.00, 119.50, 120.00, 120.50, 121.00, 121.50, 122.00, 122.50, 123.00, 123.50, 124.00, 124.50, 125.00, 125.50, 126.00, 126.50, 127.00, 127.50, 128.00, 128.50, 129.00, 129.50, 130.00, 130.50, 131.00, 131.50, 132.00, 132.50, 133.00, 133.50, 134.00, 134.50, 135.00, 135.50, 136.00, 136.50, 137.00, 137.50, 138.00, 138.50, 139.00, 139.50, 140.00, 140.50, 141.00, 141.50, 142.00, 142.50, 143.00, 143.50, 144.00, 144.50, 145.00, 145.50, 146.00, 146.50, 147.00, 147.50, 148.00, 148.50, 149.00, 149.50, 150.00, 150.50, 151.00, 151.50, 152.00, 152.50, 153.00, 153.50, 154.00, 154.50, 155.00, 155.50, 156.00, 156.50, 157.00, 157.50, 158.00, 158.50, 159.00, 159.50, 160.00, 160.50, 161.00, 161.50, 162.00, 162.50, 163.00, 163.50, 164.00, 164.50, 165.00, 165.50, 166.00, 166.50, 167.00, 167.50, 168.00, 168.50, 169.00, 169.50, 170.00, 170.50, 171.00, 171.50, 172.00, 172.50, 173.00, 173.50, 174.00, 174.50, 175.00, 175.50, 176.00, 176.50, 177.00, 177.50, 178.00, 178.50, 179.00, 179.50, 180.00, 180.50, 181.00, 181.50, 182.00, 182.50, 183.00, 183.50, 184.00, 184.50, 185.00, 185.50, 186.00, 186.50, 187.00, 187.50, 188.00, 188.50, 189.00, 189.50, 190.00, 190.50, 191.00, 191.50, 192.00, 192.50, 193.00, 193.50, 194.00, 194.50, 195.00, 195.50, 196.00, 196.50, 197.00, 197.50, 198.00, 198.50, 199.00, 199.50, 200.00, 200.50, 201.00, 201.50, 202.00, 202.50, 203.00, 203.50, 204.00, 204.50, 205.00, 205.50, 206.00, 206.50, 207.00, 207.50, 208.00, 208.50, 209.00, 209.50, 210.00, 210.50, 211.00, 211.50, 212.00, 212.50, 213.00, 213.50, 214.00, 214.50, 215.00, 215.50, 216.00, 216.50, 217.00, 217.50, 218.00, 218.50, 219.00, 219.50, 220.00, 220.50, 221.00, 221.50, 222.00, 222.50, 223.00, 223.50, 224.00, 224.50, 225.00, 225.50, 226.00, 226.50, 227.00, 227.50, 228.00, 228.50, 229.00, 229.50, 230.00, 230.50, 231.00, 231.50, 232.00, 232.50, 233.00, 233.50, 234.00, 234.50, 235.00, 235.50, 236.00, 236.50, 237.00, 237.50, 238.00, 238.50, 239.00, 239.50, 240.00, 240.50, 241.00, 241.50, 242.00, 242.50, 243.00, 243.50, 244.00, 244.50, 245.00, 245.50, 246.00, 246.50, 247.00, 247.50, 248.00, 248.50, 249.00, 249.50, 250.00, 250.50, 251.00, 251.50, 252.00, 252.50, 253.00, 253.50, 254.00, 254.50, 255.00, 255.50, 256.00, 256.50, 257.00, 257.50, 258.00, 258.50, 259.00, 259.50, 260.00, 260.50, 261.00, 261.50, 262.00, 262.50, 263.00, 263.50, 264.00, 264.50,

[illegible]

EXHIBIT "A"
Page 2 of 3

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PARCEL 'B'

Being a portion of Sections 7, 17 and 18, Township 2 North, Range 18 East, Boise Meridian, Blaine County, State of Idaho, being more particularly described as follows:

SECTION 7, T. 2 N., R. 18 E.

South $\frac{1}{4}$ Southwest $\frac{1}{4}$

SECTION 17, T. 2 N., R. 18 E.

The North $\frac{1}{4}$ Southwest $\frac{1}{4}$; and all that portion of the Northwest $\frac{1}{4}$ lying southeasterly of the Hailey to Fairfield Road

SECTION 18, T. 2 N., R. 18 E.

All of the Northwest $\frac{1}{4}$; the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; the Southeast $\frac{1}{4}$; Lot 4 and East $\frac{1}{4}$ of Southwest $\frac{1}{4}$

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EXHIBIT "C"

PAGE 1 of 2

A G R E E M E N T

THIS AGREEMENT, Made and entered into this 26th day of June, 1973, by and between MERRITT D. HILL, hereinafter referred to as "HILL", and McCULLOCH PROPERTIES, INC., hereinafter referred to as "MPI",

W I T N E S S E T H:

IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. That on or about August 31, 1971, Hiawatha Hotel Corporation, an Idaho corporation, wholly owned and controlled by Merritt D. Hill, entered into a Lease and Option Agreement with Bernell Bennion pursuant to the terms of which Hiawatha Hotel Corporation is obligated to furnish waters owned by Hill at Hailey Hot Springs that may be required to heat the Hiawatha Hotel building and supply the swimming pool located on the hotel premises throughout the leasehold term which expires September 15, 1973. Said hot water is furnished through a pipeline owned and maintained by Hill in consideration of a \$200.00 monthly payment during the leasehold term made by Bennion, the lessee. Said agreement also grants an option to Bennion to purchase the hotel property, which is the leased premises, whereupon the seller is obligated to continue to furnish said waters via said pipeline at said \$200.00 per month rate for a 15-year period commencing on the date of purchase. Further, Hill has now acknowledged that Bennion has recently served notice of his intention to exercise said option to purchase the leased premises and, accordingly, trigger the continuing obligation by Hill or his corporation to provide said hot water to the hotel premises.

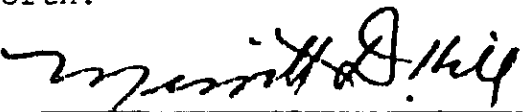
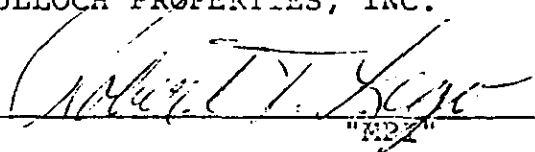
2. Hill and MPI executed a Trust Agreement of even date herewith providing for the sale by Hill and the purchase by MPI of properties which include the waters needed and used by Hill in connection with said Lease and Option Agreement relating to the hotel premises, and the parties hereto specifically agree, notwithstanding the terms of the Option Agreement, which said

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1
This Agreement has been consummated, that Hill shall retain ownership and control of said pipeline and shall continue to maintain and operate the same under or pursuant to the terms of said agreement with Bennion, and MPI shall have no ownership or maintenance or other responsibility for or in connection with said pipeline provided, nonetheless, that MPI shall make available to Hill, to the same degree, extent or quantity as has been customary or appropriate in the past, hot waters from the source presently connected to said pipeline, without payment or c of any kind, throughout the period of time during which Hill and/ or Hiawatha Hotel Corporation remains obligated to Bennion, his successors or assigns, to provide such water under the aforesaid agreement, but in no event to exceed, however, 15 years after September 15, 1973.

3. Further, in the event said purchase of the leased premises by Bennion is not consummated pursuant to such Option exercise, MPI shall, nonetheless, make water available from said source to Hill's own pipe line for equivalent purposes, that is, purposes related to said hotel only, and for an equivalent period of time, also without charge, fee or cost of any kind.

IN WITNESS WHEREOF, The parties hereto have executed this agreement hereinabove set forth.


Merritt D. Hill
"HILL"
McCULLOCH PROPERTIES, INC.
By 
"MPI"

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MAR 06 1987

LE A S E

THIS LEASE, made and entered into this _____ day of _____, 1971, by and between HIAWATHA HOTEL CORPORATION, an Idaho Corporation, hereinafter referred to as "LESSOR", and BERNELL BENNION, hereinafter referred to as "LESSEE",

W I T N E S S E T H :

The Lessor hereby leases to Lessee and Lessee leases from Lessor the following described property situated in the County of Blaine, State of Idaho, to-wit:

Lots Eleven to Twenty (11-20), both inclusive, in Block Thirty-four (34) of the City of Hailey, according to the original plat, being the same property described as Lots thirteen to twenty-two (13-22), both inclusive, in Block Thirty-four (34) of the City of Hailey, according to the revised plat. Both official plats of the Town-site of Hailey are on file in the office of the County Recorder of Blaine County, Idaho.

Together with all personal property in and about the Hiawatha Hotel, restaurant therein, and Sweetwater Saloon, as follows:

All furniture, furnishings, equipment, dishes, silverware, bar, glasses and all other personal property situate in and about the Hiawatha Hotel, restaurant, and the Sweetwater Saloon owned by Lessor and used in connection with the operation of said Hotel, Restaurant, and Bar as of the date hereof, and the use of the trade name of Hiawatha Hotel and Sweetwater Saloon.

THE TERMS OF THIS LEASE ARE AS FOLLOWS:

1. The term of this lease shall be a period of two (2) years beginning September 15, 1971.
2. Lessee shall pay Lessor the sum of \$2,000.00 on the 15th day of September, 1971 and the sum of \$2,000.00 on the 15th day of each succeeding month during the term of this lease. In

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the event real property taxes upon the leased premises in the year 1972 shall be increased over such taxes for the year 1971, Lessee shall pay Lessor on the 31st day of December, 1972, the amount of such increase in taxes. In the event real property taxes upon the leased premises in the year 1973 shall be increased over such taxes for the year 1971, Lessee shall pay Lessor on the 15th day of September, 1973, 9/12ths of such increase in taxes. Conversely, if taxes are reduced a refund of rent shall be made Lessee by Lessor on the same basis.

3. Lessor shall pay all real property taxes and Lessee shall pay all personal property taxes levied against any personal property located in or about said building.

4. Lessee shall pay said rental promptly when due, and Lessor covenants and warrants that if said Lessee shall faithfully and fully discharge the obligations herein set forth, he shall have and enjoy during the term of said lease the quiet and undisturbed possession of the leased premises.

5. During the term of this lease Lessee agrees to procure a single limit liability insurance policy in the sum of \$500,000.00 at his expense and said policy shall name Lessor as an additional insured. Lessor agrees to maintain fire and extended coverage insurance, together with vandalism and malicious mischief coverage upon the improvements of the leased premises and contents therein, excepting liquor and food inventory.

6. The Lessee shall keep the inside of the building located on the leased premises, including the swimming pool in good repair at his own expense and Lessor shall keep the roof.

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Lessee shall, at his expense, remove snow accumulated on roofs of the leased premises and in the event said roofs shall sustain damage by reason of the failure of Lessee to so remove said snow, or be damaged in the process of snow removal by Lessee, in such event Lessee shall pay for roof damage resulting therefrom. Lessee shall pay for all utilities used in the leased premises excepting that Lessor shall pay the cost of initial sewer hookup. During the term of this Lease, Lessee may remodel or refurbish at his expense the leased premises with the consent of Lessor, but Lessor may not unreasonably withhold such consent. However, in connection therewith Lessee shall not allow any liens to be filed against the leased premises or any portion thereof.

7. Lessee shall not without first obtaining the written consent of Lessor assign his rights under this lease, nor assign this lease nor sublet the leased premises, however, Lessee may assign his rights in this lease without the consent of Lessor to an Idaho corporation of which Lessee owns a majority of the stock. In the event Lessee does assign his rights under this lease to such corporation and it exercises the option to purchase hereinafter granted, Lessee shall personally guarantee the performance of all conditions contained in Exhibit "A" to be performed by Buyer.

8. It is further mutually agreed between the parties that if said leased premises or any part thereof shall be damaged by fire or any other casualty, the Lessee shall give immediate notice thereof to Lessor. If said premises shall be partially damaged, the same shall be repaired at Lessor's expense, as speedily as practical, due allowance being made for the time taken for settlement of fire insurance claims and otherwise, but the rent hereunder shall not abate. If, however, the damage shall be so extensive as to render the demised

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premises are being repaired and rendered inhabitable; in the event of total destruction of the leased premises or destruction to such extent that the same shall be impractical of repair, then, in that event, either of the parties hereto may cancel this lease and the following option, and the sum of \$15,000.00 deposited by Lessee with Lessor as provided in paragraph 13 shall thereupon be refunded by Lessor to Lessee. Lessee shall then pay Lessor a sum of money representing the cost of inventory taken on September 15, 1971 as provided in paragraph 17, it being understood that Lessee shall be responsible for insuring such inventory.

9. That Lessee hereby agrees that at the expiration of the term of this lease or sooner termination, Lessee will yield up the leased premises to Lessor in as good condition as the same are at the commencement of the term of this lease, reasonable wear and tear and damage by fire and the elements excepted. The provisions of this paragraph are not applicable if the contingencies contained in paragraph 8 do not occur and the option to purchase hereinafter granted Lessee is exercised and consummated.

10. During the term of this lease, Lessor agrees to furnish from waters owned by M. D. Hill at Hailey Hot Springs water that may be required to heat the building and to use in the swimming pool located on the above premises. Lessee agrees to pay Lessor the sum of \$200.00 per month in advance on the 15th day of each month during the term of this lease for the use of said water. If the pipe system used to transport the natural hot water from Hailey Hot Springs to said building fails, Lessor must make every reasonable and expeditious effort to repair such pipe system, recognizing that said water is utilized for

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heating the leased premises. During such time Lessor is unable to supply such water, Lessee shall not be required to pay for such water for such days as water is not available prorated on the basis of \$200.00 per month. In connection with said water, it is specifically understood and agreed that after said water leaves the leased premises, Lessee shall have no claim thereto.

11. Lessor hereby grants Lessee the right and option to purchase on September 15, 1973, the property leased hereunder for the sum of \$320,000.00 under the terms contained in an agreement of sale form which form is attached hereto marked Exhibit "A" and made a part hereof by reference thereto. It is understood and agreed, however, that rental paid under this lease shall be credited against the down payment of \$80,000.00 provided for in said agreement of sale. If this option is exercised, at the time it is so exercised, Lessee shall pay Lessor all taxes actually paid by Lessor upon the real property covered by this lease for the entire term of this lease, the 1971 taxes being pro-rated from September 15, 1971 to December 31, 1971, all of the 1972 taxes actually paid, and the 1973 taxes being pro-rated from January 1, 1973 to September 15, 1973, such 1973 taxes being based upon the actual 1972 tax levy. Said option shall be exercised by Lessee by notifying Lessor in writing at least 90 days prior to September 15, 1973, that it intends to exercise said option and on September 15, 1973, executing three (3) copies of the agreement attached hereto as Exhibit "A" and by delivering said three copies of the agreement, together with a cashier's check representing the down payment, less rental credits and a cashier's check in an amount of taxes paid by Lessor during the term of this lease to the Bank of Idaho, Ketchum, Idaho. Upon receipt of said notice of intent to exercise option Lessee shall furnish

Lessee a preliminary title report showing title to be as set

forth in paragraph 6 of Exhibit "A". Seller shall thereupon

execute said agreement and all necessary papers to carry out

the terms of said agreement shall be executed by the parties

hereto and placed in escrow with said Bank of Idaho as provided

in said agreement.

12. At the time said agreement of sale is executed,

the blank spaces therein referring to interest shall be filled

in with an interest rate equivalent to the prime rate on

September 15, 1973, of the Bank of America in San Francisco,

California, plus 3/4% and the blank spaces therein referring

to monthly payments shall be filled with a figure representing

the monthly payments including interest required to pay the sum

of \$240,000.00 plus interest on an amortized basis over a period

of 180 consecutive months.

13. Upon the execution of this lease, Lessee shall pay

Lessor the sum of \$15,000.00, which money shall be used to

restore the leased premises to the condition they now are,

reasonable wear and tear and insurance compensated damage excepted,

at the expiration of this lease. In the event the above option is

not exercised by Lessee, any portion of said sum of \$15,000.00

not required to so restore the leased premises shall be returned by

Lessor to Lessee. In the event this option is exercised said sum

of \$15,000.00 shall be applied toward the down payment provided for

in the agreement of sale and the cashier's check referred to above

to be delivered upon the exercise of this option shall be reduced

by said sum of \$15,000.00.

14. On or before September 15, 1971, the parties hereto

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shall jointly take a physical inventory of the personal property leased hereunder and a copy of said inventory shall be initialed by a representative of each Lessor and Lessee and shall be attached to this lease.

15. On the 15th day of any month from and after the 15th day of September, 1972, Lessee may surrender possession of the leased premises to Lessor but the surrender of such possession shall not terminate the obligation of Lessee to pay the rental payments called for for the balance of the term of this lease but if after obtaining possession, Lessor shall lease said premises to another person and not operate the premises itself, the monthly rental for the balance of the term of this lease shall be credited against the remaining rental to Lessor by Lessee under this lease. Upon such termination, the obligation of Lessee to procure liability insurance set forth above is terminated. However, Lessee must give Lessor 90 days advance notice in writing of his intent to so surrender possession.

16. Lessor hereby consents to the sale of liquor by the drink upon the leased premises and the liquor licenses used in connection with the sale of alcoholic beverages in the building located on the leased premises shall be transferred to Lessee, or if he cannot qualify, to his assignee corporation. After such transfer the party to whom said licenses shall be transferred shall execute an assignment thereof to Lessor, or its nominee, and such assignment shall be placed in escrow in the Bank of Idaho and upon the expiration of the term of this lease or upon a breach of the terms of this lease by Lessee, or a Notice of intent to revoke the liquor licenses, or any of them, shall be

served by authorities of the State of Idaho or its subdivision, and after subsequent hearing upon such intent to revoke, said Bank shall upon demand of Lessor, immediately deliver said assignment to Lessor and Lessee shall execute any and all documents required by him to have said licenses re-issued to Lessee. An executed copy of said assignment shall be delivered to the appropriate State of Idaho Agency together with a letter signed by Assignor and Assignee directing such agency to reissue said licenses to Lessor in the event a Notice of Revocation thereof is issued.

17. On September 15, 1971, an inventory of food and liquor items at the leased premises shall be taken by the parties hereto and said inventory shall be transferred to Lessee. In the event the option to purchase is not exercised by Lessee, upon the termination of this lease, a similar inventory shall be taken and Lessor shall pay Lessee a sum of money representing the difference between the beginning inventory and ending inventory, if there is an increase in value, and all such inventory shall be transferred to Lessor. If there is a decrease in value of such inventory, Lessee shall pay Lessor a sum of money representing such decrease.

18. If default be made in the payment of the rent above reserved, or in any of the covenants and agreements herein contained to be kept by Lessee, it shall be lawful for Lessor at its option, after thirty day's previous written notice to Lessee, without further notice unless said default be cured within thirty days, to declare this lease terminated and to re-enter the leased premises, or any part thereof, either with or without process of law, and to expel, remove and put out Lessee, or any person or persons occupying the leased premises and to repossess the

MAK 06 1981

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"LESSEE"

"LESSOR"

President

By

HIAWATHA HOTEL CORPORATION

hands and seals on the date first above written.

IN WITNESS WHEREOF, the parties hereto have set their

his heirs and legal representatives.

its successors and legal representatives, and upon the Lessee,

20. This agreement shall be binding upon the Lessor,

party reasonable attorney's fees in connection therewith.

prevailing party shall be entitled to receive from the other

of the terms, conditions or provisions herein contained, the

19. In the event suit shall be required to enforce any

day period.

distrain for rent due which has not been paid during said thirty-

of this lease, and Lessor shall have at all times the right to

be used for arrears of rent or preceding breach of the terms

same, without prejudice to any remedies which might otherwise

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MAR 06 1981

Notary Public for Idaho
Residing at Halley, Idaho

affixed my official seal the day and year first hereinabove written.

IN WITNESS WHEREOF, I have hereunto set my hand and

corporation.

to me that he executed said instrument for and on behalf of said

whose name is subscribed to the foregoing instrument and acknowledged

RICHARD B. HILL, known to me to be the President of the Corporation

signed, a Notary Public in and for said State, personally appeared

On this _____ day of _____, 1971, before me, the under-

STATE OF IDAHO
)
ss. :
) County of Blaine

INTER-DEPARTMENT MEMO — 1

FROM Jim Stanton

DATE 11-4-86

TO File

SUBJECT Change-In-Nature-of-Use Transfer, Humboldt Investment Co.

The water of Hailey Hot Springs originally ran into an on-stream reservoir, which provided hydraulic head to ~~pipe~~ pipe the water to the Hiawatha Hotel in Hailey. The amounts claimed are what is available as overflow after earlier rights are satisfied. The original use of heating/recreation is basically non-consumptive, with water running into the Big Wood River after use in the hotel/swimming pools. The hotel burned down in 1978; since then, the pipeline from the reservoir has not been used. The transfer seeks to establish beneficial use of this water at the reservoir itself. The non-consumptive nature of the uses will not change, so no detailed analysis should be needed.

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MAR 06 1987



SIGNATURE

State of Idaho
Department of Water Resources

CLAIM ANALYSIS SHEET

INITIAL REVIEW BY: J F Stanton

Right Number 37-4139 Applicant HUMBOLT INVESTMENT CO.

NOTE: *IF ANY OF THE ITEMS BELOW ARE MISSING, THE CLAIM IS INCOMPLETE AND MUST BE RETURNED IMMEDIATELY TO THE CLAIMANT ALONG WITH THE APPROPRIATE COVER LETTER.*

CHECK:

- ☒ Name and address.
- ☒ Date of priority. (Check for a date past the mandatory filing dates.) (One date only.)
- ☒ Source.
- ☒ Quantity, use, period.
- ☒ Point(s) of diversion.
- ☒ Location of use.
- ☒ Signature/notarization/fee.

FINAL REGIONAL PROCESSING REVIEW:

- ☒ Affidavit of publication received.
- ☒ Claim published correctly.
- ☐ Exceptions processed.

By Loren O'Halloran Date 6-13-80

STATE OFFICE PROCESSING:

- ☒ Claim review complete.

By Maureen Date 6/19/80

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NOTICE OF CLAIMS TO WATER RIGHT

Notice is hereby given that the following claim(s) to water right(s) have been established by diversion and application to beneficial use:

3Z-4139

HUMBOLT INVESTMENT CO.

P.O. BOX 326, SUN VALLEY, ID 83353

Source: WARM SPRINGS tributary to BIG WOOD RIVER

Priority Date: 01/01/1926

Amount: 0.50 CFS

Diversion Point: NWSE Sec 18 T 02N R 18E. BLAINE Co.

Use: HEATING	(0.50 CFS)	from 01/01 to 12/31
RECREATION	(0.50 CFS)	from 01/01 to 12/31

Place of Use: NESE Sec 09 T 02N R 18E

Diversion Means: PIPELINE

Any exception to any claim of water right may be filed with the Director of the Idaho Department of Water Resources, 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301.

C. STEPHEN ALLRED

Director

Published 5/15 & 5/22/80.

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region

1041 Blue Lakes Blvd N.
Twin Falls, Idaho 83301
(208) 734-3578

MAY 9, 1980

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 JUNE 2, 1980.

Yours truly,

Mary A. Hill
Secretary

Encl.

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