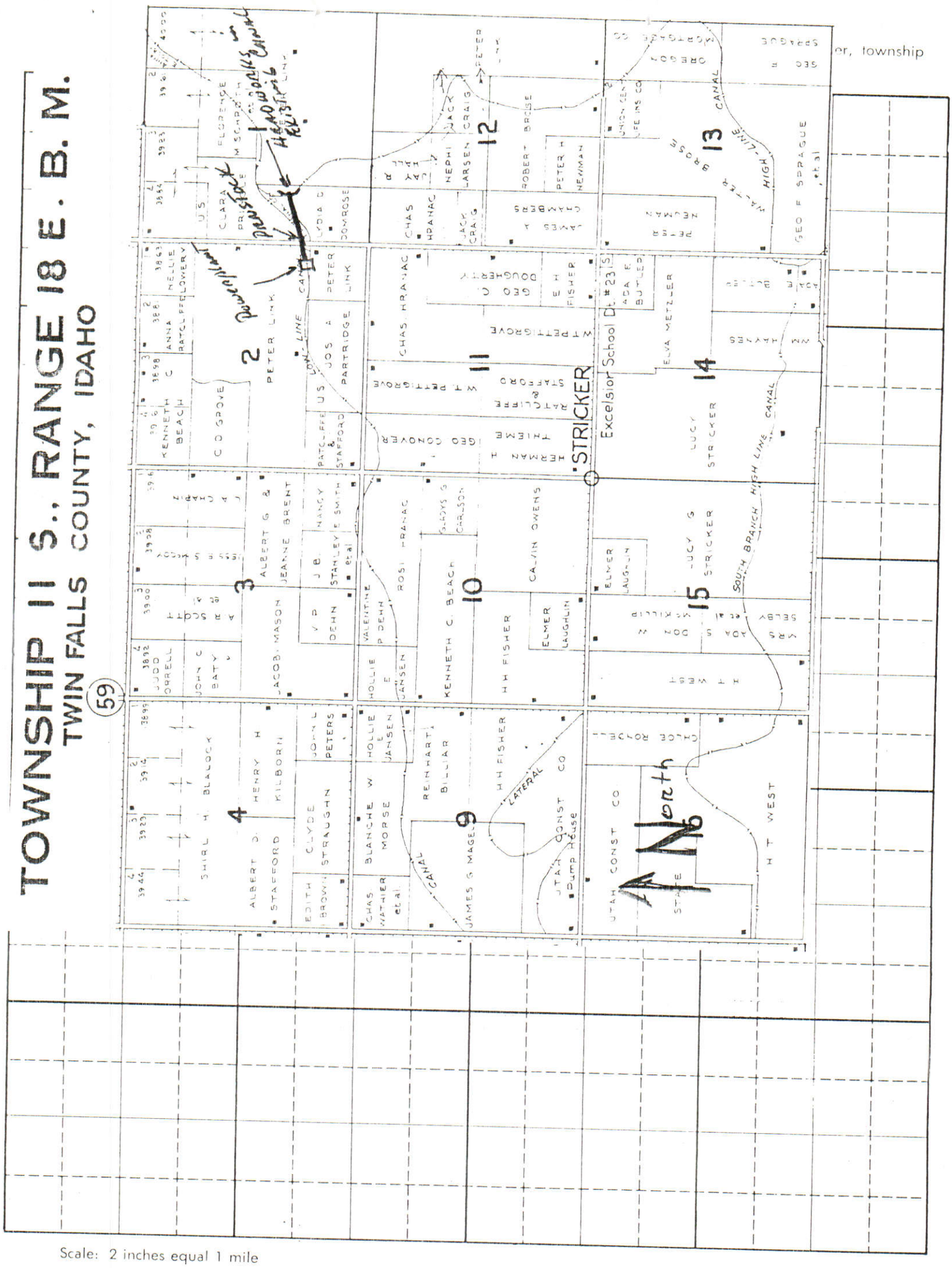
# TOWNSHIP 11 S., RANGE 18 E. B. M.
## TWIN FALLS COUNTY, IDAHO




Scale: 2 inches equal 1 mile

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

(Applicant) President, Twin Falls Canal Company

**NOTICE OF APPLICATION FOR WATER PERMIT**

Notice is hereby given that Twin Falls Canal Company Twin Falls, Idaho 83301 has on 3/30/77 submitted Application No. 01-7009 for a permit to appropriate 1,500 cubic feet per second of water from Snake River, tributary of the Columbia River by means of headworks, penstock, power plants within the NE¼SE¼, Sec. 29, Twp. 10S, Rge. 21E., B.M., Twin Falls County to be used from Jan. 1 to Dec. 31 for power within the NE¼SE¼, Sec. 2, Twp. 11S, Rge. 18E., B.M.

If issued, this permit will be subject to all prior water rights. Protests against the granting of the permit must be filed with the Idaho Department of Water Resources, 1041 Blue Lakes Blvd., North, Twin Falls, Idaho, 83301 on or before May 23, 1977.

STEPHEN ALLRED
Director
PUBLISH May 5 and 12, 1977

MICROFILMED

ok/
bm 5/16/77

# Affidavit of Publication

STATE OF IDAHO, }
COUNTY OF TWIN FALLS } ss.

№ 5974

I, Carolyne Jennings being first duly sworn upon oath, depose and say that I am Princ. Clerk of the TIMES-NEWS, published daily, except Saturday, at Twin Falls, Idaho, and do solemnly swear that a copy of the notice of advertisement, as per clipping attached, was published in the regular and entire issue of said newspaper, and not in any supplement thereof, for two consecutive Thursdays, commencing with the issue dated May 5, 19 77, and ending with the issue dated May 12, 19 77.

And I do further certify that said newspaper is a consolidation, effective February 16, 1942, of the Idaho Evening Times, published theretofore daily except Sunday, and the Twin Falls News, published theretofore daily except Monday, both of which newspapers prior to consolidation had been published under said names in said city and county continuously and uninterruptedly during a period of more than twelve consecutive months, and said TIMES-NEWS, since such consolidation, has been published as a daily newspaper except Saturday, under said name in said city and county continuously and uninterruptedly.

And I further certify that pursuant to Section 60-108 Idaho Code, Thursday of each week has been designated as the day on which legal notice by law or by order of any court of competent jurisdiction within the state of Idaho, to be published weekly, will be published; and that at the head of the editorial column of said combined newspapers, and in each issue thereof, Thursday is announced as the day on which said legal notices will be published.

Carolyne Jennings

Subscribed and sworn to before me on this 12th day of May, 19 77.

Notary Public in and for the County of Twin Falls, State of Idaho, residing at Twin Falls, Idaho

01-7009



Highline Canal/Lowline Canal Bifurcation off Main Canal
(Looking Downstream)
Highline Canal branches through radial gates in left of photo.
Lowline Canal branches through radial gates in center of photo.
Lowline Penstock Intake is on right side of photo.



Highline Canal branches through radial gates in left of photo.
Lowline Canal branches through radial gates in right of photo.

APR 07 1994

01-7009



Lowline Penstock Intake



Lowline Penstock Intake on left.
Lowline Canal on right with radial control gates closed.
(Looking upstream)
NOTE: All water is passing through penstock. As a result, the Lowline Canal is dry.

APR 07 1994

01-7009



Powerhouse Surge Tower and Substation
(Looking downstream)
Note Lowline Canal bed in left of photo.



Powerhouse looking downstream.
Note water in Lowline Canal downstream of powerhouse.

APR 07 1994

01-7009

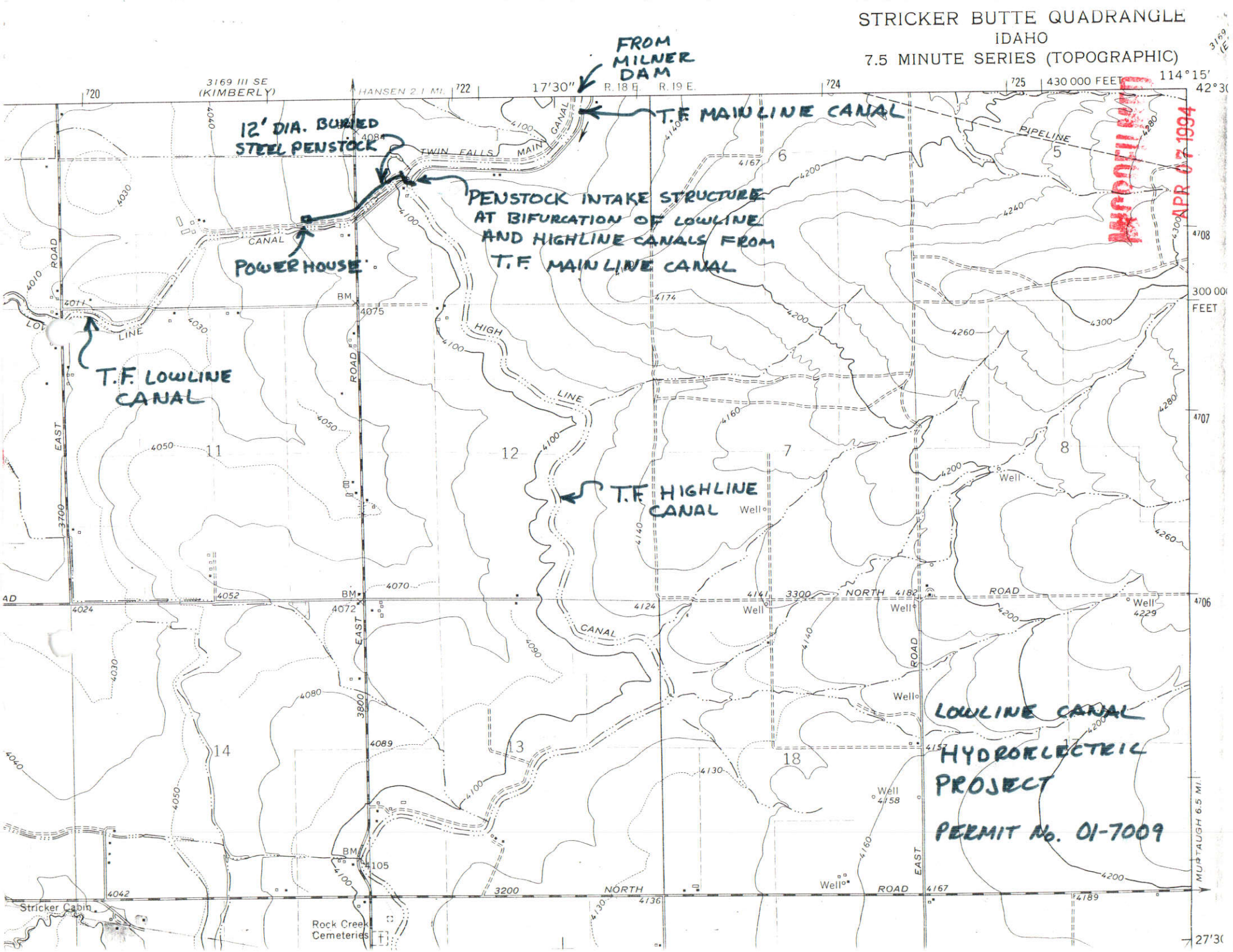


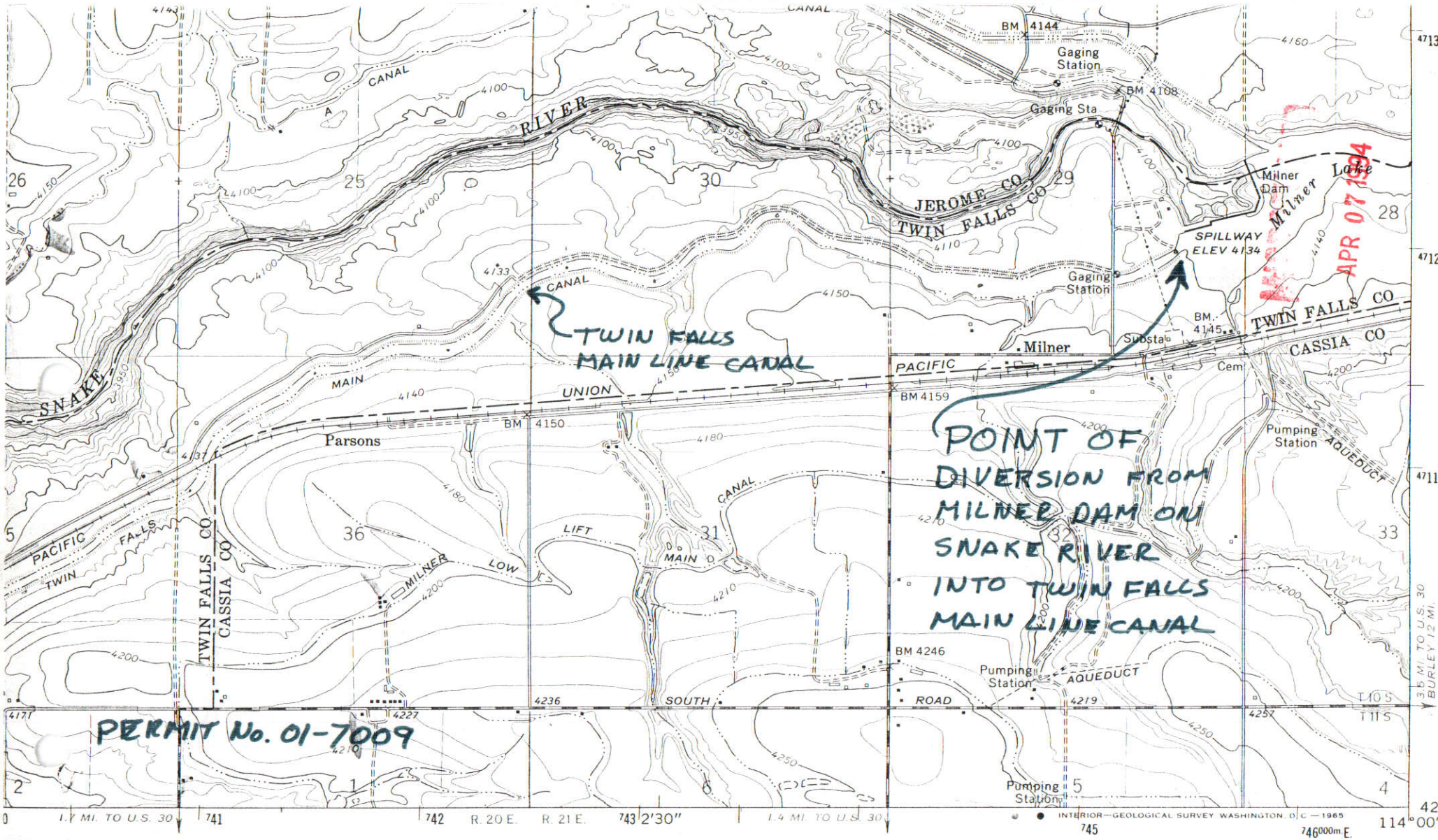
Powerhouse and Surge Tower looking upstream.
Note water exiting powerhouse and dry Lowline Canal bed above Powerhouse.



Powerhouse

MICROFILMED
APR 07 1994


STRICKER BUTTE QUADRANGLE
IDAHO
7.5 MINUTE SERIES (TOPOGRAPHIC)
FROM MILNER DAM
T.F. MAIN LINE CANAL
12' DIA. BURIED STEEL PENSTOCK
PENSTOCK INTAKE STRUCTURE AT BIFURCATION OF LOWLINE AND HIGHLINE CANALS FROM T.F. MAIN LINE CANAL
POWER HOUSE
T.F. LOWLINE CANAL
T.F. HIGHLINE CANAL
LOWLINE CANAL HYDROELECTRIC PROJECT
PERMIT No. 01-7009
APR 07 1994
3169 III SE (KIMBERLY)
HANSEN 2.1 MI.
17'30"
R. 18 E.
R. 19 E.
430 000 FEET
114°15'
42°30'
TWIN FALLS MAIN CANAL
PIPELINE
HIGH LINE CANAL
LOW LINE CANAL
EAST ROAD
NORTH ROAD
Well
Stricker Cabin
Rock Creek Cemeteries
MUSTAUGH 6.5 MI.
27'30"




SCALE 1:24000

1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 .5 0 1 KILOMETER

CONTOUR INTERVAL 10 FEET
DATUM IS MEAN SEA LEVEL

ROAD CLASSIFICATION

Medium-duty — Light-duty

Unimproved dirt

State Route

IDAHO

QUADRANGLE LOCATION

# MILNER, IDAHO

N4230—W11400/7.5

1964

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
BY U. S. GEOLOGICAL SURVEY, DENVER 25, COLORADO OR WASHINGTON 25, D. C.
FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

INTERIOR—GEOLOGICAL SURVEY WASHINGTON, D. C.—1965

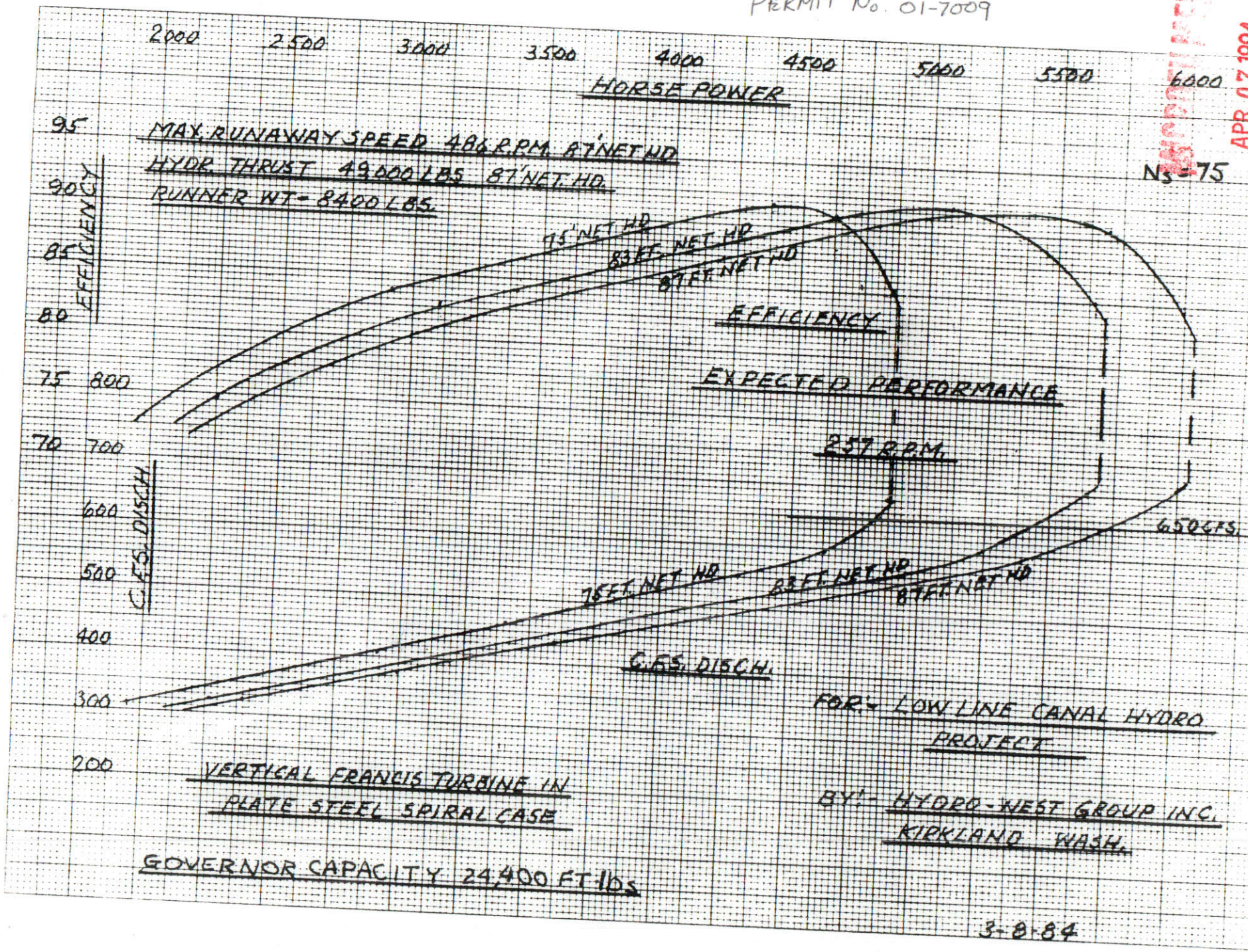
NO. 340R-10½ DIETZGEN GRAPH PAPER
10 X 10 PER HALF INCH

DIETZGEN CORPORATION
MADE IN U.S.A.

WHH

PERMIT No. 01-7009

RECEIVED
APR 07 1994




VERTICAL FRANCIS TURBINE IN PLATE STEEL SPIRAL CASE

GOVERNOR CAPACITY 24,400 FT lbs

FOR:- LOW LINE CANAL HYDRO PROJECT

BY:- HYDRO-WEST GROUP INC.
KIRKLAND WASH.

3-8-84

Scale 2 inches equal 1 mile

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

Joel Bassinger

President, Twin Falls Canal Company

State of Idaho
Department of Water Resources

# WATER RIGHT LICENSE

**WATER RIGHT NO. 01-07009**

**Priority:** June 27, 1977 Maximum Diversion Rate: 1300.00 CFS

This is to certify, that SOUTH FORKS JOINT VENTURE
C/O IDA WEST ENERGY CO
1199 SHORELINE LANE #310
BOISE ID 83702 has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated March 30, 1977; and has submitted Proof of Beneficial Use on October 3, 1985. An examination indicates that the works have a diversion capacity of 1300.000 cfs of water from:

**SNAKE RIVER** tributary to **COLUMBIA RIVER**

source, and a water right has been established as follows:

| BENEFICIAL USE | PERIOD OF USE | RATE OF DIVERSION | ANNUAL VOLUME |
|---|---|---|---|
| POWER | 01/01 to 12/31 | 1300.00 CFS | |

**LOCATION OF POINT(S) OF DIVERSION:** Lot 8( NESE), Sec. 29, Township 10S, Range 21E
Rediversion NWSW , Sec. 1, Township 11S, Range 18E
TWIN FALLS County

**PLACE OF USE:** POWER

| TWN | RGE | SEC | |
|---|---|---|---|
| 11S | 18E | 2 | NESE |

**CONDITIONS/REMARKS:**

1. This water right is appurtenant to the described place of use.
2. This right is subject to all prior water rights and may be forfeited by five years of non-use.
3. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
4. Use of water under this right shall be non-consumptive.
5. 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.
6. The water right confirmed in this license for hydropower purposes shall be junior and subordinate to all rights to the use of water, other than hydropower, within the State of Idaho that are initiated later in time than the priority of this license and shall not give rise to any right or claim against any future rights to the use of water, other than hydropower, within the State of Idaho initiated later in time than the priority of this license.

[redacted]

APR 07 1994

State of Idaho
Department of Water Resources

# WATER RIGHT LICENSE

**WATER RIGHT NO. 01-07009**

**CONDITIONS/REMARKS:**

7. Use of water under this water right will be regulated by the watermaster of State Water District No. 01.
8. This right is subject to the provisions of Sections 42-205 through 42-210, Idaho Code, restricting the sale, transfer, assignment, or mortgage of this right. Failure to comply with these provisions is cause for immediate cancellation of this right.
9. The Department of Water Resources retains jurisdiction to require the right holder to determine the rate of loss within his facilities using a procedure approved by the Director of the Department of Water Resources, and provide a source of augmentation water to mitigate all losses.
10. Water diverted outside of the normal irrigation season can only be diverted at such times as there are sufficient flows in the Snake River to satisfy Idaho Power Co.'s water rights at its Twin Falls and Shoshone Falls hydropower plants and any other water rights diverting water from the Snake River.
11. This license shall be subject to review and possible amendment, modification or cancellation by the Director of the Department of Water Resources during or after June, 2019.
12. This project is known as the Low Line Drop Hydroelectric Project.
13. Point of rediversion is from Twin Falls Main Canal.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. Witness the seal and signature of the Director, affixed at Boise, this 12TH day of MARCH, 1994.

Acting for R. Keith Higginson, Director

MICROFILMED

APR 07 1994

# State of Idaho

## Department of State.

**CERTIFICATE OF CORPORATE STATUS**
**OF**

PRUDENTIAL INTERFUNDING CORP.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the records of this office show that the above-named corporation was incorporated under the laws of Delaware and was issued a certificate of authority in Idaho on October 1, 1984.

I FURTHER CERTIFY That the corporation's authority to do business has not been forfeited.

Dated May 10, 1985

GREAT SEAL OF THE STATE OF IDAHO ESTO PERPETUA

Pete T. Cenarrusa
SECRETARY OF STATE

by Sally J. Clark

MICROFILMED

CCSSF 781

Form 204
7/80

Identification No. 01-7009

# STATE OF IDAHO
# DEPARTMENT OF WATER RESOURCES

# REQUEST FOR EXTENSION OF TIME

**To provide additional time in which to submit proof of beneficial use on a water right permit.**

Maurice Klaas, President
Twin Falls Canal Company (Name) of P.O. Box 326, Twin Falls, Idaho 83301 (Address)

State of Idaho, deposes and says:

That he is the holder, or the duly authorized agent of the holder*, of Permit to Appropriate the Public Waters of the State of Idaho No. 01-7009.

That under the terms and conditions of said permit, work thereunder was required to be completed on or before July 1, 19 82.

That he has heretofore performed the following work described under said permit:

The Company has obtained F.E.R.C. exemption to construct. The Company has secured most of needed right of ways. The Company has negotiated a contract for sale of the power and is presently working on plans, specifications and designs.

Costing $100,000.00

That he is unable to complete the remainder of the work within the required time for the following reasons, to-wit: After plans are completed, construction can begin during non-irrigation season beginning in the fall of 1982.

Wherefore, he asks that the Department of Water Resources extend the time for the completion of obligations under said permit to July 1, 19 87.

"Low Line" Drop hydro-electric project

Maurice Klaas
(Signature)

*IF OTHER THAN HOLDER, Power of Attorney must be supplied.

## ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above application for extension of time be APPROVED and the time within which to submit the statement of beneficial use is extended to July 1, 1987.

Signed this 10 day of June, 19 82.

David R. Tuthill
Acting Chief, Operations Bureau

MICROFILMED

$15.00 fee received by RG Date 06-08-1982 Receipt # 23689

Identification No. 9

Application No. 01-7006

STATE OF IDAHO

DEPARTMENT OF WATER ADMINISTRATION

# APPLICATION FOR PERMIT APPROVED

## To Appropriate the Public Waters of the State of Idaho

(TYPE OR PRINT IN INK)

1. Name of applicant Twin Falls Canal Company

   post office address P. O. Box 326, Twin Falls, Idaho 83301

2. Source of water supply Snake River (Lot 8)* which is a tributary of Columbia River

3. a. Location of point of diversion is NE ¼ of SE ¼ of Section 29 Township 10 S.

   Range 21 E.B.M. Twin Falls County; additional points of diversion if any:

   b. If water is not consumed, it will be discharged into Salmon Falls Creek or Snake River at a point in Last point in Lots 4 & 7 ¼

   of ¼ of Section 19 Township 8 S. Range 14 E. B.M. Twin Falls County

   (Description is confluence of Snake & Salmon Falls Creek)

4. Water will be used for the following purposes:

   Amount 1,500 c/f/s (cfs or acre-feet per annum) for power purpose from Jan. 1 to Dec. 31 (both dates inclusive)

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

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

5. Total quantity to be appropriated: (*Change made as per telephone conversation on 5/12/77) ADM

   a. 1,500 c/f/s cubic feet per second and/or

   b ____ acre feet per annum.

   3,000 A/F per day for each day 1,500 c/f/s available.

6. Proposed diverting works:

   a. Description of ditches, flumes, pumps, headgates, etc. Headworks in canal, penstock and powerplants.

   b Height of storage dam none feet, active reservoir capacity none acre feet; total reservoir capacity none acre feet, materials used in storage dam: canal earth fill - headworks are concrete.

   Period of year during which storage will occur ____ (Mo. Day) to ____ (Mo. Day) inclusive.

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

7. a. Time required for the completion of the works and application of the water to the proposed beneficial use is 5 years.

   b. Estimated construction cost is $ 5,000,000.00

8. Description of proposed uses:

   a If water is **not** for irrigation:

   (1) Give the place of use of water: NE ¼ of SE ¼ of Section 2 Township 11 S.

   Range 18 E. B.M.

   (2) Amount of power to be generated: 13,500 hp under 100 feet of head.

   (3) List number of each kind of livestock to be watered None

   (4) Name of municipality to be served Idaho Power or Bonneville Power, or number of families to be supplied with domestic water.

   (5) If water is to be used for other purposes describe: Potential cooling for thermal power.

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

| TWP. | RANGE | SEC. | NE¼ | | | | NW¼ | | | | SW¼ | | | | SE¼ | | | | TOTALS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | |
| | | | | | | | | | | | | | | | | | | | |
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Total number of acres to be irrigated____

c. Describe any other water rights used for the same purposes as described above. N/A

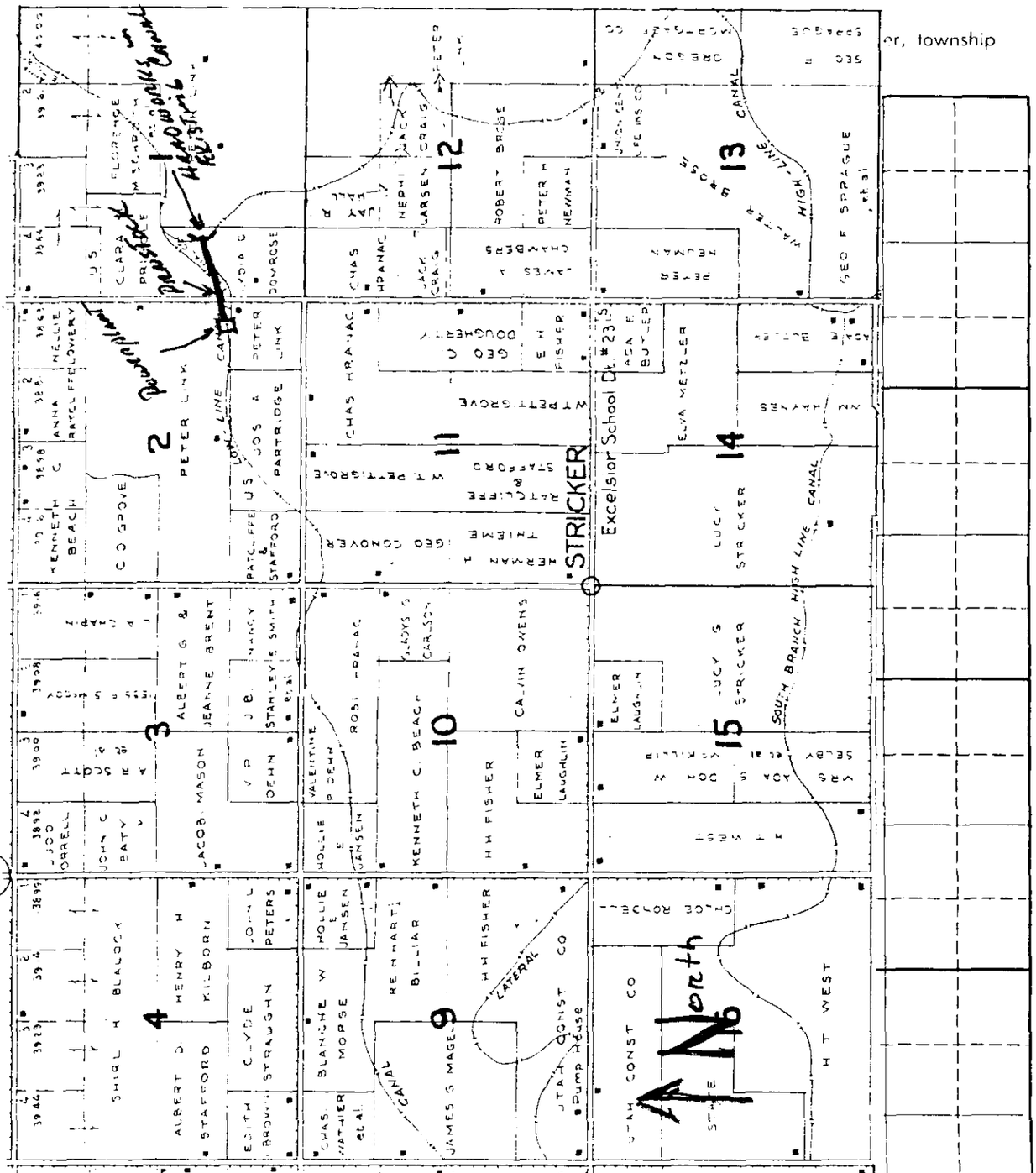
9. a. Who owns the property at the point of diversion Applicant

b. Who owns the land to be irrigated or place of use Applicant owns right of ways - possibility of need to acquire additional private ground.

c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing None needed as now contemplated.

10. Remarks Applicant would utilize water in canal system to also generate power as well as supply irrigation needs during irrigation season. Use other than during the irrigation season for power pursuant to this permit would be subordinate to all other valid and prior existing water rights.

# TOWNSHIP 11 S., RANGE 18 E. B. M.
## TWIN FALLS COUNTY, IDAHO




Scale: 2 inches equal 1 mile

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

Joe Bamonya
(Applicant) President, Twin Falls Canal Company

Proposed Priority 3/30/77

Received by [illegible] Date 3-30-77 Time 4:35 p

Preliminary check by ADM Fee $111.50 #1, 1/2 02

Receipted by AB Date 4/8/77 #3423

Publication prepared by AB Date 4/27/77

Published in Times News

Publication dates 5/5 & 5/12/77

Publication approved AB Date 5/16/77

Priority reduced to _____ Reason _____

Protests filed by: _____

Copies of protests forwarded by _____

Hearing held by _____ Date _____

Recommended for (approval) denial by JG

RECEIVED
APR 1 1977
Department of Water Resources
Southern District Office

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER ADMINISTRATION

This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No. 01-7009, and said application is hereby APPROVED.

1. Approval of said application is subject to the following limitations and conditions:

   a. SUBJECT TO ALL PRIOR WATER RIGHTS.

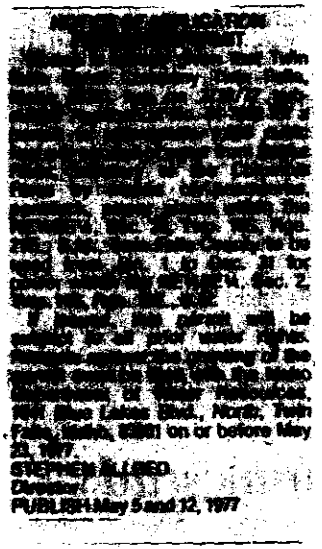
   b. Proof of construction of works and application of water to beneficial use shall be submitted on or before July 1, 19 82.

   c. Other: For licensing purposes a scientific measurement of the diversion rate of the system as it is normally operated shall be provided by either properly installing an approved type of measuring device or by having a professional engineer certify the rate of diversion to the Department prior to submitting proof of beneficial use of water.

   The permit holder must comply with the Federal Power Commission.

Witness my hand this 28 day of July 19 77.

R. Keith Higginson
Deputy Director




OK/
Jm 5/16/77

# Affidavit of Publication

STATE OF IDAHO, )
COUNTY OF TWIN FALLS ) ss.

№ 5974

I, Carolyne Jennings being first duly sworn upon oath, depose and say that I am Princ. Clerk of the TIMES-NEWS, published daily, except Saturday, at Twin Falls, Idaho, and do solemnly swear that a copy of the notice of advertisement, as per clipping attached, was published in the regular and entire issue of said newspaper, and not in any supplement thereof, for two consecutive Thursdays, commencing with the issue dated May 5, 19 77, and ending with the issue dated May 12, 19 77

And I do further certify that said newspaper is a consolidation, effective February 16, 1942, of the Idaho Evening Times, published theretofore daily except Sunday, and the Twin Falls News, published theretofore daily except Monday, both of which newspapers prior to consolidation had been published under said names in said city and county continuously and uninterruptedly during a period of more than twelve consecutive months, and said TIMES-NEWS, since such consolidation, has been published as a daily newspaper except Saturday, under said name in said city and county continuously and uninterruptedly.

And I further certify that pursuant to Section 60-108 Idaho Code, Thursday of each week has been designated as the day on which legal notice by law or by order of any court of competent jurisdiction within the state of Idaho, to be published weekly, will be published; and that at the head of the editorial column of said combined newspapers, and in each issue thereof, Thursday is announced as the day on which said legal notices will be published.

Carolyne Jennings

Subscribed and sworn to before me on this 12th day of May, 19 77

Notary Public in and for the County of Twin Falls, State of Idaho, residing at Twin Falls, Idaho

State of Idaho
DEPARTMENT OF WATER RESOURCES
1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

March 14, 1994

SOUTH FORKS JOINT VENTURE
C/O IDA WEST ENERGY CO
1199 SHORELINE LANE #310
BOISE ID 83702

RE: WATER RIGHT NO. 01-07009

Dear Water Right Holder(s):

Enclosed herewith is a copy of the Water Right License issued on the above referenced permit.

Sincerely,

JIM JOHNSON
Water Rights Supervisor

JJ:dc

Enclosure

[illegible] 07 1994

**MEMORANDUM**

**TO:** **File 01-07009**

**FROM:** **Sharla**

**DATE:** **March 7, 1994**

**RE:** **License Review**

In May of 1992, Gary Spackman processed an assignment of permit and collateral assignment documents. At that time, Gary prepared a memorandum outlining conditions to be placed on the license. A license was subsequently prepared and routed to Norm for signature.

Norm returned the license unsigned, with several concerns. Specifically he wanted to have the collateral assignment addressed in terms of what effect license issuance would have on said assignment. He indicated that pre-licensing correspondence would be appropriate to send to all parties involved, including Twin Falls Canal Co.

Second, he desired to have the point of diversion in Section 1, T11S, R18E identified as being diverted from the canal. This had also been outlined by Gary.

Finally, Norm wished to make a slight change in the wording of the condition regarding review by the Director in June, 2019.

After thorougly reviewing the assignment and collateral assignment documents, I am convinced that issuance of a license will in no way have an adverse effect on these documents. In fact, the documents in several instances use expressions such as "the permit and any license which may be issued to replace the permit". I do not feel that pre-license correspondence is necessary, however, it is appropriate to send a copy of the license to each of the parties involved.

The second and third items of concern have been addressed; changes were made to the license reflecting these concerns.

APR 07 1994

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

South Forks Joint Venture — Project No. 3216-003
Idaho

P: 01-7009
01-7071

ORDER AMENDING EXEMPTION FOR SMALL CONDUIT HYDROELECTRIC FACILITIES

(Issued January 27, 1993)

On October 29, 1992, South Forks Joint Venture (South Forks), exemptee for the Low Line Canal Drop Project, FERC No. 3216, filed an application for an amendment of their exemption[1] to show a change in the project's total installed capacity. The filing indicates that the project contains two generating units, each with an installed capacity of 4,000 kW and a hydraulic capacity of 650 cfs. The exemption indicates that the project would contain a single 9,000-kW unit with a hydraulic capacity of 1,500 cfs.

In a letter dated December 11, 1992, South Forks explains that they bought the constructed project from the previous owner in 1992. The exemptee believes that the previous owner installed the two 4,000-kW units because the additional cost of the single 9,000-kW unit surpassed the possible revenues from the larger generating capacity.

South Forks notified the state and federal fish and wildlife agencies concerning the changes in the number of units and the installed capacity of the project. In a letter dated December 23, 1992, the Idaho Department of Fish and Game indicates they do not object to the changes. The U.S. Fish and Wildlife Service did not comment.

The Commission's staff finds that the decrease in the project's installed capacity does not result in any additional adverse environmental effects other than those identified during processing of the exemption. Therefore, this order will amend the exemption to show that the project contains two generating units with a total installed capacity of 8,000 kW.

The Director orders:

(A) The total authorized installed capacity of the Low Line Canal Drop Project, FERC No. 3216, is 8,000 kW.

(B) The project description is revised to indicate that the powerhouse contains two generating units, each rated at 4,000 kW.

[1] 13 FERC ¶62,294, issued December 18, 1980.





(C) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant of 18 C.F.R. §385.713.

J. Mark Robinson
Director, Division of Project
Compliance and Administration

APR 07 1994

RECEIVED
FEB 4 1993
Department of Water Resources

**BENEFICIAL USE FIELD REPORT REVIEW**

**TO:** FILE 01-7009

**FROM:** SHARLA CURTIS

**RE:** PRIORITY ADVANCE REVIEW

**DATE:** 13-MAY-1992

---

This review memo is prepared to show the process for determining what elements were involved in advancement of the priority.

| | DATE | JULIAN | |
|---|---|---|---|
| **PERMIT** | | | |
| Permit priority Date: | MARCH 30 1977 | 89 | |
| **EXAM FEE NOTICE** | | | |
| Exam Fee Notice Date: | AUGUST 11 1987 | 223 | |
| Exam Fee/Info Sheet Received Date: | JANUARY 07 1988 | 372 | |
| Exam Fee or Info Due Date: | OCTOBER 10 1987 | 283 | |
| Days Late: | | 89 | DAY(S) |
| **CERTIFIED EXAM** | | | |
| Exam Received Date: | JANUARY 07 1988 | 7 | |
| Exam by Examiner Due Date: | AUGUST 11 1988 | 223 | |
| Days Late: | | 0 | DAY(S) |
| **NEW PRIORITY DATE** | | | |
| Original Priority Date: | MARCH 30 1977 | 89 | |
| Total Days Late: | | 89 | DAY(S) |
| **New Priority Date:** | **JUNE 27 1977** | 178 | |

APR 07 1994

MEMORANDUM

TO: File No. 01-7009 in the Name of South Forks Joint Venture (Twin Falls Canal Co.)
FROM: Gary Spackman
DATE: May 13, 1992

RE: Licensing Provision and Assignment of Permit

As per my letter dated March 13, 1992, water right no. 01-7099 has been assigned to South Forks Joint Venture by the Twin Falls Canal Company and Bonneville Pacific Corporation. The assignment document also shows TitleFact as a secured party. Titlefact should probably be entered in the records of the Department as a secured party. I have reviewed the field examination, and believe we can issue a license as described by the field examination.

The initial diversion from the Snake River at Milner Dam should be described as the original point of diversion, because the Milner heading of the Twin Falls Canal is the point where water is diverted from the natural water course. The diversion from the Twin Falls Canal should also be identified. I do not see how it qualifies as a point of rediversion, however. I think it should be described in remarks, although it may be more difficult to search for the diversion from the canal to the penstock if located in remarks.

The estimate of the flow rate submitted by the certified examiner is adequate, even though the flow was not actually measured. The examiner read the kilowatts produced, and, from the number of kilowatts, calculated from the rating curve how much water was passing through the turbines. The examiner estimated a flow of 860 cfs at the time of measurement. Records collected by George Austiguy, which are contained in the file, show a flow on October 20, 1986, the date of the examination, of 815 cfs.

The information gathered by George also shows flow rates exceeding 1300 cfs. If the turbines are rated to accept 1300 cfs, they probably operate at least at a flow rate of 1300 cfs.

The following conditions should be placed on the license:

1. Use of water under this permit shall be non-consumptive.

07 1994

2. 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.

3. The water right acquired under this permit for hydropower purposes shall be junior and subordinate to all rights to the use, other than hydropower, within the state of Idaho that are initiated later in time than the priority of this permit and shall not give rise to any ride or claim against future rights to the use of water, other than hydropower, within the state of Idaho initiated later in time than the priority of this permit.

4. The Department of Water Resources retains jurisdiction to require the permit holder to determine the rate of loss within his facilities using a procedure approved by the Director of the Department of Water Resources, and provide a source of augmentation water to mitigate all losses.

5. Use of water under this permit shall be administered by the watermaster of state water district no. 01.

6. Water diverted outside of the normal irrigation season can only be diverted at such times as there are sufficient flows in the Snake River to satisfy Idaho Power Co.'s water rights at its Twin Falls and Shoshone Falls hydropower plants and any other water rights that have an earlier priority than this water right.

7. This license shall be subject to review and possible amendment, modification or cancellation by the Director of the Department of Water Resources in June, 2019.

APR 07 1994

HAWLEY TROXELL ENNIS & HAWLEY
ATTORNEYS AND COUNSELORS
FIRST INTERSTATE CENTER
SUITE 1000
POST OFFICE BOX 1617
BOISE, IDAHO 83701

TELEPHONE
(208) 344-6000

FAX
(208) 342-3829

RANDOLPH J. HILL

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

TELEPHONE
(208) 233-0845

May 5, 1992

Gary Spackman
Manager, Water Right Permits Section
Department of Water Resources
1301 North Orchard Street
Statehouse Mail
Boise, Idaho 83720-9000

Re: Water Permit No. 01-7009 in the name of South Forks Joint Venture (Low Line Project)

Dear Gary:

I am in receipt of your letter dated April 30, 1992 requesting a copy of the letter which you issued approving the assignment of the above-referenced permit. According to my records, I have sent you a copy of that letter on two previous occasions. However, it appears that the letter was lost somewhere in transmission. Accordingly, I am enclosing yet another copy for your files.

I can certainly appreciate the irritation you have experienced in not receiving documents promptly when you so graciously work within the schedules of various parties who develop, buy or sell hydroelectric projects in this state. I am very appreciative of all your efforts and am disturbed that you feel that you have not been given the same courtesy, which you clearly deserve.

I do not know why the two previous transmissions of the enclosed document have not been received in your files, but I accept full responsibility for any mistakes or foul-ups that may have occurred on this end. Please accept my apologies.

APR 07 1994

Again, Gary, thank you for all your assistance over the last several months in connection with the various projects in which we have been involved. Your prompt attention has always been, and will continue to be, appreciated by all concerned.

Sincerely,

Randolph J. Hill

RJH:akm
Enclosure
Messenger
File 4100-15

APR 07 1994

# State of Idaho
# DEPARTMENT OF WATER RESOURCES
1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR


March 13, 1992

President
South Forks Joint Venture
c/o Ida-West Energy Company
1199 Shoreline Lane, Suite 310
Boise, ID 83702

Vaughn E. Buck
CIBC INC.
200 West Madison Street
Suite 2300
Chicago, Illinois 60606

Edwin F. Feo, Esq.
Milbank, Tweed, Hadley & McCloy
601 South Figueroa Street, 30th Floor
Los Angeles, CA 90017

RE: Trust Agreement and Collateral Assignment of Water Permit No. 01-7009

Ladies and Gentlemen:

This office has received an executed copy of a Trust Agreement and Collateral Assignment of Water Permit No. 01-7009 dated as of March 13, 1992 (the "Collateral Assignment"), among South Forks Joint Venture, an Idaho joint venture (the "Company"), TitleFact, Inc., an Idaho corporation (the "Title Company"), and CIBC Inc., a Delaware corporation (the "Lender"), pursuant to which the Company has granted and assigned a first priority security interest in all of its right, title and interest in and to the above-referenced water permit (the "Water Permit") to the Title Company, as trustee for the benefit of the Lender.

This office has also received a copy of (i) the Lease and Assignment Agreement Dated March 16, 1984, and the Assignment of Water Rights and permit dated August 3, 1984, assigning the Water Permit from Twin Falls Canal Company, an Idaho non-profit corporation ("TFCC"), to Bonneville Pacific Corporation, a Delaware corporation ("Bonneville"), (ii) the Second Assignment of Water Rights and Permit dated March 13. 1992, assigning the Water Permit from Bonneville and Magic Valley to the Company

(such assignments collectively referred to herein as the "Assignments"). In addition, this office has received certificates from the office of the Secretary of State of the State of Idaho verifying that the Company, and the Title Company are qualified to do business in Idaho.

Based upon our understanding of the information contained in the Collateral Assignment, the Lender has agreed to provide financing to enable the Company to, among other things, refinance an existing loan secured by the Low Line Drop Hydroelectric Project (the "Project") provided by The Prudential Interfunding Corp., a Delaware corporation, pursuant to the Credit Agreement dated as of March 13, 1992 (the "Credit Agreement"), between the Company and the Lender. This office also understands that, (i) as a condition to the making of the loan under the Credit Agreement, the Lender has required that the Assignments be executed and delivered and (ii) as part of the security for the Obligations (as defined in the Credit Agreement), the Lender has required that the Water Permit be assigned to the Title Company, as trustee for the benefit of the Lender, in order to protect the Lender's interest in the Water Permit.

We find that the Assignments and the Collateral Assignment satisfy the requirements of Idaho Code Section 42-206 through 42-210. Specifically, the Title Company is a qualified entity to hold the Water Permit, as trustee, as collateral security, in accordance with the laws of the State of Idaho. Therefore, the Assignments and the Collateral Assignment are consented to and approved by the Idaho Department of Water Resources, as of the date of this letter.

As of the date of this letter, the Water Permit is valid.

Please note that the Company will continue to be listed as the owner of record of the Water Permit. The Department acknowledges the collateral assignment to and security interest of the Title Company as trustee on behalf of the Lender, the first secured party with respect to the Water Permit. It is the ultimate responsibility of the parties to the Security Agreement to insure that the terms thereof are properly enforced.

Sincerely,

Gary Spackman

GARY SPACKMAN, Manager
Water Right Permits Section

GS:js

Enclosure

State of Idaho
DEPARTMENT OF WATER RESOURCES
1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

April 30, 1992

Randy Hill, Attorney at Law
P.O. Box 1617
Boise, ID 83701

RE: Permit to Appropriate Water No. 01-7009 in the Name of South Forks Joint Venture (Low Line Project)

Dear Randy:

We have patiently waited for an executed copy of a letter which I issued approving the assignment of permit no. 01-7009. The letter was undated for your convenience. My secretary has called at least twice for a copy, and we have not yet received one.

I can appreciate that your schedule is demanding. I also recognize that we have a responsibility to serve the public. There are many other public demands upon my time other than the immediate demands which these hydropower assignment approvals seem to entail. I would appreciate some reciprocal promptness in returning documents for our files.

Respectfully,

Gary Spackman

GARY SPACKMAN, Manager
Water Right Permits Section

GS:js

APR 07 1994

HAWLEY TROXELL ENNIS & HAWLEY
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125 NORTH GARFIELD
POST OFFICE BOX 4167
POCATELLO, IDAHO 83205

TELEPHONE
(208) 233-0845

RANDOLPH J. HILL

RECEIVED
MAR 16 1992
Department of Water Resources

March 16, 1992

Gary Spackman
Manager
Water Right Permits Section
Department of Water Resources
1301 N. Orchard Street
Statehouse Mail
Boise, Idaho 83720-9000

Re: Lowline Drop Hydroelectric Facility
Project Financing
Water Permit No. 01-7009

Dear Gary:

As promised, I am enclosing for filing in the permanent records of the Idaho Department of Water Resources originally signed counterparts of (i) the Second Assignment of Water Rights and Permit No. 01-7009 and (ii) the Trust Agreement and Collateral Assignment of Water Permit No. 01-7009, in each case referenced in your letter dated March 13, 1992, pursuant to which South Forks Joint Venture, an Idaho joint venture, obtained ownership of such water permit and assigned a security interest therein to TitleFact, Inc., as trustee for the benefit of CIBC Inc., as collateral security for a loan made by CIBC to such joint venture for purposes of refinancing the above-referenced project.

It is my understanding that the records of the Department of Water Resources will now reflect South Forks Joint Venture as the owner of such water permit and TitleFact as the party holding the water permit as collateral security for the benefit of CIBC Inc.

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Again, thank you for all your assistance on such short notice. Please call me if you have any questions.

Sincerely,

Randy

Randolph J. Hill

RJH:akm
Enclosures
File 4100-15

APR 07 1992

SECOND ASSIGNMENT OF WATER RIGHTS AND
PERMIT NO. 01-7009

THIS SECOND ASSIGNMENT OF WATER RIGHTS AND PERMIT NO. 01-7009 (this "Assignment"), is made and entered into this 13th day of March, 1992, by and among MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership ("Magic Valley"), and BONNEVILLE PACIFIC CORPORATION, a Delaware corporation ("Bonneville"), collectively the "ASSIGNORS"; and SOUTH FORKS JOINT VENTURE, an Idaho joint venture, the "ASSIGNEE," formed by and between SOUTH FORKS HYDRO COMPANY, an Idaho corporation, and TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation ("TFEI"); THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation ("Prudential"); TWIN FALLS CANAL COMPANY, an Idaho corporation ("Canal Company"); and TFEI.

RECITALS

A. Canal Company has obtained an approved Application for Permit to Use Water Resources in the State of Idaho, Permit No. 01-7009 (the "Permit"); and

B. Pursuant to that certain Assignment of Water Rights and Permit, dated August 3, 1984, entered into by and between Canal Company as assignor and Bonneville as assignee, Canal Company assigned all of its right, title and interest in and to the Permit to Bonneville for the purpose of holding the Permit for and on behalf of the Low Line Drop Hydroelectric

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Project (the "Project"), a hydroelectric project located on the Low Line Canal, which canal being part of the Northwest Quarter of the Southwest Quarter of Section 1, Township 11 South, Range 18 East of the Boise Meridian, and the North 1/2 of the Southeast Quarter of Section 2, Township 11 South, Range 18 East of the Boise Meridian, Twin Falls County, Idaho; and

C. Bonneville is the general partner of Magic Valley; and

D. Pursuant to that certain Purchase and Assignment Agreement, dated October 31, 1984, entered into by and between Bonneville and Magic Valley, Bonneville assigned all of its right, title and interest in and to the Permit to Magic Valley; and

E. Pursuant to that certain Security Agreement dated May 15, 1985, entered into by and among Prudential, Magic Valley and Utah Renewable Resources, Inc., a Utah Corporation, d/b/a Turbine Generator Service, Magic Valley assigned all authorizations and any other rights necessary to own, operate and use the Project or that relate to or concern the Project to Prudential as collateral for that certain Credit Agreement dated November 19, 1984, entered into by and between Magic Valley, as debtor, and Prudential, as creditor; and

F. Pursuant to that certain Security Agreement, dated May 15, 1985, entered into by and between Bonneville and Prudential, Bonneville assigned all of Bonneville's right, title

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and interest in and to the Permit to Prudential as additional collateral for the above referenced Credit Agreement; and

G. Bonneville and Magic Valley, as assignors, Assignee, Prudential, Canal Company and TFEI have entered into a Consent and Second Amendment to Lease and Assignment Agreement whereby Magic Valley and Bonneville have assigned all of their right, title and interest in and to the Lease and Assignment Agreement (Low Line Drop) dated March 16, 1984, entered into by and among Canal Company and Bonneville, as amended by the First Amendment to Lease and Assignment Agreement entered into by and among Canal Company, Bonneville and Magic Valley, dated as of November 16, 1984, to Assignee (the above referenced Lease and Assignment Agreement as amended and assigned is hereinafter referred to as the "Lease Agreement"); and

H. Pursuant to that certain Settlement Agreement entered into by and among Prudential, Bonneville, Magic Valley, TFEI and Canal Company, and that certain Addendum to Settlement Agreement entered into by and among Prudential, Canal Company and TFEI, the parties thereto settled various disputes among them arising out of the Project and agreed, among other matters, to the assignment by Bonneville and Magic Valley of the Permit to TFEI and to the release of claims to the Permit by Prudential.

I. Pursuant to that certain Order Authorizing Debtor to Compromise Disputed Claims (Prudential/TFCC), dated February 27, 1992, issued by the United States Bankruptcy Court

PRELIMINARY

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for the District of Utah, *In re Bonneville Pacific Corporation,* the Bankruptcy Court approved the above referenced Settlement Agreement and Addendum to Settlement Agreement and authorized the assignment of the Permit by Assignors to Assignee.

NOW, THEREFORE, in consideration of the above recitals, and in further consideration of the mutual promises and covenants of the parties hereto, the parties agree as follows:

1. Assignment. Effective as of the date on which this Assignment is made and entered into (the "Effective Date"), Assignors hereby assign to Assignee all of their right, title and interest in and to the Permit to hold and use for and on behalf of the Low Line Drop Hydroelectric Project during the entire term of the Project, as more specifically set forth in the Lease Agreement.

2. Assumption. Assignee hereby accepts the assignment of the Permit in accordance with the terms hereof.

3. Use of Permit. Assignee agrees to allow the rights and interest referred to in the Permit to be used in connection with the Low Line Drop Hydroelectric Project in accordance with the Lease Agreement.

4. Assignors' Representations. To induce the Assignee to accept this Assignment and the rights and obligations pursuant thereto, Bonneville and Magic Valley represent to Assignee as follows:

(a) To the best knowledge and belief of Assignors, the Permit is in full force and effect; and

(b) To the best knowledge and belief of Assignors, the Permit is assignable; and

(c) The Department of Water Resources, State of Idaho, has issued its approval of this Assignment and no additional authorization, consent or approval, which has not been obtained, is necessary for the due execution, delivery and performance by Assignors of this Assignment.

5. Assignee's Covenants. In consideration of the execution and delivery of this Assignment, Assignee covenants with Bonneville, Magic Valley and Canal Company as follows:

(a) Assignee will, from and following the Effective Date, duly keep, observe and perform all terms, conditions and provisions of the Permit that are to be kept, observed and performed by the Assignee;

(b) Assignee will not further assign the rights or Permit conveyed hereunder without the prior written consent of Canal Company and the prior written consent of the Department of Water Resources, State of Idaho; and

(c) At the end of the lease and assignment term as described in the Lease Agreement, Assignee will assign the Permit to Canal Company.

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6. Consent. Canal Company, TFEI and Prudential hereby consent to the assignment of the Permit to Assignee.

7. Release. Prudential and TFEI hereby release all of their right, title and interest in and to the Permit to Assignee.

8. Counterparts. This Assignment may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

9. Further Assurances. The parties each agree, at the request of the other party, at any time and from time to time after the date hereof, whether before or after the Effective Date, to execute and deliver all such further documents, and to take and forbear from all such action, as may be reasonably necessary or appropriate in order more effectively to confirm or carry out the provisions of this Assignment.

APR 07 1994

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized officers or representatives as of the day and year first written above.

ASSIGNORS: Bonneville: BONNEVILLE PACIFIC CORPORATION, a Delaware corporation

By Duell C. Monson
Its VICE PRESIDENT - ACCOUNTING

Magic Valley: MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership

By: Bonneville Pacific Corporation, a Delaware corporation
Its: General Partner

By Duell C. Monson
Its VICE PRESIDENT - ACCOUNTING

ASSIGNEE: SOUTH FORKS JOINT VENTURE, an Idaho joint venture

By: South Forks Hydro Company, an Idaho corporation
Its: Joint Venturer

By _____
Its _____

By: Twin Falls Energy Company, Inc., an Idaho corporation
Its: Joint Venturer

By _____
Its _____



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APR 07 1994

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized officers or representatives as of the day and year first written above.

ASSIGNORS: Bonneville: BONNEVILLE PACIFIC CORPORATION, a Delaware corporation

By _____
Its _____

Magic Valley: MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership

By: Bonneville Pacific Corporation, a Delaware corporation
Its: General Partner

By _____
Its _____

ASSIGNEE: SOUTH FORKS JOINT VENTURE, an Idaho joint venture

By: South Forks Hydro Company, an Idaho corporation
Its: Joint Venturer

By Kyle W Longmore
Its Pres.

By: Twin Falls Energy Company, Inc., an Idaho corporation
Its: Joint Venturer

By Robert W. Lohaer
Its Pres

APPROVED

APR 07 1994

PRUDENTIAL:

THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation,

By _____
Its Vice President - Corporate Finance

TFEI:

TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation

By _____
Its _____

CANAL COMPANY:

TWIN FALLS CANAL COMPANY, an Idaho corporation,

By _____
Its _____

RECORDED
APR 07 1994

PRUDENTIAL:

THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation,

By _____
Its _____

TFEI:

TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation

By Robert W. Lohaer
Its Pres

CANAL COMPANY:

TWIN FALLS CANAL COMPANY, an Idaho corporation,

By Robert W. Lohaer
Its Pres

APR 07 1994

STATE OF Utah )
) ss.
County of Salt Lake)

On this 10 day of March, 1992, before me, Debra Ann Jones, a Notary Public in and for said State, personally appeared Gerald C. Monson, known or identified to me to be the Vice Pres. Accounting of BONNEVILLE PACIFIC CORPORATION, a Delaware corporation ("Bonneville") that executed the above instrument or the person who executed the instrument on behalf of Bonneville and acknowledged to me that Bonneville executed the same.

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

NOTARY PUBLIC
DEBRA ANN JONES
3845 South 2700 East
Salt Lake City, Utah 84109
My Commission Expires
June 17, 1992
STATE OF UTAH

Debra Ann Jones
Notary Public for State of Utah
Residing at Salt Lake County
My commission expires 6-17, 1992

STATE OF Utah )
) ss.
County of Salt Lake)

On this 10 day of March, 1992, before me, Debra Ann Jones, a notary public in and for said state, personally appeared Gerald C. Monson, known or identified to me to be the Vice Pres. Accounting of BONNEVILLE PACIFIC CORPORATION, a Delaware corporation and general partner of MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership ("Magic Valley") that executed the above instrument or the person who executed the instrument on behalf of Magic Valley and acknowledged to me that Magic Valley executed the same.

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

NOTARY PUBLIC
DEBRA ANN JONES
3845 South 2700 East
Salt Lake City, Utah 84109
My Commission Expires
June 17, 1992
STATE OF UTAH

Debra Ann Jones
Notary Public for State of Utah
Residing at Salt Lake County
My commission expires 6-17, 1992



APR 07 1994

STATE OF IDAHO )
) ss.
County of Twin Falls)

On this 9th day of March, 1992, before me, Maria West, a Notary Public in and for said State, personally appeared Bill Bunyan, known or identified to me to be the President of SOUTH FORKS HYDRO COMPANY, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same as joint venturer of South Forks Joint Venture, an Idaho joint venture.

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

Maria West
Notary Public for IDAHO
Residing at Twin Falls, ID
My commission expires 4-7, 1993

STATE OF IDAHO )
) ss.
County of Twin Falls)

On this 9th day of March, 1992, before me, Maria West, a Notary Public in and for said State, personally appeared Robert W. Schaer, known or identified to me to be the President of TWIN FALLS ENERGY COMPANY, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same as joint venturer of South Forks Joint Venture, an Idaho joint venture.

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

Notary Public for IDAHO
Residing at Twin Falls, ID
My commission expires 4-7, 1993

STATE OF New Jersey )
) ss.
County of Essex )

On this 10th day of March, 1992, before me, Rose Marie Rodrigues, a Notary Public in and for said State, personally appeared Donald Dyche, known or identified to me to be a VP Corporate Finance of THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation ("Prudential") that executed the above instrument or the person who executed the instrument on behalf of Prudential and acknowledged to me that Prudential 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.

Rose Marie Rodrigues
Notary Public for New Jersey
Residing at 118 Walnut St Newton
My commission expires 6/1, 1995

ROSE MARIE RODRIGUES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 1, 1995

STATE OF _____ )
) ss.
County of _____ )

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of TWIN FALLS CANAL COMPANY, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

_____
Notary Public for _____
Residing at _____
My commission expires _____, 19__

RECORDED
APR 07 1994

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be a _____ of THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation ("Prudential") that executed the above instrument or the person who executed the instrument on behalf of Prudential and acknowledged to me that Prudential executed the same.

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

_____
Notary Public for _____
Residing at _____
My commission expires _____, 19__

STATE OF IDAHO )
) ss.
County of Twin Falls)

On this 9th day of March, 1992, before me, Maria Wert, a Notary Public in and for said State, personally appeared Robert W. Schorr, known or identified to me to be the President of TWIN FALLS CANAL COMPANY, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Maria Wert
Notary Public for IDAHO
Residing at Twin Falls, ID
My commission expires 4-22-[illegible]

[illegible]
APR 07 1994

STATE OF IDAHO )
) ss.
County of Twin Falls)

On this 9th day of March, 1992, before me, Maria West, a Notary Public in and for said State, personally appeared Robert W. Schaer, known or identified to me to be the President of TWIN FALLS ENERGY COMPANY, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Maria West
Notary Public for IDAHO
Residing at Twin Falls, ID
My commission expires 4-21, 1993

APR 07 1994

TRUST AGREEMENT AND COLLATERAL ASSIGNMENT OF
WATER PERMIT NO. 01-7009

THIS TRUST AGREEMENT AND COLLATERAL ASSIGNMENT dated this 13th day of March, 1992 (this "Assignment"), is made by and among SOUTH FORKS JOINT VENTURE, a general partnership organized and validly existing under the laws of the state of Idaho, with its principal office at 1199 Shoreline Lane, Suite 310, Boise, Idaho 83702 (the "Assignor"); TITLEFACT, INC., an Idaho corporation with an office at 163 Fourth Avenue North, Twin Falls, Idaho 83303 (the "Trustee"); and CIBC INC., a Delaware corporation (the "Lender").

RECITALS:

A. The Assignor and the Lender have entered into a Credit Agreement dated as of the date hereof (as amended, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"; to which reference is made for the definition of capitalized terms used herein and not otherwise defined herein), pursuant to which the Lender has agreed to make a loan to the Assignor in an aggregate principal amount not to exceed Eight Million Dollars ($8,000,000) to refinance an existing loan secured by the Project (as defined in the Credit Agreement) provided by The Prudential Interfunding Corp., a Delaware corporation ("Prudential").

B. Bonneville Pacific Corporation, a Delaware corporation ("Bonneville"), has assigned to the Assignor Water Permit No. 01-7009 (the "Permit") issued by the Department of Water Resources of the State of Idaho (the "Department") to Twin Falls Canal Company, a non-profit Idaho corporation ("TFCC"), which Permit was (i) assigned by TFCC to Bonneville pursuant to that certain Assignment of Water Rights and Permit dated August 3, 1984 between TFCC and Bonneville and that certain Lease and Assignment Agreement dated March 16, 1984 between TFCC and Bonneville, as amended, (ii) further assigned by Bonneville to Magic Valley Hydroelectric Partners, Ltd. 1984, a Utah limited partnership ("Magic Valley"), pursuant to that certain Purchase and Assignment Agreement dated October 31, 1984 between Bonneville and Magic Valley, and (iii) further assigned by Bonneville and Magic Valley to the Assignor pursuant to that certain Second Assignment of Water Rights and Permit dated March 13, 1992 among



APR 07 1994

Bonneville, Magic Valley, the Assignor, Prudential, TFCC and Twin Falls Energy Company, Inc., an Idaho corporation.

C. The Department has acknowledged the aforementioned assignments of the Permit pursuant to that certain letter dated March 13, 1992 from the Department to the Assignor and the Lender.

D. As a condition to making the loan under the Credit Agreement, the Lender requires that this Assignment be executed and delivered to the Trustee, as trustee for the benefit of the Lender.

Accordingly, in consideration of the foregoing recitals, the following mutual covenants and promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENTS

1. The Assignor hereby represents and warrants to the Lender that:

(a) The above Recitals are true and correct; and

(b) The Assignor is the lawful owner of the rights and interests granted pursuant to the Permit; the Permit is in full force and effect and has not been amended or modified; and the Assignor has not transferred, assigned, conveyed, or granted a security interest in its rights and interests under the Permit to any person or entity other than as set forth in the above Recitals.

2. Subject to and specifically conditioned upon the written approval of this Assignment by the Department, the Assignor hereby grants and assigns to the Trustee, as trustee for the benefit of the Lender, a first priority security interest in all the Assignor's right, title, and interest in and to the Permit and all amendments and supplements thereto. Such assignment is made as collateral security for the punctual performance and payment of each and every obligation of the Assignor to the Lender arising under the Credit Agreement.

3. This Assignment is an assignment only of all right, title, and interest of the Assignor in and to the Permit, and the Assignor covenants and agrees with the Trustee faithfully to perform, observe, and comply with all obligations of the Assignor under the Permit and with all limitations and conditions imposed under the Permit, as if this Assignment had not been made. The Trustee shall not be deemed in any manner to have assumed such obligations, and in no event shall the Lender be deemed to have



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assumed any of the obligations of the Assignor under or with respect to the Permit, unless and until the Lender has given the Assignor written notice that the Lender has affirmatively assumed such obligations as the result of an event of default existing under the Credit Agreement (a "Default") and of the enforcement of the rights and remedies of the Trustee under this Assignment.

4. The Assignor agrees that it will not cancel, terminate, modify, or amend the Permit or surrender any of its water rights granted under the Permit and will not further assign the Permit to any party, without in each instance the prior written consent of the Lender. The Assignor further agrees that it shall deliver to the Trustee or the Lender copies of all written agreements, correspondence, and memoranda between the Assignor and the Department relating to the Permit and any water licenses issued by the Department to replace the Permit.

5. Upon the occurrence of any Default, the Trustee, at the request of the Lender, may without notice or demand and with or without entry upon the site of the Project, at its option, take over and enjoy the benefits of the Permit to the same extent as the Assignor might do. The exercise of such right by the Trustee shall not affect any of the rights or remedies of the Lender under any other instrument securing the performance and payment of the obligations under the Credit Agreement or other Project Documents. In addition, upon the occurrence of a Default, the Trustee shall have the right to exercise and enforce any and all rights and remedies available after Default to a secured party under applicable law. If notice to the Assignor of any intended disposition of collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to the Assignor at least ten (10) days prior to the intended disposition or other intended action.

6. The Trustee shall hold all right, title, and interest in and to the Permit for the benefit of the Lender subject to the limitations under this Assignment, pending issuance by the Department of water licenses to replace the Permit, if any. Any water licenses issued to replace the Permit shall be issued to the Assignor; provided, however, that this Assignment shall constitute an automatic assignment to the Trustee of all the Assignor's right, title, and interest in and to any such water licenses as collateral security for the punctual performance and payment of each and every obligation of the Assignor to the Lender arising under the Credit Agreement, and the rights and remedies of the Trustee with respect to any such water licenses shall be the same as those provided in this Assignment in respect to the Permit. In the event that any water licenses shall be issued to the Trustee instead of to the Assignor, the Trustee shall take all necessary steps to transfer ownership of such



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water licenses to the Assignor as promptly as possible, subject to the terms of this Assignment. In addition, the Assignor shall execute, acknowledge, and deliver to the Trustee, from time to time as requested by the Trustee, such other documents as shall be necessary or advisable in connection with the rights and remedies of the Trustee granted or provided for by this Assignment and to confirm the rights created now or hereafter intended to be created under this Assignment; to protect and further the validity, priority, and enforceability of this Assignment; to subject to this Assignment any property or rights intended by the terms hereof to be covered by this Assignment; or otherwise to carry out the purposes hereof and the transactions contemplated hereunder.

7. The Assignor agrees to indemnify and to hold the Trustee harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Trustee in any way relating to or arising out of this Assignment or any action taken or omitted to be taken by the Trustee under this Assignment; provided, however, that the Assignor shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Trustee.

8. Nothing herein contained shall be construed as making the Trustee a mortgagee in possession or as constituting a waiver or suspension by the Lender of its right to enforce performance of the obligations under the terms of the Credit Agreement. The Trustee is not the agent, partner, or joint venturer of either the Assignor or the Department.

9. The Lender hereby appoints and authorizes the Trustee to take such action on its behalf and to exercise such powers under this Assignment as are delegated to the Trustee by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Assignment, the Trustee shall not be required to exercise any discretion or take any action.

10. Neither the Trustee nor any of its respective directors, officers, employees, or agents shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Assignment, except for its own or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Trustee: (i) may consult with legal counsel and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel or



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experts; (ii) shall incur no liability under or in respect to this Assignment by acting upon any notice, certificate, or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the covenants and agreements of the Assignor under this Assignment or to determine whether a default has occurred; and (iv) shall not be responsible to the Lender for the due execution, legality, validity, enforceability, sufficiency, or value of this Assignment or any document or instrument furnished pursuant to this Assignment.

11. The Lender agrees to indemnify the Trustee (to the extent not reimbursed by the Assignor upon demand) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Trustee in any way relating to or arising out of this Assignment or any action taken or omitted to be taken by it under this Assignment; provided, however, that the Lender shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Trustee.

12. The Trustee may resign at any time by giving at least ninety (90) days' prior written notice thereof to the Lender and the Assignor and may be removed at any time with or without cause by the Lender. Upon any such resignation or removal, the Lender shall have the right to appoint a successor Trustee. If no successor Trustee shall have been so appointed by the Lender and shall have accepted such appointment within sixty (60) days after the retiring Trustee's giving of notice of resignation or the removal of the retiring Trustee, as the case may be, then the retiring Trustee may, on behalf of the Lender, appoint a successor Trustee, which shall be a title insurance company or bank organized under the laws of the United States or of the state of Idaho having its principal office in the state of Idaho, and in the case of any bank having a combined capital and surplus of at least Twenty-five Million Dollars ($25,000,000). Upon acceptance of any appointment as Trustee hereunder by a successor Trustee, such successor Trustee shall thereupon succeed to and become vested with all the rights, powers, privileges, and duties of the retiring Trustee, and the retiring Trustee shall be discharged from its duties and obligations under this Assignment. After any retiring Trustee's resignation or removal hereunder as Trustee, the provisions of paragraphs 7 through 11 of this Assignment shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Trustee under the Assignment.



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13. The Trustee accepts the establishment of the trust arrangement set forth herein and agrees to perform the duties and obligations of the Trustee created herein.

14. The Assignor agrees that it will execute such other instruments and documents as the Lender or the Trustee may from time to time reasonably require to effectuate the assignment granted by this Assignment, including but not limited to filing with the Department such instruments and documents as the Department may require as a condition to approving the assignment of any water licenses that replace the Permit to the Trustee.

15. This Assignment shall be binding upon the Assignor and its successors and assigns and shall inure to the benefit of the Trustee and its successors and assigns. This Assignment may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

16. This Assignment can be waived, modified, terminated, or discharged only explicitly in a writing signed by the parties hereto. The mere failure to act shall not preclude the exercise or enforcement of any of the rights or remedies of the Trustee hereunder.

17. All notices to the Assignor provided for under this Assignment shall be in writing and mailed or delivered by overnight courier to the address of the Assignor indicated below:

South Forks Joint Venture
c/o Ida-West Energy Company
1199 Shoreline Lane, Suite 310
Boise, Idaho 83702
Attention: President

18. The Trustee shall release all collateral granted hereunder when all amounts outstanding under the Credit Agreement, the Term Note and the other Project Documents, including without limitation accrued and unpaid interest, have been paid in full.

19. This Assignment shall be deemed made in and shall be governed by and construed in accordance with the laws of the state of Idaho.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

SOUTH FORKS JOINT VENTURE,
an Idaho joint venture

By: SOUTH FORKS HYDRO COMPANY, an Idaho corporation, in its capacity as a Joint Venturer

By _____
Name: K.P.W. Rundgren
Title: President

By: TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation, in its capacity as a Joint Venturer

By _____
Name: Robert W. Scheer
Title: President

TITLEFACT, INC.

By _____
Name:
Title:

CIBC INC.

By _____
Name:
Title:

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

SOUTH FORKS JOINT VENTURE,
an Idaho joint venture

By: SOUTH FORKS HYDRO COMPANY, an Idaho corporation, in its capacity as a Joint Venturer

By_____
Name:
Title:

By: TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation, in its capacity as a Joint Venturer

By_____
Name:
Title:

TITLEFACT, INC.

By_____
Name:
Title: PRESIDENT

CIBC INC.

By_____
Name:
Title:



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IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

SOUTH FORKS JOINT VENTURE,
an Idaho joint venture

By: SOUTH FORKS HYDRO COMPANY, an Idaho corporation, in its capacity as a Joint Venturer

By_____
Name:
Title:

By: TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation, in its capacity as a Joint Venturer

By_____
Name:
Title:

TITLEFACT, INC.

By_____
Name:
Title:

CIBC INC.

By_____
Vaughn E. Buck
Vice President



1234

STATE OF Idaho )
) ss.
COUNTY OF Ada )

On this 9th day of March, 1992, before me, Althea Flegel, a notary public in and for said state, personally appeared Kip W. Runyan, known or identified to me to be the President of SOUTH FORKS HYDRO COMPANY, an Idaho corporation and a joint venturer of SOUTH FORKS JOINT VENTURE, an Idaho joint venture (the "Assignor") that executed the above instrument or the person who executed the instrument on behalf of the Assignor and acknowledged to me that the Assignor 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.

Althea Flegel
Notary Public
Residing at Boise Idaho
My Commission Expires Dec 1996

STATE OF Idaho )
) ss.
COUNTY OF Twin Falls )

On this 9th day of March, 1992, before me, Sherry L. Call, a notary public in and for said state, personally appeared Robert W. Schaer, known or identified to me to be the President of TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation and a joint venturer of SOUTH FORKS JOINT VENTURE, an Idaho joint venture (the "Assignor") that executed the above instrument or the person who executed the instrument on behalf of the Assignor and acknowledged to me that the Assignor 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.

Sherry L. Call
Notary Public
Residing at Twin Falls, Id
My Commission Expires 3/19/92

STATE OF Idaho )
) ss.
COUNTY OF Twin Falls )

On this 9 day of March, 1992, before me, Nanette Garcia, a notary public in and for said state, personally appeared Richard B. Stivers, known or identified to me to be the President of TITLEFACT, INC., an Idaho corporation (the "Trustee") that executed the above instrument or the person who executed the instrument on behalf of the Trustee and acknowledged to me that the Trustee 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.

Nanette Garcia
Notary Public in and for _____
Residing at Twin Falls
Commission Expires 12-13-97

STATE OF _____ )
) ss.
COUNTY OF _____ )

On this _____ day of March, 1992, before me, _____, a notary public in and for said state, personally appeared _____, known or identified to me to be a _____ of CIBC INC., a Delaware corporation (the "Lender") that executed the above instrument or the person who executed the instrument on behalf of the Lender and acknowledged to me that the Lender executed the same.

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

_____
Notary Public in and for _____
Residing at _____
Commission Expires _____



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STATE OF )
) ss.
COUNTY OF )

On this ____ day of _____, 1992, before me, _____, a notary public in and for said state, personally appeared _____, known or identified to me to be the _____ of TITLEFACT, INC., an Idaho corporation (the "Trustee") that executed the above instrument or the person who executed the instrument on behalf of the Trustee and acknowledged to me that the Trustee executed the same.

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

_____
Notary Public in and for _____
Residing at _____
Commission Expires_____

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On this 11th day of March, 1992, before me, Karen B. Wong, a notary public in and for said state, personally appeared Vaughn E. Buck, a Vice President of CIBC INC., a Delaware corporation (the "Lender"), personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the instrument in his authorized capacity, and that by his signature on the instrument the Lender executed the instrument.

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

OFFICIAL SEAL
KAREN B. WONG
Notary Public-California
LOS ANGELES COUNTY
My Commission Expires
November 14, 1995

Karen B. Wong
Notary Public in and for the State of California
Residing at Los Angeles, California
My Commission Expires November 14, 1995

## FLOW ON LOW LINE CANAL AT THE FORKS, CFS

(WHERE THE MAINLINE DIVERGES INTO THE LOWLINE AND THE HIGHLINE)

1983

| August | | Sept. | | October | |
|---|---|---|---|---|---|
| 1 | 1375 | 1 | 1087 | 1 | 806 |
| 2 | 1304 | 2 | 1087 | 2 | 806 |
| 3 | 1249 | 3 | 1087 | 3 | 806 |
| 4 | 1212 | 4 | 1087 | 4 | 760 |
| 5 | 1212 | 5 | 1098 | 5 | 756 |
| 6 | 1201 | 6 | 1098 | 6 | 663 |
| 7 | 1201 | 7 | 1098 | 7 | 663 |
| 8 | 1212 | 8 | 1126 | 8 | 667 |
| 9 | 1212 | 9 | 1131 | 9 | 667 |
| 10 | 1224 | 10 | 1131 | 10 | 667 |
| 11 | 1224 | 11 | 1131 | 11 | 652 |
| 12 | 1236 | 12 | 1131 | 12 | 652 |
| 13 | 1261 | 13 | 1087 | 13 | 638 |
| 14 | 1236 | 14 | 1087 | 14 | 607 |
| 15 | 1249 | 15 | 1071 | 15 | 593 |
| 16 | 1242 | 16 | 1071 | 16 | 574 |
| 17 | 1249 | 17 | 1066 | 17 | 574 |
| 18 | 1224 | 18 | 1071 | 18 | 574 |
| 19 | 1212 | 19 | 1071 | 19 | 580 |
| 20 | 1249 | 20 | 1034 | 20 | 554 |
| 21 | 1242 | 21 | 1003 | 21 | 554 |
| 22 | 1242 | 22 | 938 | 22 | 523 |
| 23 | 1195 | 23 | 938 | 23 | 523 |
| 24 | 1166 | 24 | 895 | 24 | 523 |
| 25 | 1126 | 25 | 895 | 25 | 523 |
| 26 | 1126 | 26 | 895 | 26 | 375 |
| 27 | 1098 | 27 | 859 | 27 | 266 |
| 28 | 1087 | 28 | 859 | 28 | 255 |
| 29 | 1098 | 29 | 859 | 29 | 229 |
| 30 | 1098 | 30 | 859 | | |
| 31 | 1087 | | | | |
| Totals | | | | | |
| 37,349 | | 30,850 | | 17,030 | |

Year Total 205,167

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FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1984

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | | 1 | 614 | 1 | 1255 | 1 | 1330 |
| 2 | | 2 | 617 | 2 | 1286 | 2 | 1336 |
| 3 | | 3 | 649 | 3 | 1261 | 3 | 1286 |
| 4 | | 4 | 686 | 4 | 1298 | 4 | 1304 |
| 5 | | 5 | 708 | 5 | 1286 | 5 | 1336 |
| 6 | | 6 | 748 | 6 | 1273 | 6 | 1349 |
| 7 | | 7 | 748 | 7 | 1160 | 7 | 1343 |
| 8 | | 8 | 815 | 8 | 1104 | 8 | 1362 |
| 9 | | 9 | 868 | 9 | 1082 | 9 | 1382 |
| 10 | | 10 | 919 | 10 | 1034 | 10 | 1402 |
| 11 | | 11 | 977 | 11 | 1034 | 11 | 1402 |
| 12 | | 12 | 1013 | 12 | 977 | 12 | 1402 |
| 13 | | 13 | 993 | 13 | 977 | 13 | 1402 |
| 14 | | 14 | 1013 | 14 | 977 | 14 | 1382 |
| 15 | | 15 | 1055 | 15 | 958 | 15 | 1382 |
| 16 | | 16 | 1055 | 16 | 933 | 16 | 1382 |
| 17 | | 17 | 1066 | 17 | 886 | 17 | 1375 |
| 18 | | 18 | 1154 | 18 | 895 | 18 | 1349 |
| 19 | | 19 | 1098 | 19 | 919 | 19 | 1356 |
| 20 | | 20 | 1098 | 20 | 953 | 20 | 1362 |
| 21 | | 21 | 1120 | 21 | 905 | 21 | 1356 |
| 22 | 162 | 22 | 1148 | 22 | 963 | 22 | 1382 |
| 23 | 211 | 23 | 1201 | 23 | 982 | 23 | 1382 |
| 24 | 249 | 24 | 1171 | 24 | 1044 | 24 | 1336 |
| 25 | 293 | 25 | 1166 | 25 | 1044 | 25 | 1304 |
| 26 | 314 | 26 | 1189 | 26 | 1120 | 26 | 1261 |
| 27 | 359 | 27 | 1183 | 27 | 1189 | 27 | 1261 |
| 28 | 379 | 28 | 1212 | 28 | 1261 | 28 | 1273 |
| 29 | 463 | 29 | 1255 | 29 | 1273 | 29 | 1286 |
| 30 | 542 | 30 | 1304 | 30 | 1311 | 30 | 1298 |
| | | 31 | 1304 | | | 31 | 1298 |
| Totals | | | | | | | |
| 2,972 | | 31,147 | | 32,640 | | 41,661 | |

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FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1984

| August | | Sept. | | Oct. | |
|---|---|---|---|---|---|
| 1 | 1236 | 1 | 1298 | 1 | 815 |
| 2 | 1236 | 2 | 1311 | 2 | 815 |
| 3 | 1224 | 3 | 1323 | 3 | 810 |
| 4 | 1255 | 4 | 1273 | 4 | 806 |
| 5 | 1249 | 5 | 1224 | 5 | 789 |
| 6 | 1261 | 6 | 1236 | 6 | 789 |
| 7 | 1242 | 7 | 1236 | 7 | 789 |
| 8 | 1242 | 8 | 1224 | 8 | 789 |
| 9 | 1242 | 9 | 1224 | 9 | 806 |
| 10 | 1242 | 10 | 1224 | 10 | 789 |
| 11 | 1242 | 11 | 1177 | 11 | 740 |
| 12 | 1249 | 12 | 1109 | 12 | 736 |
| 13 | 1261 | 13 | 1098 | 13 | 716 |
| 14 | 1249 | 14 | 1076 | 14 | 693 |
| 15 | 1273 | 15 | 1044 | 15 | 693 |
| 16 | 1261 | 16 | 1044 | 16 | 649 |
| 17 | 1261 | 17 | 1060 | 17 | 635 |
| 18 | 1273 | 18 | 1044 | 18 | 574 |
| 19 | 1304 | 19 | 982 | 19 | 310 |
| 20 | 1286 | 20 | 968 | | |
| 21 | 1286 | 21 | 953 | | |
| 22 | 1273 | 22 | 909 | | |
| 23 | 1273 | 23 | 886 | | |
| 24 | 1273 | 24 | 886 | | |
| 25 | 1273 | 25 | 868 | | |
| 26 | 1304 | 26 | 868 | | |
| 27 | 1304 | 27 | 859 | | |
| 28 | 1286 | 28 | 823 | | |
| 29 | 1286 | 29 | 823 | | |
| 30 | 1286 | 30 | 823 | | |
| 31 | 1298 | | | | |
| | 39,230 | | 31,873 | | 13,743 |

Year Total 193,266

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# FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1985

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | | 1 | 863 | 1 | 1362 | 1 | 1336 |
| 2 | | 2 | 993 | 2 | 1330 | 2 | 1375 |
| 3 | | 3 | 1154 | 3 | 1336 | 3 | 1362 |
| 4 | | 4 | 1224 | 4 | 1304 | 4 | 1369 |
| 5 | | 5 | 1304 | 5 | 1273 | 5 | 1389 |
| 6 | | 6 | 1286 | 6 | 1273 | 6 | 1389 |
| 7 | | 7 | 1311 | 7 | 1273 | 7 | 1389 |
| 8 | | 8 | 1343 | 8 | 1286 | 8 | 1389 |
| 9 | | 9 | 1349 | 9 | 1267 | 9 | 1389 |
| 10 | | 10 | 1429 | 10 | 1286 | 10 | 1389 |
| 11 | 259 | 11 | 1375 | 11 | 1286 | 11 | 1389 |
| 12 | 379 | 12 | 1402 | 12 | 1298 | 12 | 1389 |
| 13 | 280 | 13 | 1415 | 13 | 1273 | 13 | 1409 |
| 14 | 280 | 14 | 1389 | 14 | 1273 | 14 | 1389 |
| 15 | 278 | 15 | 1375 | 15 | 1273 | 15 | 1402 |
| 16 | 322 | 16 | 1389 | 16 | 1273 | 16 | 1402 |
| 17 | 348 | 17 | 1415 | 17 | 1273 | 17 | 1402 |
| 18 | 406 | 18 | 1402 | 18 | 1298 | 18 | 1402 |
| 19 | 457 | 19 | 1402 | 19 | 1286 | 19 | 1415 |
| 20 | 482 | 20 | 1402 | 20 | 1323 | 20 | 1409 |
| 21 | 482 | 21 | 1356 | 21 | 1298 | 21 | 1409 |
| 22 | 482 | 22 | 1343 | 22 | 1330 | 22 | 1409 |
| 23 | 536 | 23 | 1349 | 23 | 1336 | 23 | 1389 |
| 24 | 597 | 24 | 1356 | 24 | 1323 | 24 | 1409 |
| 25 | 597 | 25 | 1349 | 25 | 1323 | 25 | 1389 |
| 26 | 610 | 26 | 1402 | 26 | 1323 | 26 | 1375 |
| 27 | 638 | 27 | 1402 | 27 | 1323 | 27 | 1369 |
| 28 | 697 | 28 | 1402 | 28 | 1323 | 28 | 1375 |
| 29 | 693 | 29 | 1402 | 29 | 1323 | 29 | 1375 |
| 30 | 781 | 30 | 1349 | 30 | 1323 | 30 | 1261 |
| | | 31 | 1362 | | | 31 | 1382 |
| Total | | | | | | | |
| 9,604 | | 41,294 | | 39,071 | | 42,926 | |

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FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1985

| August | | Sept. | | Oct. | | Nov. | |
|---|---|---|---|---|---|---|---|
| 1 | 1356 | 1 | 1336 | 1 | 832 | 1 | 587 |
| 2 | 1336 | 2 | 1336 | 2 | 832 | 2 | 614 |
| 3 | 1362 | 3 | 1311 | 3 | 832 | 3 | 621 |
| 4 | 1362 | 4 | 1279 | 4 | 815 | 4 | 614 |
| 5 | 1362 | 5 | 1236 | 5 | 815 | 5 | 621 |
| 6 | 1349 | 6 | 1201 | 6 | 815 | 6 | 621 |
| 7 | 1349 | 7 | 1201 | 7 | 815 | 7 | 628 |
| 8 | 1356 | 8 | 1177 | 8 | 815 | 8 | 511 |
| 9 | 1336 | 9 | 1177 | 9 | 772 | 9 | 580 |
| 10 | 1389 | 10 | 1093 | 10 | 701 | 10 | 523 |
| 11 | 1382 | 11 | 1003 | 11 | 631 | 11 | 523 |
| 12 | 1402 | 12 | 877 | 12 | 642 | 12 | 517 |
| 13 | 1442 | 13 | 841 | 13 | 642 | 13 | 500 |
| 14 | 1382 | 14 | 877 | 14 | 642 | 14 | 477 |
| 15 | 1362 | 15 | 905 | 15 | 635 | 15 | 428 |
| 16 | 1362 | 16 | 886 | 16 | 635 | | |
| 17 | 1369 | 17 | 854 | 17 | 635 | | |
| 18 | 1369 | 18 | 854 | 18 | 635 | | |
| 19 | 1369 | 19 | 854 | 19 | 635 | | |
| 20 | 1369 | 20 | 854 | 20 | 635 | | |
| 21 | 1356 | 21 | 832 | 21 | 635 | | |
| 22 | 1362 | 22 | 868 | 22 | 635 | | |
| 23 | 1375 | 23 | 868 | 23 | 638 | | |
| 24 | 1389 | 24 | 841 | 24 | 603 | | |
| 25 | 1382 | 25 | 804 | 25 | 603 | | |
| 26 | 1382 | 26 | 841 | 26 | 607 | | |
| 27 | 1362 | 27 | 841 | 27 | 607 | | |
| 28 | 1362 | 28 | 832 | 28 | 614 | | |
| 29 | 1349 | 29 | 832 | 29 | 614 | | |
| 30 | 1336 | 30 | 832 | 30 | 587 | | |
| 31 | 1336 | 31 | | 31 | 587 | | |

| Total | | | |
|---|---|---|---|
| 42,356 | 29,543 | 21,141 | 8,365 |

Year Total 234,300

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FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1986

| March | | April | | May | | June | |
|---|---|---|---|---|---|---|---|
| 1 | | 1 | 206 | 1 | 1023 | 1 | 1298 |
| 2 | | 2 | 204 | 2 | 1050 | 2 | 1292 |
| 3 | | 3 | 229 | 3 | 1109 | 3 | 1273 |
| 4 | | 4 | 278 | 4 | 1115 | 4 | 1298 |
| 5 | | 5 | 266 | 5 | 1131 | 5 | 1343 |
| 6 | | 6 | 322 | 6 | 1154 | 6 | 1292 |
| 7 | | 7 | 329 | 7 | 1143 | 7 | 1267 |
| 8 | | 8 | 350 | 8 | 1195 | 8 | 1317 |
| 9 | | 9 | 386 | 9 | 1201 | 9 | 1298 |
| 10 | | 10 | 423 | 10 | 1195 | 10 | 1236 |
| 11 | | 11 | 449 | 11 | 1177 | 11 | 1236 |
| 12 | | 12 | 449 | 12 | 1171 | 12 | 1255 |
| 13 | | 13 | 485 | 13 | 1177 | 13 | 1255 |
| 14 | | 14 | 480 | 14 | 1183 | 14 | 1255 |
| 15 | | 15 | 514 | 15 | 1183 | 15 | 1255 |
| 16 | | 16 | 545 | 16 | 1183 | 16 | 1255 |
| 17 | | 17 | 574 | 17 | 1171 | 17 | 1249 |
| 18 | | 18 | 590 | 18 | 1195 | 18 | 1249 |
| 19 | | 19 | 628 | 19 | 1189 | 19 | 1249 |
| 20 | | 20 | 697 | 20 | 1207 | 20 | 1249 |
| 21 | | 21 | 689 | 21 | 1267 | 21 | 1249 |
| 22 | | 22 | 756 | 22 | 1279 | 22 | 1249 |
| 23 | | 23 | 832 | 23 | 1336 | 23 | 1242 |
| 24 | | 24 | 938 | 24 | 1279 | 24 | 1249 |
| 25 | | 25 | 963 | 25 | 1292 | 25 | 1255 |
| 26 | | 26 | 948 | 26 | 1292 | 26 | 1286 |
| 27 | | 27 | 977 | 27 | 1286 | 27 | 1298 |
| 28 | | 28 | 977 | 28 | 1292 | 28 | 1311 |
| 29 | 203 | 29 | 1003 | 29 | 1279 | 29 | 1317 |
| 30 | 204 | 30 | 1003 | 30 | 1286 | 30 | 1317 |
| 31 | 250 | | | 31 | 1298 | | |
| Total | | | | | | | |
| | 657 | | 17,490 | | 37,338 | | |

RECEIVED
APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1986

| July | | Aug. | | Sept. | | Oct. | |
|---|---|---|---|---|---|---|---|
| 1 | 1317 | 1 | 1261 | 1 | 1236 | 1 | 891 |
| 2 | 1362 | 2 | 1267 | 2 | 1249 | 2 | 891 |
| 3 | 1375 | 3 | 1273 | 3 | 1183 | 3 | 891 |
| 4 | 1336 | 4 | 1279 | 4 | 1160 | 4 | 886 |
| 5 | 1292 | 5 | 1267 | 5 | 1137 | 5 | 881 |
| 6 | 1356 | 6 | 1273 | 6 | 1154 | 6 | 891 |
| 7 | 1349 | 7 | 1255 | 7 | 1154 | 7 | 891 |
| 8 | 1336 | 8 | 1273 | 8 | 1166 | 8 | 891 |
| 9 | 1343 | 9 | 1273 | 9 | 1166 | 9 | 891 |
| 10 | 1336 | 10 | 1273 | 10 | 1126 | 10 | 895 |
| 11 | 1336 | 11 | 1279 | 11 | 1120 | 11 | 841 |
| 12 | 1343 | 12 | 1286 | 12 | 1120 | 12 | 895 |
| 13 | 1330 | 13 | 1311 | 13 | 1126 | 13 | 881 |
| 14 | 1343 | 14 | 1311 | 14 | 1120 | 14 | 815 |
| 15 | 1349 | 15 | 1304 | 15 | 1120 | 15 | 815 |
| 16 | 1336 | 16 | 1304 | 16 | 1120 | 16 | 815 |
| 17 | 1311 | 17 | 1304 | 17 | 1055 | 17 | 810 |
| 18 | 1311 | 18 | 1304 | 18 | 1066 | 18 | 815 |
| 19 | 1311 | 19 | 1311 | 19 | 1060 | 19 | 810 |
| 20 | 1317 | 20 | 1317 | 20 | 1060 | 20 | 815 |
| 21 | 1317 | 21 | 1336 | 21 | 1060 | 21 | 819 |
| 22 | 1292 | 22 | 1323 | 22 | 1071 | 22 | 785 |
| 23 | 1330 | 23 | 1330 | 23 | 1071 | 23 | 760 |
| 24 | 1343 | 24 | 1330 | 24 | 1076 | 24 | 760 |
| 25 | 1311 | 25 | 1323 | 25 | 1082 | 25 | 760 |
| 26 | 1311 | 26 | 1330 | 26 | 1082 | 26 | 764 |
| 27 | 1304 | 27 | 1249 | 27 | 1008 | 27 | 474 |
| 28 | 1311 | 28 | 1286 | 28 | 938 | 28 | 260 |
| 29 | 1298 | 29 | 1279 | 29 | 938 | | |
| 30 | 1267 | 30 | 1236 | 30 | 938 | | |
| 31 | 1255 | 31 | 1230 | | | | |
| Total | | | | | | | |
| | 41,028 | | 39,977 | | 32,962 | | 22,593 |

Year Total 230,239

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1987

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | 213 | 1 | 1154 | 1 | 1171 | 1 | 1171 |
| 2 | 275 | 2 | 1060 | 2 | 1207 | 2 | 1195 |
| 3 | 295 | 3 | 1166 | 3 | 1218 | 3 | 1195 |
| 4 | 295 | 4 | 1166 | 4 | 1131 | 4 | 1195 |
| 5 | 297 | 5 | 1207 | 5 | 1104 | 5 | 1195 |
| 6 | 295 | 6 | 1148 | 6 | 1104 | 6 | 1195 |
| 7 | 293 | 7 | 1171 | 7 | 1148 | 7 | 1183 |
| 8 | 293 | 8 | 1177 | 8 | 1148 | 8 | 1195 |
| 9 | 299 | 9 | 1189 | 9 | 1154 | 9 | 1201 |
| 10 | 310 | 10 | 1212 | 10 | 1143 | 10 | 1201 |
| 11 | 343 | 11 | 1207 | 11 | 1137 | 11 | 1195 |
| 12 | 382 | 12 | 1230 | 12 | 1087 | 12 | 1189 |
| 13 | 382 | 13 | 1230 | 13 | 1044 | 13 | 1195 |
| 14 | 428 | 14 | 1255 | 14 | 1044 | 14 | 1189 |
| 15 | 494 | 15 | 1261 | 15 | 1034 | 15 | 1207 |
| 16 | 539 | 16 | 1267 | 16 | 1029 | 16 | 1212 |
| 17 | 614 | 17 | 1273 | 17 | 1060 | 17 | 1201 |
| 18 | 693 | 18 | 1267 | 18 | 1098 | 18 | 1207 |
| 19 | 748 | 19 | 1267 | 19 | 1148 | 19 | 1201 |
| 20 | 756 | 20 | 1261 | 20 | 1143 | 20 | 1195 |
| 21 | 863 | 21 | 1236 | 21 | 1160 | 21 | 1195 |
| 22 | 886 | 22 | 1230 | 22 | 1166 | 22 | 1137 |
| 23 | 953 | 23 | 1230 | 23 | 1177 | 23 | 1104 |
| 24 | 1018 | 24 | 1201 | 24 | 1177 | 24 | 1104 |
| 25 | 1071 | 25 | 1201 | 25 | 1183 | 25 | 1098 |
| 26 | 1115 | 26 | 1201 | 26 | 1177 | 26 | 1098 |
| 27 | 1115 | 27 | 1189 | 27 | 1183 | 27 | 1131 |
| 28 | 1154 | 28 | 1143 | 28 | 1183 | 28 | 1137 |
| 29 | 1160 | 29 | 1143 | 29 | 1183 | 29 | 1166 |
| 30 | 1148 | 30 | 1171 | 30 | 1183 | 30 | 1171 |
| | | 31 | 1171 | | | 31 | 1177 |

| Total | | | |
|---|---|---|---|
| 18,919 | 37,284 | 34,124 | 36,435 |

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1987

| Aug. | | Sept. | | Oct. | |
|---|---|---|---|---|---|
| 1 | 1177 | 1 | 1115 | 1 | 963 |
| 2 | 1177 | 2 | 1109 | 2 | 972 |
| 3 | 1177 | 3 | 1098 | 3 | 968 |
| 4 | 1177 | 4 | 1093 | 4 | 972 |
| 5 | 1177 | 5 | 1071 | 5 | 972 |
| 6 | 1183 | 6 | 1060 | 6 | 972 |
| 7 | 1201 | 7 | 1055 | 7 | 972 |
| 8 | 1201 | 8 | 1060 | 8 | 972 |
| 9 | 1207 | 9 | 1060 | 9 | 982 |
| 10 | 1207 | 10 | 1044 | 10 | 982 |
| 11 | 1201 | 11 | 1013 | 11 | 993 |
| 12 | 1207 | 12 | 1003 | 12 | 988 |
| 13 | 1212 | 13 | 1003 | 13 | 988 |
| 14 | 1212 | 14 | 1008 | 14 | 943 |
| 15 | 1242 | 15 | 993 | 15 | 886 |
| 16 | 1212 | 16 | 988 | 16 | 863 |
| 17 | 1212 | 17 | 982 | 17 | 815 |
| 18 | 1212 | 18 | 982 | 18 | 798 |
| 19 | 1212 | 19 | 982 | 19 | 798 |
| 20 | 1189 | 20 | 958 | 20 | 802 |
| 21 | 1195 | 21 | 958 | 21 | 802 |
| 22 | 1189 | 22 | 963 | 22 | 254 |
| 23 | 1195 | 23 | 963 | 23 | 165 |
| 24 | 1195 | 24 | 1003 | 24 | |
| 25 | 1195 | 25 | 977 | 25 | |
| 26 | 1166 | 26 | 968 | 26 | |
| 27 | 1166 | 27 | 963 | 27 | |
| 28 | 1154 | 28 | 963 | 28 | |
| 29 | 1131 | 29 | 963 | 29 | |
| 30 | 1131 | 30 | 968 | 30 | |
| 31 | 1131 | | | | |
| Total | | | | | |
| 36,853 | | 30,366 | | 19,822 | |

Year Total 213,793

APR 07 1994

# FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1988

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | 113 | 1 | 905 | 1 | 1201 | 1 | 1292 |
| 2 | 103 | 2 | 905 | 2 | 1177 | 2 | 1267 |
| 3 | 101 | 3 | 968 | 3 | 1177 | 3 | 1242 |
| 4 | 101 | 4 | 1013 | 4 | 1177 | 4 | 1261 |
| 5 | 101 | 5 | 1003 | 5 | 1183 | 5 | 1255 |
| 6 | 222 | 6 | 1034 | 6 | 1177 | 6 | 1255 |
| 7 | 232 | 7 | 1109 | 7 | 1166 | 7 | 1261 |
| 8 | 231 | 8 | 1034 | 8 | 1183 | 8 | 1267 |
| 9 | 284 | 9 | 1034 | 9 | 1189 | 9 | 1292 |
| 10 | 284 | 10 | 1034 | 10 | 1199 | 10 | 1292 |
| 11 | 276 | 11 | 1034 | 11 | 1212 | 11 | 1292 |
| 12 | 333 | 12 | 1023 | 12 | 1212 | 12 | 1304 |
| 13 | 368 | 13 | 1039 | 13 | 1218 | 13 | 1292 |
| 14 | 413 | 14 | 1034 | 14 | 1212 | 14 | 1298 |
| 15 | 468 | 15 | 1082 | 15 | 1189 | 15 | 1311 |
| 16 | 497 | 16 | 1082 | 16 | 1189 | 16 | 1311 |
| 17 | 497 | 17 | 1066 | 17 | 1201 | 17 | 1311 |
| 18 | 497 | 18 | 1104 | 18 | 1195 | 18 | 1323 |
| 19 | 503 | 19 | 1120 | 19 | 1195 | 19 | 1317 |
| 20 | 574 | 20 | 1143 | 20 | 1183 | 20 | 1311 |
| 21 | 617 | 21 | 1154 | 21 | 1189 | 21 | 1323 |
| 22 | 667 | 22 | 1148 | 22 | 1248 | 22 | 1311 |
| 23 | 701 | 23 | 1148 | 23 | 1291 | 23 | 1304 |
| 24 | 724 | 24 | 1171 | 24 | 1273 | 24 | 1279 |
| 25 | 724 | 25 | 1189 | 25 | 1298 | 25 | 1298 |
| 26 | 728 | 26 | 1218 | 26 | 1298 | 26 | 1286 |
| 27 | 764 | 27 | 1218 | 27 | 1304 | 27 | 1286 |
| 28 | 823 | 28 | 1218 | 28 | 1304 | 28 | 1273 |
| 29 | 836 | 29 | 1218 | 29 | 1304 | 29 | 1273 |
| 30 | 863 | 30 | 1218 | 30 | 1291 | 30 | 1273 |
| | | 31 | 1249 | | | 31 | 1261 |
| Total | | | | | | | |
| 13,747 | | 33,915 | | 36,635 | | 39,941 | |

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1988

| Aug | | Sept. | | Oct. | |
|---|---|---|---|---|---|
| 1 | 1286 | 1 | 919 | 1 | 744 |
| 2 | 1304 | 2 | 919 | 2 | 740 |
| 3 | 1273 | 3 | 895 | 3 | 744 |
| 4 | 1267 | 4 | 886 | 4 | 740 |
| 5 | 1286 | 5 | 868 | 5 | 744 |
| 6 | 1292 | 6 | 868 | 6 | 740 |
| 7 | 1292 | 7 | 863 | 7 | 740 |
| 8 | 1298 | 8 | 841 | 8 | 744 |
| 9 | 1298 | 9 | 806 | 9 | 740 |
| 10 | 1311 | 10 | 797 | 10 | 748 |
| 11 | 1304 | 11 | 756 | 11 | 748 |
| 12 | 1311 | 12 | 776 | 12 | 744 |
| 13 | 1304 | 13 | 781 | 13 | 752 |
| 14 | 1311 | 14 | 781 | 14 | 752 |
| 15 | 1311 | 15 | 768 | 15 | 760 |
| 16 | 1311 | 16 | 781 | 16 | 744 |
| 17 | 1311 | 17 | 781 | 17 | 735 |
| 18 | 1311 | 18 | 776 | 18 | 740 |
| 19 | 1304 | 19 | 776 | 19 | 735 |
| 20 | 1317 | 20 | 797 | 20 | 732 |
| 21 | 1304 | 21 | 768 | 21 | 720 |
| 22 | 1317 | 22 | 772 | | |
| 23 | 1304 | 23 | 768 | | |
| 24 | 1286 | 24 | 772 | | |
| 25 | 1249 | 25 | 760 | | |
| 26 | 993 | 26 | 760 | | |
| 27 | 993 | 27 | 764 | | |
| 28 | 872 | 28 | 748 | | |
| 29 | 909 | 29 | 744 | | |
| 30 | 909 | 30 | 744 | | |
| 31 | 905 | | | | |
| Total | | | | | |
| 38,043 | | 24,035 | | 15,586 | |

Year Total 201,902

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1989

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | | 1 | 802 | 1 | 1286 | 1 | 1336 |
| 2 | | 2 | 845 | 2 | 1292 | 2 | 1336 |
| 3 | | 3 | 863 | 3 | 1292 | 3 | 1336 |
| 4 | 125 | 4 | 943 | 4 | 1311 | 4 | 1323 |
| 5 | 234 | 5 | 1018 | 5 | 1286 | 5 | 1323 |
| 6 | | 6 | 1039 | 6 | 1286 | 6 | 1323 |
| 7 | | 7 | 1082 | 7 | 1286 | 7 | 1304 |
| 8 | | 8 | 1082 | 8 | 1292 | 8 | 1311 |
| 9 | | 9 | 1104 | 9 | 1292 | 9 | 1349 |
| 10 | | 10 | 1160 | 10 | 1286 | 10 | 1343 |
| 11 | | 11 | 1189 | 11 | 1286 | 11 | 1336 |
| 12 | 262 | 12 | 1189 | 12 | 1286 | 12 | 1362 |
| 13 | 245 | 13 | 1189 | 13 | 1292 | 13 | 1362 |
| 14 | 262 | 14 | 1189 | 14 | 1292 | 14 | 1349 |
| 15 | 276 | 15 | 1195 | 15 | 1292 | 15 | 1369 |
| 16 | 278 | 16 | 1189 | 16 | 1292 | 16 | 1369 |
| 17 | 275 | 17 | 1189 | 17 | 1286 | 17 | 1375 |
| 18 | 280 | 18 | 1189 | 18 | 1292 | 18 | 1389 |
| 19 | 289 | 19 | 1183 | 19 | 1292 | 19 | 1389 |
| 20 | 312 | 20 | 1189 | 20 | 1292 | 20 | 1389 |
| 21 | 368 | 21 | 1189 | 21 | 1286 | 21 | 1375 |
| 22 | 434 | 22 | 1189 | 22 | 1304 | 22 | 1369 |
| 23 | 428 | 23 | 1189 | 23 | 1330 | 23 | 1362 |
| 24 | 428 | 24 | 1189 | 24 | 1330 | 24 | 1375 |
| 25 | 457 | 25 | 1236 | 25 | 1330 | 25 | 1395 |
| 26 | 494 | 26 | 1286 | 26 | 1330 | 26 | 1369 |
| 27 | 574 | 27 | 1292 | 27 | 1330 | 27 | 1362 |
| 28 | 660 | 28 | 1292 | 28 | 1362 | 28 | 1382 |
| 29 | 732 | 29 | 1292 | 29 | 1356 | 29 | 1375 |
| 30 | 802 | 30 | 1292 | 30 | 1349 | 30 | 1382 |
| 31 | | 31 | 1286 | | | 31 | 1382 |
| Total | | | | | | | |
| 8,215 | | 35,560 | | 39,118 | | 42,101 | |

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1989

| Aug. | | Sept. | | Oct. | | Nov. | |
|---|---|---|---|---|---|---|---|
| 1 | 1395 | 1 | 1292 | 1 | 1018 | 1 | 457 |
| 2 | 1369 | 2 | 1286 | 2 | 1018 | 2 | 452 |
| 3 | 1362 | 3 | 1286 | 3 | 1029 | 3 | 441 |
| 4 | 1375 | 4 | 1286 | 4 | 988 | | |
| 5 | 1375 | 5 | 1267 | 5 | 938 | | |
| 6 | 1369 | 6 | 1261 | 6 | 900 | | |
| 7 | 1369 | 7 | 1230 | 7 | 895 | | |
| 8 | 1369 | 8 | 1195 | 8 | 900 | | |
| 9 | 1415 | 9 | 1166 | 9 | 914 | | |
| 10 | 1422 | 10 | 1137 | 10 | 909 | | |
| 11 | 1415 | 11 | 1137 | 11 | 891 | | |
| 12 | 1422 | 12 | 1098 | 12 | 891 | | |
| 13 | 1429 | 13 | 1098 | 13 | 891 | | |
| 14 | 1422 | 14 | 1076 | 14 | 895 | | |
| 15 | 1422 | 15 | 1071 | 15 | 863 | | |
| 16 | 1395 | 16 | 1076 | 16 | 863 | | |
| 17 | 1395 | 17 | 1076 | 17 | 863 | | |
| 18 | 1415 | 18 | 1066 | 18 | 845 | | |
| 19 | 1369 | 19 | 1049 | 19 | 845 | | |
| 20 | 1356 | 20 | 1055 | 20 | 806 | | |
| 21 | 1362 | 21 | 1039 | 21 | 776 | | |
| 22 | 1356 | 22 | 1029 | 22 | 776 | | |
| 23 | 1356 | 23 | 1033 | 23 | 776 | | |
| 24 | 1336 | 24 | 1034 | 24 | 776 | | |
| 25 | 1298 | 25 | 1034 | 25 | 785 | | |
| 26 | 1311 | 26 | 1034 | 26 | 624 | | |
| 27 | 1286 | 27 | 1039 | 27 | 447 | | |
| 28 | 1286 | 28 | 1039 | 28 | 421 | | |
| 29 | 1286 | 29 | 1060 | 29 | 441 | | |
| 30 | 1286 | 30 | 1044 | 30 | 441 | | |
| 31 | 1286 | | | 31 | 452 | | |

| Total | | | |
|---|---|---|---|
| 42,309 | 33,593 | 24,877 | 1,350 |

Year Total 227,123

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1990

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | 172 | 1 | 1008 | 1 | 1236 | 1 | 1349 |
| 2 | 200 | 2 | 872 | 2 | 1066 | 2 | 1349 |
| 3 | 196 | 3 | 868 | 3 | 1066 | 3 | 1369 |
| 4 | 200 | 4 | 877 | 4 | 1060 | 4 | 1369 |
| 5 | 245 | 5 | 933 | 5 | 1055 | 5 | 1382 |
| 6 | 239 | 6 | 924 | 6 | 1060 | 6 | 1382 |
| 7 | 239 | 7 | 928 | 7 | 1060 | 7 | 1382 |
| 8 | 287 | 8 | 982 | 8 | 1029 | 8 | 1382 |
| 9 | 287 | 9 | 982 | 9 | 1039 | 9 | 1382 |
| 10 | 316 | 10 | 1034 | 10 | 1039 | 10 | 1382 |
| 11 | 423 | 11 | 1039 | 11 | 1034 | 11 | 1382 |
| 12 | 529 | 12 | 1044 | 12 | 1029 | 12 | 1382 |
| 13 | 628 | 13 | 1082 | 13 | 1115 | 13 | 1389 |
| 14 | 656 | 14 | 1093 | 14 | 1115 | 14 | 1375 |
| 15 | 686 | 15 | 1098 | 15 | 1115 | 15 | 1375 |
| 16 | 693 | 16 | 1120 | 16 | 1055 | 16 | 1369 |
| 17 | 781 | 17 | 1131 | 17 | 1076 | 17 | 1375 |
| 18 | 850 | 18 | 1148 | 18 | 1076 | 18 | 1375 |
| 19 | 895 | 19 | 1148 | 19 | 1066 | 19 | 1382 |
| 20 | 943 | 20 | 1195 | 20 | 1055 | 20 | 1389 |
| 21 | 1060 | 21 | 1195 | 21 | 1109 | 21 | 1409 |
| 22 | 1076 | 22 | 1195 | 22 | 1177 | 22 | 1382 |
| 23 | 1137 | 23 | 1195 | 23 | 1230 | 23 | 1395 |
| 24 | 1166 | 24 | 1189 | 24 | 1286 | 24 | 1389 |
| 25 | 1160 | 25 | 1189 | 25 | 1286 | 25 | 1336 |
| 26 | 1171 | 26 | 1189 | 26 | 1304 | 26 | 1311 |
| 27 | 1171 | 27 | 1189 | 27 | 1343 | 27 | 1311 |
| 28 | 1087 | 28 | 1189 | 28 | 1304 | 28 | 1279 |
| 29 | 1071 | 29 | 1236 | 29 | 1343 | 29 | 1255 |
| 30 | 1071 | 30 | 1236 | 30 | 1349 | 30 | 1255 |
| | | 31 | 1273 | | | 31 | 1279 |
| Total | | | | | | | |
| 20,640 | | 33,781 | | 34,177 | | 42,122 | |

RECEIVED

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1990

| Aug. | | Sept. | | Oct. | | Nov. | |
|---|---|---|---|---|---|---|---|
| 1 | 1304 | 1 | 1230 | 1 | 1008 | 1 | 455 |
| 2 | 1336 | 2 | 1230 | 2 | 1008 | 2 | 408 |
| 3 | 1336 | 3 | 1230 | 3 | 988 | 3 | 416 |
| 4 | 1330 | 4 | 1242 | 4 | 993 | 4 | 421 |
| 5 | 1336 | 5 | 1249 | 5 | 914 | 5 | 403 |
| 6 | 1336 | 6 | 1219 | 6 | 886 | 6 | 394 |
| 7 | 1336 | 7 | 1183 | 7 | 914 | 7 | 293 |
| 8 | 1362 | 8 | 1126 | 8 | 914 | 8 | 291 |
| 9 | 1389 | 9 | 1115 | 9 | 868 | | |
| 10 | 1395 | 10 | 1137 | 10 | 868 | | |
| 11 | 1402 | 11 | 1137 | 11 | 850 | | |
| 12 | 1409 | 12 | 1137 | 12 | 850 | | |
| 13 | 1415 | 13 | 1093 | 13 | 850 | | |
| 14 | 1436 | 14 | 1093 | 14 | 776 | | |
| 15 | 1409 | 15 | 1087 | 15 | 776 | | |
| 16 | 1395 | 16 | 1060 | 16 | 708 | | |
| 17 | 1422 | 17 | 1060 | 17 | 701 | | |
| 18 | 1409 | 18 | 1034 | 18 | 712 | | |
| 19 | 1436 | 19 | 993 | 19 | 624 | | |
| 20 | 1429 | 20 | 982 | 20 | 617 | | |
| 21 | 1429 | 21 | 993 | 21 | 628 | | |
| 22 | 1429 | 22 | 993 | 22 | 610 | | |
| 23 | 1409 | 23 | 993 | 23 | 610 | | |
| 24 | 1382 | 24 | 993 | 24 | 593 | | |
| 25 | 1356 | 25 | 977 | 25 | 597 | | |
| 26 | 1304 | 26 | 972 | 26 | 590 | | |
| 27 | 1304 | 27 | 1024 | 27 | 593 | | |
| 28 | 1292 | 28 | 1003 | 28 | 545 | | |
| 29 | 1230 | 29 | 1008 | 29 | 542 | | |
| 30 | 1230 | 30 | 1008 | 30 | 514 | | |
| 31 | 1230 | | | 31 | 403 | | |

| Total | | | |
|---|---|---|---|
| 42,217 | 32,601 | 23,050 | 3,081 |

APR 07 1994

Year Total 231,669

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1991

| April | | May | | June | | July | |
|---|---|---|---|---|---|---|---|
| 1 | | 1 | 982 | 1 | 1230 | 1 | 1286 |
| 2 | | 2 | 886 | 2 | 1242 | 2 | 1279 |
| 3 | | 3 | 909 | 3 | 1279 | 3 | 1273 |
| 4 | | 4 | 938 | 4 | 1279 | 4 | 1273 |
| 5 | | 5 | 924 | 5 | 1279 | 5 | 1279 |
| 6 | | 6 | 938 | 6 | 1279 | 6 | 1298 |
| 7 | | 7 | 958 | 7 | 1267 | 7 | 1298 |
| 8 | | 8 | 983 | 8 | 1279 | 8 | 1343 |
| 9 | 171 | 9 | 998 | 9 | 1286 | 9 | 1356 |
| 10 | 186 | 10 | 998 | 10 | 1292 | 10 | 1375 |
| 11 | 225 | 11 | 982 | 11 | 1273 | 11 | 1369 |
| 12 | 271 | 12 | 982 | 12 | 1286 | 12 | 1323 |
| 13 | 331 | 13 | 982 | 13 | 1330 | 13 | 1298 |
| 14 | 325 | 14 | 982 | 14 | 1298 | 14 | 1311 |
| 15 | 346 | 15 | 982 | 15 | 1304 | 15 | 1311 |
| 16 | 348 | 16 | 982 | 16 | 1349 | 16 | 1356 |
| 17 | 426 | 17 | 982 | 17 | 1349 | 17 | 1317 |
| 18 | 482 | 18 | 993 | 18 | 1349 | 18 | 1336 |
| 19 | 539 | 19 | 993 | 19 | 1349 | 19 | 1336 |
| 20 | 583 | 20 | 993 | 20 | 1336 | 20 | 1356 |
| 21 | 660 | 21 | 928 | 21 | 1279 | 21 | 1343 |
| 22 | 656 | 22 | 933 | 22 | 1279 | 22 | 1375 |
| 23 | 689 | 23 | 928 | 23 | 1267 | 23 | 1356 |
| 24 | 748 | 24 | 953 | 24 | 1267 | 24 | 1362 |
| 25 | 836 | 25 | 1023 | 25 | 1273 | 25 | 1362 |
| 26 | 881 | 26 | 1029 | 26 | 1298 | 26 | 1362 |
| 27 | 914 | 27 | 1071 | 27 | 1298 | 27 | 1362 |
| 28 | 948 | 28 | 1189 | 28 | 1298 | 28 | 1369 |
| 29 | 953 | 29 | 1236 | 29 | 1317 | 29 | 1362 |
| 30 | 998 | 30 | 1236 | 30 | 1285 | 30 | 1349 |
| | | 31 | 1218 | | | 31 | 1330 |

| Total | | | |
|---|---|---|---|
| 12,516 | 31,111 | 38,798 | 41,305 |

APR 07 1994

FLOW ON LOW LINE CANAL AT THE FORKS, CFS

1991

| Aug. | | Sept. | | Oct. | |
|---|---|---|---|---|---|
| 1 | 1323 | 1 | 1255 | 1 | 764 |
| 2 | 1317 | 2 | 1261 | 2 | 760 |
| 3 | 1336 | 3 | 1261 | 3 | 760 |
| 4 | 1330 | 4 | 1273 | 4 | 760 |
| 5 | 1330 | 5 | 1255 | 5 | 768 |
| 6 | 1336 | 6 | 1236 | 6 | 776 |
| 7 | 1323 | 7 | 1230 | 7 | 760 |
| 8 | 1317 | 8 | 1224 | 8 | 740 |
| 9 | 1317 | 9 | 1224 | 9 | 740 |
| 10 | 1323 | 10 | 1230 | 10 | 740 |
| 11 | 1330 | 11 | 1177 | 11 | 740 |
| 12 | 1317 | 12 | 1131 | 12 | 732 |
| 13 | 1330 | 13 | 1066 | 13 | 756 |
| 14 | 1343 | 14 | 1013 | 14 | 748 |
| 15 | 1336 | 15 | 963 | 15 | 756 |
| 16 | 1343 | 16 | 953 | 16 | 744 |
| 17 | 1362 | 17 | 914 | 17 | 736 |
| 18 | 1389 | 18 | 881 | 18 | 686 |
| 19 | 1389 | 19 | 828 | 19 | 686 |
| 20 | 1369 | 20 | 802 | 20 | 686 |
| 21 | 1389 | 21 | 793 | 21 | 686 |
| 22 | 1382 | 22 | 802 | 22 | 686 |
| 23 | 1375 | 23 | 810 | 23 | 645 |
| 24 | 1369 | 24 | 810 | 24 | 621 |
| 25 | 1402 | 25 | 815 | 25 | 207 |
| 26 | 1395 | 26 | 764 | 26 | |
| 27 | 1422 | 27 | 764 | 27 | |
| 28 | 1382 | 28 | 764 | 28 | |
| 29 | 1369 | 29 | 764 | 28 | |
| 30 | 1336 | 30 | 764 | 29 | |
| 31 | 1286 | | | | |

APR 07 1994

Total

41,867 30,027 17,683

Year Total 213,307

TWIN FALLS CANAL COMPANY

Flow on Low Line Canal at the Forks, CFS

Totals

| 1983 | | 1984 | |
|---|---|---|---|
| April | 10,242 | April | 2,972 |
| May | 28,938 | May | 31,147 |
| June | 38,206 | June | 32,640 |
| July | 42,552 | July | 41,661 |
| Aug. | 37,349 | Aug. | 39,230 |
| Sept. | 30,850 | Sept. | 31,873 |
| Oct. | 17,030 | Oct. | 13,743 |
| | 205,167 | | 193,266 |

| 1985 | | 1986 | |
|---|---|---|---|
| April | 9,604 | March | 657 |
| May | 41,294 | April | 17,490 |
| June | 39,071 | May | 37,338 |
| July | 42,926 | June | 38,194 |
| Aug. | 42,356 | July | 41,028 |
| Sept. | 29,543 | Aug. | 39,977 |
| Oct. | 21,141 | Sept. | 32,962 |
| Nov. | 8,365 | Oct. | 22,593 |
| | 234,300 | | 230,239 |

| 1987 | | 1988 | |
|---|---|---|---|
| April | 18,919 | April | 13,747 |
| May | 37,284 | May | 33,915 |
| June | 34,124 | June | 36,635 |
| July | 36,435 | July | 39,941 |
| Aug. | 36,843 | Aug. | 38,043 |
| Sept. | 30,366 | Sept. | 24,035 |
| Oct. | 19,822 | Oct. | 15,586 |
| | 213,793 | | 201,902 |

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Totals
Page 2

1989

| | |
|---|---|
| April | 8,215 |
| May | 35,560 |
| June | 39,118 |
| July | 42,101 |
| Aug. | 42,309 |
| Sept. | 33,593 |
| Oct. | 24,877 |
| Nov. | 1,350 |
| | 227,123 |

1990

| | |
|---|---|
| April | 20,640 |
| May | 33,781 |
| June | 34,177 |
| July | 42,122 |
| Aug. | 42,217 |
| Sept. | 32.601 |
| Oct. | 23,050 |
| Nov. | 3,081 |
| | 231,669 |

1991

| | |
|---|---|
| April | 12,516 |
| May | 31,111 |
| June | 38,798 |
| July | 41,305 |
| Aug. | 41,867 |
| Sept. | 30,027 |
| Oct. | 17,683 |
| | 213,307 |

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J-U-B ENGINEERS, INC.

800 Falls Avenue • Twin Falls, Idaho 83301 • Telephone (208) 733-2414

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Department of Water Resources
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JAN 6 1988
Department of Water Resources
Southern Region Office

January 6, 1988

Mr. Loren Holmes
State of Idaho
Department of Water Resources
2148 4th Avenue East
Twin Falls, Idaho 83301

Re: Beneficial Use Examination for Permit No. 01-7009
Lowline Hydroelectric Project

Dear Mr. Holmes:

This letter serves to formally notify you that J-U-B ENGINEERS, Inc., has been retained by Bonneville Pacific Corporation to conduct the Proof of Beneficial Use field examination for the above noted project and permit.

The beneficial use field report was prepared under the supervision of Mr. David L. Curtis, P.E., of our Boise office who is a certified water rights field examiner. The field examination was conducted on October 20, 1986.

Sincerely yours,

J-U-B ENGINEERS, Inc.

David D Joerger

David D. Joerger, E.I.T.

DDJ:al

cc: Mr. Orlin V. Clements, Bonneville Pacific Corp.

APR 07 1994

Form 219
6/86

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

# BENEFICIAL USE FIELD REPORT

Department of Water Resources

## A. GENERAL INFORMATION

Permit No. 01-7009

1. Owner: Twin Falls Canal Company — Phone No. 733-6731
   Current Address: 163 2nd Avenue West Twin Falls, Idaho 83301
2. Accompanied by: — EXAM. DATE: October 20, 1986
   Address: — Phone No. —
   Relationship to Permit Holder: —
3. Source: Snake River tributary to Columbia River

## B. OVERLAP REVIEW

1. Other water rights with same place of use: None
   ☐ Copies Attached
2. Other water rights with same point of diversion: None
   ☐ Copies Attached ☐ Copies of Field Exam's Attached

## C. SYSTEM DESCRIPTION

1. **Diversion System Diagram:** Indicate all major components and distances between components. Indicate weir size/ditch size/pipe i.d. as applicable. ☒ Alternative diagram attached

*Scale: 1" = _____.*

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2. ☒ Copy of U.S.G.S. Quadrangle Attached
   Showing location(s) of point(s) of diversion and place(s) of use (required).
   ☐ Aerial Photo Attached
   (required for irrigation of 10 acres or more).
   ☒ Photo of Diversion and System Attached
   (required for all but single household domestic groundwater, and stockwater.

*System Description (continued)*

3. **Narrative:** Description (As operating at time of measurement. Indicate pressure, number of sprinklers, etc.)

Water is diverted from the Snake River and into the Twin Falls Main Canal at Milner Dam. This irrigation water then bifurcates into the Highline and Lowline Canals approximately 2½ miles south of Hansen. This bifurcation is composed of a reinforced concrete structure with radial gates that control the flow entering the Highline and Lowline Canals. The radial gates on the Lowline Canal can be closed to force the Lowline Canal water through a trash rack and into a 12 foot diameter welded steel penstock. This penstock is buried and travels approximately 2300 feet to a powerhouse in which two vertical Francis turbines are located. A surge tower is

☒ See Remarks on page 4 for continuation

4.

| Well or Diversion Identification No.* | Generator Make | Turbine Hp | Generator Serial No. | Turbine Make | Design Turbine Discharge Size |
|---|---|---|---|---|---|
| N/A | Ideal Electric Co. | 5776 (4308KW) | 327852 | Hydro-West Group, Inc. | 650 CFS |
| N/A | Ideal Electric Co. | 5776 (4308KW) | 327853 | Hydro-West Group, Inc. | 650 CFS |
| | | | | | |
| | | | | | |

**Code to correspond with No. on map and aerial photo*

5. **Point(s) of Diversion:**

| Ident. No. | Gov't. Lot | ¼ | ¼ | ¼ | Sec. | Twp. | Rge. | County | Method of Determination/Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | 8 | | NE | SE | 29 | 10S | 21E | Twin Falls | T.F. Main Canal Diversion off Snake River @ Milner Dam |
| | | | NW | SW | 1 | 11S | 18E | Twin Falls | Penstock Intake Diversion at T.F Main Canal |
| | | | | | | | | | |

6. **Place(s) of Use:** Indicate Method of Determination _____

| Twp. | Rge. | Sec. | NE¼ | | | | NW¼ | | | | SW¼ | | | | SE¼ | | | | Totals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | |
| 11S | 18E | 2 | | | | | | | | | | | | | X | | | | ----- |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |

*Do not use this space*

APR 07 1994

*Do not use this space*

## D. FLOW MEASUREMENTS

☐ Additional Data Sheets Attached

1.

| Measurement Equipment | Type | Make | Model No. | Serial No. | Size | Calib. Date |
|---|---|---|---|---|---|---|
| ------ | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

2. **Measurements:**

At the time of inspection both turbines were operating. A pressure gage at the turbine inlets indicated an operating pressure of 31 psi (71.6 feet). The production was approximately 2200 KW (2950 HP) per unit. The attached certified turbine rating curves indicate a flow of approximately 430 cfs per unit for a total flow of 860 cfs at the time of measurement.

## E. FLOW CALCULATIONS

☐ Additional Computation Sheets Attached

1. Measured Method: Certified turbine curves were used to determine flow (see attached turbine curve). The head was determined by a pressure gauge in the powerhouse while power production was determined from the KW output meter in the powerhouse.
2. Alternate Method for Checking Purposes:
   N/A

## F. PUMP EFFICIENCY DATA (Optional) NOT APPLICABLE

Discharge Pressure: _____ psi x 2.31 = _____ ft (1); Dynamic pumping level: _____ ft (2)
Total Head: (1) + (2) = _____ (3) ; Flow rate: _____ cfs (4)

Water HP: (3) x (4) ÷ 8.8 = _____ (5)
Meter Input KW: 3.6 x _____ KH x _____ CTR or _____ MULT x _____ PTR x _____ N/ _____ T = _____ (6)
Meter Input HP: (6) x 1.34 = _____ (7)
Panel Input KW: _____ Ave PF x _____ Ave Volts x _____ Ave Ampsx .001732 = _____ (6)
Panel Input HP: (6) x 1.34 = _____ (7) Efficiency: (5)/(7) x 100 = _____ %

## G. VOLUME CALCULATIONS NOT APPLICABLE

1. Volume Calculations for Irrigation:

   $V_{I.R.}$ = (Acres Irrigated) x (Irrigation Requirement) = _____

   $V_{D.R.}$ = [Diversion Rate (cfs)] x (Days in Irrigation Season) x 1.9835 = _____

   V = Smaller of $V_{I.R.}$ and $V_{D.R.}$ = _____

2. Volume Calculations for Other Uses:

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## H. REMARKS AND OVERLAP REVIEW ANALYSIS

located outside of the powerhouse. Water then passes through these two turbines and discharges directly back into the Lowline Canal. (See attached photos). As a result, there is no consumptive use.

The power plant was not at full capacity due to the field examination taking place near the end of the irrigation season. However, the turbine curves indicate each turbine has a maximum capacity of 650 cfs for a total flow of 1300 cfs. As a result, it is felt that 1300 cfs be recommended for beneficial use.

## I. RECOMMENDATIONS

1. **Recommended Amounts**

| Beneficial Use | Period of Use From | Period of Use To | Rate of Diversion Q (cfs) | Annual Volume V (afa) |
|---|---|---|---|---|
| Power Generation | Jan. 1 | Dec. 31 | 1300 CFS | |
| | | | | |
| | | | | |
| | | | | |
| | | Totals: | 1300 CFS | |

2. **Recommended Amendments**

☐ Change P.D. as reflected above ☐ Add P.D. as reflected above ☒ None

☐ Change P.U. as reflected above ☐ Add P.U. as reflected above ☐ Other

## J. AUTHENTICATION

Field Examiner's Name: David L. Curtis

Signature: David L. Curtis

Certification Date: 5 January 1988

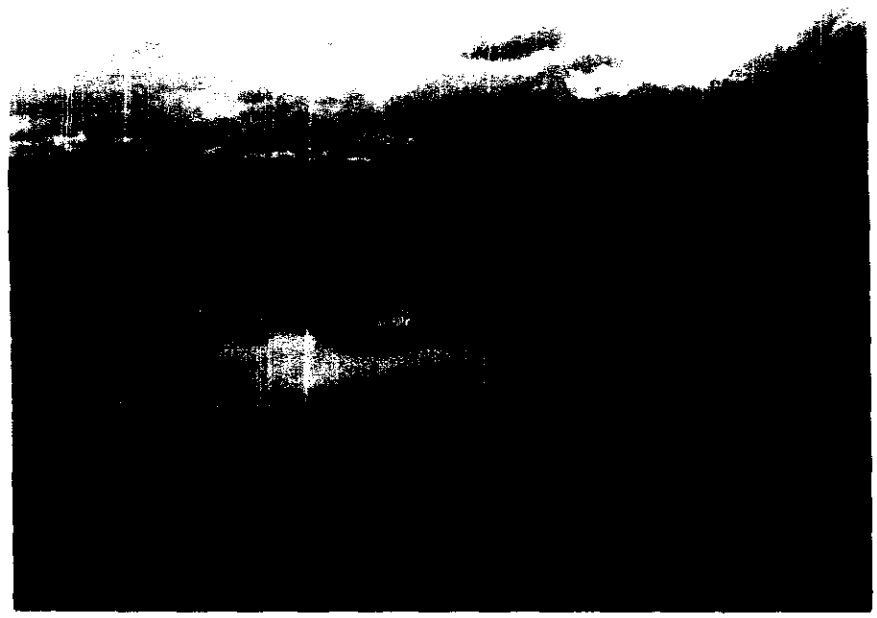
Field Report Preparation Date: 5 January 1988

3121 CONSULTANT SEAL 1/5/88 STATE OF IDAHO DAVID L. CURTIS

**K. Licensing recommendation shall be prepared by an Idaho Department of Water Resources employee on a computer printout attached hereto.**

APR 07 1994

01-7009



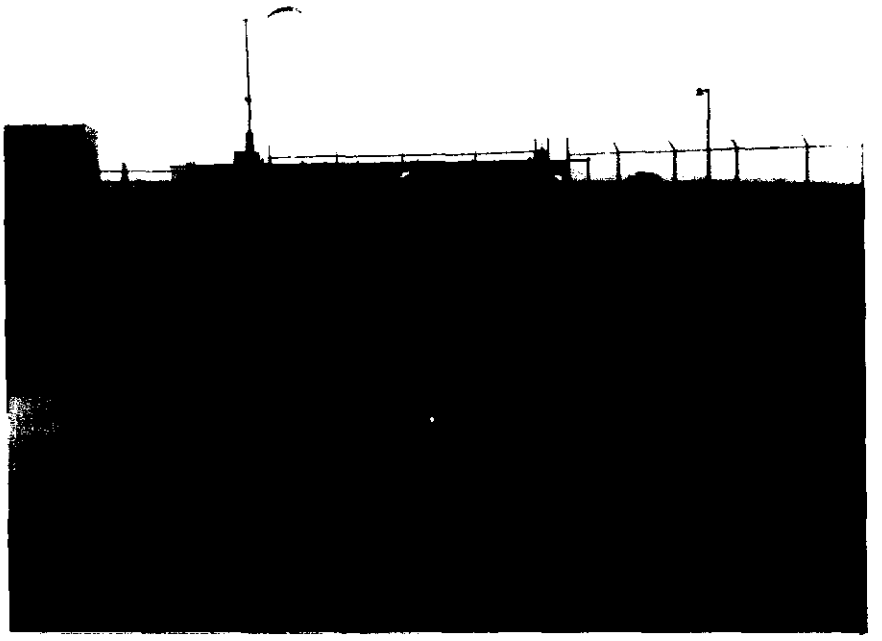
Highline Canal/Lowline Canal Bifurcation off Main Canal
(Looking Downstream)
Highline Canal branches through radial gates in left of photo.
Lowline Canal branches through radial gates in center of photo.
Lowline Penstock Intake is on right side of photo.



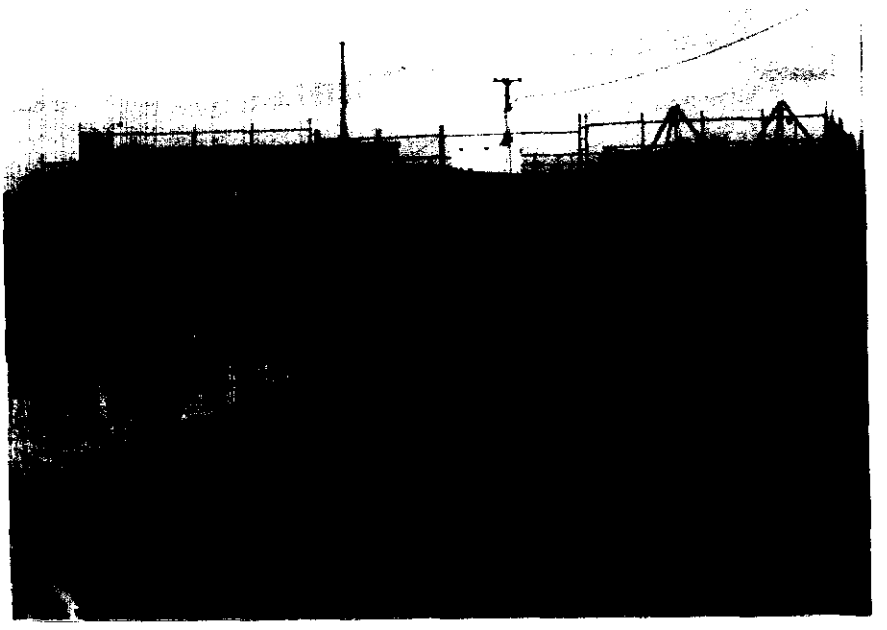
Highline Canal branches through radial gates in left of photo.
Lowline Canal branches through radial gates in right of photo.

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01-7009



Lowline Penstock Intake



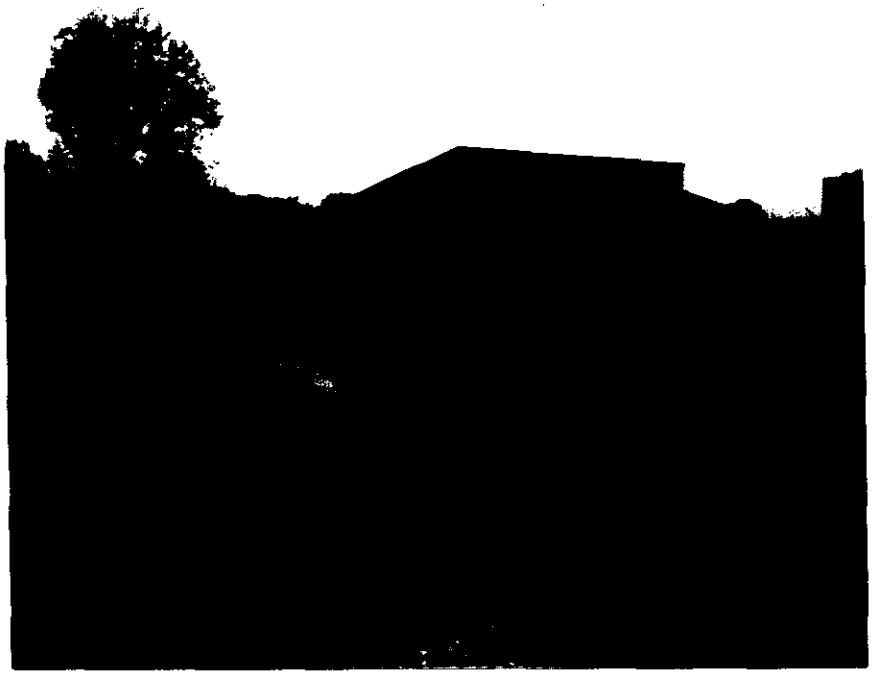
Lowline Penstock Intake on left.
Lowline Canal on right with radial control gates closed.
(Looking upstream)
NOTE: All water is passing through penstock. As a result, the Lowline Canal is dry.

RECD
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01-7009



Powerhouse Surge Tower and Substation
(Looking downstream)
Note Lowline Canal bed in left of photo.



Powerhouse looking downstream.
Note water in Lowline Canal downstream of powerhouse.

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01-7009

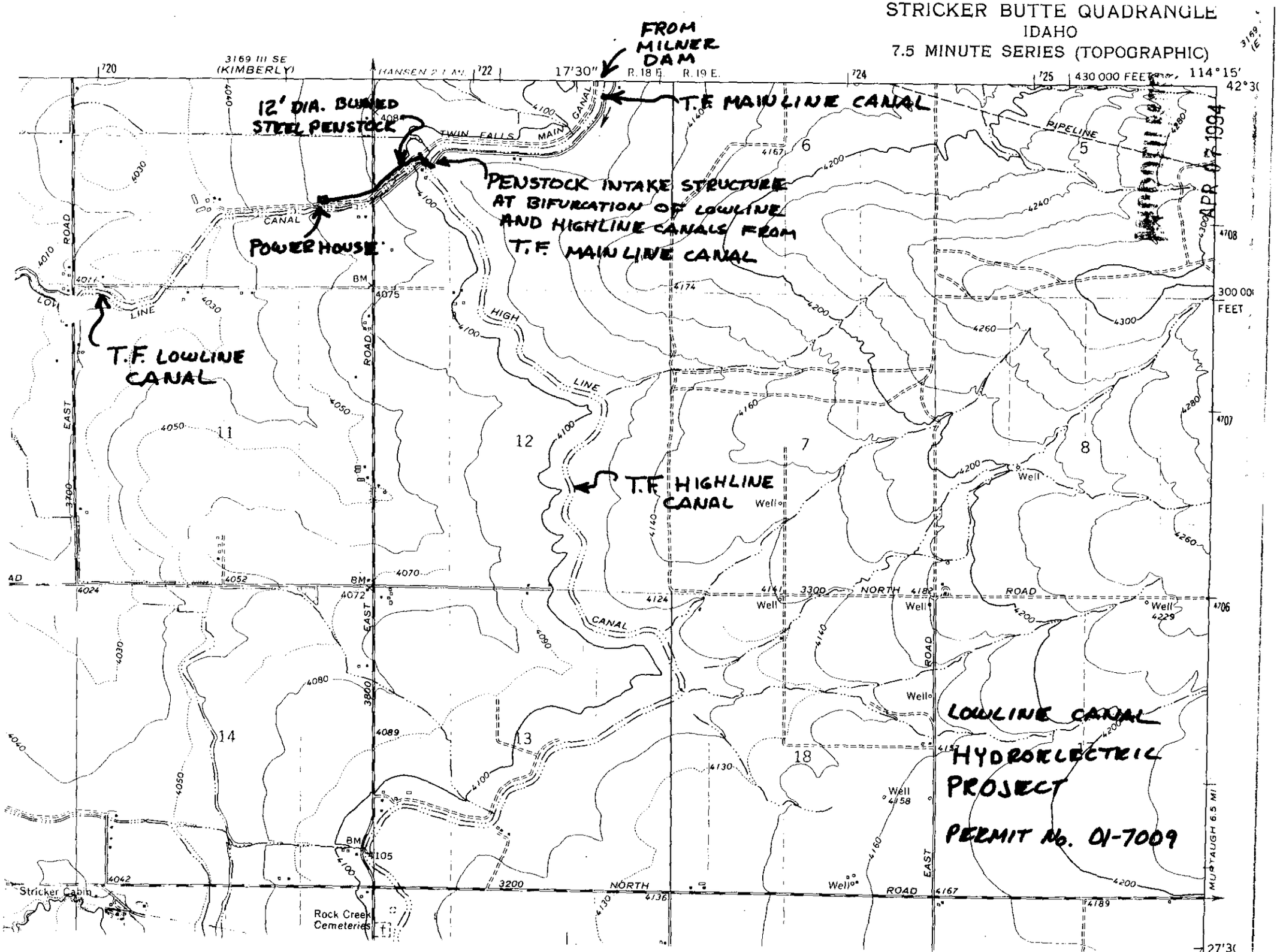


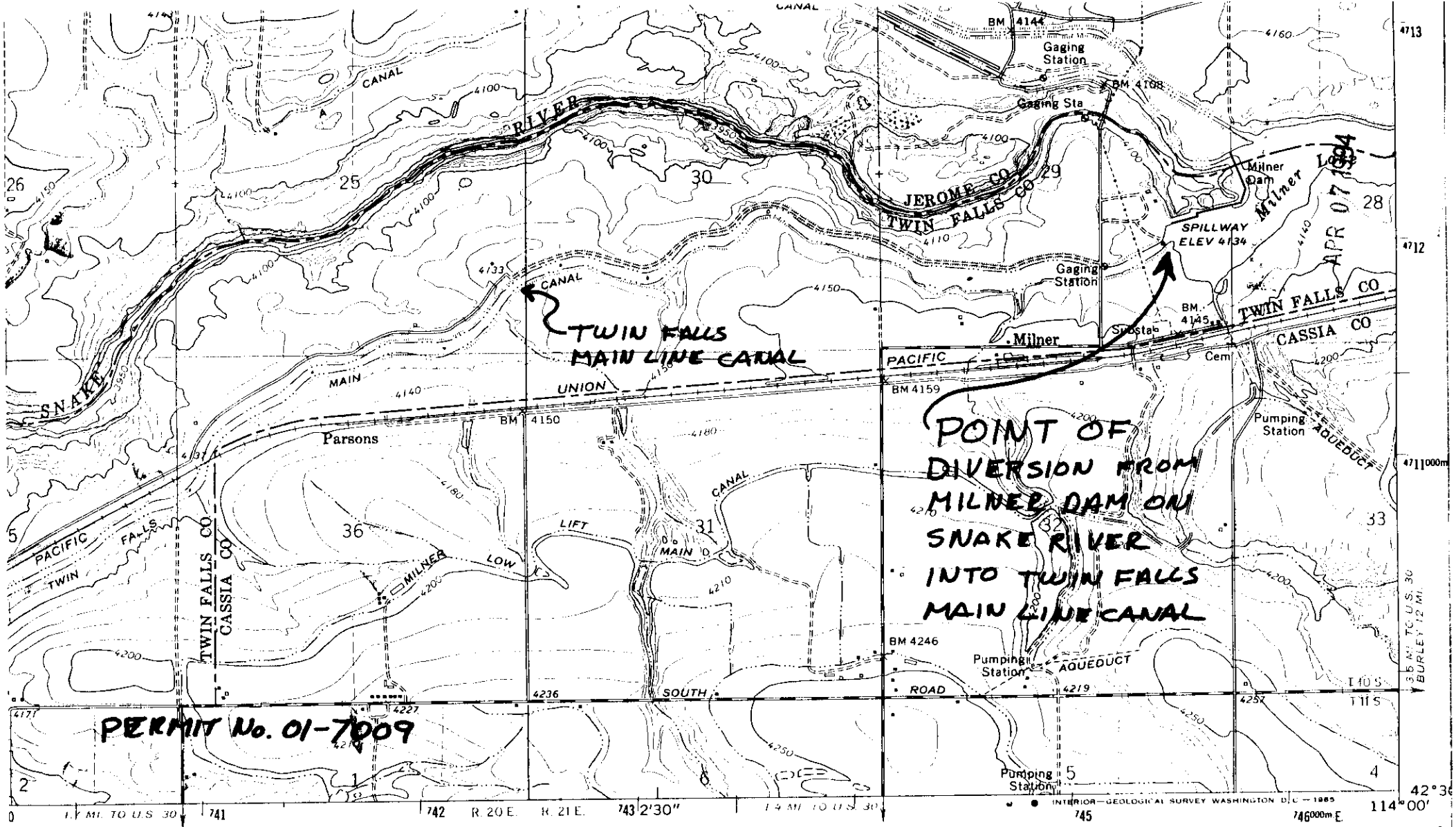
Powerhouse and Surge Tower looking upstream.
Note water exiting powerhouse and dry Lowline Canal bed above Powerhouse.



Powerhouse

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STRICKER BUTTE QUADRANGLE
IDAHO
7.5 MINUTE SERIES (TOPOGRAPHIC)
FROM MILNER DAM
T.F MAIN LINE CANAL
12' DIA. BURIED STEEL PENSTOCK
PENSTOCK INTAKE STRUCTURE AT BIFURCATION OF LOWLINE AND HIGHLINE CANALS FROM T.F. MAIN LINE CANAL
POWER HOUSE
T.F. LOWLINE CANAL
T.F HIGHLINE CANAL
LOWLINE CANAL HYDROELECTRIC PROJECT PERMIT No. 01-7009
APR 07 1994
TWIN FALLS MAIN CANAL
PIPELINE
HIGH LINE
LOW LINE
CANAL
ROAD
EAST
NORTH
Well
BM
Stricker Cabin
Rock Creek Cemeteries
MURTAUGH 6.5 MI
R. 18 E.
R. 19 E.
114°15'
42°30'
27'30"
430 000 FEET
300 000 FEET




SCALE 1:24000

1 MILE

1000 0 1000 2000 3000 4000 5000 6000 7000 FEET

1 KILOMETER

CONTOUR INTERVAL 10 FEET
DATUM IS MEAN SEA LEVEL

ROAD CLASSIFICATION

Medium-duty — Light-duty

Unimproved dirt

State Route

IDAHO

QUADRANGLE LOCATION

# MILNER, IDAHO

N4230—W11400/7.5

1964

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
BY U. S. GEOLOGICAL SURVEY, DENVER 25, COLORADO OR WASHINGTON 25, D. C.
FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

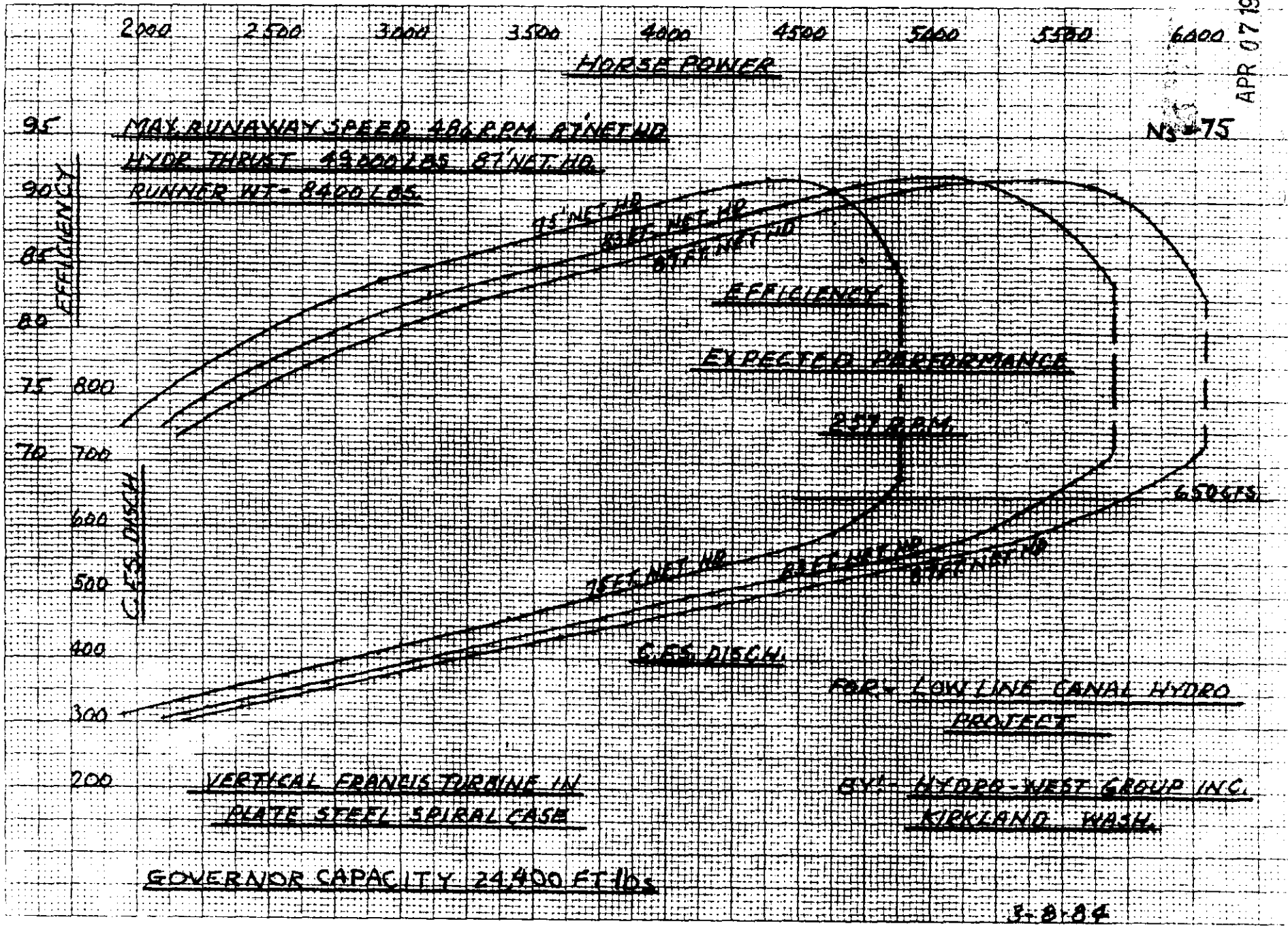
NO. 340R-10 DIETZGEN GRAPH PAPER
10 X 10 PER HALF INCH

DIETZGEN CORPORATION
MADE IN U.S.A.

WHH

PERMIT No. 01-7009

APR 07 1994



State of Idaho
DEPARTMENT OF WATER RESOURCES
1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

March ___, 1992

President
South Forks Joint Venture
c/o Ida-West Energy Company
1199 Shoreline Lane, Suite 310
Boise, ID 83702

Vaughn E. Buck
CIBC INC.
200 West Madison Street
Suite 2300
Chicago, Illinois 60606

Edwin F. Feo, Esq.
Milbank, Tweed, Hadley & McCloy
601 South Figueroa Street, 30th Floor
Los Angeles, CA 90017

RE: Trust Agreement and Collateral Assignment of Water Permit No. 01-7009

Ladies and Gentlemen:

This office has received an executed copy of a Trust Agreement and Collateral Assignment of Water Permit No. 01-7009 dated as of March _____, 1992 (the "Collateral Assignment"), among South Forks Joint Venture, an Idaho joint venture (the "Company"), TitleFact, Inc., an Idaho corporation (the "Title Company"), and CIBC Inc., a Delaware corporation (the "Lender"), pursuant to which the Company has granted and assigned a first priority security interest in all of its right, title and interest in and to the above-referenced water permit (the "Water Permit") to the Title Company, as trustee for the benefit of the Lender.

This office has also received a copy of (i) the Lease and Assignment Agreement Dated March 16, 1984, and the Assignment of Water Rights and permit dated August 3, 1984, assigning the Water Permit from Twin Falls Canal Company, an Idaho non-profit corporation ("TFCC"), to Bonneville Pacific Corporation, a Delaware corporation ("Bonneville"), (ii) the Second Assignment of Water Rights and Permit dated March _____. 1992, assigning the Water Permit from Bonneville and Magic Valley to the Company,

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APR 07 1994

(such assignments collectively referred to herein as the "Assignments"). In addition, this office has received certificates from the office of the Secretary of State of the State of Idaho verifying that the Company, and the Title Company are qualified to do business in Idaho.

Based upon our understanding of the information contained in the Collateral Assignment, the Lender has agreed to provide financing to enable the Company to, among other things, refinance an existing loan secured by the Low Line Drop Hydroelectric Project (the "Project") provided by The Prudential Interfunding Corp., a Delaware corporation, pursuant to the Credit Agreement dated as of March _____, 1992 (the "Credit Agreement"), between the Company and the Lender. This office also understands that, (i) as a condition to the making of the loan under the Credit Agreement, the Lender has required that the Assignments be executed and delivered and (ii) as part of the security for the Obligations (as defined in the Credit Agreement), the Lender has required that the Water Permit be assigned to the Title Company, as trustee for the benefit of the Lender, in order to protect the Lender's interest in the Water Permit.

We find that the Assignments and the Collateral Assignment satisfy the requirements of Idaho Code Section 42-206 through 42-210. Specifically, the Title Company is a qualified entity to hold the Water Permit, as trustee, as collateral security, in accordance with the laws of the State of Idaho. Therefore, the Assignments and the Collateral Assignment are consented to and approved by the Idaho Department of Water Resources, as of the date of this letter.

As of the date of this letter, the Water Permit is valid.

Please note that the Company will continue to be listed as the owner of record of the Water Permit. The Department acknowledges the collateral assignment to and security interest of the Title Company as trustee on behalf of the Lender, the first secured party with respect to the Water Permit. It is the ultimate responsibility of the parties to the Security Agreement to insure that the terms thereof are properly enforced.

Sincerely,

Gary Spackman

GARY SPACKMAN, Manager
Water Right Permits Section

GS:js

Enclosure

FILED

07 1994

HAWLEY TROXELL ENNIS & HAWLEY
ATTORNEYS AND COUNSELORS
FIRST INTERSTATE CENTER
SUITE 1000
POST OFFICE BOX 1617
BOISE, IDAHO 83701

TELEPHONE
(208) 344-6000
FAX
(208) 342-3829

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

TELEPHONE
(208) 233-0845

RANDOLPH J. HILL

RECEIVED
MAR 10 1992
Department of Water Resources

March 10, 1992

Gary Spackman, Manager
Water Rights Permits Section
Department of Water Resources
1301 North Orchard Street
Boise, Idaho 83720-9000

Re: Low Line Drop Hydroelectric Facility
Project Financing
Water Permit No. 01-7009

Dear Gary:

As promised, I am enclosing a Certificate of Corporate Status of the Secretary of State of the State of Idaho verifying that TitleFact, Inc. is an Idaho corporation qualified to do business in Idaho. In addition, I am enclosing a signed copy of the Joint Venture Agreement for South Forks Joint Venture dated as of March 1, 1992, which states, in Section 1.1.1 thereof, that the Joint Venture will be governed by the Uniform Partnership Act of the State of Idaho. Section 1.4 of the Joint Venture Agreement provides that the principle place of business of the Joint Venture will be located in Boise. Because partners of partnerships do not gain authority to conduct business by filing documents with the Secretary of State, but rather seek authority to do business by virtue of contractual arrangements, this evidence should be sufficient to satisfy the statutory requirements contained in Idaho Code Section 42-206. In order to provide you added comfort, however, I am also enclosing Certificates of Corporate Status for South Forks Hydro Company and Twin Falls Energy Company, Inc., the partners in the Joint Venture, indicating that each partner is also an Idaho corporation authorized to conduct business in Idaho.

In accordance with the procedures we followed in the Falls River Hydro transaction concluded last month, I will send you signed copies by fax of the documents referred to in your

APR 07 1994

consent letter on Thursday in order to obtain your authority to release your letter at that time.

Again, thank you for all your help in this matter.

Sincerely,

Randy

Randolph J. Hill

RJH:akm
Enclosures
Messenger
cc: Kip Runyan (w/o encl.)
File No. 4100-15

07 1994

# State of Idaho

## Department of State

CERTIFICATE OF CORPORATE STATUS
OF

TITLEFACT, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the records of this office show that the above-named corporation was incorporated under the laws of Idaho and was issued a certificate of incorporation in Idaho on March 25, 1970.

I FURTHER CERTIFY That the corporation's authority to do business has not been forfeited.

Dated: March 10, 1992

Pete T. Cenarrusa
SECRETARY OF STATE

By Sheryl Reeves

APR 07 1994

# State of Idaho

## Department of State

CERTIFICATE OF CORPORATE STATUS
OF

SOUTH FORKS HYDRO COMPANY

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the records of this office show that the above-named corporation was incorporated under the laws of Idaho and was issued a certificate of incorporation in Idaho on February 5, 1992.

I FURTHER CERTIFY That the corporation's authority to do business has not been forfeited.

Dated: March 5, 1992

GREAT SEAL OF THE STATE OF IDAHO
ESTO PERPETUA

Pete T. Cenarrusa
SECRETARY OF STATE

By _____

APR 07 1994

# State of Idaho

## Department of State

CERTIFICATE OF CORPORATE STATUS
OF

TWIN FALLS ENERGY COMPANY, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the records of this office show that the above-named corporation was incorporated under the laws of Idaho and was issued a certificate of incorporation in Idaho on October 23, 1991.

I FURTHER CERTIFY That the corporation's authority to do business has not been forfeited.

Dated: March 5, 1992

Pete T. Cenarrusa
SECRETARY OF STATE

By _____

APR 07 1994

[Execution Copy]

# JOINT VENTURE AGREEMENT

## SOUTH FORKS JOINT VENTURE

Dated as of March 1, 1992

Between

South Forks Hydro Company

and

Twin Falls Energy Company, Inc.

RECORDED
APR 07 1994

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# JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT (this "Agreement") is made and entered into as of this 1st day of March, 1992, by and between SOUTH FORKS HYDRO COMPANY, an Idaho corporation ("SFHC"), and TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation ("TFEC").

## RECITALS

A. TFEC (i) has acquired, or has the contractual right to acquire, land rights, water rights and all other rights and interests, including but not limited to regulatory approvals and exemptions, necessary to own and operate the 8.0 megawatt Low Line Drop Hydroelectric Project (the "Project") located on a portion of the irrigation facilities of Twin Falls Canal Company ("TFCC"), a nonprofit Idaho corporation which owns all the issued and outstanding stock of TFEC, in Twin Falls County, Idaho, and (ii) desires to have SFHC participate in the acquisition, ownership and operation of the Project on an equal basis.

B. SFHC desires to participate in the acquisition, ownership and operation of the Project with TFEC on an equal basis.

C. The parties hereto propose to enter into a joint venture to acquire, own and operate the Project on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and the mutual promises contained herein, the parties hereto agree as follows:

## ARTICLE I

## FORMATION, PURPOSES, DURATION

Section 1.1. Formation and Name.

1.1.1 Formation. The parties hereto (jointly the "Venturers" and individually a "Venturer") hereby enter into and form a joint venture (the "Joint Venture" or the "Venture") for the limited purposes and scope set forth in this Agreement. The Joint Venture shall be governed by the Uniform Partnership Act of the State of Idaho, as from time to time amended, except as expressly provided herein to the contrary.



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1.1.2 Name. The name of the Joint Venture shall be South Forks Joint Venture and the business of the Joint Venture shall be conducted solely under such name and all assets of the Joint Venture shall be held under such name.

1.1.3 Statement of Partnership. The parties hereto shall promptly execute and acknowledge a fictitious or assumed business name certificate and cause the same to be filed in accordance with Sections 53-501 through 507 of the Idaho Code.

Section 1.2. Purposes and Scope of the Joint Venture.

The sole and only purposes of the Joint Venture are: (a) to acquire, own, operate and manage the Project, or for any other business purpose "Approved by the Management Committee" (as hereinafter defined); (b) to lease, sell or otherwise transfer or dispose of the Project, or any part thereof or interest therein, when and to the extent expressly permitted by this Agreement; and (c) to engage in such other activities as are reasonably incidental to the foregoing with respect to the Project.

Section 1.3. Scope of Venturers' Authority.

Except as otherwise expressly and specifically provided in this Agreement, neither Venturer shall have any authority to bind or act for, or assume any obligations or responsibility on behalf of, the other Venturer or the Joint Venture. Neither the Joint Venture nor either Venturer shall be responsible or liable for any indebtedness or obligation of the other Venturer or otherwise relating to the Project incurred or arising either before or after the execution of this Agreement, except as to those joint responsibilities, liabilities, indebtedness or obligations incurred after the date hereof pursuant to and as limited by the terms of this Agreement. This Agreement shall not be deemed to create a general partnership between the Venturers with respect to any activities whatsoever other than activities within the scope and business purposes of the Joint Venture specified in Section 1.2.

Section 1.4. Principal Place of Business.

The principal place of business of the Joint Venture shall be located at 1199 Shoreline Lane, Suite 310, Boise, Idaho 83702, or at such other location as may be Approved by the Management Committee from time to time.

Section 1.5. Term.

The term of the Joint Venture shall commence as of the date set forth above and shall continue, unless sooner terminated in accordance with other provisions of this Agreement, for so



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long as the Joint Venture holds any interest in or has any obligations relating to the Project, or until the Venturers agree to its termination; provided, however, that the Joint Venture shall, if not sooner terminated, terminate on June 30, 2025, unless otherwise extended by mutual written agreement of both Venturers; and provided further, however, that neither Venturer shall have the right, and each Venturer hereby agrees not, to withdraw from the Joint Venture, nor to dissolve, terminate or liquidate, or to petition a court for the dissolution, termination or liquidation, of the Joint Venture, except as provided in this Agreement, and neither Venturer at any time shall have the right to petition or to take any action to subject the Project or any part thereof or the Joint Venture assets or any part thereof to the authority of any court of bankruptcy, insolvency, receivership or similar proceeding.

## ARTICLE II

## CAPITAL CONTRIBUTIONS, FINANCING AND DISTRIBUTION

Section 2.1. Joint Venture Interests and Capital Accounts.

2.1.1 Percentage Interests. The Venturers shall have the following undivided percentage interests in the Joint Venture (individually a "Percentage Interest" and jointly "Percentage Interests").

| | |
|---|---|
| SFHC | 50% |
| TFEC | 50% |
| | 100% |

2.1.2 Adjustments. Unless otherwise agreed by both Venturers, no adjustment to the Percentage Interests of either Venturer shall be made except as a result of a transfer of a Venturer's Percentage Interest or a portion thereof pursuant to Articles VI or VII hereof.

2.1.3 Capital Accounts Defined. As used herein, the term "Capital Account" shall mean and refer to the capital account of each Venturer in the Joint Venture reflecting the value of each contribution of such Venturer to the capital of the Joint Venture as of the date of such contribution. A Capital Account, as defined herein, shall be maintained for each Venturer and shall be subject to adjustment as provided in Section 2.9.

Section 2.2. Initial Capital Contributions.

2.2.1 TFEC's Initial Capital Contribution. As its initial capital contribution to the Joint Venture, TFEC shall



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(a) assign and convey, or cause to be assigned and conveyed, all of its or TFCC's right, title and interest in and to (i) all contracts, assignments, property rights and interests, including but not limited to leases, easements, nonexclusive rights of ingress and egress, rights of way and all other interests in real property necessary or convenient for ownership and operation of the Project, (ii) water rights and permit no. 01-7009, (iii) all permits, licenses, exemptions and governmental approvals necessary or reasonably related to the operation of the Project, (iv) all reports, studies, technical data or other proprietary information necessary or reasonably related to the operation of the Project and (v) all other instruments, documents, agreements or information relating to the Project, in each case held or to be acquired by TFEC or TFCC, but excluding any funds to be received from the savings account that was established pursuant to stipulation of the parties to Case No. CV-91-01421 in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls, (b) establish and pay into a maintenance reserve account for the Project the amount of $50,000 and (c) cause TFCC to (i) waive any royalties in respect of generation of the Project which have accrued prior to the date hereof pursuant to the Lease and Assignment Agreement dated as of March 16, 1984, between TFCC and Bonneville Pacific Corporation, a Delaware corporation, as assigned and as amended, and (ii) forego any royalties in respect of generation of the Project occurring from and after the date hereof.

2.2.2 SFHC's Initial Capital Contribution. As its initial capital contribution to the Joint Venture, SFHC shall pay $1,320,000 to cover certain expenses relating to the Project and the refinancing described in Section 2.3, currently estimated to be allocated as follows: (a) $270,000 to Magic Valley Hydroelectric Partners, Ltd. 1984, a Utah limited partnership from which the Project will be acquired, (b) $550,000 into a debt service reserve account required to be maintained by the "Lender" (as hereinafter defined), (c) $80,000 to the Lender as an origination fee for the refinancing described in Section 2.3, (d) $80,000 to the Lender's counsel, independent engineer and other consultants, (e) $30,000 to the Joint Venture's counsel retained to negotiate and document the refinancing described in Section 2.3 and (f) $310,000 into an initial working capital account to meet initial expenses of the Project, including but not limited to title insurance, spare parts, equipment and necessary repairs. The amounts listed in clauses (a) through (f) above, inclusive, represent estimates only, and the Venturers understand that the actual expense of any item listed in any such clause may be higher or lower than such estimate but will nevertheless be payable entirely by SFHC so long as the total expense of all such items does not exceed $1,320,000. If the total of such expenses and any other unanticipated expenses



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exceeds $1,320,000, the provisions of Subsection 2.4.1 shall apply. If the total of expenses listed in clauses (a) through (e) above, inclusive, are less than $1,010,000, SFHC will pay the difference into the initial working capital account referred to in clause (f) above. If all initial expenses described above relating to the Project have been paid or otherwise satisfied, at any time after December 31, 1992, any funds remaining in such initial working capital account may be distributed to the Venturers or otherwise disbursed in such manner as shall be Approved by the Management Committee.

Section 2.3. Refinancing.

The Joint Venture shall enter into a credit agreement and related documents with CIBC Inc., a Delaware corporation (the "Lender"), for purposes of refinancing the indebtedness currently encumbering the Project and owed to Prudential Interfunding Corp., a Delaware corporation. Any and all activities relating to such refinancing arrangements shall be subject in all respects to the provisions of Subsection 3.1.2.

Section 2.4. Additional Capital Contributions.

2.4.1 General. To the extent that the Joint Venture requires funds in addition to the capital contributions provided for in Subsection 2.2.2 in order to pay the expenses described in such Subsection and any other unanticipated expenses incurred in connection with the acquisition by the Joint Venture of the Project or the refinancing described in Section 2.3, the Venturers agree to make additional capital contributions to the Joint Venture in accordance with the provisions hereof and in the same percentages as their Percentage Interests set forth in Subsection 2.1.1 and in such amounts as are sufficient to enable the Joint Venture to pay or otherwise satisfy such expenses.

2.4.2 Notice by Management Committee. If additional capital contributions are required to be made pursuant to this Section 2.4, the Management Committee shall give notice to each Venturer in the manner provided in Section 10.2. Such notice shall specify in reasonable detail the amount and purpose of any such additional capital contributions. Each Venturer shall, within ten (10) days of the receipt of such notice, deposit with the Management Committee the additional capital contribution required by such notice.

2.4.3 Additional Financing. To the extent that the Joint Venture requires funds to meet capital requirements of the Joint Venture other than as contemplated in Subsections 2.2.2 and 2.4.1, SFHC agrees to obtain such funds on behalf of the Joint Venture at market competitive rates and upon such other terms and conditions as shall be Approved by the Management Committee,



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provided that the Joint Venture shall obligate the Joint Venture's revenues to repay such funds. TFEC shall not have any obligation to obtain such funds on behalf of the Joint Venture.

2.4.4 No Third Party Rights. The right of the Joint Venture or the Venturers to require any additional contributions or funds under the terms of this Agreement shall not be construed as conferring any rights or benefits to or upon any party not a party to this Agreement, including, but not limited to, any lessor of any part of the Project, or the holder of any obligations secured by a mortgage, deed of trust, security interest or other lien or encumbrance upon or affecting the Joint Venture or any interest of a Venturer therein or the Project, or any part thereof or interest therein.

Section 2.5. No Interest on Capital.

Interest earned on Joint Venture funds shall inure solely to the benefit of the Joint Venture, and no interest shall be paid upon any contributions to the capital of the Joint Venture.

Section 2.6. Distributions to Venturers From Project Net Cash Flow.

2.6.1 Definition of Net Cash Flow. Not later than forty-five (45) days after the end of each six (6) month period during any fiscal year of the Joint Venture, the Management Committee shall make a distribution to the Venturers of the entire Net Cash Flow (as hereinafter defined in this Subsection 2.6.1) of the Joint Venture from the Project during such preceding six (6) month period in accordance with the provisions of Subsection 2.6.3 below. "Net Cash Flow" shall be computed by the Management Committee and shall consist of the gross cash receipts of the Joint Venture of any kind or description from the Project during a six (6) month period, except for the receipts described in Subsection 2.6.4, after deducting the following:

(a) all costs of acquiring, improving, developing, managing, leasing, operating, maintaining, replacing and preserving the Project, to the extent paid in cash during such six (6) month period but not including any such payments to the extent that the amounts thereof were reserved against and funded from such reserves;

(b) all other operating or other expenses of the Joint Venture attributable to the Project paid in cash during such six (6) month period, or any casualty losses to the extent that such losses are not reimbursed during such six (6) month period by any third party responsible therefor or through insurance maintained by the Joint Venture, but not including any expenses paid in cash



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to the extent that such expenses were reserved against and funded from such reserves;

(c) all cash payments made with respect to the discharge of Joint Venture indebtedness during such six (6) month period, but not including any such payments to the extent that the amounts thereof were reserved against and funded from such reserves; and

(d) all reasonable amounts of reserved cash as shall be determined and Approved by the Management Committee to be necessary or advisable for: (i) the repayment of Joint Venture indebtedness coming due in such future time period as shall be determined by the Management Committee; (ii) the acquisition, improvement, development, management, operation (including but not limited to insurance and property taxes and assessments), maintenance, replacement or preservation of the Project; and (iii) increases in working capital and other contingencies.

Notwithstanding the foregoing, each Venturer agrees that its right to receive distributions of Net Cash Flow pursuant to this Section 2.6 will be subject in all respects to the requirements of the Lender contained in the credit agreement or any related document with respect to the refinancing described in Section 2.3.

2.6.2 No Deduction for Depreciation. In computing Net Cash Flow, no deduction shall be made for depreciation or amortization as such terms are used for purposes of the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law) (the "Code").

2.6.3 Distribution. When Net Cash Flow is available, the Management Committee shall distribute the Net Cash Flow to the Venturers in accordance with their Percentage Interests in accordance with Section 2.6.1.

2.6.4 Exclusions from Net Cash Flow. Notwithstanding the foregoing, Net Cash Flow shall not include the proceeds of any sale, mortgage, hypothecation, assignment, condemnation or other transfer or disposition of the Project, or any part thereof or interest therein, which proceeds shall be distributed as set forth in Section 2.7.

Section 2.7. Proceeds from Sale or Financing and Profits on Sale.

The gross proceeds from any sale, mortgage, hypothecation (other than the refinancing referred to in Section 2.3), assignment, condemnation or other transfer or disposition of the Project, or any part thereof or interest



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therein, shall be distributed to the Venturers based on the ratio the respective Percentage Interest of each bears to their total aggregate Percentage Interests.

Section 2.8. Reduction of Capital Accounts.

Any distribution to a Venturer, whether pursuant to Section 2.7 or any other Section of this Agreement, shall reduce the amount of such Venturer's Capital Account in accordance with Section 2.9, but no adjustment in the Percentage Interest of any Venturer shall be made on account of any such distribution.

Section 2.9. Capital Accounts.

2.9.1 Initial Capital Accounts. Immediately following formation of the Joint Venture and the capital contributions by the Venturers provided in Section 2.2, the Capital Account of each Venturer shall be as follows:

| | | |
|---|---|---|
| SFHC | | $1,320,000 |
| TFEC | | $1,320,000 |
| | Total | $2,640,000 |

2.9.2 Adjustments to Capital Accounts. The Capital Accounts of each Venturer shall from time to time be

(a) increased by:

(i) any additional capital contributions of such Venturer; and

(ii) such Venturer's share, determined pursuant to Section 2.10, of the profits of the Joint Venture, during such fiscal year, whether or not distributed; and

(b) decreased by:

(i) all distributions to or for the account of such Venturer whether of capital or income; and

(ii) such Venturer's share of losses of the Joint Venture during such fiscal year, determined pursuant to Section 2.10.

Section 2.10. Allocations of Profits and Losses to Venturers.

The respective share of each Venturer in all Joint Venture income and expenses and each item thereof, including depreciation and any tax credits, shall be allocated to the Venturers in accordance with their Percentage Interests.



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Section 2.11. Withdrawals of Capital.

Except as otherwise provided herein, no portion of the capital of the Joint Venture may be withdrawn at any time without the Approval of the Management Committee. Upon termination of the Joint Venture, the Venturers' capital shall be distributed pursuant to Section 7.4 hereof.

Section 2.12. Compliance with Treasury Regulations.

The foregoing provisions of this Article II and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-(b) of the regulations promulgated by the U.S. Treasury Department under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations) (the "Regulations"), and shall be interpreted and applied in a manner consistent with such Regulations. In the event that the Management Committee shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with such Regulations, the Management Committee may make such modification, provided that such modification is not likely to have a material effect on the amounts distributable to any Venturer pursuant to Section 7.4 upon the dissolution of the Joint Venture. The Management Committee also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Venturers and the amount of Joint Venture capital reflected on the Joint Venture's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

## ARTICLE III

## MANAGEMENT

Section 3.1. Management of the Venture.

3.1.1 Management Committee. The overall management and control of the business and affairs of the Joint Venture shall be vested in a management committee ("Management Committee"). Except where herein expressly provided to the contrary, all decisions with respect to the management and control of the Joint Venture that are "Approved by the Management Committee" shall be binding on the Joint Venture and each of the Venturers. The Management Committee of the Joint Venture shall be composed of one representative for each Venturer. Each



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Venturer shall designate in writing from time to time its respective representative on the Management Committee and an alternate. Each such representative shall be fully authorized to provide any consent or approval which may be required hereunder of the Management Committee. When the phrases "Approved by the Management Committee" or "Approval of the Management Committee" are used in this Agreement, such phrases shall mean approval in writing by the Venturers holding a majority in interest of the total Percentage Interests in the Joint Venture and acting through their representatives on the Management Committee who shall have been designated pursuant to this Subsection 3.1.1. Each Venturer shall have a number of Joint Venture votes equal to its Percentage Interest, and each Venturer shall have one vote for each one percent Percentage Interest in the Joint Venture. For example, a Venturer with a fifty percent (50%) Percentage Interest shall have fifty (50) votes. If the Management Committee shall fail to resolve a material issue or dispute between the Venturers which is deadlocked at a 50/50 vote before the Management Committee, such issue or dispute shall be resolved in accordance with the provisions of Article IX. Notwithstanding the foregoing, a decision to expand the purposes and scope of the Joint Venture beyond that described in Section 1.2 shall require the unanimous consent of all Venturers. In the event of any need for approval or other action by the Management Committee, the representatives of the Venturers shall use their best efforts to respond within ten (10) days of the date such representative is notified of the need for such approval or other action; provided, however, that failure of such representative to respond within thirty (30) days of notice of such need which is delivered as set forth in Section 10.2 shall be deemed approval.

3.1.2 Major Decisions. No act shall be taken, sum expended, decision made or obligation incurred by the Joint Venture, the Management Committee, the Operations Manager (as hereinafter defined) or either Venturer with respect to a matter within the scope of any of the major decisions enumerated below (the "Major Decisions"), unless and until the same has been Approved by the Management Committee or expressly delegated by the Management Committee in writing. The Major Decisions shall include:

(a) acquisition of any land or other real property or interest therein;

(b) financing or refinancing of the Joint Venture or any assets of the Joint Venture, including, without limitation, the refinancing of the Project and financing operations of the Joint Venture;

(c) sale or other transfer of, or mortgaging or the placing or suffering of any other encumbrance on or affecting, the Project or any part or parts thereof;

(d) execution of any contract, agreement or other instrument, or any amendment or modification thereto, relating to or affecting the Joint Venture or the Project, including without limitation any power sales agreement, operation and maintenance agreement or other instrument or agreement;

(e) construction of any improvements or the making of any capital improvements, repairs, alterations or changes in, to or of the Project or any part thereof, except for such matters as may be expressly delegated in writing to the Operations Manager by the Management Committee;

(f) selecting or varying depreciation and accounting methods and making other decisions with respect to treatment of various transactions for state or federal income tax purposes or other financial purposes not otherwise specifically provided for herein, provided that such methods and decisions shall be consistent with the other provisions of this Agreement;

(g) approval of all architectural and engineering plans, specifications and drawings prior to the addition to and/or alteration of the Project or any portion thereof, and any modifications of such plans, specifications and drawings, except for such matters as may he expressly delegated in writing to the Operations Manager by the Management Committee;

(h) varying or changing any portion of the insurance program Approved by the Management Committee;

(i) determining whether or not distributions should be made to the Venturers, except as set forth in Section 2.6 hereof;

(j) approving all Budgets (as hereinafter defined) pursuant to Section 3.3 hereof;

(k) making any expenditure or incurring any obligation by or on behalf of the Joint Venture involving a sum in excess of $10,000 or involving a sum of less than $10,000 where the same relates to a component part of work, the combined cost of which in any one fiscal year exceeds $20,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a Budget theretofore Approved by the Management Committee;

(l) making any expenditure or incurring any obligation which when added to any other expenditure for the fiscal year of



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the Joint Venture exceeds the Budget or any line item specified in the Budget;

(m) selection or termination or removal of the Operations Manager other than pursuant to the terms of the operation and maintenance agreement;

(n) retention of counsel for the Joint Venture or institution of any legal action, except for such action as the Management Committee may in writing expressly authorize the Operations Manager to institute; or

(o) any other decision or action which by any provision of this Agreement is required to be Approved by the Management Committee or which materially affects the Joint Venture or the assets or operations thereof.

Section 3.2. Appointment and Replacement of Operations Manager; Duties and Fees of Operations Manager.

Ida-West Operating Services, Inc., an Idaho corporation, is hereby designated as the operations manager (the "Operations Manager"), who shall be the Venture's representative in connection with the operation of the Project and who shall perform the operation management services set forth in an operation and maintenance agreement with respect to the Project to be entered into between the Joint Venture and the Operations Manager in form and substance as shall be Approved by the Management Committee (the "Operation Agreement"), subject to the direction and supervision of the Management Committee as provided in the Operation Agreement. The Operations Manager shall be compensated as set forth in the Operation Agreement. The acts of the Operations Manager shall bind the Venturers and the Joint Venture when within the scope of the Operations Manager's authority as set forth in this Agreement and in the Operation Agreement. The Operations Manager shall keep the Management Committee informed as to all matters of concern to the Joint Venture coming to the attention of the Operations Manager or falling within the scope of its duties or authority.

Section 3.3. Budgets.

Not less often than one time each fiscal year, the Operations Manager shall prepare and submit to the Management Committee for its consideration a budget ("Budget") setting forth the estimated receipts and expenditures (capital, operating, and other) of the Joint Venture for the period covered by the Budget. The Management Committee shall review and adjust the Budget on a quarterly basis. When Approved by the Management Committee, the Operations Manager shall implement the Budget and shall be



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authorized, subject to the provisions of Section 3.1.2, without the need for further Approval by the Management Committee, to make the expenditures and incur the obligations provided for in the Budget.

Section 3.4. No Compensation.

Except as may be expressly provided for herein or hereafter Approved by the Management Committee, no payment will be made by the Joint Venture to either Venturer for the services of such Venturer or any member, shareholder, director or employee of such Venturer.

Section 3.5. Time Devoted to Joint Venture.

The Venturers shall each devote such time to the Joint Venture as is reasonably necessary to carry out the provisions of this Agreement.

Section 3.6. Other Business Activities; Disclosure, Waiver.

Each of the Venturers understands that the other Venturer's affiliates may be interested, directly or indirectly, in various other businesses and undertakings not included in the Joint Venture. Each Venturer also understands that the conduct of the business of the Joint Venture may involve business dealings with such other businesses or undertakings. The Venturers hereby agree that the creation of the Joint Venture and the assumption by each of the Venturers of their duties hereunder shall be without prejudice to the rights of their affiliates to have such other interests and activities and to receive and enjoy profits or compensation therefrom, and each Venturer waives any rights it might otherwise have to share or participate in such other interests or activities of the other Venturer's affiliates. The affiliates of either Venturer may engage in or possess any interest in any other business venture of any nature or description independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management or development of other power generation facilities, and neither the Joint Venture nor the other Venturer or its affiliates shall have any right by virtue of this Agreement in and to such venture or the income or profits derived therefrom.

Section 3.7. Scope of Authority; Indemnification.

Neither of the Venturers shall, without the consent of the other Venturer, take any action on behalf of or in the name of the Joint Venture, or enter into any commitment or obligation binding upon the Joint Venture, except for (a) actions expressly provided for in this Agreement, (b) actions by the Operations

Manager within the scope of its authority granted hereunder, and (c) actions authorized by the Venturers in the manner set forth herein. Each Venturer shall indemnify and hold harmless the other Venturer and its affiliates, directors, officers, agents and employees from and against any and all claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgments and awards, and costs and expenses (including but not limited to reasonable attorneys' fees) arising directly or indirectly, in whole or in part, out of any breach of the foregoing provisions by such Venturer or its affiliates, directors, officers, agents or employees.

## ARTICLE IV

## ACCOUNTING

Section 4.1. Books and Records.

4.1.1 General. At all times during the term hereof, the Management Committee, at the Joint Venture's expense, shall cause accurate books and records of account to be maintained in which shall be entered all matters relating to the Joint Venture, including all income, expenditures, assets and liabilities thereof.

4.1.2 Accrual Basis. Such books and records of account shall be maintained on the accrual basis and shall be adequate to provide either Venturer with all financial information as may be needed by either Venturer or any affiliate of either Venturer for purposes of satisfying the financial reporting obligations of either Venturer or its respective affiliate or affiliates.

4.1.3 Information to Venturers. Each Venturer shall be entitled to any additional information necessary for the Venturer to adjust its financial basis statement to a tax basis as the Venturer's individual needs may dictate.

Section 4.2. Location and Rights of Inspection.

The Joint Venture's books and records of account shall be kept and maintained at all times at the place or places Approved by the Management Committee. Each Venturer and its authorized representatives shall have the right to inspect, examine and copy the books, records, files and other documents of the Joint Venture at all reasonable times.

Section 4.3. Fiscal Year.

The fiscal year of the Joint Venture shall end on October 31 of each year.

Section 4.4. Statements of Financial Condition.

The Management Committee shall prepare a balance sheet and income and Net Cash Flow statements of the Joint Venture as of (and for the periods ending) the last day of each quarter of each fiscal year. Each balance sheet shall be prepared in accordance with generally accepted accounting principles, consistently applied. Such balance sheets and statements shall be certified by each member of the Management Committee. Copies shall be furnished to each of the Venturers within sixty (60) days after the end of each quarter, to the extent feasible. An annual balance sheet of the Joint Venture and income and Net Cash Flow statements (unaudited) shall be furnished to each of the Venturers within one hundred twenty (120) days after the close of each fiscal year, to the extent feasible.

Section 4.5. Audit.

The Joint Venture may engage as independent auditors for the Joint Venture a firm of independent certified public accountants Approved by the Management Committee. If so engaged, the independent auditors shall at the end of each fiscal year (a) audit the records and accounts of the Joint Venture, (b) render their opinion on the balance sheet of the Joint Venture as of the end of each fiscal year and of the results of its operations and its income and Net Cash Flow for each fiscal year, as prepared by the accountants for the Joint Venture, and (c) render their opinion on the annual Net Cash Flow computations made by the accountants for the Joint Venture and as to whether distributions thereof are in accordance with Section 2.6 of this Agreement.

Section 4.6. Bank Accounts.

Funds of the Joint Venture shall be deposited in an account or accounts of a type, in form and name and in a bank or banks Approved by the Management Committee. Withdrawals from bank accounts shall be made by parties Approved by the Management Committee.

Section 4.7. Other Accounting Decisions.

All accounting decisions for the Joint Venture (other than those specifically provided for in other Sections of this Agreement) shall be Approved by the Management Committee.

ARTICLE V

INCOME TAX RETURNS, TAX ACCOUNTING AND TAX ELECTIONS

Section 5.1. Preparation of Tax Returns.

Federal, state and local income tax returns of the Joint Venture shall be prepared by the Management Committee and, if engaged by the Joint Venture pursuant to Section 4.5, reviewed by the independent auditors. Copies of all tax returns of the Joint Venture shall be furnished for review and approval by each of the Venturers at least thirty (30) days prior to the statutory date for filing, including extensions thereof, if any. If the Management Committee shall fail to approve any such return, an application for extension of time to file shall be timely filed by the Management Committee.

Section 5.2. Allocations to Venturers.

5.2.1 Method of Allocation. The proportionate part of each item of income, gain, loss, deduction or credit earned, realized or available by or to the Joint Venture shall be allocated to the Venturers in accordance with the Percentage Interests of each Venturer.

5.2.2 754 Election.

The Joint Venture shall, if requested by either Venturer, make the election under Section 754 of the Code.

Section 5.3. Tax Decisions Not Specified.

Tax decisions and elections for the Joint Venture not provided for herein must be Approved by the Management Committee.

Section 5.4. Notice of Tax Audit.

Prompt notice shall be given to the Venturers upon receipt of advice that the Internal Revenue Service intends to examine Joint Venture income tax returns for any year.

Section 5.5. Tax Matters Venturer.

SFHC shall be the party designated to receive all notices from the Internal Revenue Service which pertain to the tax affairs of the Joint Venture and shall be the "Tax Matters Partner" pursuant to the Code.

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ARTICLE VI

SALE, TRANSFER OR MORTGAGE

Section 6.1. General.

6.1.1 Required Consents. Except as expressly permitted herein, neither Venturer shall sell, assign, transfer, mortgage, charge or otherwise encumber, or suffer any third party to sell, assign, transfer, mortgage, charge or otherwise encumber, or contract to do or permit any of the foregoing, whether voluntarily or by operation of law (herein sometimes collectively called a "transfer ), any part or all of its Joint Venture interest without the written consent of the other Venturer, and any attempt to do so shall be void. The giving of such consent in any one or more instances shall not limit or waive the need for such consent in any other or subsequent instances.

6.1.2 Indirect Transfers. In order to effectuate the purpose of this Section 6.1, each Venturer agrees that to the extent its interest in the Joint Venture is at any time held by any person which is a partnership, corporation, trust or other entity, such Venturer will seek to transfer its interest in the Joint Venture only through a direct transfer of such interest therein in the manner contemplated in this Article VI, and that no transfer or other disposition of any stock or partnership or other beneficial interest in any such entity which directly owns or holds an interest in the Joint Venture will be effected, unless Approved by the Management Committee; provided, however, that nothing in this Section 6.1 shall prohibit the transfer or other disposition of stock or partnership or other beneficial interest of any entity which, directly or indirectly, owns or holds stock or partnership or other beneficial interest in any entity which directly owns or holds an interest in the Joint Venture.

Section 6.2. Permitted Transfers by the Venturers.

Notwithstanding the provisions of Section 6.1, without the consent of the other Venturer, each Venturer may from time to time transfer its interest in the Joint Venture to one of its subsidiaries or to a subsidiary of such subsidiary, or from such subsidiary or sub-subsidiary back to such Venturer or to such subsidiary.

Section 6.3. Right of First Offer.

6.3.1 Procedures. Except for permitted transfers under Section 6.2 above, if either Venturer desires to sell either (i) all of its Joint Venture interest in the Joint Venture



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to any third party or (ii) less than all of its interest in the Joint Venture to any third party (provided that, following such transfer of less than all of its interest, the Venturer making the transfer shall retain only so much of a capital or profits interest in the Venture as shall be sufficient to prevent a termination of the Joint Venture under the Code), then the Venturer desiring to sell such interest (the "Selling Venturer") shall give notice to the other Venturer (the "Nonselling Venturer"), setting forth the proposed sale price and the other material terms and conditions upon which the Selling Venturer is willing to sell its interest in the Joint Venture, and shall offer to sell such interest to the Nonselling Venturer on such terms and conditions. The Nonselling Venturer shall then have thirty (30) days within which to give notice to the Selling Venturer that it wishes to acquire the interest in the Joint Venture offered for sale on such terms and conditions. Such notice from the Nonselling Venturer shall state a closing date not later than sixty (60) days after the date of such notice, in which event the Nonselling Venturer shall be bound to purchase, and the Selling Venturer shall be bound to sell, such interest in accordance with such terms and conditions, and the closing of the purchase and sale shall take place in accordance with Section 6.4. If, within the thirty (30) day period following the initial notice from the Selling Venturer, the Nonselling Venturer shall not give notice to the Selling Venturer to the effect that the Nonselling Venturer wishes to acquire the Selling Venturer's interest in the Joint Venture, the Selling Venturer may, within ninety (90) days after the initial notice from the Selling Venturer, sell its interest in the Joint Venture to any third party on terms and conditions no more favorable to such third party than the terms and conditions set forth in such initial notice; provided, however, that not less than thirty (30) days prior to the execution of any proposed contract of sale to any such third party, the Selling Venturer shall give notice to the Nonselling Venturer of the name and address of such third party and provide therewith information with respect to the character, reputation, financial condition and energy-related experience of such third party, and the sale to such third party shall be subject to the approval of the Nonselling Venturer (which approval shall not be unreasonably withheld or delayed). In the event that the Selling Venturer shall desire to offer its interest in the Joint Venture for sale on terms and conditions more favorable to such third party than those previously offered by the Selling Venturer to the Nonselling Venturer, the foregoing first offer procedure must again be initiated and applied with respect to the terms and conditions as modified. If such Joint Venture interest is not so sold and the transfer not consummated within sixty (60) days from the expiration of the time limits referred to above, the relevant Joint Venture interest shall then again become subject to all the provisions of this Section 6.3.

6.3.2 Limitations on Exercise. Notwithstanding anything to the contrary contained in this Section 6.3, no Nonselling Venturer who has committed an Event of Default that is still continuing shall be entitled to exercise its right to purchase any portion of the Selling Venturer's Joint Venture interest.

Section 6.4. Closings.

6.4.1 Location and Time Periods. The closing of any sale of an interest in the Venture pursuant to this Article VI or Section 7.3 (the "Closing") shall be held at the principal offices of either of the Venturers, unless otherwise mutually agreed, on a mutually acceptable date not more than sixty (60) days after (i) the receipt by the Selling Venturer of the written notice of election by the Nonselling Venturer, or after the expiration of the time within which the Nonselling Venturer must so elect, as provided in Section 6.3 or (ii) the receipt of the written notices of election provided in Section 7.3.

6.4.2 Closing Adjustments. At the Closing, any closing adjustments which are then usual and customary in Boise, Idaho, shall be made between the purchasing party or parties and each selling party as of the date of Closing. Any Venturer transferring its interest shall transfer such interest free and clear of any liens, encumbrances or any interests of any third party not of record and shall execute or cause to be executed any and all documents required to fully transfer such interest to the acquiring Venturer, including, but not limited to, any documents necessary to evidence such transfer, and all documents required to release any interest of any other party who may claim an interest in such Venturer's Joint Venture interest. Any monetary default by the selling Venturer must be cured out of the proceeds from such sale at the Closing. Following the date of Closing, the selling Venturer shall have no further rights to any distributions of Net Cash Flow or other Joint Venture income attributable to any period or event following the date of Closing, and all such rights shall vest in the selling Venturer's transferee.

6.4.3 Termination of Obligations. As of the effective date of any transfer not prohibited hereunder by a Venturer of its entire interest in the Venture, such Venturer's rights and obligations hereunder shall terminate except as to items accrued as of such date and except as to any indemnity obligations of such Venturer attributable to acts or events occurring prior to such date. Thereupon, except as limited by the preceding sentence, this Agreement shall terminate as to the transferring Venturer but shall remain in effect as to the other Venturer. In the event of a transfer of its entire Joint Venture interest by a Venturer to the other Venturer, the Venturer to whom such

interest is transferred shall indemnify, defend and hold harmless the Venturer so transferring its Joint Venture interest from and against any and all claims, demands, losses, liabilities, expenses, actions, lawsuits and other proceedings, judgments, awards and costs and expenses (including but not limited to reasonable attorneys' fees) incurred in or arising directly or indirectly, in whole or in part, out of operation of the business of the Joint Venture, excluding only those liabilities, if any, accruing prior to the date of such transfer.

Section 6.5. Agreements with Transferees.

In the event that pursuant to the provisions of this Article VI, any Venturer (the "Transferor") shall transfer its Joint Venture interest to any person or entity other than the other Venturer ("Transferee"), no such transfer shall be made or shall be effective to make such Transferee a Venturer or entitle such Transferee to any benefits or rights hereunder until the proposed Transferee agrees in writing to assume and be bound by all the obligations of the Transferor and be subject to all the restrictions to which the Transferor is subject under the terms of this Agreement and any further agreement with respect to the Project contemplated by this Agreement to which the Transferor is then subject or is then required to be a party. In the event that a Venturer's Joint Venture interest is transferred by operation of law and the Venturer's Transferee fails to sign such a writing within ninety (90) days of the date it is determined such transfer has been made, such failure shall entitle either Venturer (a) to treat such failure as a default under this Agreement, or (b) if the Venturer elects not to treat such failure as a default hereunder, nonetheless to invoke the appraisal or the dissolution procedures as set forth in Section 7.3 and, in such event, such Transferee shall be treated in the same manner as a "Defaulter" under Section 7.3.

Section 6.6. Restraining Order.

In the event that either Venturer shall at any time transfer or attempt to transfer its Joint Venture interest in violation of the provisions of this Agreement, then the other Venturer shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such transfer, and the offending Venturer shall not plead in defense thereto that there would be an adequate remedy at law; it being hereby expressly acknowledged and agreed that damages at law will be an inadequate remedy for a breach or threatened breach of the provisions concerning transfer set forth in this Agreement.

Section 6.7. No Termination.

Notwithstanding any provision to the contrary in this Article VI, neither Venturer shall transfer all or any part of its interest in the Joint Venture to any party other than the other Venturer, whether or not such transfer would otherwise be permitted hereunder, if such transfer would result in a termination of the Joint Venture under the Code. At the request of the other Venturer and as a condition of the consummation of any transfer of all or any part of a Venturer's interest to any party other than the other Venturer, the Venturer proposing to transfer all or any part of its interest shall at its cost provide an unqualified opinion of counsel, which must be reasonably satisfactory to the other Venturer, that such transfer would not result in such a termination and the Venturer proposing to transfer all or any part of its interest to any party other than the other Venturer shall indemnify and hold harmless the other Venturer from and against any and all loss, cost, liability or expense (including but not limited to reasonable attorneys' fees) which such other Venturer may suffer if such transfer would, either by itself or together with any other prior transfers of an interest in the Venture of which the transferring Venturer has knowledge at the time of such transfer, cause such a termination.

Section 6.8. Limitation on Equity Ownership.

Notwithstanding any provision to the contrary in this Article VI, the equity interest in the Joint Venture owned by any Venturer, after giving effect to any transfer of a Joint Venture interest to such Venturer pursuant to this Article VI, shall not exceed the percentage cumulative equity ownership amount that would, in the opinion of legal counsel for the Joint Venture selected by the Management Committee, result in the loss of "qualifying facility" status of the Project within the meaning of the Public Utility Regulatory Policies Act of 1978, as amended from time to time ("PURPA"), or any rules, regulations or administrative determinations thereunder.

## ARTICLE VII

## DEFAULT AND DISSOLUTION

Section 7.1. Events of Default.

7.1.1 Definitions and Cure Periods. The occurrence of one or more of the following events shall constitute an event of default ("Event of Default") hereunder on the part of the Venturer with respect to whom such event occurs ("Defaulter") if within thirty (30) days following notice of such default from the



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other Venturer (ten (10) days if the default is due solely to the nonpayment of monies), the Defaulter fails to pay such monies, or in the case of non-monetary defaults, fails to commence substantial efforts to cure such default or thereafter fails within a reasonable time to prosecute to completion with diligence and continuity the curing of such default; provided, however, that the occurrence of any of the events described in subparagraphs (d) through (f) below shall constitute an Event of Default immediately upon such occurrence without any requirement of notice or passage of time except as specifically set forth in any such subparagraph:

(a) a Venturer shall fail to make any additional capital contribution to (or, in the case of SFHC, obtain any funds on behalf of) the Joint Venture as required pursuant to the provisions of Section 2.4;

(b) a Venturer shall violate any of the restrictions set forth in Article VI of this Agreement upon the right of a Venturer to transfer its Joint Venture interest;

(c) a Venturer's transferee shall fail to assume in writing and agree to be bound by all of the transferring Venturer's obligations, as provided in Section 6.5;

(d) a Venturer shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate or other action to authorize any of the foregoing;

(e) an involuntary case or other proceeding shall be commenced against a Venturer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against a Venturer under the federal bankruptcy laws as now or hereafter in effect;

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(f) judgments or orders for the payment of money in excess of $50,000 shall be rendered against a Venturer, and such judgments or orders shall continue unsatisfied and unstayed for a period in excess of the period during which no attachment or levy may be made against the assets of such Venturer on the basis of such judgments or orders; or

(g) a Venturer shall default in performance of or fail to comply with any other agreements, obligations or undertakings of such Venturer herein contained.

7.1.2 Act of Insolvency. The occurrence of any events described in subparagraphs (d) through (f) of Subsection 7.1.1 shall also constitute an "Act of Insolvency," as said term is used in this Agreement.

Section 7.2. Causes of Dissolution.

The Joint Venture shall be dissolved only in the event that:

(a) an Event of Default has occurred as provided in Section 7.1 and the non-defaulting Venturer elects to dissolve the Joint Venture as provided in Section 7.3 hereof;

(b) the Venturers mutually agree to terminate the Joint Venture;

(c) the Joint Venture ceases to maintain any interest (which term shall include but not be limited to a security interest) in the Project; or

(d) the Joint Venture by its terms, as set forth in Section 1.5, is terminated.

Section 7.3. Election of Non-Defaulting Venturer.

7.3.1 Purchase of Defaulter's Interest. Upon the occurrence of an Event of Default by either Venturer ("Defaulter"), the other Venturer (a "non-Defaulter") shall have the right to acquire the Joint Venture interest of the Defaulter for cash, except as provided in Subsection 7.3.2 hereof, at a price determined pursuant to the appraisal procedure set forth in Article VIII. In furtherance of such right, the non-Defaulter may notify the Defaulter at any time following an Event of Default of its election to institute the appraisal procedure set forth in Article VIII. Upon receipt of notice of determination of the net fair market value of the Defaulter's Joint Venture interest, the non-Defaulter may notify the Defaulter of its election to purchase the interest of the Defaulter.

7.3.2 Purchase in Event of Act of Insolvency. In the event the Event of Default is also an Act of Insolvency, a Venturer who elects to purchase the Joint Venture interest of the Defaulter shall have the right to purchase such Venturer's interest by payment of twenty percent (20%) of the purchase price (as determined by the appraisal procedure pursuant to Article VIII) of such Joint Venture interest at Closing, the balance of the purchase price to be payable in equal monthly installments over a period of five (5) years, the unpaid balance to bear interest at a rate per annum equal to the prime rate in effect from time to time at First Security Bank of Idaho, N.A., with the right of prepayment of any amount at any time without premium.

7.3.3 Limitation on Equity Ownership; Power of Attorney.

(a) Notwithstanding any provision to the contrary in this Article VII, if the exercise by the non-Defaulter of its right to acquire the Joint Venture interest of the Defaulter pursuant to Subsection 7.3.1 or 7.3.2 would, in the opinion of legal counsel for the Joint Venture selected by the Management Committee, result in the loss of "qualifying facility" status of the Project within the meaning of PURPA or any rules, regulations or administrative determinations thereunder, then the non-Defaulter shall have the right, upon notice to the Defaulter, pursuant to its authority as attorney-in-fact for the Defaulter granted pursuant to Subsection 7.3.3(b), to sell the Defaulter's Joint Venture interest to any third party for cash (whether or not the Event of Default is also an Act of Insolvency) at a price not less than the price determined by the non-Defaulter and the Defaulter pursuant to the appraisal procedure set forth in Article VIII conducted prior to such sale to such third party or at any lesser price agreeable to such third party, the Defaulter and the non-Defaulter.

(b) Each Venturer who becomes a Defaulter, by the execution of this Agreement, irrevocably constitutes and appoints the non-Defaulter its true and lawful attorney-in-fact with full power and authority in its name, place and stead to transfer such Defaulter's Joint Venture interest to any third party, subject to the price limitations specified in Subsection 7.3.3(a), if (and only if) the circumstances described in Subsection 7.3.3(a) prevent the non-Defaulter from exercising its right to acquire such Joint Venture interest from the Defaulter pursuant to Subsection 7.3.1 or 7.3.2, and to make, execute and deliver any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred. The appointment by each Venturer who becomes a Defaulter of the non-Defaulter as attorney-in-fact shall be deemed to be a power coupled with an interest and shall survive the bankruptcy or dissolution of such Defaulter hereby giving such power.

7.3.4 Closing. Closing of the purchase shall take place as provided in Section 6.4; provided, however, that upon the closing of such purchase the non-Defaulter may elect to (i) offset against the purchase price if the non-Defaulter is acquiring the Joint Venture interest of the Defaulter pursuant to Subsection 7.3.1 or 7.3.2 or (ii) retain from the purchase price paid by any third party if the purchase is made pursuant to Subsection 7.3.3, the amount of any loss, damage or injury, the amount of which has been established by a final non-appealable judgment, caused to it by the default of the Defaulter.

7.3.5 Election to Dissolve. If the non-Defaulter does not elect to acquire the entire interest of the Defaulter as set forth in Subsection 7.3.1 or 7.3.2 or is unable to sell such interest to any third party pursuant to Subsection 7.3.3, the non-Defaulter may elect to dissolve and terminate the Joint Venture pursuant to Section 7.2 of this Agreement by written notice to the Defaulter. The right of the non-Defaulter to institute the procedures for purchase of the Defaulter's Joint Venture interest (whether by the non-Defaulter pursuant to Subsection 7.3.1 or 7.3.2 or by any third party pursuant to Subsection 7.3.3) as set forth in this Section 7.3 shall continue until such non-Defaulter elects to exercise its right to terminate the Joint Venture as provided in this Subsection 7.3.5.

Section 7.4. Procedure in Dissolution and Liquidation.

7.4.1 Winding Up. Upon dissolution of the Joint Venture pursuant to Section 7.2 hereof, the Joint Venture shall immediately commence to wind up its affairs and the Venturers shall proceed with reasonable promptness to liquidate the business of the Joint Venture.

7.4.2 Management Rights During Winding Up. During the period of the winding up of the affairs of the Joint Venture, the rights and obligations of the Venturers set forth herein with respect to the management of the Joint Venture shall continue. For purposes of winding up, the Management Committee shall continue to act as such and shall make all decisions relating to the conduct of any business or operations during the winding up period and to the sale or other disposition of Joint Venture assets; provided, however, that if the termination of the Venture results from an Event of Default, the defaulting Venturer shall have no further right to participate in the management or affairs of the Venture or to attend Management Committee meetings or vote on decisions by the Management Committee, but shall nonetheless be bound by all decisions made by the non-Defaulter. Each Venturer hereby waives any claims it may have against the non-Defaulter that may arise out of the management by the non-



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Defaulter of the Joint Venture, so long as such non-Defaulter acts in good faith.

7.4.3 Allocation of Profits and Losses.

(a) Profits and losses of the Joint Venture following the date of dissolution shall be determined in accordance with the provisions of this Agreement and shall be credited or charged to the Capital Accounts of each Venturer in the same manner as profits and losses of the Joint Venture would have been credited or charged if there were no termination, dissolution and liquidation.

(b) For tax purposes, any taxable gain or any loss upon the sale, transfer or other disposition of Joint Venture assets following the date of dissolution shall be allocated to the Venturers in accordance with the allocation of profits and losses set forth in subparagraph (a) of this Subsection 7.4.3.

7.4.4 Distributions in Liquidation. The assets of the Joint Venture shall be applied or distributed in liquidation in the following order of priority; provided, however, that if a Venturer shall have a negative balance in its Capital Account, such Venturer shall, prior to any distributions to Venturers made pursuant to this Subsection 7.4.4, pay to the Joint Venture in cash for distribution as provided in this Subsection 7.4.4 an amount equal to the negative balance in said Venturer's Capital Account:

(a) first, in payment of debts and obligations of the Joint Venture owed to third parties, which shall include either Venturer as the holder of any secured loan;

(b) second, in payment of debts and obligations of the Joint Venture to either Venturer; and

(c) thereafter, to the Venturers in payment of any positive balances remaining in their Capital Accounts as determined in accordance with Section 2.9 and Subsection 7.4.3(b) hereof.

Section 7.5. Disposition of Documents and Records.

All documents and records of the Joint Venture, including, without limitation, all financial records, vouchers, cancelled checks and bank statements, shall be delivered to SFHC upon termination of the Joint Venture. Unless otherwise approved by the other Venturer, SFHC shall retain such documents and records for a period of not less than seven (7) years and shall make such documents and records available during normal business hours to the other Venturer for inspection and copying at the

other Venturer's cost and expense. The other Venturer shall reimburse SFHC for all out-of-pocket costs and expenses incurred by SFHC in connection with the performance of its duties set forth in the two immediately preceding sentences. In the event either Venturer ("Withdrawing Venturer") for any reason ceases as provided herein to be a Venturer at any time prior to termination of the Joint Venture, and the Joint Venture is continued without the Withdrawing Venturer, the other Venturer ("Surviving Venturer") agrees that said documents and records of the Joint Venture up to the date of the termination of the Withdrawing Venturer's interest shall be maintained by the Surviving Venturer, its successors and assigns, for a period of not less than seven (7) years thereafter; provided, however, that if there is an audit or threat of audit, such documents and records shall be retained until the audit is completed and any tax liability finally determined. Said documents and records shall be available for inspection, examination and copying by the Withdrawing Venturer upon reasonable notice during said seven-year period. The Withdrawing Venturer shall reimburse the Surviving Venturer for all out-of-pocket costs and expenses incurred by the Surviving Venturer in connection with the performance of its duties set forth in this Section 7.5.

## ARTICLE VIII

## APPRAISAL

Section 8.1. General.

Whenever this Agreement provides for the valuation of an interest in the Joint Venture to be purchased or sold, the value of such interest in the Joint Venture shall be determined as follows. The parties shall first attempt to agree upon the "net fair market value" of the Joint Venture and of the interests in the Joint Venture to be purchased or sold. The "net fair market value" of the Joint Venture shall mean the cash price which a sophisticated purchaser would pay on the effective date of the appraisal for all assets of the Joint Venture in excess of the financing then encumbering the Joint Venture assets, such valuation to be made on the assumption that such assets are subject to this Agreement and to any other agreements then in effect. A sophisticated purchaser shall be one who would take into account the nature, extent, maturity date and other terms of the liabilities of the Joint Venture, whether fixed or contingent, including the favorable or unfavorable nature of any financing then encumbering the Project or other Joint Venture assets, and the prospects that the income from the Joint Venture assets would be sufficient to satisfy such liabilities when due, excluding any liability under any financing already taken into account. The "net fair market value" of a Joint Venture interest



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shall mean the value of the interest to be sold or purchased, based on the net fair market value of the Joint Venture, and subject to the terms and provisions of this Agreement.

Section 8.2. Appraisal Procedure.

In the event that the Venturers are unable to mutually agree upon the net fair market value of the Joint Venture and of the Joint Venture interests to be sold or purchased within thirty (30) days of the date the appraisal procedure of this Article VIII is instituted as provided in this Agreement, each Venturer shall, within ten (10) days thereafter, appoint a disinterested appraiser and notify the other Venturer of such appointment, which two appraisers shall select a third disinterested appraiser. Each appraiser so selected shall be a member of the American Institute of Appraisers and shall furnish the Venturers with a written appraisal within sixty (60) days of his selection, setting forth his determination of the net fair market value of all assets owned by the Venture as of the date that is thirty (30) days after the date the appraisal procedure of this Article VIII is instituted as provided in this Agreement. Such appraisal shall assume that such assets shall be the highest and best use thereof, and the appraisal shall not include any value for any intangible assets of the Venture, such as good will. The average of the two closest valuations of such appraisers shall be treated as the net fair market value of the Venture. The cost of the appraisal shall be an expense of the Venture, except that if the appraisal is instituted pursuant to Section 7.3, the cost shall be at the expense of the Defaulter.

## ARTICLE IX

## DISPUTE RESOLUTION

Section 9.1. Meet and Confer.

In the event that (i) the Management Committee shall fail to resolve a material issue or dispute between the Venturers, which is deadlocked at a 50/50 vote before the Management Committee, or (ii) a dispute arises between the Venturers regarding the application or interpretation of any provision of this Agreement, the provisions of this Article IX shall apply. In any such event, within ten (10) days after notice from the Management Committee to the Venturers in the case of clause (i) above or from the aggrieved party to the other Venturers in the case of clause (ii) above, each party shall, within five (5) days after delivery of such notice, nominate an individual (who shall not be such party's representative on the Management Committee) to meet at the principal place of business of the Joint Venture specified in Section 1.4, or at any other

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mutually agreed location, to resolve the dispute. Should the parties be unable to resolve the dispute to their mutual satisfaction within fifteen (15) days after such nomination, the dispute shall be submitted to arbitration and resolved as set forth in Section 9.2.

Section 9.2. Arbitration.

In the event a dispute shall be submitted to arbitration pursuant to Section 9.1, each side to such dispute shall, within ten (10) days after such submission, select an independent arbitrator and notify all other Venturers of such selection, which two arbitrators shall select a third arbitrator. Any arbitration pursuant to this Article IX shall be conducted by such three arbitrators in accordance with the terms of the Idaho Uniform Arbitration Act, as amended from time to time (or any corresponding provisions of succeeding law). The award rendered by a majority of such arbitrators shall be final and binding on the parties, and judgment upon such award may be entered in any court having jurisdiction thereof. All fees and expenses of the arbitrators and all other expenses of the arbitration, except for attorneys' fees, shall be shared equally by the Venturers. Each Venturer shall bear its own attorneys' fees.

## ARTICLE X

## GENERAL PROVISIONS

Section 10.1. Complete Agreement; Amendment.

This Agreement constitutes the entire agreement between the parties and supersedes all agreements, representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof, and neither party hereto shall be bound by nor charged with any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement or the exhibits hereto. This Agreement may not be amended, altered or modified except by a writing signed by both the Venturers.

Section 10.2. Notices.

All notices under this Agreement shall be in writing and shall be delivered by personal service, or by certified or registered mail, postage prepaid, return receipt requested, or by facsimile transmission, to the Venturers at the addresses or numbers set forth below and to the Joint Venture at its principal place of business:

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In the case of SFHC:

South Forks Hydro Company
In care of Ida-West
Energy Company
1199 Shoreline Lane, Suite 310
Boise, Idaho 83702
FAX: 208-336-9795
Phone: 208-336-4254

In the case of TFEC:

Twin Falls Energy Company,
Inc.
In care of Twin Falls Canal
Company
163 Second Avenue West
Twin Falls, Idaho 83303-0326
FAX: 208-736-0041
Phone: 208-733-6731
208-734-0700

or to such substituted address and facsimile number as any party may from time to time specify in writing to the other party. All notices, demands and requests shall be deemed delivered two days after deposit in the United States mail or on the date sent if sent by facsimile transmission or when received if delivered by personal service.

Section 10.3. Attorneys' Fees.

Should any litigation be commenced between the parties hereto or their representatives or should any party institute any proceeding in a bankruptcy or similar court which has jurisdiction over any other party hereto or any or all of its property or assets concerning any provision of this Agreement or the rights and duties of any person or entity in relation thereto, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its or their attorneys' fees and court costs in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

Section 10.4. Validity.

In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever the validity or enforceability of the remainder of this Agreement.

Section 10.5. Survival of Rights.

Except as provided herein to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties signatory hereto and their permitted successors and assigns.



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Section 10.6. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 10.7. Waiver.

No consent or waiver, express or implied, by a Venturer to or of any breach or default by the other Venturer in the performance by such other Venturer of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Venturer hereunder. Failure on the part of a Venturer to complain of any act or failure to act of the other Venturer or to declare the other Venturer in default, irrespective of how long such failure continues, shall not constitute a waiver by such Venturer of its rights hereunder. The giving of consent by a Venturer in any one instance shall not limit or waive the necessity to obtain such Venturer's consent in any future instance.

Section 10.8. Remedies in Equity.

The rights and remedies of either of the Venturers hereunder shall not be mutually exclusive, i.e., the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the Venturers confirms that damages at law will be an inadequate remedy for a breach or threatened breach of this Agreement and agrees that, in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other for a breach or threatened breach of any provision hereof, it being the intention by this Section to make clear the agreement of the Venturers that the respective rights and obligations of the Venturers hereunder shall be enforceable in equity as well as at law or otherwise.

Section 10.9. Terminology.

All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Titles of Articles, Section and Subsections are for convenience only, and neither limit nor amplify the provisions of this Agreement itself. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the



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specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 10.10. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

Section 10.11. Further Assurances.

Each party hereto agrees to do all acts and things and to make, execute and deliver such written instruments as shall from time to time be reasonably required to carry out the terms and provisions of this Agreement.

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

SOUTH FORKS HYDRO COMPANY, an Idaho corporation

By _____
Kip W. Runyan
President

TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation

By _____
Robert W. Schaer
President

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LEASE AND ASSIGNMENT AGREEMENT

LOW LINE DROP

THIS LEASE AND ASSIGNMENT AGREEMENT (the "Agreement"), made and entered into this 16th day of MARCH, 1984, by and between TWIN FALLS CANAL COMPANY, an Idaho corporation, hereinafter referred to as "Canal Company", and BONNEVILLE PACIFIC CORPORATION, a Utah corporation duly authorized to transact business in the State of Idaho, or its assigns, hereinafter referred to as "Bonneville",

W I T N E S S E T H:

WHEREAS, Canal Company owns or has the right to acquire or use certain real property (the "Real Property") located in Twin Falls County, State of Idaho, described in Exhibit "A" attached hereto and by this reference made a part hereof, which Real Property is intended to be leased by Bonneville as part of a hydroelectric project known as the Low Line Drop Hydroelectric Project (the "Project"); and

WHEREAS, Canal Company owns or has the right to acquire certain non-consumptive water rights and appropriations for electrical generation (the "Water Rights"), more particularly described on Exhibit "B" attached hereto and by this reference made a part hereof; and

WHEREAS, Canal Company intends to enter into a Power Sales Contract (the "Power Contract") negotiated by Bonneville

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with Idaho Power Company for the purchase and sale of power generated from the Project. A copy of the proposed contract is attached hereto as Exhibit "C" and by this reference made a part hereof; and

WHEREAS, Canal Company has obtained an Order Granting Exemption For Small Conduit Hydroelectric Facilities from the Federal Energy Regulatory Commission, issued December 18, 1980 as Project No. 3216 (the "FERC Exemption"), a copy of which is attached hereto as Exhibit "D" and by this reference made a part hereof; and

WHEREAS, Bonneville desires to lease the Real Property and acquire the Water Rights, Power Contract, FERC Exemption and all rights and interests appurtenant thereto by assignment for purposes of constructing, operating and maintaining the Project; and

WHEREAS, Canal Company desires to lease the Real Property and assign the foregoing rights and interests to Bonneville strictly upon the terms herein contained,

NOW, THEREFORE, for the consideration hereinafter described and in further consideration of the mutual promises and covenants of the parties hereto, the parties agree as follows:

1. Agreement to Lease and Assign. Canal Company hereby leases to Bonneville the Real Property and assigns to Bonneville the Water Rights, Power Contract, FERC Exemption and

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all rights, interests and obligations relating thereto, including, but not limited to, all engineering work and feasibility studies in process or completed which are presently owned by Canal Company, in accordance with and subject to the terms of this Agreement. Bonneville hereby accepts such lease and assignment in accordance with the terms hereof.

2. Term of Lease and Assignment. This Agreement shall remain in full force and effect and binding upon the parties hereto from and after the date hereof and continuing for a term of thirty-five (35) years from the date of first power production by the Project; provided, however, that if construction on the Project has not commenced and the construction and permanent financing for the Project have not been obtained on or before December 31, 1984, either party may terminate this Agreement, and thereafter this Agreement shall be null and void.

3. Construction of the Project. Bonneville, at Bonneville's expense shall construct, install and complete the Project which shall consist of a power generating facility having approximately 8.2 megawatts of installed generating capacity. During the period of construction, Canal Company shall have the right to review the construction schedule, and Bonneville agrees that the construction of the Project shall not interfere with the delivery of irrigation water by Canal Company, and Canal Company shall have the right to review the engineering, general design, capacity and equipment to be

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installed in the Project, prior to the initiation of construction, to ensure that the Project (when constructed and operating) shall not interfere with the delivery of irrigation waters by Canal Company.

4. Control and Ownership of Project. Bonneville shall own the Project and, subject to paragraph 7 hereof, shall have complete control over the construction, operation and maintenance of the Project during the term of this Agreement and shall be the sole manager of the Project. Canal Company grants and assigns to Bonneville all rights and privileges necessary or desirable in the construction, operation and maintenance of the Project, including, without limitation, rights of ingress and egress and such easements, privileges, water lines, electrical transmission lines and utility easements as may be necessary or desirable in the construction, operation and maintenance of the Project. Canal Company also grants to Bonneville the right to contract with third parties relative to the construction, operation and maintenance of the Project throughout the term of this Agreement. It is Bonneville's present intention to contract with Water Power Company to operate and maintain the Project during the term hereof. In the event Bonneville elects not to contract with Water Power Company or an affiliate thereof, Canal Company shall have the first right to operate and maintain the Project upon terms and conditions mutually agreeable to Bonneville and Canal Company.

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5. Consideration. As consideration for the lease and assignments herein contemplated, Bonneville agrees to pay to Canal Company, upon receipt by Bonneville of a second installment of equity funds in an amount not less than Five Hundred Thousand Dollars ($500,000.00) subject to the complete fulfillment of the obligations of Canal Company under paragraph 11 hereof, the sum of $355,000.00, and, in addition thereto, royalty payments equal to ten percent (10%) of the gross annual income received by Bonneville under the Power Contract for the first ten (10) years of operation of the Project. Such royalty payment shall increase to forty percent (40%) of gross annual income during the second ten (10) years of operation of the Project, and thereafter the royalty payment shall increase to eighty percent (80%) of the gross annual income throughout the remainder of the term as specified in paragraph 2. All payments shall be made quarterly, in arrears.

6. Tax Benefits. Bonneville, as sole owner of the Project, shall receive all federal and state tax benefits (ITC, ETC and Cost Recovery Deductions (ACRS), etc.) available to this Project under tax regulations relating to power projects of this nature.

7. Use of Real Property and Water. It is understood and agreed by the parties that Canal Company's primary function is the delivery of water to its shareholders for irrigation purposes. Subject to the foregoing, Canal Company shall use its best efforts to maintain and control water flows in such a manner as to maximize the efficiency and power generating capacity of the Project, subject to Canal Company's legal right



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to discharge water into natural stream channels; provided, however that it is the understanding of the parties hereto that the construction, operation and maintenance of the Project shall in no way interfere with the flow of irrigation waters through the power generating facilities of the Project and it is further understood between the parties that the passage of irrigation waters through the Project shall take priority over any activities of Bonneville with respect to the Project. Likewise, to the extent of available water and subject to paragraph 12 hereof, Bonneville agrees to use its best efforts to maximize power production from the Project.

8. Maintenance. At all times during the term of this Agreement, Bonneville shall keep and maintain the Project and all improvements now and hereafter on the Project as well as all facilities now and hereafter appurtenant to the Project in good order and repair and in a safe and clean condition. Bonneville shall operate and maintain the facilities in accordance with Prudent Electrical Practices, the National Electric Safety Code in effect from time to time, and other applicable local, state and federal codes, and shall provide and maintain adequate protective equipment sufficient to prevent damage to the facility. Bonneville further agrees not to commit waste upon the real property or rights referred to herein and shall not allow any liens to be placed upon the Project, or any portion thereof, which might materially impact upon the irrigation related functions of the Project, or Canal Company's irrigation facilities generally.



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9. Taxes and Assessments. From the date hereof, Bonneville shall be responsible for and pay all real and personal property taxes and kilowatt hour taxes assessed against the Project during the term hereof. Bonneville shall also be responsible for and pay all water district assessments and irrigation fees levied upon the flow of water through the Project for such flows as would not otherwise be occurring during the traditional irrigation season. Canal Company shall pay all such charges and assessments associated with water flows during the irrigation season.

10. Default. In the event either party hereto is in default under this Agreement, and such default is not cured within thirty (30) days after written notice of the default is delivered to the defaulting party, the non-defaulting party shall have the right to bring one or more of the following actions:

(a) An action for specific performance under this Agreement;

(b) An action for damages incurred as a result of the default; and

(c) Any other rights and remedies provided by law.

In the event of default, the defaulting party shall pay all costs and fees incurred by the non-defaulting party in enforcing this Agreement against such defaulting party, including reasonable attorneys' fees and court costs.

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11. Covenant of Title and Peaceful Possession. Canal Company covenants that it has full right, power and authority to enter into this Lease and Assignment Agreement, and that Bonneville, upon payment of the consideration and performance of the covenants upon Bonneville's part to be performed hereunder, shall and may peaceably and quietly have, hold and enjoy the rights leased and assigned hereby, during the term hereof. The foregoing covenant of title and peaceful possession extends to and includes all access easements, transmission line easements and land use easements acquired in connection with the Project in addition to the property owned by Canal Company and leased to Bonneville hereunder. Canal Company, at its expense, shall use its best efforts to acquire all necessary zoning changes and/or conditional use permits necessary for the Project and shall obtain all necessary consents from the Twin Falls County Highway District to the crossing of any highways by portions of the Project. Canal Company shall also use its best efforts to obtain, at its expense, approval of the assignment of the Water Right contemplated herein from the Idaho Department of Water Resources in accordance with Idaho law, and shall use its best efforts to obtain a consent from Idaho Power Company to the assignment of the Power Contract contemplated herein.

12. Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, inability to insure the Project at a reasonable cost, failure

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of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing the work or doing the acts required under the terms of this Agreement, then performance of such action shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

13. Additional Instruments and After Acquired Rights. In the event it is necessary or desirable to prepare and execute additional instruments or documents to carry out the terms of this Agreement, the parties hereto agree to cooperate fully in the preparation and execution of the same. With respect to the Power Contract and Water Rights, the assignments herein contained are made with sufficient warranties to create effective assignments of said interests at such time as the same are fully acquired or perfected by Canal Company.

14. Eminent Domain. In the event the Project shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Agreement shall terminate and expire as of the date of such taking, and both Canal Company and Bonneville shall thereupon be released from any liability thereafter accruing hereunder. It is understood and agreed that Bonneville shall be entitled to the entire award or compensation under any proceeding in eminent domain relating to the ongoing operations of the Project except (a)



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such portion of the award directly relating to the royalty income due or to become due to Canal Company pursuant to this Agreement, and (b) any portion of the award or compensation specifically relating to the Real Property or Water Rights transferred hereunder, valued as of the end of the term specified in paragraph 2 hereof. Any compensation or award relating to the value of the Real Property, Water Rights or any other right, contract or interest prior to the end of the term as specified in paragraph 2 hereof shall belong to Bonneville. Any compensation or award relating to the value of Canal Company's irrigation facilities shall belong to Canal Company.

15. Option. At the end of the term as specified in paragraph 2 hereof, and within six (6) months thereafter, Bonneville shall have the right, at its sole option and discretion, to remove any or all of the equipment and improvements used in connection with the Project at no cost to Bonneville except for costs associated with the actual removal thereof which shall be borne by Bonneville. Any equipment or improvements remaining on the leased property after said six (6) month period shall be deemed abandoned and Canal Company shall have the sole right to the possession and use thereof.

16. Indemnification. Bonneville shall indemnify and hold harmless Canal Company, its officers, agents, employees and landowners, from and against any and all suits, demands, claims, causes of action, costs or expenses, including reasonable attorneys' fees, which may arise or be asserted against Canal Company, its officers, agents or employees by reason of



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First Interstate Bank
of Utah, N.A.
Corporate Banking
P.O. Box 30169
Salt Lake City, UT 84142
801 350-7767

Kenneth W. Bell
Vice President
Corporate Banking

August 1,1984

Robert L. Wood
Bonneville Pacific Corporation
200 East South Temple #300
Salt Lake City, Utah 84111

Dear Robert:

It is my pleasure to inform you that First Interstate Bank of Utah has approved for Bonneville Pacific Corporation a $10,200,000 secured convertible revolver/term loan for the construction of/and acquisition of equipment for your new 8.2 Megawatt Hydroelectric Plant in Twin Falls County, Idaho. Our approval is subject to our arranging for sufficient participation from affiliate First Interstate Banks allowing us to fund the full loan.

The terms and conditions of our approval are as follows:

| | |
|---|---|
| Amount: | $10,200,000.00 |
| Term: | Construction disbursement period through 6/30/85 at which time the loan will convert to a 5-year term loan with a 10-year amortization. Principal and interest payments are to be made quarterly. |
| Rate/Fee: | At borrowers option:<br>A) First Interstate Bank of California prime rate plus 1 1/2% floating due quarterly, or<br>B) First Interstate Bank of California CD rate plus 2% due at maturity or quarterly whichever comes first. CD pricing will be available for 30,60,90,150 and 180 day periods and must be taken down in $500,000 increments.<br>A fee of 1 1/4% on the commitment will be due at closing. |
| Guarantors: | Bonneville Group,Inc. |
| Collateral: | Assignment of the following:<br>A) The Idaho Power Company Power Purchase Contract.<br>B) A 35-year lease with the Twin Falls Canal Company covering the property upon which the facility will be constructed. |

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C) A security agreement covering all water rights, energy rights, easements, permits and exemptions,etc.necessary for the construction and operation of the facility.
D) A security interest in all equipment, machinery and facilities.
E) A turnkey construction contract with water/ power company for the construction of the entire project in the amount of $13,285,000 (evidence of sufficient bonding by all subcontractors and equipment warrants from all equipment suppliers to be provided).
F) All risk insurance satisfactory to First Interstate Bank of Utah to include low flow and business interruption insurance.

Additional requirements prior to closing include the receipt of a legal opinion to the effect that the low line project in question is not being built on a natural waterway but rather on a man-made canal and therefore does not require the FERC exemption that was recently ruled invalid in the Tulalip case. Additionally we need to agree on an independent engineer that will need to approve all disbursements, which as you recall will be made at a rate of $1.60 from our loan for every $1.00 of equity disbursed by you.

Funding of this loan is, of course, also subject to the satisfactory completion and approval of all legal documents by our counsel, your counsel and counsel for First Interstate Bank of California.

Robert we appreciate the opportunity to do business with you and your company and will do everything we can to expedite the closing of this loan. If you have questions please give me a call.

Sincerely,

Kenneth W. Bell
Vice President

KWB/cs

Acknowledged and Agreed To:

_____
Bonneville Pacific Corporation

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the construction, maintenance, or operation of the Project by Bonneville.

17. Assignment. Bonneville has the right to assign this Agreement to Magic Valley Hydroelectric Partners, Ltd. 1984, a Utah limited partnership. Except as provided above, Bonneville shall not have the right to assign this Agreement for other than financing purposes without the prior written consent of Canal Company, which consent shall not be unreasonably withheld or delayed. If said limited partnership is selected by Bonneville as the vehicle for the financing, limited partnership interests in such limited partnership may be transferred freely without such written permission, but Bonneville shall not assign the general partnership interest without Canal Company's written consent, which consent shall not be unreasonably withheld.

18. Insurance. If during the term of this Agreement the improvements constructed by Bonneville shall be damaged by fire, casualty, or act of God, Bonneville shall have the option either to rebuild or repair the damaged improvements or to terminate this Agreement. Bonneville shall give notice to Canal Company of its election to repair or terminate by delivery of written notice not more than ninety (90) days after the occurrence of any such casualty. If Bonneville elects to rebuild or repair the damaged improvements, this Agreement shall continue in full force and effect and Bonneville shall reconstruct said improvements within a reasonable time. In the



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event that Bonneville elects to terminate, this Agreement shall terminate on the date set forth in Bonneville's notice, but not more than ninety (90) days after the date of such notice. All insurance proceeds shall be the property of Bonneville, and shall be applied to rebuilding or repair, to the extent applicable. Bonneville, at all times during the term of this Agreement, shall carry adequate public liability insurance, the same to be in an amount not less than $1,000,000 for injury to one person and $2,000,000 against claims of more than one person from one accident at the Project. Canal Company shall be carried as an additional insured under the loss payable clause of said policy.

19. Notices. All notices required or permitted hereunder shall be deemed duly delivered when personally delivered or when sent by United States mail, postage prepaid, registered or certified mail with return receipt requested, and addressed to the parties has follows:

IF TO CANAL COMPANY:
Twin Falls Canal Company
P.O. Box 1906
Twin Falls, Idaho 83301
Attention: John A. Roshalt

IF TO BONNEVILLE:
Bonneville Pacific Corporation
Suite 300
200 East South Temple
Salt Lake City, Utah 84111
Attention: Raymond L. Hixson,
President

Either party may change its address in writing by giving notice of such change in the manner herein provided.



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20. Conditions Precedent to Completion. Bonneville shall not be obligated to complete the Project until such time as all of the obligations of Canal Company outlined in paragraph 11 hereof have been fulfilled. Canal Company shall use its best efforts to fulfill said obligations on or before July 1, 1984. Bonneville shall have the right to terminate this Agreement and be released from all obligations hereunder in the event (a) the Power Contract (to be negotiated by Bonneville) is not completed, executed by Idaho Power and delivered to Bonneville on or before December 31, 1984, and reasonable construction and permanent financing for the Project are not obtained by Bonneville on or before December 31, 1984. In the event of such termination, or in the event any of the conditions of paragraph 11 hereof cannot be fulfilled despite the best efforts of the Canal Company, Canal Company shall not be liable for costs and expenses incurred by Bonneville in connection with the Project. Likewise, Bonneville shall not be liable for any expenses incurred by Canal Company in the event of such termination or failure by Canal Company to fulfill the conditions of paragraph 11 hereof.

21. Entire Agreement. Subject to paragraph 12 hereof, this Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and shall not be modified or amended except by written instrument duly executed by the parties hereto.

22. Binding Agreement. This Agreement shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

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23. Captions. Captions throughout this instrument are for convenience of reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

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

TWIN FALLS CANAL COMPANY

Attest:

By: Robert Penkert
Secretary

By: Maurice V. Kiene
Its: President

BONNEVILLE PACIFIC CORPORATION

Attest:

By: [illegible]
Its Attorney at law

By: [illegible]
Its: Secretary

STATE OF IDAHO )
: ss.
COUNTY OF Twin Falls )

On the 16th day of March, 1984, before me, Doris Y. Finney a Notary public, personally appeared Maurice V. Kiene and Robert Penkert, known to me to be the President and Secretary of Twin Falls Canal Company, who duly acknowledged that the foregoing instrument was signed in behalf of said corporation by authority of its by-laws or a resolution of its board of directors, and said Maurice V. Kiene acknowledged to me that said corporation executed the same.

Doris Y. Finney
NOTARY PUBLIC
Residing at: Twin Falls, Idaho

My Commission Expires:

April 21, 1985



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STATE OF Idaho )
: ss.
COUNTY OF Twin Falls )

On the 14th day of March, 1984, before me, J. Evon Robertson a Notary public, personally appeared Robert L. Wood, known to me to be the Secretary / Treasurer of Bonneville Pacific Corporation, who duly acknowledged that the foregoing instrument was signed in behalf of said corporation by authority of its by-laws or a resolution of its board of directors, and said Robert L. Wood acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
Residing at: Twin Falls, Idaho

My Commission Expires:

5179C

**EXHIBIT "A"**

**Description of Real Property**

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EXHIBIT "I"

Power Sales Agreement

(Attached)

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Facility No: 31715099 (5)
Project: Low Line Canal

Approved per Commission Orders
18190 and 18933(U-1006-235)

Myrna J. Walters
Commission Secretary

FIRM ENERGY SALES AGREEMENT

THIS AGREEMENT, entered into on this 6th day of June, 1984, is between BONNEVILLE-PACIFIC CORP, a corporation (Seller), and IDAHO POWER COMPANY, a Maine corporation (Idaho) hereinafter sometimes referred to collectively as "parties" or individually as "party."

W I T N E S S E T H:

WHEREAS, Seller plans to construct, own and operate an electric generation facility; and

WHEREAS, Seller wishes to sell, and Idaho wishes to purchase, electric energy from that facility,

THEREFORE, In consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE I: DEFINITIONS

As used in this Agreement and the appendices attached hereto, the following terms shall have the following meanings:

1.1 "Annual Net Energy" - The amount of Net Energy Seller estimates it will deliver to Idaho at the Point of Delivery during each Contract Year.

1.2 "Commission" - The Idaho Public Utilities Commission.

1.3 "Contract Year" - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.

1.4 "Designated Dispatch Facility" - Idaho's Boise Bench System Dispatch Center.

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1.5 "Disconnection Equipment" - Any device or combination of devices located on the interconnection between the Facility and Idaho's system by which Idaho can manually and/or automatically interrupt the flow of power from the Facility to Idaho's system. Disconnection Equipment includes such enclosures or other facilities as may be required to ensure that only Idaho will have access to the devices.

1.6 ""First Energy Date" - The date when Seller has been interconnected with Idaho's system and begins delivering electric energy to Idaho for purposes of demonstrating to Idaho the Facility's degree of completion and reliability.

1.7 "Facility" - That electric generation facility described in Appendix B of this Agreement.

1.8 "Interconnection Facilities" - All facilities required to be installed solely to interconnect and deliver energy from the Facility to Idaho's system including, but not limited to, connection, switching, metering, relaying, communications and safety equipment.

1.9 "Losses" - The loss of energy occuring as a result of the transformation and transmission of energy between the Facility and the Point of Delivery.

1.10 "Net Energy" - The electric energy produced by the Facility, expressed in kilowatt hours ("kwh"), delivered to Idaho at the Point of Delivery less Station Use and less Losses.

1.11 "Operation Date" - The day commencing at 0001 hours, following the day during which all features and equipment of the Facility have reached a degree of completion and reliability, such that they are capable of operating simultaneously to deliver Net Energy continuously into Idaho's system.

1.12 "Point of Delivery" - The location specified in Appendix B, where Idaho's and Seller's electrical facilities are interconnected.

1.12 "Prudent Electrical Practices" - Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

1.13 "Scheduled Operation Date" - The date specified in Appendix B when Seller anticipates achieving the Operation Date.

1.14 "Season" - The four periods of three months each identified in Article VI.

1.15 "Seasonal Net Energy" - The amounts of Net Energy Seller estimates it will deliver to Idaho at the Point of Delivery during each Season.

1.16 "Special Facilities" - Those additions and alterations to Idaho's system which are reasonable required by Prudent Electrical Practices and the national Electric Safety Code to interconnect the Facility safely to Idaho's system.

1.17 "Station Use" - Electric energy which is used solely to operate the Facility's equipment which is auxiliary or directly related to the production of electricity and which, but for the generation of electricity, would not be consumed by Seller.

1.18 "Surplus Energy" - Net Energy which is delivered and accepted prior to the Operation Date.

ARTICLE II: NO RELIANCE ON IDAHO

2.1 Seller Independent Investigation - Except for the Interconnection Equipment and any other facilities exclusively within the control of Idaho

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Seller warrants and represents to Idaho that in entering into this Agreement and the undertaking by Seller of the obligation set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of Idaho in connection with the transactions contemplated by this Agreement.

2.2 Seller Independent Experts - Except for the Disconnection Equipment and any other facilities within the exclusive control of Idaho, all professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement, have been solely those of Seller.

## ARTICLE III: WARRANTIES

3.1 No Warranty by Idaho - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho, and Idaho makes no warranties, express or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including but not limited to safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "qualifying facility," as that term is used and defined in 18 CFR, Part 292. Seller will take such steps as may be required to maintain the Facility's "qualifying facility" status during the term of this Agreement.

## ARTICLE IV: CONDITIONS TO INTERCONNECTION

4.1 Prior to the First Energy Date and as a condition of interconnection with Idaho, Seller shall:

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4.1.1 Submit proof to Idaho that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including but not limited to those licenses, permit or approvals specified in Appendix C;

4.1.2 Make payment to Idaho for all costs of Disconnection Equipment, metering equipment and Special Facilities as provided for in Appendix B of this Agreement;

4.1.3 Obtain written acceptance from Idaho as provided in paragraph 8.3;

4.1.4 Submit proof to Idaho of all insurance required in Article XIV;

4.1.5 Demonstrate to Idaho's satisfaction that Seller's Facility has been completed, and is capable of operating safely to commence deliveries of electric energy into Idaho's system.

4.1.6 Submit to Idaho a statement from a licensed professional engineer certifying that the design of and equipment in Seller's Facilities comply with the standards of this Agreement and with Prudent Electrical Practices.

4.1.7 Obtain written confirmation from Idaho that all conditions to interconnection have been fulfilled. It is understood that such written confirmation shall not be unreasonably withheld by Idaho.

## ARTICLE V: TERM AND OPERATION DATE

5.1 Term - This Agreement shall become effective on the date first above written, and shall continue in full force and effect for a period of thirty-five (35) Contract Years.

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5.2 Operation Date - The Operation Date may occur only after Seller has achieved the First Energy Date, and the necessary degree of completion and reliability has been demonstrated to Idaho's satisfaction and Idaho has confirmed that satisfaction in writing. Seller shall have the duty to obtain that confirmation and it will not be unreasonably withheld by Idaho.

## ARTICLE VI: SALE OF NET ENERGY

6.1 Delivery and Acceptance of Net Energy - Except when either party's performance is prevented by events of force majeure (Article XVI) or otherwise excused as provided herein, Idaho shall purchase all of the Net Energy and Surplus Energy delivered by Seller to the Point of Delivery.

6.2 Seasonal Net Energy Amounts - Based on long-term historical water flow records and average long-term energy estimates based thereon, Seller estimates that it can deliver Net Energy in the following amounts:

| | | |
|---|---|---|
| Season 1 | December<br>January<br>February | 1,404,000 KWH |
| Season 2 | March<br>April<br>May | 11,782,000 KWH |
| Season 3 | June<br>July<br>August | 17,459,000 KWH |
| Season 4 | September<br>October<br>November | 16,196,000 KWH |

6.3 Annual Net Energy Amount - The Annual Net Energy shall be 46,841,000 KWH and shall be the sum of the four Seasonal Net Energy amounts Seller specified above.

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6.4 Normal Water Conditions - For hydroelectric generating facilities, the Net Energy amounts Seller has estimated it can supply are based upon the anticipated water flows at the Facility. The parties have reviewed these anticipated water flows and the water records supporting those projected water flows and have agreed that, for purposes of this Agreement, the projected water flows used to calculate the Annual Net Energy amount are reasonable and shall constitute the water flows available to the Facility under "normal" water conditions. No later than 120 days after the Operation Date, Seller will install such water flow measuring equipment as is reasonably required to permit the parties to monitor the water flows at the Facility site. Seller will operate and maintain this water flow measuring equipment and will perform such other water flow analyses as may be required to carry out the provisions of 21.2.1.

6.5 Net Energy Changes - If, as a result of some action by Seller (for example, procurement of additional long-term water or other fuel supplies, or installation of larger or more efficient generating equipment), Seller is able to permanently increase the amount of annual Net Energy delivered to Idaho by more than 10% above the amount specified in paragraph 6.3 above, Idaho shall purchase this increased amount of Net Energy under the terms and conditions of this Contract except that the price paid to Seller for the increased increment of Net Energy shall not be determined in accordance with paragraph 7.1 of this Agreement, but instead will be priced at the firm energy rate in effect at the time of such increase for a Contract term equal in length to the period commencing in the year of the Net Energy increase and ending in the year in which this Agreement expires.

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## ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT; ADJUSTMENT OF PURCHASE PRICE

7.1 Net Energy Purchase Price - The price to be paid to Seller for Net Energy which is not Surplus Energy will be the sum of the following payments:

7.1.1 Base Payment -

| | |
|---|---|
| Season 1 | 73.3 Mills/KWH |
| Season 2 | 48.9 Mills/KWH |
| Season 3 | 73.3 Mills/KWH |
| Season 4 | 48.9 Mills/KWH |

7.1.2 Adjustable Payment - In addition to the Base Payment specified in paragraph 7.1.1, Idaho shall pay to Seller an Adjustable Payment of 8.0 mills per kilowatt hour for Net Energy delivered and accepted in Seasons 1 and 3 and 5.4 mills per KWH for Net Energy delivered and accepted in Seasons 2 and 4. The Adjustable Payment shall be subject to change pursuant to Commission Order at such time as Idaho's retail rates are revised by Commission Order.

7.2 Surplus Energy Purchase Price - Surplus Energy will be purchased at the non-firm avoided energy rate in effect at the time of delivery. This rate is calculated monthly and is filed with the Commission.

## ARTICLE VIII: FACILITY AND INTERCONNECTION

8.1 Design of Facility - Seller shall design, construct, install, own, operate and maintain the Facility. The Facility shall be designed and constructed so as to allow safe, reliable delivery of electric energy to Idaho's system.

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8.2 Interconnection Facilities - Except for the Special Facilities, metering equipment and Disconnection Equipment specified in Appendix B, Seller shall construct, install, own, and maintain all Interconnection Facilities. Seller will pay all costs of interconnecting the Facility with Idaho.

8.3 Idaho Review - To assure the Facility and Seller-furnished Interconnection Facilities are of suitable size and are compatible with Idaho's system, Seller shall submit the designs, plans, specifications and performance data for the Facility and Seller-furnished Interconnection Facilities to Idaho for review. Idaho shall, in writing and in conformance with paragraph 4.1.3, notify Seller of its acceptance and confirmation of system compatibility or conversely, notify Seller, in writing, of any changes which, consistent with Prudent Electrical Practices, Idaho determines are necessary to assure the safe delivery of electric energy from the Facility to Idaho's system.

## ARTICLE IX: DISCONNECTION EQUIPMENT

9.1 Disconnect Equipment - Idaho will, at Seller's expense, provide, install, own, operate, and maintain all Disconnection Equipment. At Seller's request, Idaho will provide Seller with the general specifications and an itemization by category of the costs of such Disconnection Equipment. Idaho will establish the settings of Disconnection Equipment to disconnect automatically from the Facility for the protection of Idaho's system and personnel consistent with Prudent Electrical Practices. Upon Seller's request, Idaho will notify Seller as to the original setting and any adjustments thereof. Except as otherwise required by Prudent Electrical Practices, Disconnection Equipment will be designed so that the closure of any breaker or other dis-

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connecting device which connects the Facility to Idaho's system shall be controlled by equipment which will perform the following:

(1) Automatically monitor the status of the electrical system on Idaho's side of the disconnecting device; as to voltage and frequency; and

(2) Prohibit closure or reconnection until voltage and frequency have been within approved limits for a continuous period of not less than five minutes; and

(3) Operate so that if Idaho's system is de-energized within ten seconds after the initial closure of the disconnecting device, the disconnecting device will immediately open and not close again until Idaho has been satisfied that Idaho can safely reclose the Disconnecting Equipment.

9.2 Security of Disconnect Equipment - The Disconnection Equipment will be located in an enclosure secured by a lock or otherwise secured in a manner designed to ensure that only Idaho's authorized personnel will have access to the disconnecting devices.

9.3 Remote Disconnection - Other Disconnection Equipment, including equipment which will provide Idaho's operating personnel with the ability to remotely control and monitor the status of the breaker or other disconnecting device by radio or hard-wire circuit between the Facility and the Designated Dispatch Facility may be specified by Idaho when, in Idaho's reasonable judgment, such equipment is required by Prudent Electrical Practices. Seller recognizes that such remote control equipment may not initially be required by Idaho, but at such time as operating conditions on Idaho's system dictate, Idaho will install this remote control equipment at Seller's expense. If Seller disputes Idaho's determination that the installation of such remote

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Disconnection Equipment is required, such dispute shall be submitted to the Commission for resolution.

9.4 Interference with Disconnection Equipment - If Seller attempts to modify, adjust or otherwise interfere with the Disconnection Equipment or its enclosure, such action shall constitute an event of default pursuant to Article XXI.

## ARTICLE X: METERING

10.1 Metering - Idaho shall, for the account of Seller, provide, install, and maintain required metering equipment to be located at a mutually agreed upon location to record and measure power flows to Idaho in accordance with the standards set forth in Appendix A. If required by Idaho, metering will also include measurement of kilovar-hours in a manner agreed to by both parties. All meter equipment, installation, ownership, and administration costs therefor, shall be borne by Seller, including costs incurred by Idaho for inspecting and testing such equipment at reasonable intervals at Idaho's actual cost of providing this equipment and services. The point of metering shall be at the location described in Appendix B. All meters used to determine the billing hereunder shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted.

10.2 Meter Inspection - Idaho shall inspect and test all meters upon their installation and at least once every four years thereafter. If requested by Seller, Idaho shall make a special inspection or test of a meter and Seller shall pay the reasonable costs of such special inspection. Both parties shall be notified of the time when any inspection or test shall take place, and each party may have representatives present at the test or inspection. If a meter



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is found to be inaccurate or defective, it shall be adjusted, repaired, or replaced, at Idaho's expense, in order to provide accurate metering. If a meter fails to register, or if the measurement made by a meter during a test varies by more than two percent from the measurement made by the standard meter used in the test, adjustment to the payments Seller has received shall be made to correct those payments affected by the inaccurate meter for the actual period during which inaccurate measurements were made. If the actual period cannot be determined, corrections to the payments will be based on the shorter of (1) a period equal to one-half the time from the date of the last previous test of the meter to the date of the test which established the inaccuracy of the meter; or (2) six (6) months.

## ARTICLE XI: RECORDS

11.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the parties, adequate metering and related power production records, in a form and content recommended by Idaho.

11.2 Inspection - Either party, after reasonable notice to the other party, shall have the right, during normal business hours, to inspect and audit any or all such metering and related power production records pertaining to Seller's account.

## ARTICLE XII: PROTECTION

12.1 Seller shall construct, operate and maintain the Facility and Seller-furnished Interconnection Facilities in accordance with Appendix A, Prudent Electrical Practices, the National Electric Safety Code and any other

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applicable local, state, and federal codes. If, in the reasonable opinion of Idaho, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho's equipment, personnel, or service to its customers, Idaho may physically interrupt the flow of energy from the Facility or take such other reasonable steps as Idaho deems appropriate. Except in the case of an emergency, Idaho will attempt to notify Seller of such interruption prior to its occurrence as provided in paragraph 13.8. Seller shall provide and maintain adequate protective equipment sufficient to prevent damage to the Facility and Seller-furnished Interconnection Facilities.

## ARTICLE XIII: OPERATIONS

13.1 Emergency Conditions - Seller agrees that in the event of and during a period of a shortage of power on Idaho's system as declared by Idaho in its reasonable discretion, Seller shall, at Idaho's request and within the limits of reasonable safety requirements as determined by Seller, use its best efforts to provide requested Net Energy, and shall, if necessary, delay any scheduled shutdown of the Facility.

13.2 Communications - Idaho and Seller shall maintain appropriate operating communications through Idaho's Designated Dispatch Facility, and Seller shall report to Idaho at the times and in the manner set forth in Appendfx A.

13.3 Energy Acceptance - Idaho shall be excused from accepting and paying for Net Energy delivered by Seller to the Point of Delivery under the following circumstances:

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13.3.1 If it is prevented from doing so by an event of force majeure.

13.3.2 If Idaho determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, operating conditions on its system, or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of force majeure, Idaho requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceed twenty days beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate determined by dividing the Annual Net Energy amount by 8760 hours. Idaho will notify Seller when the interruption, curtailment or reduction is terminated.

13.4 Voltage Levels - Seller shall use its best efforts to minimize voltage swings and to maintain voltage levels acceptable to Idaho. Idaho may, upon one hundred eighty (180) days' notice to Seller, change its nominal operating voltage level by more than ten percent (10%) at the Point of Delivery, in which case Seller shall modify, at Idaho's expense, Seller's equipment as necessary to accommodate the modified nominal operating voltage level.

13.5 Power Factor - Seller shall provide power within plus or minus 5% of unity power factor. The generator shall be equipped with controls or equipment which give it the capability of operating anywhere within this range.

13.6 Scheduled Maintenance - Seller shall submit a proposed maintenance schedule for each calendar year on or before the preceding February 1,

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and Idaho and Seller shall mutually agree as to the acceptability or unacceptability of the proposed date(s). The parties' determination as to the acceptability of Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices and neither party shall unreasonably withhold its acceptance of the proposed date for scheduled maintenance.

13.7 Maintenance Coordination - The parties shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.

13.8 Contact Prior to Curtailment - Idaho will make a reasonable attempt to contact Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from Seller. Seller understands that in the case of emergency circumstances, no notice will be given to Seller prior to interruption, curtailment, or reduction.

## ARTICLE XIV: INDEMNIFICATION AND INSURANCE

14.1 Indemnification - Each party shall agree to hold harmless and to indemnify the other party, its officers, agents, and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with this Agreement. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.

14.2 Insurance - During the term of this agreement, Seller shall secure and continuously carry:



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14.2.1 Comprehensive General Liability Insurance for both bodily injury and property damage equivalent to the amount of $1,000,000 combined single limit. Such insurance shall:

(a) include an endorsement naming Idaho as an additional insured insofar as work performed under this agreement is concerned; and

(b) include a provision stating that such liability policies shall not be canceled or their limits of liability reduced without thirty (30) days' written notice to Idaho.

14.2.2 Valued Loss of Income Insurance covering, at a minimum, the perils of fire, extended coverage, vandalism and malicious mischief, earthquake and flood and loss arising out of accidents to boilers and/or pressure vessels and mechanical and electrical breakdown coverage for turbines and generators. Such policies shall:

(a) be in amounts equal to the repayment amounts shown in Appendix E that would be owed to Idaho pursuant to paragraph 21.2.

(b) include a provision stating that this policy shall not be canceled or the limits reduced without thirty (30) days' written notice to Idaho.

(c) include Idaho as an additional insured and loss payee.

14.2.3 Seller to Provide Copies of Policies of Insurance - It is a requirement of this contract that a certified copy of the original policies and all endorsements be furnished Idaho as soon as reasonably possible.

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## ARTICLE XV: LAND RIGHTS

15.1 Seller to Provide Access - Seller hereby grants to Idaho for the term of this Agreement all necessary rights of way and easements to install, operate, maintain, replace, and remove Idaho's metering equipment, Disconnection Equipment and other Special Facilities necessary or useful to this agreement, including adequate and continuing access rights on property of Seller. Seller warrants that it has procured sufficient easements and rights of way from third parties so as to provide Idaho with the access described above. All documents granting such easements or rights of way shall be subject to Idaho's approval and in recordable form.

15.2 Use of Public Rights-of-Way - The parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho's compliance with paragraph 15.4, Seller agrees that should Seller seek and receive from any local, state or federal governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 15.4, Idaho shall not be required to compensate Seller for exercising its rights under this paragraph 15.2.

15.3 Joint Use of Facilities - Subject to Idaho's compliance with paragraph 15.4, Idaho may use and attach its distribution and/or transmission



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facilities to Seller's Interconnection Facilities, may re-construct Seller's Interconnection Facilities to accommodate Idaho's usage or Idaho may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 15.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 15.4, Idaho shall not be required to compensate Seller for exercising its rights under this paragraph 15.3.

15.4 Conditions of Use - It is the intention of the parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho's exercising its rights under this Article XV. Therefore, the parties agree that the exercise by Idaho of any of the rights enumerated in paragraphs 15.2 and 15.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) Equitably share the costs of installing, owning and operating jointly used facilities and rights of way. If the parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the parties, and (3) shall provide Seller with an interconnection to Idaho's system of equal capacity and durability as existed prior to Idaho exercising its rights under this Article XV.

## ARTICLE XVI: FORCE MAJEURE

As used in this Agreement, "force majeure" or "an event of force majeure" means any cause beyond the control of the Seller or of Idaho which, despite the exercise of due diligence, such party is unable to foresee, prevent or overcome, including but not limited to an act of God, fire, flood,

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explosion, strike, sabotage, an act of the public enemy, civil or military authority, court orders, laws or regulations, insurrection or riot, an act of the elements or lack of precipitation resulting in reduced water flows for power production purposes. If either party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of force majeure, both parties shall be excused from whatever performance is affected by the event of force majeure, provided that:

(1) The non-performing party shall, as soon as is reasonably possible after the occurrence of the event of force majeure, give the other party written notice describing the particulars of the occurrence.

(2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of force majeure.

(3) No obligations of either party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

## ARTICLE XVII: LIABILITY; DEDICATION

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Agreement. No undertaking by one party to the other under any provision of this Agreement shall constitute the dedication of that party's system or any portion thereof to the other party or to the public, nor affect the status of Idaho as an independent public utility corporation, or Seller as an independent individual or entity.

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## ARTICLE XVIII: SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either party. Each party shall be individually and severally liable for its own obligations under this Agreement.

## ARTICLE XIX: WAIVER

Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

## ARTICLE XX: CHOICE OF LAWS

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho.

## ARTICLE XXI: DEFAULT, NOTICE AND LIQUIDATED DAMAGES

21.1 Notice - In the event either party defaults in the performance of any of the terms or conditions of this Agreement, the nondefaulting party shall cause notice in writing to be given to the defaulting party, specifying the manner in which such default occurred. If the defaulting party shall fail to cure such default within the 30 days after service of such notice, then, and only then, may the nondefaulting party pursue any remedy which it may have in



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law or equity, including an action to terminate this Agreement, to enforce the terms of this Agreement, or to recover damages for breach thereof. This article shall not be construed as restricting in any way Idaho's rights under Article XII, or paragraph A-4.1 of Appendix A to immediately interrupt flows of energy from the facility to Idaho's system.

21.2 Liquidated Damages. The parties agree that the amount of the payment which Idaho is to make to Seller is based on the agreed value to Idaho of Seller's performance of its obligation to provide Net Energy as set out in Article VI for the full term of the Agreement. The parties further agree that if Idaho does not receive such full performance (1) Idaho shall be deemed damaged by reason thereof, (2) it would be impractical or extremely difficult to fix the actual damages to Idaho resulting therefrom, (3) the payments as provided below are in the nature of adjustments in Net Energy prices and liquidated damages and not a penalty, and are a reasonable attempt by the parties to estimate a fair compensation to Idaho for the reasonable losses that would result from such total or partial default.

21.2.1 Failure to Deliver for Term of Agreement - If, at any time prior to the end of the term of the Agreement, Seller permanently curtails in whole or in part its deliveries of the Annual Net Energy amount Seller shall pay to Idaho, as Idaho's sole and exclusive remedy for damages arising out of this permanent curtailment of Net Energy deliveries, the appropriate lump sum repayment amount specified in Appendix E, multiplied by the difference in megawatt-hours between the annual Net Energy amount specified in paragraph 6.3 and the reduced Annual Net Energy amount. This payment amount will bear interest from sixty (60) days after Idaho receives notice of Seller's permanent reduction of the

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annual Net Eneregy amount, until paid, at a rate equal to the average of the prime interst rates of the Idaho First National Bank in effect during each month of that period. For purposes of this paragraph, reduced deliveries of Net Energy due to below-normal water conditions (paragraph 6.4) shall not be considered a permanent curtailment.

## ARTICLE XXII: GOVERNMENTAL AUTHORIZATION

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or this Agreement.

## ARTICLE XXIII: COMMISSION ORDER

Idaho has advised the Commission that Idaho believes that the rates contained in this Agreement are too high, and that Idaho does not believe that entering into this Agreement is in the public interest. The parties acknowledge that prior to their execution of this Agreement, the Commission has ordered Idaho to enter into fixed-term contracts for the purchase of power offered by cogenerators and small power producers at the rates set forth in this Agreement; and that the Commission has ordered that all payments to be made under this Agreement shall be allowed as prudently incurred expenses for ratemaking purposes.

In discussing this Article, Idaho has advised the Seller as follows: (1) It will not utilize this Article as grounds for attempting to avoid its obligations under this Agreement unless the purchased power costs Idaho will pay under this Agreement are disallowed when determining Idaho's revenue requirements, and (2) It will not seek an Order from the Commission disallowing these costs for revenue requirement purposes.

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Seller, has advised Idaho that in entering into this Agreement, Seller has relied upon Idaho's representations described above.

## ARTICLE XXIV: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, save that no assignment hereof by Seller shall become effective without the written consent of Idaho being first obtained. Such consent shall not be unreasonably withheld. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

## ARTICLE XXV: MODIFICATION

No modification to this Agreement shall be valid unless it is in writing and signed by both parties.

## ARTICLE XXVI: TAXES

25.1 Each party agrees to pay its own federal and state taxes on its share of income attributable to the parties' performance of this Agreement, and any other tax, including any tax in the nature of an excise tax.

25.2 Each party shall pay before delinquency all ad valorem taxes and other governmental charges which if failed to be paid when due could result in a lien upon the Facility or the Interconnection Facilities.



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## ARTICLE XXVII: NOTICES

All written notices under this Agreement shall be directed as follows, and shall be considered delivered when deposited in the U S Mail, first-class postage prepaid, as follows:

To Seller: Bonneville-Pacific Corp
200 East South Temple
Suite 300
Salt Lake City, UT 84111

To Idaho: Vice President, Power Operations
Idaho Power Company
P O Box 70
1220 Idaho Street
Boise, Idaho 83707

## ARTICLE XXVIII: ADDITIONAL TERMS AND CONDITIONS

This Agreement includes the following appendices, which are attached hereto and included by reference:

| | | |
|---|---|---|
| Appendix A | - | Standards for Interconnection and Metering |
| Appendix B | - | Special Facilities, Point(s) of Delivery and Metering, and Operation Date |
| Appendix C | - | Schedule of Required Licenses and Permits |
| Appendix D | - | Lump Sum Payment |

## ARTICLE XXIX - ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement of the parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the parties concerning the subject matter hereof.

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IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

IDAHO POWER COMPANY

By James E Bruce
~~Vice President - Planning and Resources~~
Chairman and CEO

"Idaho"

BONNEVILLE-PACIFIC CORP

By Raymond L. Hixson
Raymond L Hixson
Its: President

"Seller"

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STATE OF IDAHO )
) ss
County of Ada )

On this 6th day of June, 1984, before me, the undersigned, a Notary Public, personally appeared ~~DONALD E BARCLAY~~ James E. Bruce, personally known, who being duly sworn, did say that he is the ~~Vice President - Planning & Resources~~ Chairman and CE of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as the free act and deed of said corporation.

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

(NOTARIAL SEAL)

Julie A Ryan
Notary Public for Idaho
Residing at Boise, Idaho

STATE OF IDAHO )
) ss
County of Ada )

On this 1st day of June, 1984, before me, the undersigned, a Notary Public, personally appeared RAYMOND L HIXSON, personally known, who being duly sworn, did say that he is the President of the corporation who executed the within instrument, and acknowledged to me that he executed the same as the free act and deed.

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

(NOTARIAL SEAL)

Julie A Ryan
Notary Public for Idaho
Residing at: Boise, Idaho

## APPENDIX A

## STANDARDS FOR INTERCONNECTION AND METERING

### A-1 GENERAL PROVISIONS

A-1.1 It is the policy of Idaho to permit Seller to operate its Facility in parallel with Idaho's electric system, whenever this can be done without adverse effect to Idaho's equipment, personnel or other customers

A-1.2 These guidelines contain the minimum metering, interconnection, protection, operation, and communications requirements for the safe and effective parallel operation of Seller's Facility with Idaho's system. Although these guidelines are established to provide a uniform approach for evaluating Seller's generation projects, each interconnection must be examined by Idaho individually. Idaho and the Seller will be guided by this document, which is a part of the Firm Energy Sales Agreement, in planning an interconnection between Idaho's system and the Seller.

A-1.3 Idaho may provide limited technical assistance for Seller, but will not perform any engineering, construction or repair work on power production equipment.

### A-2 GENERAL DESIGN CONSIDERATIONS

A-2.1 All Seller generators larger than 20 KVA shall be three-phase generators connected to three-phase circuits unless otherwise approved by Idaho. Generators 20 KVA and smaller may be either single-phase or three-phase.

A-2.2 Except in certain instances to be determined by Idaho, Seller's generator(s) shall be isolated from Idaho's system by a transformer. The Seller may be required to limit the fault current contribution to Idaho's system by generator impedence, neutral grounding or other means.

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A-2.3 Idaho will not assume any responsibility for protection of the Seller's generator or of any other portion of the Seller's electrical equipment. The Seller is fully responsible for protecting his equipment from faults or disturbances on Idaho's system.

A-2.4 Seller is hereby notified that certain conditions on Idaho's system may cause negative sequence currents to flow in the Seller's generator. It is the sole responsibility of the Seller to protect his equipment from excessive negative sequence currents, reverse power flow, and single phasing.

A-3 METERING REQUIREMENTS

A-3.1 Unless otherwise agreed by the Parties, metering will be provided for recording net output of the Facility and will be separate from any metering of Seller's load. Metering required will be determined by Idaho on a case-by-case basis, but will generally follow the guidelines below:

A-3.1.1 Capacity Under 750 KVA - A kilowatt-hour/demand meter will be installed.

A-3.1.2 Capacity of 750 KVA and Above - Two meters will be installed. These will measure KWH/KW demand, and reactive power flow to and from the generator. These meters will have pulse outputs to a solid state recorder in order to determine power factor and demand.

A-4 FACILITY PROTECTION

A-4.1 The Seller has full responsibility for the maintenance of his generating equipment and the equipment protecting the Facility. If, in the opinion of Idaho, the Seller has failed to provide proper maintenance of the facility or its protection, and this failure could adversely impact Idaho or other Idaho customers, Idaho can require the Seller to cease parallel operation.

RECORDED

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A-5 SYNCHRONOUS GENERATORS

A-5.1 If a governor is used, the governor characteristics may be adjusted to at least 5% droop.

A-5.2 A check interlock for synchronizing of the Seller's generator is required.

A-6. INDUCTION GENERATORS

A-6.1 Overvoltage can become a serious problem when an induction generator is isolated to a portion of a transmission or distribution system. Overvoltage relay shall be provided that will open the generator breaker in the event that the voltage reaches predetermined limits consistent with the overvoltage capability of the generator and the system. Undervoltage protction may also be required. On larger units. underfrequency and overfrequency relaying may be required.

A-6.2 Vars for excitation of the induction generator will need to be supplied from the power system or from capacitors as a component of a static Var source. Appendix B to this Agreement provides for compensation to Idaho for Vars supplied.

A-7 DC TO AC CONVERTERS

A-7.1 Direct current generators may be operated in parallel with Idaho system through a synchronous inverter. The inverter installation will be designed such that an Idaho system interruption will result in the immediate removal of the inverter power flow to Idaho. Harmonics and/or spurious frequencies generated by the Seller's generator-inverter combinations must be limited to avoid causing any reduction in quality of electric service to Idaho's other customers.

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A-8 SWITCHING REQUIREMENTS

A-8.1 Idaho reserves the right to open and secure by lock any disconnecting device without prior notice to Seller for any of the following reasons:

A-8.1.1 System emergency.

A-8.1.2 Inspection of the Seller's Facility protective equipment reveals a condition which might adversely impact Idaho or Idaho's other customers.

A-8.1.3 Seller's generating equipment interferes with other customers, or with Idaho's system.

A-8.2 Seller shall maintain a written record of all operating (opening and closing) by Seller of the Seller's interconnection with Idaho. Each operation will be recorded by the date, hour and minute and will include the generator kilowatt hour reading at the time of the operation. This record will be maintained on a monthly basis and the original will be mailed to Idaho on the first business day of the following month. Idaho will provide the forms necessary for filing this monthly switching report.

A-9 GENERATION SCHEDULING AND REPORTING

A-9.1 For installations under 750 KVA, the Seller shall read his generator kilowatt hour meter within the 24-hour period following 12:00 noon on the last day of each month. That kilowatt hour meter reading is to be recorded on the monthly switching report that is mailed to Idaho.

A-9.2 For installations 750 KVA and above, before 10:00 A M each day, the Seller shall provide the Designated Dispatch Facility with an estimate of what the Seller will generate on the following day or days as may be required. In order to maintain a continuous record of energy actually generated and delivered, the Seller shall, by means acceptable to Idaho, obtain the kilowatt hour reading at midnight of each day and shall notify the Designated Dispatch

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Facility, the following day, of that meter reading. Additionally, the kilowatt hour meter reading, corresponding to midnight at the end of the last day of each month, shall also be recorded on the monthly switching report that is mailed to Idaho.

A-9.3 The written record of the end-of-month meter reading on the monthly switching report, subject to subsequent review and correction by Idaho, will be the basis of payment for energy purchased by Idaho from the Seller. An adjustment in the kilowatt hours delivered will be made to compensate for the losses in B-6.

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APPENDIX B

SPECIAL FACILITIES, POINTS OF DELIVERY AND METERING,

AND OPERATION DATE

LOW LINE CANAL

B-1 DESCRIPTION OF FACILITY

The Seller's Facility is described as two hydro units with synchronous nameplate ratings of 4,000 KW and 4,000 KW at 4160 volts, three phase, 60 hertz, driven by vertical Francis Turbines.

B-2 LOCATION OF FACILITY

The Facility is located in Southeast Quarter of Section 2, Township 11 South, Range 18 East, Boise Meridian, Twin Falls, County, Idaho.

B-3 SCHEDULED OPERATION DATE

Seller has selected March 1, 1985, as the Scheduled Operation Date and November 1, 1984, as the First Energy Date. In making these selections, Seller recognizes that to allow for adequate testing of the Facility's degree of completion and reliability, it must achieve its First Energy Date at least thirty (30) days prior to the Operation Date. Idaho, based on the information supplied by Seller, will schedule its construction so that all Special Facilities, Disconnection Equipment and metering equipment will be completed in time so as not to delay Seller's achieving the First Energy Date. However, if Seller fails to pay the costs specified in B-11 below at the time specified therein, or materially changes the specifications or design of the Facility or Seller-furnished Interconnection Facilities from what was previously provided to Idaho, Idaho may be required to reschedule its construction of these facilities which could

adversely impact Seller's ability to achieve its scheduled First Energy Date.

B-4 FAILURE TO ACHIEVE OPERATION DATE

If Seller has not achieved the Operation Date within eleven (11) months of the Scheduled Operation Date, such failure shall be deemed to be an event of default pursuant to Article XXI.

B-5 POINT OF DELIVERY

The Point of Delivery of Energy from the Seller to Idaho will be the 69,000 volt bushings of the transformer bank. The transformer bank will be an 8,000 KVA three phase bank, 4160 volts to 69,000 volts, connected grounded-wye high side, delta low side, located approximately 100 feet from the generator, and will be owned and maintained by the Seller.

B-6 LOSSES

Losses shall be 2.0% of the metered energy.

B-7 METERING

The metering equipment will be on the 4160 volt side of the transformer bank, and will consist of potential and current transformers, a KWH meter, a KVARH meter, and a recording meter. The KWH meter will register kilowatt-hours and kilowatts of demand. Metering equipment will be owned and maintained by Idaho, with total cost of purchase, installation, operation, and maintenance, including administrative cost, to be reimbursed to Idaho by the Seller.

B-8 SPECIAL FACILITIES

The construction of approximately 4.5 miles of 69 KV transmission line, will be provided by Idaho as Special Facilities. The total cost of these Special Facilities will be reimbursed to Idaho by the Seller.

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B-9 REACTIVE POWER

The Seller will operate the synchronous generator within plus or minus 5% of unity power factor.

B-10 DISCONNECTION EQUIPMENT

Disconnection Equipment is required to insure that the Seller's Facility will be disconnected from Idaho's system in the event of a disturbance on either Idaho's system or the Seller's Facility. This equipment is for the protection of Idaho's equipment only. Idaho will supply three 69 KV hook operated knife blade disconnects for mounting on the deadend structure, potential transformers, a 69 KV circuit switcher, a relay cabinet containing relays and associated wiring and logic, and a battery cabinet. Seller will install all Idaho supplied equipment, and all wiring and conduit necessary for the operation of the Disconnection Equipment. Idaho will supply details for the interconnection panel and will connect and test the equipment prior to operation of the Facility. Seller will provide drawings of the interconnection wiring for engineering approval before installation. The total cost of the Disconnection Equipment, connection and testing will be reimbursed to Idaho by the Seller.

B-11 COSTS

The total cost of Special Facilities and Metering Equipment is $325,000. The total cost of the Disconnecting Equipment is $80,000. Total amount to be paid to Idaho by the Seller is $405,000 less the $1,000 Application Fee. This represents the amount that will be charged by Idaho if the Seller makes the payment on or before June 8, 1984. If the Seller does not make this payment by the specified date, the amount will be subject to adjustment by Idaho. Idaho will not schedule construction or order



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Special Facilities which are not ordinarily maintained in Idaho's inventory until payment has been made. In addition, to the installation and construction charges above, during the term of the Agreement, Seller will pay Idaho an operation and maintenance charge of 0.7% per month times the total amount specified above. The monthly operations and maintenance charge may be adjusted during the term of the Agreement to reflect changes in the costs upon which the charge is based. Idaho will maintain on file with the Commission a schedule showing the cost components and calculation of the monthly operation and maintenance charge.

The total amount above is calculated on the basis of average costs. At such time as actual costs are determined, Idaho will adjust the total amount to reflect actual costs incurred by Idaho. Beginning with the month of this adjustment, the operation and maintenance charges will also be adjusted.

B-12 SALVAGE

No later than sixty (60) days after the termination or expiration of this Agreement, Idaho will prepare and forward to Seller an estimate of the remaining value of those Idaho Power furnished Interconnection Facilities described in this Appendix, less the cost of removal and transfer to Idaho's nearest warehouse, if the Interconnection Facilities will be removed. Idaho may then be invoiced by Seller for the net salvage value estimated by Idaho for the Interconnection Facilities and shall pay such amount to Seller within thirty (30) days after receipt of said invoice. Seller shall have the right to offset the invoice amount against any present or future payments due Idaho.



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## APPENDIX C

## SCHEDULE OF REQUIRED LICENSES AND PERMITS

1. Evidence of compliance with Part 1 of the Federal Power Act. Acceptable evidence of compliance will be an Order from FERC: (1) issuing a License for the Facility, or (2) exempting the Facility from Licensing.
2. Permit for the appropriation of water for power production purposes issued by the Idaho Department of Water Resources.
3. Evidence of compliance with Subpart B of CFR §292.707. For this Facility, self-certification is sufficient.

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## APPENDIX D

### LUMP SUM REFUND PAYMENT FOR PERMANENT CURTAILMENT OF PORTION OR ALL OF ANNUAL NET ENERGY AMOUNT UNDER 35-YEAR CONTRACT DOLLARS PER ANNUAL MEGAWATT HOUR

| Contract Year of Curtailment Commencement | Facility Operation Date | | | |
|---|---|---|---|---|
| | 1984 | 1985 | 1986 | 1987 |
| 1 | 20 | 20 | 20 | 20 |
| 2 | 40 | 40 | 40 | 40 |
| 3 | 60 | 60 | 60 | 65 |
| 4 | 80 | 80 | 80 | 85 |
| 5 | 100 | 100 | 105 | 105 |
| 6 | 120 | 120 | 125 | 125 |
| 7 | 140 | 140 | 145 | 145 |
| 8 | 160 | 160 | 165 | 165 |
| 9 | 180 | 180 | 185 | 185 |
| 10 | 195 | 195 | 200 | 200 |
| 11 | 210 | 210 | 215 | 220 |
| 12 | 225 | 230 | 235 | 240 |
| 13 | 240 | 250 | 260 | 270 |
| 14 | 255 | 265 | 270 | 300 |
| 15 | 275 | 290 | 310 | 325 |
| 16 | 300 | 315 | 335 | 355 |
| 17 | 325 | 340 | 360 | 385 |
| 18 | 350 | 365 | 385 | 410 |
| 19 | 370 | 390 | 410 | 435 |
| 20 | 390 | 410 | 430 | 460 |
| 21 | 405 | 425 | 450 | 480 |
| 22 | 420 | 440 | 465 | 495 |
| 23 | 435 | 455 | 480 | 510 |
| 24 | 440 | 465 | 490 | 520 |
| 25 | 445 | 470 | 500 | 525 |
| 26 | 445 | 470 | 495 | 520 |
| 27 | 440 | 465 | 490 | 510 |
| 28 | 420 | 445 | 475 | 495 |
| 29 | 400 | 420 | 450 | 475 |
| 30 | 370 | 390 | 410 | 430 |
| 31 | 330 | 345 | 365 | 385 |
| 32 | 270 | 280 | 295 | 315 |
| 33 | 200 | 200 | 220 | 220 |
| 34 | 100 | 100 | 110 | 110 |
| 35 | 0 | 0 | 0 | 0 |



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01-1033

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APR 21 1986





Department of Water Resources

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Twin Falls Canal Company Project No. 8961-000

ORDER GRANTING EXEMPTION FROM LICENSING
(CONDUIT)

(Issued April 16, 1986)

On February 19, 1985, Twin Falls Canal Company filed an application to exempt the Lower Low Line Project from the licensing requirements set forth in Part I of the Federal Power Act. The proposed small hydropower project is described in the attached public notice. The comments of interested agencies and individuals, including the U.S. Fish and Wildlife Service and the state fish and wildlife agency, have been fully considered in determining whether to issue this exemption from licensing.1/

Article 2 of this exemption requires compliance with the terms and conditions prepared by federal or state fish and wildlife agencies to protect fish and wildlife resources. These mandatory terms and conditions are contained in the attached letters commenting on the exemption application. If contested, the Commission will determine whether any mandatory term or condition is outside the scope of article 2.

After considering the mandatory terms and conditions designed to protect fish and wildlife resources, the environmental information in the exemption application, the staff's independent assessment, 2/ and other public comments, the Director finds that issuance of this order is not a major federal action significantly affecting the quality of the human environment.

The Director orders:

(A) The Lower Low Line Project is exempted from the licensing requirements of Part I of the Federal Power Act, subject to the attached standard articles. See section 4.94 of the Commission's regulations.

(B) This order is issued under authority to the Director and is final unless appealed to the Commission within 30 days from the date of this order.

Don Gaber

Kenneth M. Pusateri
Acting Director, Office of
Hydropower Licensing

1/ The Idaho Department of Water Resources (IDWR), the state agency exercising administration over the water rights for this exemption, has requested that the exemption include a provision subordinating the operation of the project to upstream development of the water resources of the state. The Commission is currently reviewing the issue of subordination of water rights in the context of licensing. See Idaho Power Company (EL 85-38-000), Petition for Declaratory Order, 50 Fed. Reg. 30,224 (July 24, 1985). However, in an exemption such a provision is unnecessary, inasmuch as the issuance of an exemption does not confer upon the exemptee any power to obtain the necessary water rights for the exempted project. Such water rights are therefore under the control of the administering states.

On October 31, 1985, the IDWR filed a "conditional" motion for intervention in this proceeding, indicating that it would not seek intervention if the requested subordination provision were to be made a part of this exemption. However, by letter dated February 10, 1986, the IDWR stated that it would withdraw its request for inclusion of a subordination provision in this exemption if it were assured that "the issuance of the [exemption] for this project would not be an exercise of Commission jurisdiction potentially in conflict with the subordination of the project water right pursuant to state law." In light of the IDWR's February 10 filing, its "conditional" motion for intervention was dismissed as moot.

2/ Environmental Assessment, Twin Falls Canal Company, FERC Project No. 8961-000, Division of Environmental Analysis, Office of Hydropower Licensing, Federal Energy Regulatory Commission, December 17, 1985. This document is available in the Commission's public file associated with this proceeding.

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ATTACHMENT
E-1 Form

§ 4.94 Standard terms and conditions of exemption

Any exemption granted under §4.93 for a small conduit hydroelectric facility is subject to the following standard terms and conditions:

(a) Article 1. The Commission reserves the right to conduct investigations under sections 4(g), 306, 307, and 311 of the Federal Power Act with respect to any acts, complaints, facts, conditions, practices, or other matters related to the construction, operation, or maintenance of the exempt facility. If any term or condition of the exemption is violated, the Commission may revoke the exemption, issue a suitable order under section 4(g) of the Federal Power Act, or take appropriate action for enforcement, forfeiture, or penalties under Part III of the Federal Power Act.

(b) Article 2. The construction, operation, and maintenance of the exempt project must comply with any terms and conditions that the United States Fish and Wildlife Service and any state fish and wildlife agencies have determined are appropriate to prevent loss of, or damage to, fish or wildlife resources or otherwise to carry out the purposes of the Fish and Wildlife Coordination Act, as specified in Exhibit E of the application for exemption from licensing or in the comments submitted in response to the notice of the exemption application.

(c) Article 3. The Commission may revoke this exemption if actual construction of any proposed generating facilities has not begun within two years or has not been completed within four years from the effective date of this exemption. If an exemption is revoked under this article, the Commission will not accept from the prior exemption holder a subsequent application for exemption from licensing or a notice of exemption from licensing for the same project within two years of the revocation.

(d) Article 4. In order to best develop, conserve, and utilize in the public interest the water resources of the region, the Commission may require that the exempt facilities be modified in structure or operation or may revoke this exemption.

(e) Article 5. The Commission may revoke this exemption if, in the application process, material discrepancies, inaccuracies, or falsehoods were made by or on behalf of the applicant.

(f) Article 6. Before transferring any property interests in the exempt project, the exemption holder must inform the transferee of the terms and conditions of the exemption. Within 30 days of transferring the property interests, the exemption holder must inform the Commission of the indentity and address of the transferee.

IDAHO DEPARTMENT OF FISH AND GAME
600 South Walnut • Box 25
Boise • Idaho • 83707

October 31, 1985

Mr. Kenneth F. Plumb, Secretary
Federal Energy Regulatory Commission
825 North Capitol Street, N.E.
Washington, DC 20426

Re: Lower Low Line Canal Project No. 2-8961 Low Line Canal east of Rock Creek, Twin Falls County, Idaho. Small Conduit Exemption. Twin Falls Canal Company.

Dear Mr. Plumb:

We have reviewed the referenced application and submit the following terms and conditions for the purposes set forth in Section 408 of the Energy Security Act of 1980.

1. Penstock shall be located and placed to prevent interference with wildlife and their movements. Penstock location and placement to be subject to IDFG approval in this regard.

2. Transmission lines, if above ground, to be designed and constructed to prevent mortalities to raptors. Design for preventing raptor mortalities to be subject to approval by IDFG.

3. Project construction, including access construction, shall not start until items requiring IDFG approval under these terms and conditions have been submitted by the applicant and approved by IDFG.

4. Access to be granted to IDFG for inspection of fish facilities, stream flows or any other project aspect covered under these terms and conditions.

5. If project design should be changed from that shown in the application, the above terms and conditions may be revised to take into account changes in project design.

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FERC - DOCKETED
NOV 12 1985

• EQUAL OPPORTUNITY EMPLOYER •

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Transmission line design criteria are available to applicant from IDFG.

Sincerely,

Jerry M. Conley
Director

cc: USFWS (Wolflin)
Maurice Klass
Region 4

APR 07 1994

HAWLEY TROXELL ENNIS & HAWLEY
ATTORNEYS AND COUNSELORS
FIRST INTERSTATE CENTER
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(208) 342-3829

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

TELEPHONE
(208) 233-0845

RANDOLPH J. HILL

March 4, 1992

RECEIVED
MAR 4 1992
Department of Water Resources

Gary Spackman, Manager
Water Rights Permits Section
Department of Water Resources
1301 North Orchard Street
Boise, Idaho 83720-9000

Re: Low Line Drop Hydroelectric Facility
Project Financing
Water Permit No. 01-7009

Dear Gary:

South Forks Joint Venture, an Idaho joint venture formed between South Forks Hydro Company, a subsidiary of Ida-West Energy Company, and Twin Falls Energy Company, Inc., a subsidiary of Twin Falls Canal Company, have agreed to acquire the Low Line Drop Hydroelectric Project from Magic Valley Hydroelectric Partners, Ltd. 1984, a Utah limited partnership in which Bonneville Pacific Corporation is a general partner. In that connection, South Forks Joint Venture is obtaining financing from CIBC Inc. in order to refinance the indebtedness currently encumbering the Project which is owed to The Prudential Interfunding Corp.

Bonneville Pacific Corporation and Magic Valley will assign their interests in the above-referenced water permit to South Forks Joint Venture, which will, in turn, assign such permit to CIBC Inc. as collateral security for the loan to be made by CIBC Inc. in connection with the refinancing described above. Accordingly, I am enclosing for your review and approval

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the following documents:

(i) Second Assignment of Water Rights and Permit No. 01-7009, pursuant to which Magic Valley and Bonneville Pacific Corporation will assign all their right, title and interest in and to the water permit to South Forks Joint Venture;

(ii) the Trust Agreement and Collateral Assignment of Water Permit No. 01-7009, pursuant to which South Forks Joint Venture will assign the water permit to CIBC Inc. as collateral security; and

(iii) a form of letter to be delivered by the State of Idaho Department of Idaho Water Resources acknowledging the foregoing assignments and consenting to the terms thereof.

The enclosed documents are substantially similar to those used in connection with the recently closed Falls River Hydroelectric Project Financing and Hazelton B and Wilson Lake Hydroelectric Project Financing.

The parties are endeavoring to close this transaction no later than next Thursday, March 12. Therefore, we would greatly appreciate your prompt attention to this matter. Please feel free to call me if you have any questions.

Sincerely,

Randolph J. Hill

RJH/slc
Encls.
Messenger
File 4100-15

APR 07 1994

SECOND ASSIGNMENT OF WATER RIGHTS AND
PERMIT NO. 01-7009

THIS SECOND ASSIGNMENT OF WATER RIGHTS AND PERMIT NO. 01-7009 (this "Assignment"), is made and entered into this ___ day of March, 1992, by and between MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership ("Magic Valley"), and BONNEVILLE PACIFIC CORPORATION, a Utah corporation ("Bonneville"), as "ASSIGNORS"; and SOUTH FORKS JOINT VENTURE, an Idaho joint venture formed by and between SOUTH FORKS HYDRO COMPANY, an Idaho corporation, and TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation ("TFEI"), as "ASSIGNEE"; THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation ("Prudential"); TWIN FALLS CANAL COMPANY, an Idaho corporation ("Canal Company"); and TFEI.

RECITALS

A. Canal Company has obtained an approved Application for Permit to Use Water Resources in the State of Idaho, Permit No. 01-7009 (the "Permit"); and

B. Pursuant to that certain Assignment of Water Rights and Permit, dated August 3, 1984, entered into by and between Canal Company as assignor and Bonneville as assignee, Canal Company assigned all of its right, title and interest in and to the Permit to Bonneville for the purpose of holding the Permit for and on behalf of the Low Line Canal Hydroelectric

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Project (the "Project"), a hydroelectric project located on the Low Line Canal, which canal being part of the Northwest Quarter of the Southwest Quarter of Section 1, Township 11 South, Range 18 East of the Boise Meridian, and the North 1/2 of the Southeast Quarter of Section 2, Township 11 South, Range 18 East of the Boise Meridian, Twin Falls County, Idaho; and

C. Bonneville is a general partner of Magic Valley; and

D. Pursuant to that certain Purchase and Assignment Agreement, dated October 31, 1984, entered into by between Bonneville and Magic Valley, Bonneville assigned all of its right, title and interest in and to the Permit to Magic Valley; and

E. Pursuant to that certain Security Agreement dated May 15, 1985, entered into by and between Prudential, Magic Valley and Utah Renewable Resources, Inc., a Utah Corporation, d/b/a Turbine Generator Service, Magic Valley assigned all authorizations and any other rights necessary to own, operate and use the Project or that relate to or concern the Project to Prudential as collateral for that certain Credit Agreement dated November 19, 1984, entered into by and between Magic Valley, as debtor, and Prudential, as creditor; and

F. Pursuant to that certain Security Agreement, dated May 15, 1985, entered into by and between Bonneville and Prudential, Bonneville assigned all of Bonneville's right, title

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and interest in and to the Permit to Prudential as additional collateral for the above referenced Credit Agreement; and

G. Bonneville and Magic Valley, as assignors, Assignee, Prudential, Canal Company and TFEI have entered into a Consent and Second Amendment to Lease and Assignment Agreement whereby Magic Valley and Bonneville have assigned all of their right, title and interest in and to the Lease and Assignment Agreement (Low Line Drop) dated March 16, 1984, entered into by and between Canal Company and Bonneville, and the First Amendment to Lease and Assignment Agreement entered into by and between Canal Company, Bonneville and Magic Valley, dated as of November 16, 1984, to Assignee (collectively as amended and assigned, the above referenced lease agreements and lease assignments are hereinafter referred to as the "Lease Agreement"); and

don't have this

H. Pursuant to that certain Settlement Agreement entered into in connection with this Assignment, by and between Prudential, Bonneville, Magic Valley, TFEI and Canal Company, and that certain Addendum to Settlement Agreement entered into in connection with this Assignment by and between Prudential, Canal Company and TFEI (both of which were approved by that certain Order Authorizing Debtor to Compromise Disputed Claims (Prudential/TFCC) dated February 27, 1992, issued by the United States Bankruptcy Court for the District of Utah, *In re Bonneville Pacific Corporation)*, the parties thereto settled various disputes

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among them arising out of the Project and agreed, among other matters, to the assignment by Bonneville and Magic Valley of the Permit to TFEI and to the release of claims to the Permit by Prudential.

NOW, THEREFORE, in consideration of the above recitals, and in further consideration of the mutual promises and covenants of the parties hereto, the parties agree as follows:

1. Assignment. Effective as of the date on which the Department of Water Resources, State of Idaho, consents to this Assignment or the date this Assignment is made and entered into, whichever is later (the "Effective Date"), Assignors hereby assign to Assignee all of their right, title and interest in and to the Permit to hold and use for and on behalf of the Low Line Drop Hydroelectric Project during the entire term of the Project as more specifically set forth in the Lease Agreement.

2. Assumption. Assignee hereby accepts the assignment of the Permit in accordance with the terms hereof.

3. Use of Permit. Assignee agrees to allow the rights and interest referred to in the Permit to be used in connection with the Low Line Drop Hydroelectric Project in accordance with the Lease Agreement.

4. Assignors' Representations. To induce the Assignee to accept this Assignment and the rights and obligations pursuant thereto, Bonneville and Magic Valley represent to Assignee as follows:

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(a) The Permit is in full force and effect; and

(b) Upon approval of the Department of Water Resources, State of Idaho, the Permit is assignable.

5. Assignee's Covenants. In consideration of the executing and delivering of this Assignment, Assignee covenants with Bonneville, Magic Valley and Canal Company as follows:

(a) Assignee will, from and following the Effective Date, duly keep, observe and perform all terms, conditions and provisions of the Permit that are to be kept, observed and performed by the Assignee;

(b) Assignee will not further assign the rights or Permit conveyed hereunder without the prior written consent of Canal Company and the prior written consent of the Department of Water Resources, State of Idaho; and

(c) At the end of the lease and assignment term as described in the Lease Agreement, Assignee will assign the Permit to Canal Company.

6. Consent. Subject to the terms and conditions set forth herein, Canal Company, TFEI and Prudential hereby consent to the assignment of the Permit to Assignee.

7. Release. Subject to the terms and conditions set forth herein, Prudential and TFEI hereby release all of their right, title and interest in and to the Permit to Assignee.

RECORDED

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8. Counterparts. This Assignment may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

9. Further Assurances. The parties each agree, at the request of the other party, at any time and from time to time after the date hereof, whether before or after closing, to execute and deliver all such further documents, and to take and forbear from all such action, as may be reasonably necessary or appropriate in order more effectively confirm or carry out the provisions of this Assignment.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized officers or representatives as of the day and year first written above.

ASSIGNORS: Bonneville: BONNEVILLE PACIFIC CORPORATION, a Utah corporation

By _____
Its _____

APR 07 1994.

Magic Valley: MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership

By: Bonneville Pacific Corporation, a Utah corporation
Its: General Partner

By _____
Its _____

ASSIGNEE: SOUTH FORKS JOINT VENTURE, an Idaho joint venture

By: South Forks Hydro Company, an Idaho corporation
Its: Joint Venturer

By _____
Its _____

By: Twin Falls Energy Company, Inc., an Idaho corporation
Its: Joint Venturer

By _____
Its _____

PRUDENTIAL: THE PRUDENTIAL INTERFUNDING CORPORATION, a Delaware corporation,

By _____
Its _____

MICROFILMED

APR 07 1994

TFEI: TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation

By _____
Its _____

CANAL COMPANY: TWIN FALLS CANAL COMPANY, an Idaho corporation,

By _____
Its _____

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of BONNEVILLE PACIFIC CORPORATION, a Utah corporation ("Bonneville") that executed the above instrument or the person who executed the instrument on behalf of Bonneville and acknowledged to me that Bonneville executed the same.

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

_____
Notary Public for _____
Residing at _____
My commission expires _____, 19__

MICROFILMED

APR 07 1994

STATE OF _____)
) ss.
County of _____)

On this ____ day of March, 1992, before me, _____, a notary public in and for said state, personally appeared _____, known or identified to me to be the _____ of BONNEVILLE PACIFIC CORPORATION, a Utah corporation and general partner of MAGIC VALLEY HYDROELECTRIC PARTNERS, LTD. 1984, a Utah limited partnership ("Magic Valley") that executed the above instrument or the person who executed the instrument on behalf of Magic Valley and acknowledged to me that Magic Valley executed the same.

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

_____
Notary Public for _____
Residing at _____
My commission expires _____, 19__

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of SOUTH FORKS HYDRO COMPANY, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same as joint venturer of South Forks Joint Venture, an Idaho joint venture.

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

_____
Notary Public for _____
Residing at _____
My commission expires _____, 19__

APR 07 1994

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of TWIN FALLS ENERGY COMPANY, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same as joint venturer of South Forks Joint Venture, an Idaho joint venture.

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

_____
Notary Public for _____
Residing at _____, _____
My commission expires _____, 19__

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be a _____ of THE PRUDENTIAL INTERFUNDING CORP., a Delaware corporation ("Prudential") that executed the above instrument or the person who executed the instrument on behalf of Prudential and acknowledged to me that Prudential executed the same.

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

_____
Notary Public for _____
Residing at _____
My commission expires _____, 19__

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APR 07 1994

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of TWIN FALLS CANAL COMPANY, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

_____
Notary Public for _____
Residing at _____, _____
My commission expires _____, 19__

STATE OF _____)
) ss.
County of _____)

On this _____ day of March, 1992, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of TWIN FALLS ENERGY COMPANY, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

_____
Notary Public for _____
Residing at _____, _____
My commission expires _____, 19__

APR 07 1994

EXHIBIT H
TO
CREDIT AGREEMENT

[Form of Collateral Assignment of Water Permit]

TRUST AGREEMENT AND COLLATERAL ASSIGNMENT OF
WATER PERMIT NO. 01-7009

THIS TRUST AGREEMENT AND COLLATERAL ASSIGNMENT dated this _____ day of March, 1992 (this "Assignment"), is made by and among SOUTH FORKS JOINT VENTURE, a general partnership organized and validly existing under the laws of the state of Idaho, with its principal office at 1199 Shoreline Lane, Suite 310, Boise, Idaho 83702 (the "Assignor"); TITLEFACT, INC., an Idaho corporation with an office at 163 Fourth Avenue North, Twin Falls, Idaho 83303 (the "Trustee"); and CIBC INC., a Delaware corporation (the "Lender").

RECITALS:

A. The Assignor and the Lender have entered into a Credit Agreement dated as of the date hereof (as amended, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"; to which reference is made for the definition of capitalized terms used herein and not otherwise defined herein), pursuant to which the Lender has agreed to make a loan to the Assignor in an aggregate principal amount not to exceed Eight Million Dollars ($8,000,000) to refinance an existing loan secured by the Project (as defined in the Credit Agreement) provided by The Prudential Interfunding Corp., a Delaware corporation ("Prudential").

B. Bonneville Pacific Corporation, a Delaware corporation ("Bonneville"), has assigned to the Assignor Water Permit No. 01-7009 (the "Permit") issued by the Department of Water Resources of the State of Idaho (the "Department") to Twin Falls Canal Company, a non-profit Idaho corporation ("TFCC"), which Permit was (i) assigned by TFCC to Bonneville pursuant to that certain Assignment of Water Rights and Permit dated August 3, 1984 between TFCC and Bonneville and that certain Lease and Assignment Agreement dated March 16, 1984 between TFCC and Bonneville, as amended, (ii) further assigned by Bonneville to Magic Valley Hydroelectric Partners, Ltd. 1984, a Utah limited partnership ("Magic Valley"), pursuant to that certain Purchase and Assignment Agreement dated October 31, 1984 between Bonneville and Magic Valley, and (iii) further assigned by Bonneville and Magic Valley to the Assignor pursuant to that certain Second Assignment of Water Rights and Permit dated March ___, 1992 among

RECORDED



APR 07 1994

Bonneville, Magic Valley, the Assignor, Prudential, TFCC and Twin Falls Energy Company, Inc., an Idaho corporation.

C. The Department has acknowledged the aforementioned assignments of the Permit pursuant to that certain letter dated March ___, 1992 from the Department to the Assignor and the Lender.

D. As a condition to making the loan under the Credit Agreement, the Lender requires that this Assignment be executed and delivered to the Trustee, as trustee for the benefit of the Lender.

Accordingly, in consideration of the foregoing recitals, the following mutual covenants and promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**AGREEMENTS**

1. The Assignor hereby represents and warrants to the Lender that:

(a) The above Recitals are true and correct; and

(b) The Assignor is the lawful owner of the rights and interests granted pursuant to the Permit; the Permit is in full force and effect and has not been amended or modified; and the Assignor has not transferred, assigned, conveyed, or granted a security interest in its rights and interests under the Permit to any person or entity other than as set forth in the above Recitals.

2. Subject to and specifically conditioned upon the written approval of this Assignment by the Department, the Assignor hereby grants and assigns to the Trustee, as trustee for the benefit of the Lender, a first priority security interest in all the Assignor's right, title, and interest in and to the Permit and all amendments and supplements thereto. Such assignment is made as collateral security for the punctual performance and payment of each and every obligation of the Assignor to the Lender arising under the Credit Agreement.

3. This Assignment is an assignment only of all right, title, and interest of the Assignor in and to the Permit, and the Assignor covenants and agrees with the Trustee faithfully to perform, observe, and comply with all obligations of the Assignor under the Permit and with all limitations and conditions imposed under the Permit, as if this Assignment had not been made. The Trustee shall not be deemed in any manner to have assumed such obligations, and in no event shall the Lender be deemed to have



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assumed any of the obligations of the Assignor under or with respect to the Permit, unless and until the Lender has given the Assignor written notice that the Lender has affirmatively assumed such obligations as the result of an event of default existing under the Credit Agreement (a "Default") and of the enforcement of the rights and remedies of the Trustee under this Assignment.

4. The Assignor agrees that it will not cancel, terminate, modify, or amend the Permit or surrender any of its water rights granted under the Permit and will not further assign the Permit to any party, without in each instance the prior written consent of the Lender. The Assignor further agrees that it shall deliver to the Trustee or the Lender copies of all written agreements, correspondence, and memoranda between the Assignor and the Department relating to the Permit and any water licenses issued by the Department to replace the Permit.

5. Upon the occurrence of any Default, the Trustee, at the request of the Lender, may without notice or demand and with or without entry upon the site of the Project, at its option, take over and enjoy the benefits of the Permit to the same extent as the Assignor might do. The exercise of such right by the Trustee shall not affect any of the rights or remedies of the Lender under any other instrument securing the performance and payment of the obligations under the Credit Agreement or other Project Documents. In addition, upon the occurrence of a Default, the Trustee shall have the right to exercise and enforce any and all rights and remedies available after Default to a secured party under applicable law. If notice to the Assignor of any intended disposition of collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to the Assignor at least ten (10) days prior to the intended disposition or other intended action.

6. The Trustee shall hold all right, title, and interest in and to the Permit for the benefit of the Lender subject to the limitations under this Assignment, pending issuance by the Department of water licenses to replace the Permit, if any. Any water licenses issued to replace the Permit shall be issued to the Assignor; provided, however, that this Assignment shall constitute an automatic assignment to the Trustee of all the Assignor's right, title, and interest in and to any such water licenses as collateral security for the punctual performance and payment of each and every obligation of the Assignor to the Lender arising under the Credit Agreement, and the rights and remedies of the Trustee with respect to any such water licenses shall be the same as those provided in this Assignment in respect to the Permit. In the event that any water licenses shall be issued to the Trustee instead of to the Assignor, the Trustee shall take all necessary steps to transfer ownership of such



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water licenses to the Assignor as promptly as possible, subject to the terms of this Assignment. In addition, the Assignor shall execute, acknowledge, and deliver to the Trustee, from time to time as requested by the Trustee, such other documents as shall be necessary or advisable in connection with the rights and remedies of the Trustee granted or provided for by this Assignment and to confirm the rights created now or hereafter intended to be created under this Assignment; to protect and further the validity, priority, and enforceability of this Assignment; to subject to this Assignment any property or rights intended by the terms hereof to be covered by this Assignment; or otherwise to carry out the purposes hereof and the transactions contemplated hereunder.

7. The Assignor agrees to indemnify and to hold the Trustee harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Trustee in any way relating to or arising out of this Assignment or any action taken or omitted to be taken by the Trustee under this Assignment; provided, however, that the Assignor shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Trustee.

8. Nothing herein contained shall be construed as making the Trustee a mortgagee in possession or as constituting a waiver or suspension by the Lender of its right to enforce performance of the obligations under the terms of the Credit Agreement. The Trustee is not the agent, partner, or joint venturer of either the Assignor or the Department.

9. The Lender hereby appoints and authorizes the Trustee to take such action on its behalf and to exercise such powers under this Assignment as are delegated to the Trustee by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Assignment, the Trustee shall not be required to exercise any discretion or take any action.

10. Neither the Trustee nor any of its respective directors, officers, employees, or agents shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Assignment, except for its own or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Trustee: (i) may consult with legal counsel and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel or



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experts; (ii) shall incur no liability under or in respect to this Assignment by acting upon any notice, certificate, or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the covenants and agreements of the Assignor under this Assignment or to determine whether a default has occurred; and (iv) shall not be responsible to the Lender for the due execution, legality, validity, enforceability, sufficiency, or value of this Assignment or any document or instrument furnished pursuant to this Assignment.

11. The Lender agrees to indemnify the Trustee (to the extent not reimbursed by the Assignor upon demand) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Trustee in any way relating to or arising out of this Assignment or any action taken or omitted to be taken by it under this Assignment; provided, however, that the Lender shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Trustee.

12. The Trustee may resign at any time by giving at least ninety (90) days' prior written notice thereof to the Lender and the Assignor and may be removed at any time with or without cause by the Lender. Upon any such resignation or removal, the Lender shall have the right to appoint a successor Trustee. If no successor Trustee shall have been so appointed by the Lender and shall have accepted such appointment within sixty (60) days after the retiring Trustee's giving of notice of resignation or the removal of the retiring Trustee, as the case may be, then the retiring Trustee may, on behalf of the Lender, appoint a successor Trustee, which shall be a title insurance company or bank organized under the laws of the United States or of the state of Idaho having its principal office in the state of Idaho, and in the case of any bank having a combined capital and surplus of at least Twenty-five Million Dollars ($25,000,000). Upon acceptance of any appointment as Trustee hereunder by a successor Trustee, such successor Trustee shall thereupon succeed to and become vested with all the rights, powers, privileges, and duties of the retiring Trustee, and the retiring Trustee shall be discharged from its duties and obligations under this Assignment. After any retiring Trustee's resignation or removal hereunder as Trustee, the provisions of paragraphs 7 through 11 of this Assignment shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Trustee under the Assignment.



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13. The Trustee accepts the establishment of the trust arrangement set forth herein and agrees to perform the duties and obligations of the Trustee created herein.

14. The Assignor agrees that it will execute such other instruments and documents as the Lender or the Trustee may from time to time reasonably require to effectuate the assignment granted by this Assignment, including but not limited to filing with the Department such instruments and documents as the Department may require as a condition to approving the assignment of any water licenses that replace the Permit to the Trustee.

15. This Assignment shall be binding upon the Assignor and its successors and assigns and shall inure to the benefit of the Trustee and its successors and assigns. This Assignment may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

16. This Assignment can be waived, modified, terminated, or discharged only explicitly in a writing signed by the parties hereto. The mere failure to act shall not preclude the exercise or enforcement of any of the rights or remedies of the Trustee hereunder.

17. All notices to the Assignor provided for under this Assignment shall be in writing and mailed or delivered by overnight courier to the address of the Assignor indicated below:

South Forks Joint Venture
c/o Ida-West Energy Company
1199 Shoreline Lane, Suite 310
Boise, Idaho 83702
Attention: President

18. The Trustee shall release all collateral granted hereunder when all amounts outstanding under the Credit Agreement, the Term Note and the other Project Documents, including without limitation accrued and unpaid interest, have been paid in full.

19. This Assignment shall be deemed made in and shall be governed by and construed in accordance with the laws of the state of Idaho.



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IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

SOUTH FORKS JOINT VENTURE,
an Idaho joint venture

By: SOUTH FORKS HYDRO COMPANY, an Idaho corporation, in its capacity as a Joint Venturer

By_____
Name:
Title:

By: TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation, in its capacity as a Joint Venturer

By_____
Name:
Title:

TITLEFACT, INC.

By_____
Name:
Title:

CIBC INC.

By_____
Name:
Title:



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STATE OF _____ )
) ss.
COUNTY OF _____ )

On this _____ day of March, 1992, before me, _____, a notary public in and for said state, personally appeared Kip W. Runyan, known or identified to me to be the President of SOUTH FORKS HYDRO COMPANY, an Idaho corporation and a joint venturer of SOUTH FORKS JOINT VENTURE, an Idaho joint venture (the "Assignor") that executed the above instrument or the person who executed the instrument on behalf of the Assignor and acknowledged to me that the Assignor executed the same.

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

_____
Notary Public
Residing at _____
My Commission Expires _____

STATE OF _____ )
) ss.
COUNTY OF _____ )

On this _____ day of March, 1992, before me, _____, a notary public in and for said state, personally appeared Robert W. Schaer, known or identified to me to be the President of TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation and a joint venturer of SOUTH FORKS JOINT VENTURE, an Idaho joint venture (the "Assignor") that executed the above instrument or the person who executed the instrument on behalf of the Assignor and acknowledged to me that the Assignor executed the same.

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

_____
Notary Public
Residing at _____
My Commission Expires _____



APR 07 1994

STATE OF )
) ss.
COUNTY OF )

On this _____ day of March, 1992, before me, _____, a notary public in and for said state, personally appeared _____, known or identified to me to be the _____ of TITLEFACT, INC., an Idaho corporation (the "Trustee") that executed the above instrument or the person who executed the instrument on behalf of the Trustee and acknowledged to me that the Trustee executed the same.

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

_____
Notary Public in and for _____
Residing at _____
Commission Expires_____

STATE OF _____ )
) ss.
COUNTY OF _____ )

On this _____ day of March, 1992, before me, _____, a notary public in and for said state, personally appeared _____, known or identified to me to be a _____ of CIBC INC., a Delaware corporation (the "Lender") that executed the above instrument or the person who executed the instrument on behalf of the Lender and acknowledged to me that the Lender executed the same.

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

_____
Notary Public in and for _____
Residing at _____
Commission Expires _____



APR 07 1994

# DEPARTMENT OF WATER RESOURCES

SOUTHERN REGION

CECIL D. ANDRUS
Governor

A. KENNETH DUNN
Director

2148 4th Ave. E.
Twin Falls, Idaho 833
(208) 734-3578


August 11, 1987

01-7009
Bonneville Pacific Corporation
200 E. Temple Suite 300
Salt Lake City, Utah 84111

# 138854

CERTIFIED MAIL

EXAMINATION FEE NOTICE

Dear Permit Holder:

Department records show that proof of beneficial use has been submitted for the above-referenced permit, but that a field examination has not yet been conducted to determine the extent of beneficial use of the water for licensing purposes.

House Bill 671 (effective April 4, 1986) enacted by the 1986 Idaho Legislature requires the payment of a fee before this department can conduct the field examination needed to issue a license confirming use of water under the permit. This letter is notification that the license examination fee is due within sixty (60) days of the date of this letter. The examination fee information sheet (enclosed) must be returned with the fee.

As an alternative to submitting the fee, the department will accept a field examination report completed by a certified water right examiner from the private sector. If you choose to have the examination done by a certified water right examiner, you need not submit the license examination fee to the department, but you must within sixty (60) days of the date of this letter return to the department, the examination fee information sheet showing appropriate information together with a statement from the certified examiner to verify that you have retained a certified examiner to conduct the field examination. If you choose this alternative, a completed field examination report must be submitted within one year of the date of this letter. You cannot later change your decision to use this alternative and submit the fee needed for the department to conduct the field examination, but you may change to another certified examiner.

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Certified water right examiners are licensed engineers or geologists certified by the department to conduct water right examinations. The procedure for certifying examiners results from the recently enacted HB 671 and is being developed at this time. A listing of certified water right examiners will be available from this department when examiners have been certified.

If your permitted use, in fact, has already been examined by the department and you have not asked to have the examination repeated, the fee requirement is not applicable to your permit. If you believe this is the case, please contact the department.

The license examination fee is to be based on the amount of water you indicate you have developed, as listed in item 6 on the examination fee information sheet. The amount of water on which the examination fee is based can be less than the permitted amount, if less water has been diverted and beneficially used. The licensed amount of water, however, will not exceed the amount you claim on the examination fee information sheet. The enclosed license examination fee schedule shows a listing of applicable fees.

FAILURE TO SUBMIT WITHIN THE SIXTY (60)DAY PERIOD, THE FEE OR THE STATEMENT THAT A CERTIFIED EXAMINER HAS BEEN RETAINED TO MAKE THE FIELD EXAMINATION, WILL BE CAUSE TO ADVANCE THE PRIORITY OF THE PERMIT ONE DAY FOR EACH DAY THAT THE FEE SUBMITTAL IS LATE.

FAILURE TO SUBMIT THE FEE OR THE COMPLETED FIELD EXAMINATION REPORT WITHIN A YEAR WILL BE CAUSE TO CONSIDER THE PROOF OF BENEFICIAL USE TO BE INCOMPLETE AND TO LAPSE THE PERMIT.

The attached examination fee information sheet and the fee may be submitted to the following department office.

Southern Region
Idaho Dept. of Water Resources
2148 4th Avenue East
Twin Falls, ID 83301
Phone: 734-3578

Sincerely,

Loren O Holmes

LOREN HOLMES
Southern Region Supervisor

Enclosures

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APR 07 1994

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES
Southern Region

1041 Blue Lakes Blvd. N.
Twin Falls, Idaho 83301
(208) 734-3579

FEBRUARY 11, 1986

BONNEVILLE PACIFIC CORPORATION
200 E. TEMPLE - SUITE 300
SALT LAKE CITY UT 84111

RE: Permit No. 01-7009

Dear Permit Holder:

We acknowledge receipt of your statement submitted as proof of beneficial use for the above referenced permit.

Before a license can be issued, a field examination must be made by a representative of this department.

A field examiner will contact you to arrange to examine your system.

If you have any questions regarding the field examination, please contact this office by phone at 734-3579 or in person at our office at 1041 Blue Lakes Blvd. N. Twin Falls, Idaho.

Sincerely,
s/Mary A. Newby
Secretary

MICROFILMED
APR 07 1994

Form 217
12/84

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

PROOF OF BENEFICIAL USE

RECEIVED
OCT 3 1985
Department of Water Resources

The Idaho Department of Water Resources will consider this form as a statement that the permit holder(s) has completed development under this permit and that water has been applied according to the provisions of the permit for the beneficial use(s) described below:

Permit No. 01-7009

Name(s) of Permit Holder: BONNEVILLE PACIFIC CORPORATION

Post Office Address: 200 E. TEMPLE SUITE 300

SALT LAKE CITY, UTAH 84111 Telephone No. 801- 363-1900

Source of Water: SNAKE RIVER - LOW LINE CANAL

Extent of Use:

Domestic _____ (number of households)

Stockwater _____ (number and type of stock)

Irrigation _____ (acres)

Other/Remarks POWER GENERATION 1500 CFS

Indicate the date water was first diverted and beneficially used under this permit: DECEMBER 1984

Measuring Device: Required? ☒ Yes ☐ No
Installed? ☒ Yes ☐ No

Flow Measurement Port: Required? ☐ Yes ☒ No
Installed? ☐ Yes ☒ No

Person to contact to accompany the Department representative during the field examination:

MR. ORLIN CLEMENTS
(Name)

834 FALLS AVE. TWIN FALLS, IDAHO 83301 208-734-0551
(Address) (Telephone Number)

The above information is a true statement of the extent to which the above numbered permit has been developed.

Oct 2, 1985
Date

Bruce W Blaser V.P. Operations
Signature of Permit Holder (and Title, if appropriate)

1-20-86

APPROVED

Place
Stamp
Here

Idaho Department of Water Resources
Statehouse Mail
Boise, ID 83720

State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

SEPTEMBER 1, 1985

DEAR PERMIT HOLDER:

ACCORDING TO OUR RECORDS, YOU ARE THE HOLDER OF A WATER PERMIT ON WHICH PROOF OF BENEFICIAL USE OF WATER WAS NOT SUBMITTED BEFORE JULY 1, 1985, WHICH INDICATES YOUR PROJECT IS NOT COMPLETE. THEREFORE, YOU NEED TO BE AWARE OF CHANGES IN IDAHO LAW, EFFECTIVE JULY 1, 1985, WHICH IMPACT ALL WATER PERMITS ISSUED BY THIS DEPARTMENT.

SPECIFICALLY, PURSUANT TO SECTION 42-203D, IDAHO CODE, THE DEPARTMENT MUST REVIEW ALL PERMITS FOR WHICH DEVELOPMENT OF WATER USE WAS NO COMPLETED ON OR BEFORE JULY 1, 1985, TO DETERMINE IF THEY MEET THE NEW REQUIREMENTS OF CHAPTER 2, TITLE 42, IDAHO CODE. RULES AND REGULATIONS GOVERNING THE RE-EVALUATION OF PERMITS ARE NOT YET FINALIZED. HOWEVER, IF YOU COMPLETED THE DEVELOPMENT UNDER YOUR PERMIT BEFORE JULY 1, 1985, YOU SHOULD SUBMIT A PROOF OF BENEFICIAL USE STATEMENT, STATING THAT THE PROJECT WAS COMPLETED BEFORE JULY 1, 1985 SO THAT YOUR PERMIT WILL NOT BE SUBJECT TO THE REVIEW REQUIREMENTS OF SECTION 42-203D, WHICH READS AS FOLLOWS:

> 42-203D. REVIEW OF PERMITS - OPPORTUNITY FOR HEARING. - (1)THE DEPARTMENT SHALL REVIEW ALL PERMITS ISSUED PRIOR TO THE EFFECTIVE DATE [JULY 1, 1985] OF THIS SECTION, EXCEPT TO THE EXTENT A PERMIT HAS BEEN PUT TO BENEFICIAL USE PRIOR TO JULY 1, 1985, TO DETERMINE WHETHER THEY COMPLY WITH THE PROVISIONS OF CHAPTER 2, TITLE 42, IDAHO CODE. IF THE DEPARTMENT FINDS THAT THE PROPOSED USE DOES NOT SATISFY THE CRITERIA OF CHAPTER 2, TITLE 42, IDAHO CODE, THEN THE DEPARTMENT SHALL EITHER CANCEL THE PERMIT OR IMPOSE THE CONDITIONS REQUIRED TO BRING THE PERMIT INTO COMPLIANCE WITH CHAPTER 2, TITLE 42, IDAHO CODE. IF THE DEPARTMENT FINDS THAT THE PERMIT SATISFIES THE CRITERIA ESTABLISHED IN CHAPTER 2, TITLE 42, IDAHO CODE, THEN THE DEPARTMENT SHALL ENTER AN ORDER CONTINUING THE PERMIT. (2)THE DEPARTMENT SHALL PROVIDE AN OPPORTUNITY FOR HEARING IN ACCORDANCE WITH SECTION 42-1701A, IDAHO CODE, AND SECTIONS 67-5209 THROUGH 67-5215, IDAHO CODE, FOR EACH HOLDER OF A PERMIT THAT IS PROPOSED EITHER TO BE CANCELLED OR MADE SUBJECT TO NEW CONDITIONS.

YOU MAY OBTAIN PROOF OF BENEFICIAL USE FORMS FROM THE DEPARTMENT. IF YOU HAVE ANY QUESTIONS, PLEASE LET US KNOW.

SINCERELY,

L. Glen Saxton

L. GLEN SAXTON
CHIEF, OPERATIONS BUREAU

MICROFILMED

State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

May 28, 1985

Bonneville Pacific Corporation
200 East South Temple, Suite 309
Salt Lake City, UT 84111

Prudential Interfunding Corp.
Attn: Vice President, Corporate Finance
Four Embarcadero Center, Suite 2750
San Francisco, CA 94111

Re: Security Agreement
Affecting Permit No. 01-7009

Mesdames and Gentlemen:

This office has received the Security Agreement dated May 15, 1985, between Bonneville Pacific Corporation (the owner by assignment of Permit No. 01-7009) and Prudential Interfunding Corp., as well as a release by First Interstate Bank of Utah, N.A., of a prior security interest held by First Interstate Bank of Idaho, N.A., as Trustee.

Based on our understanding of the information in said Agreement, Bonneville Pacific Corporation has granted a security interest in the Assignment of Permit No. 01-7009 dated August 3, 1984, between Bonneville Pacific Corporation and Twin Falls Canal Company to Prudential Interfunding Corp. to have and hold as partial security for the performance by Bonneville Pacific Corporation of certain obligations to Prudential Interfunding Corp. in connection with financing the Low Line Drop Hydroelectric Project described in Permit No. 01-7009.

The letter confirms that this office has reviewed the Security Agreement and has found that it conforms to and complies with the requirements of Sections 42-206 and 42-207, Idaho Code, and that Prudential Interfunding Corp., a Delaware corporation qualified to do business in Idaho, is an entity qualified to hold said water right. An Assignment of Permit No. 01-7009 from Bonneville Pacific Corporation to Prudential Interfunding Corp. is therefore effective as of May 24, 1985. (Security Interest)

Sincerely,

NORMAN C. YOUNG
Administrator
Resources Administration Division

cc: Kaye L. O'Riordan

RECORDED

ELAM, BURKE AND BOYD
ATTORNEYS AND COUNSELORS AT LAW
SUITE 1010 FIRST INTERSTATE BUILDING
POST OFFICE BOX 1559
BOISE, IDAHO 83701
TELEPHONE 208-343-5454

LAUREL E. ELAM (1888-1974)
CARL A. BURKE (1898-1961)
CARL P. BURKE
PETER J. BOYD
M. ALLYN DINGEL, JR.
JACK S. GJORDING
JOHN MAGEL
DAVID B. LINCOLN
RICHARD C. MELLON, JR.
ROBERT M. TYLER, JR.
JAMES D. LaRUE
RANDALL A. PETERMAN
WILLIAM J. RUSSELL
KAYE L. O'RIORDAN
RYAN P. ARMBRUSTER

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PETER C. MARSHALL
TRUDY HANSON FOUSER
D. ALAN KOFOED
BRIAN D. HARPER
SCOTT L. CAMPBELL
BOBBI KILLIAN DOMINICK
W. DALLAS BURKHALTER
ALAN P. CONILOGUE
JOHN K. DAVIS
LAWRENCE GEORGE SIRHALL, JR.

May 24, 1985

HAND DELIVERED

Mr. Norman Young
Idaho Department of
Water Resources
450 W. State Street
Boise, Idaho 83702

RE: Assisnment of Permit No. 01-7009

Dear Norm:

Enclosed are original financing statements reflecting the termination of the security interest of First Interstate Bank of Idaho, N.A., and First Interstate Bank of Utah, N.A. Also enclosed, at your request, is a form of the letter we desire from the Department of Water Resources authorizing the assignment to Prudential Interfunding Corp.

Please call me when the copy of the signed letter is available, and I will send someone to pick it up.

Very truly yours,

ELAM, BURKE AND BOYD

Kaye L. O'Riordan

KLO:bhb
Encl.

PROCESSED

May 24, 1985

Bonneville Pacific Corporation
200 East South Temple, Suite 309
Salt Lake City, Utah 84111

Prudential Interfunding Corp.
ATTN: Vice President, Corporate Finance
Four Embarcadero Center, Suite 2750
San Francisco, California 94111

RE: Security Agreement
Affecting Permit No. 01-7009

Mesdames and Gentlemen:

This office has received the Security Agreement dated May 15, 1985, between Bonneville Pacific Corporation (the owner by assignment of Permit No. 01-7009) and Prudential Interfunding Corp., as well as a release by First Interstate Bank of Utah, N.A., of a prior security interest held by First Interstate Bank of Idaho, N.A., as Trustee.

Based on our understanding of the information in said Agreement, Bonneville Pacific Corporation has granted a security interest in the Assignment of Permit No. 01-7009 dated August 3, 1984, between Bonneville Pacific Corporation and Twin Falls Canal Company to Prudential Interfunding Corp. to have and hold as partial security for the performance by Bonneville Pacific Corporation of certain obligations to Prudential Interfunding Corp. in connection with financing the Low Line Drop Hydroelectric Project described in Permit No. 01-7009.

The letter confirms that this office has reviewed the Security Agreement and has found that it conforms to and complies with the requirements of Sections 42-206 and 42-207, Idaho Code, and that Prudential Interfunding Corp., a Delaware corporation qualified to do business in Idaho, is an entity qualified to hold said water right. An Assignment of Permit No. 01-7009 from Bonneville Pacific Corporation to Prudential Interfunding Corp. is therefore effective as of the date of this letter.

Sincerely,

NORMAN YOUNG
for the Idaho Department
of Water Resources

MICROFILMED

A[illegible] is presented to filing officer for filing pursuant to the Uniform Commercial Code.

No. of additional sheets presented:

3. Maturity date (if any): July 1, 1990

1. Debtor(s): (last name first, and mailing address(es)

Bonneville Pacific Corp. and
Magic Valley Hydroelectric
Partners, Ltd.
200 East South Temple #300
Salt Lake City, UT 84111

2. Secured Party(ies) and address(es)

First Interstate Bank of Idaho,
N.A.
700 West Idaho St.
Boise, Idaho 83702

Attn: George Telford

4. FOR FILING OFFICER ONLY
(Date, time, number and filing office)

897370

Sep 14 2 32 PM 1984

STATE OF IDAHO

5. This Financing Statement covers the following types (or items) of property:
(Use this space for Real Property legal description and name of record owner, if required.)

The collateral referred to in that certain Mortgage Trust Indenture and Security Agreement dated September 7, 1984, and attached hereto.

SEE ATTACHMENT FILE

6. Assignee(s) of Secured Party(ies) and address(es)

TERMINATED

CHECK ☒ IF COVERED: ☒ Proceeds of collateral are also covered ☐ Products of collateral are also covered

Filed with: ☒ Secretary of State ☐ County Recorder of County.

☐ The collateral described herein is brought into this state already subject to a security interest in another jurisdiction.

☐ The collateral described herein is proceeds of the original collateral described above in which a security interest was perfected.

Bonneville Pacific Corp. and
Magic Valley Hydroelectric Partners, Ltd.

BY: [signature]
Signature(s) of Debtor(s)

First Interstate Bank of Idaho, N.A.

BY: [signature]
SIGNATURE(S) OF SECURED PARTY(IES) OR ASSIGNEE OF RECORD

1—FILING OFFICER—ALPHABETICAL

Idaho Form UCC-1

FORM APPROVED BY PETE T. CENARRUSA, SECRETARY OF STATE

This Financing Statement is presented to filing officer for filing pursuant to the Uniform Commercial Code.

No. of additional sheets presented:

3. Maturity date (if any): July 1, 1990

1. Debtor(s): (last name first, and mailing address(es)

Bonneville Pacific Corp. and
Magic Valley Hydroelectric
Partners, Ltd.
200 East South Temple #300
Salt Lake City, UT 84111

2. Secured Party(ies) and address(es):

First Interstate Bank of
Utah, N.A.
180 South Main St.
Salt Lake City, UT 84111

Attn: Kenneth W. Bell

4. FOR FILING OFFICER ONLY (Date, time, number and filing office)

164918
Sep 9 3 17 PM 85
STATE OF IDAHO

5. This Financing Statement covers the following types (or items) of property:
(Use this space for Real Property legal description and name of record owner, if required.)

The collateral referred to in this certain Assignment and Security Agreement dated September 7, 1984, and attached hereto.

6. Assignee(s) of Secured Party(ies) and address(es)

**SEE ATTACHMENT FILE**

**TERMINATED**

CHECK ☒ IF COVERED ☒ Proceeds of collateral are also covered ☐ Products of collateral are also covered

Filed with: ☒ Secretary of State ☐ County Recorder of _____ County.

☐ The collateral described herein is brought into this state already subject to a security interest in another jurisdiction.

☐ The collateral described herein is proceeds of the original collateral described above in which a security interest was perfected.

Bonneville Pacific Corp. and
Magic Valley Hydroelectric Partners, Ltd.

BY: _____
Signature(s) of Debtor(s)

First Interstate Bank of Utah, N.A.

BY: _____
SIGNATURE(S) OF SECURED PARTY(IES) OR ASSIGNEE OF RECORD

1—FILING OFFICER—ALPHABETICAL

Idaho Form UCC-1

FORM APPROVED BY PETE T. CENARRUSA, SECRETARY OF STATE

INTER-DEPARTMENT MEMO — 1

FROM Glen

DATE 5-16-85

TO File

SUBJECT — Pamela Greenwood advised me today that the security interest of 1st Interstate Bank has not yet been discharged — Next week (5-20) will be the closing and she will advise me accordingly.

GJ

SIGNATURE

MICROFILMED

On 5-20-85 I called
Kaye O'Riordan but talked
w/ Dave Lincoln + advised
that Dept. couldn't send
letter Kaye had requested
until 1st Interstate was
out of the picture but
advised we could send
a conditional approval if
needed for the closing. 5-20-85

ELAM, BURKE AND BOYD
ATTORNEYS AND COUNSELORS AT LAW
SUITE 1010 FIRST INTERSTATE BUILDING
POST OFFICE BOX 1559
BOISE, IDAHO 83701
TELEPHONE 208-343-5454

LAUREL E. ELAM (1888-1974)
CARL A. BURKE (1898-1961)
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BOBBI KILLIAN DOMINICK
W. DALLAS BURKHALTER
ALAN P. CONILOGUE
JOHN K. DAVIS
LAWRENCE GEORGE SIRHALL, JR.

May 15, 1985

Mr. L. Glen Saxton
Operations Bureau Chief
Department of Water Resources
450 W. State Street
Boise, Idaho 83702

HAND DELIVERED

RECEIVED
MAY 16 1985
Department of Water Resources

RE: Permit No. 01-7009

Dear Glen:

Enclosed is the executed Security Agreement between Bonneville Pacific Corporation and Prudential Interfunding Corp. I have also enclosed a Certificate of Good Standing from the Idaho Secretary of State's office showing that Prudential Interfunding Corp. is qualified to do business in Idaho. It is my understanding that First Interstate Bank sent a letter to you clarifying that First Interstate is to be paid out of the proceeds of the Prudential-Interfunding loan so that First Interstate will no longer have a security interest in the water permit.

I trust that the enclosed information will satisfy the requirements of the Department of Water Resources and that a letter effectuating the assignment of Permit No. 01-7009 will be forthcoming to Bonneville Pacific Corporation, 200 East South Temple, Suite 309, Salt Lake City, Utah 84111, and to Prudential Interfunding Corp., Four Embarcadero Center, Suite 2750, San Francisco, California 94111, ATTN: Vice President, Corporate Finance, with a copy to me.

We are now scheduled to close the transaction on May 21 or 22, 1985. Please contact me or David Lincoln of this office if you have any questions regarding this matter or need further information.

Very truly yours,

ELAM, BURKE AND BOYD

Kaye L. O'Riordan

KLO:bhb
Encl.

MICROFILMED

06589 00000047/098518-A

# SECURITY AGREEMENT

This Security Agreement (the "Agreement"), is made and entered into as of this 15th day of May, 1985, between BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho (herein referred to as "Bonneville"), and PRUDENTIAL INTERFUNDING CORP., a Delaware corporation authorized to do business in the State of Idaho (herein "Lender").

## WITNESSETH:

WHEREAS, Magic Valley Hydroelectric Partners, Ltd. 1984 (the "Partnership"), of which Bonneville is corporate general partner, and Lender have entered into an agreement (herein "Loan Agreement"), promissory note (herein "Note"), deed of trust, assignment of rents, security agreement and fixture filing (herein "Deed of Trust"), and certain other documents, all of even date herewith, whereunder Lender has agreed to lend to the Partnership the original principal amount of $10,200,000 with interest thereon payable at the times set forth in the Loan Agreement and the Note; and

WHEREAS, as additional collateral for the Note, the Loan Agreement requires Bonneville to grant, assign and convey to Lender a **security interest** in and to all of Bonneville's right, title and interest under that certain **Assignment of Water Rights** and Permit (herein the "Assignment") dated August 3, 1984, between Bonneville and Twin Falls Canal Company, an Idaho corporation, a copy of which is attached hereto as Exhibit A and by this reference made a part hereof; and

WHEREAS, Bonneville desires hereby to grant, convey and assign to Lender a security interest in the Assignment, and Lender desires to accept the same, all in accordance with the terms of this Agreement and the Loan Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Bonneville hereby grants, conveys, and assigns to Lender a security interest in and to all of Bonneville's right, title and interest under the Assignment, together with all rights, easements, rents, profits, issues, income, tenements, hereditaments, privileges and appurtenances thereunto belonging (all of the foregoing rights and interests being hereinafter collectively referred to as the

"Collateral"), to have and to hold the same as additional security for the Partnership's performance under the Loan Agreement and Note.

2. For so long as the Partnership is not in default under the Loan Agreement or Note, Bonneville shall have the right to use the Collateral in connection with a hydroelectric project known as the **Low Line Drop Hydroelectric Project**, to be owned, operated and maintained by the Partnership upon certain real property located in Twin Falls County, State of Idaho, more particularly described in Exhibit B attached hereto and by this reference made a part hereof.

3. Lender shall have the right to notify any party other than Bonneville obligated on the Collateral to make any required payments thereunder directly to Lender, and Lender may take control of all proceeds arising from the Collateral, which rights Lender may exercise any time whether or not Bonneville is then in default under the Note or the Loan Agreement. Lender's costs of collection and enforcement, including attorneys' fees and out-of-pocket expenses, shall be borne solely by Bonneville.

4. All payments received by Lender pursuant to this Agreement shall be applied when the funds are available against the principal or interest of the Note, the order and method of such application to be in the discretion of Lender. Any portion of the payment which Lender elects not so to apply shall be paid over to the Partnership.

5. Bonneville will at all times keep accurate and complete records of Bonneville's performance under the Collateral and Lender, or any of its agents, shall have the right to call at Bonneville's place of business or where the Collateral is located at intervals to be determined by Lender, and without hindrance or delay, to inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence, and other data relating to the Collateral.

6. Bonneville warrants that as of disbursement under the Loan Agreement, there shall be no financing statements on file in any public office covering the Collateral or any of the proceeds thereof except in favor of Lender, and so long as the Partnership is indebted pursuant to the Note, or credit thereunder is available to the Partnership, Bonneville will not execute a financing statement or security agreement covering the Collateral or the proceeds thereof with anyone other than Lender. Bonneville agrees to sign and deliver one or more financing statements or supplements thereto or other instruments as Lender may from time to time require to comply with the Idaho Uniform Commercial Code or other applicable law to preserve, protect, and enforce the security interest of Lender and to pay all costs of filing such statements or instruments.

7. Bonneville shall perform all acts required of it by said portion of the Collateral which requires performance by it.

8. Bonneville shall: keep in effect all licenses, permits and franchises required by law or contract relating to Bonneville's business, property or to the Collateral; be responsible for any loss or damage to the Collateral; at all times warrant and defend Bonneville's ownership and possession of the Collateral; keep the Collateral free from any liens, encumbrances and security interests other than those consented to in writing by Lender; pay when due all taxes, license fees and other charges upon the Collateral; not misuse, conceal, or in any way use or dispose of the Collateral or any of the proceeds thereof without the prior written consent of Lender; or take any action which is unlawful or contrary to the provisions of this Agreement or of any insurance coverage.

9. If Bonneville fails to make any payments or perform any acts required by this Agreement, or which Lender deems advisable to preserve the Collateral or any part thereof or the priority or perfection of Lender's security interest, Lender may advance funds for the same and such advances shall be one of the obligations secured hereby and shall be immediately payable with interest thereon at Lender's Cost of Funds Rate (as defined in the Loan Agreement) plus 3.625% per annum. In protecting, exercising or assuring its interest or the interest of Lender under this Agreement, Lender may execute, sign and endorse on behalf of and in the name of Bonneville negotiable and other instruments for the payment of money, documents of title, other evidences of title, payment, shipment or storage relating to the Collateral or the proceeds thereof.

10. Upon the occurrence of any default hereunder or under the Loan Agreement, and at any time thereafter, all of the obligations under the aforesaid Note shall, at the election of Lender, become immediately due and payable and Lender shall have the remedies of a secured party under the Idaho Uniform Commercial Code or other applicable law, and;

a. Lender shall have the right to enter the premises under the control of Bonneville where the Collateral or any records pertaining thereto may be and take possession of such Collateral and records.

b. Bonneville shall, if requested by Lender, assemble the Collateral and the records pertaining thereto at a place designated by Lender.

c. Lender may dispose of the Collateral and, after deducting the expense incurred by Lender and Beneficiary, including reasonable attorneys fees and expenses, apply the revenue to pay the obligations under the Note.

11. Rights, powers, and remedies given to Lender by this Agreement shall be in addition to all rights, powers and remedies given to Lender by virtue of the Idaho Uniform Commercial Code or other applicable law. Any forbearance, failure, or delay by Lender in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power, or remedy and any single or partial exercise of any right, power, or remedy hereunder shall not preclude the future exercise thereof. Every right, power, and remedy of Lender shall continue in full force and effect until such right, power, or remedy is specifically waived by an instrument in writing executed by Lender.

12. Bonneville hereby agrees that from time to time, without notice or demand and without affecting or impairing in any way the rights of Lender with respect to the Collateral or the obligations of Bonneville hereunder, Lender may (a) renew, compromise, extend, accelerate or change the time for payment or the terms of the obligations secured hereby, or any part thereof, (b) take and hold other security for the payment of such obligations, and exchange, enforce, waive, release, apply and direct the order or manner of sale of such security as Lender, in its discretion, may determine, and/or (c) release or substitute any one or more endorser or guarantor. Bonneville waives any right to require Lender to (a) proceed against the Partnership, (b) proceed against or exhaust any security held from Bonneville or the Partnership, or (c) pursue any other remedy in Lender's power whatsoever. Bonneville waives any defense based upon or arising out of the disability or other defense or the cessation of liabiltiy of the Partnership or any other person, and, until payment in full of such obligations, waives any right of subrogation or to proceed against the Partnership or any other person or to participate in any security for such obligations.

Executed the date and year first above written.

LENDER:

PRUDENTIAL INTERFUNDING CORP.,
a Delaware corporation

By _____

Its REGIONAL VICE PRESIDENT

BONNEVILLE:

BONNEVILLE PACIFIC CORPORATION,
a Utah corporation

By _____

Its Sec.

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On the 13th day of MAY, 1985, personally appeared before me JOHN V. BOCK, JR., who, being by me duly sworn, did say that he is the REGIONAL VICE PRESIDENT of PRUDENTIAL INTERFUNDING CORP., and that the foregoing instrument was signed in behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said JOHN V. BOCK, JR duly acknowledged to me that said corporation executed the same as Lender.

OFFICIAL SEAL
BARBARA L. PHILLIPS
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires July 7, 1985

Barbara L. Phillips
NOTARY PUBLIC

Residing at: San Gabriel, Calif

My Commission Expires:

---

STATE OF UTAH )
) ss.
COUNTY OF SALT LAKE )

On the 9th day of May, 1985, personally appeared before me Robert L. Wood, who, being by me duly sworn, did say that he is the Secretary of Bonneville Pacific Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said Robert L. Wood duly acknowledged to me that said corporation executed the same as Beneficiary.

NOTARY PUBLIC
DAVID P. HIRSCHI
STATE OF UTAH

NOTARY PUBLIC

Residing at: Centerville Utah

My Commission Expires:

8-20-87

# ASSIGNMENT OF WATER RIGHTS AND PERMIT

THIS ASSIGNMENT made and entered into this 3rd day of August, 1984, by and between TWIN FALLS CANAL COMPANY, an Idaho corporation (hereinafter referred to as "Assignor"), and BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho (hereinafter referred to as "Assignee"),

W I T N E S S E T H:

WHEREAS, Assignor has obtained an approved Application for Permit to Use Water Resources in the State of Idaho, Permit No. 01-7009 (hereinafter referred to as the "Permit"), a copy of which is attached hereto as Schedule "I" and by this reference made a part hereof; and

WHEREAS, in connection with that certain Lease and Assignment Agreement between Assignor and Assignee, dated March 16, 1984, incorporated herein by this reference, Assignor desires hereby to assign to Assignee all of its right, title and interest in and to said Permit for the purpose of holding said Permit for and on behalf of the Low Line Drop Hydro-electric Project, a hydroelectric project located on the Low Line Canal, being part of the Northwest Quarter of the South-west Quarter of Section 1, Township 11 South, Range 18 East of the Boise Meridian and the North 1/2 of the southeast Quarter of Section 2, Township 11 South, Range 18 East of the Boise Meridian, Twin Falls County, Idaho.

EXHIBIT "A"

NOW, THEREFORE, for TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby assigns to Assignee all of its right, title and interest in and to the Permit as contained in Schedule "I" attached hereto, to hold and use the same for and on behalf of said Low Line Drop Hydroelectric Project during the entire term of the project as more specifically set forth in said Lease and Assignment Agreement.

2. Assignee hereby accepts the assignment of said Permit as contained in Schedule "I" in accordance with the terms hereof.

3. Assignee agrees to allow the rights and interests referred to in said Permit to be used in connection with the Low Line Drop Hydroelectric Project in accordance with said Lease and Assignment Agreement.

4. To induce the Assignee to accept this assignment and the rights and obligations pursuant thereto, Assignor hereby represents to the Assignee as follows:

(a) Said Permit is in full force and effect; and

(b) Upon approval of the Department of water Resources, State of Idaho, said Permit is assignable.

5. That in consideration of the Assignor executing and delivering this Assignment, Assignee covenants with Assignor as follows:

(a) That the Assignee will duly keep, observe and perform all of the terms, conditions and provisions of the Permit that are to be kept, observed and performed by the Assignor;

(b) That Assignee will not further assign the rights or Permit conveyed hereunder without the prior written consent of the Assignor and the prior written consent of the Director or Administrator of the Department of Water Resources, State of Idaho; and

(c) That at the end of the lease and assignment term as described in the Lease and Assignment Agreement, Assignee will assign the Permit to Assignor and this Agreement shall thereafter become null and void.

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

ASSIGNOR:

TWIN FALLS CANAL COMPANY, an Idaho corporation

By _____

Its _____

ASSIGNEE:

BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho

By _____
Its Secretary

STATE OF IDAHO )
) ss.
County of Twin Falls)

On this 3rd day of August, 1984, before me, a Notary Public, in and for said County and State, personally appeared Maurice V. Klaas, known or identified to me to be the President of Twin Falls Canal Company, an Idaho corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

_____
NOTARY PUBLIC FOR IDAHO
Residing at Twin Falls

STATE OF ~~IDAHO~~UTAH )
) ss.
County of Salt Lake)

On this 7th day of August, 1984, before me, a Notary Public, in and for said County and State, personally appeared Robert L. Wood, known or identified to me to be the Secretary of Bonneville Pacific Corporation, a Utah corporation that executed the foregoing instrument or the person who executed the instrument on behalf of the 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.

Deborah Buckley

NOTARY PUBLIC FOR ~~IDAHO~~ UTAH

Residing at Salt Lake City

SCHEDULE "I"

TWIN FALLS CANAL COMPANY APPROVED
APPLICATION FOR PERMIT NO. 01-7009
AND REQUEST FOR EXTENSION OF TIME RELATING
TO APPLICATION NO. 01-7009
(Attached)

RECEIVED

G 1974

Identification No

Application No 01-7009

SCHEDULE "I"

STATE OF IDAHO

DEPARTMENT OF WATER ADMINISTRATION

# APPLICATION FOR PERMIT APPROVED

## To Appropriate the Public Waters of the State of Idaho

(TYPE OR PRINT IN INK)

1. Name of applicant Twin Falls Canal Company

post office address P. O. Box 326, Twin Falls, Idaho 83301

2. Source of water supply Snake River (Lot 8)* which is a tributary of Columbia River

3. a. The point of diversion is NE ¼ of SE ¼ of Section 29 Township 10 S. Range 21 E. B.M. Twin Falls County, additional points of diversion if any

b. If water is not consumed, it will be discharged into Salmon Falls Creek or Snake River at a point in Last point in Lots 4 & 7 of Section 19 Township 8 S. Range 14 E. B.M. Twin Falls County

(Description is confluence of Snake & Salmon Falls Creek)

4. Water will be used for the following purposes

Amount 1,500 c/f/s, power purpose from Jan. 1 to Dec. 31 (both dates inclusive)

Amount ____ purpose from ____ to ____ (both dates inclusive)

Amount ____ purpose from ____ to ____ (both dates inclusive)

5. If storage only, to be applied to ____ irrigation

a. 1,500 c/f/s cubic feet per second and or

b. 3,000 A/F per day for each day 1,500 c/f/s available.

(*Change made as per telephone conversation on 5/12/77) ADM

6. Description of diversion works

a. Description of diversion works, pumps, headgates etc. Headworks in canal, penstock and powerplants.

b. Height of storage dam none feet, active reservoir capacity none acre feet, total reservoir capacity none acre feet, materials used in storage dam canal earth fill - headworks are concrete.

Period of year during which storage will occur ____ to ____

c. Proposed well diameter ____ inches, proposed depth of well is ____ feet

7. a. Time required for the completion of the works and application of the water to the proposed beneficial use is 5 years

b. Estimated construction cost is $ 5,000,000.00

8. Description of proposed uses

a. If water is not for irrigation

(1) Give the place of use of water NE ¼ of SE ¼ of Section 2 Township 11 S. Range 18 E. B.M.

(2) Amount of power to be generated 13,500 hp under 100 feet of head

(3) Total number of each kind of livestock to be watered None

(4) Name of municipality to be served Idaho Power or Bonneville Power number of families to be supplied with domestic water

(5) If water is to be used for other purposes describe Potential cooling for thermal power.

b. If water is for supplemental, indicate acreage on each subdivision on the tabulation below

| TWP | RANGE | SEC | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | NE¼ | NW¼ | SW¼ | SE¼ | TOTALS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | | |

Total number of acres to be irrigated

c. Describe any other water rights used for the same purposes as described above. N/A

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

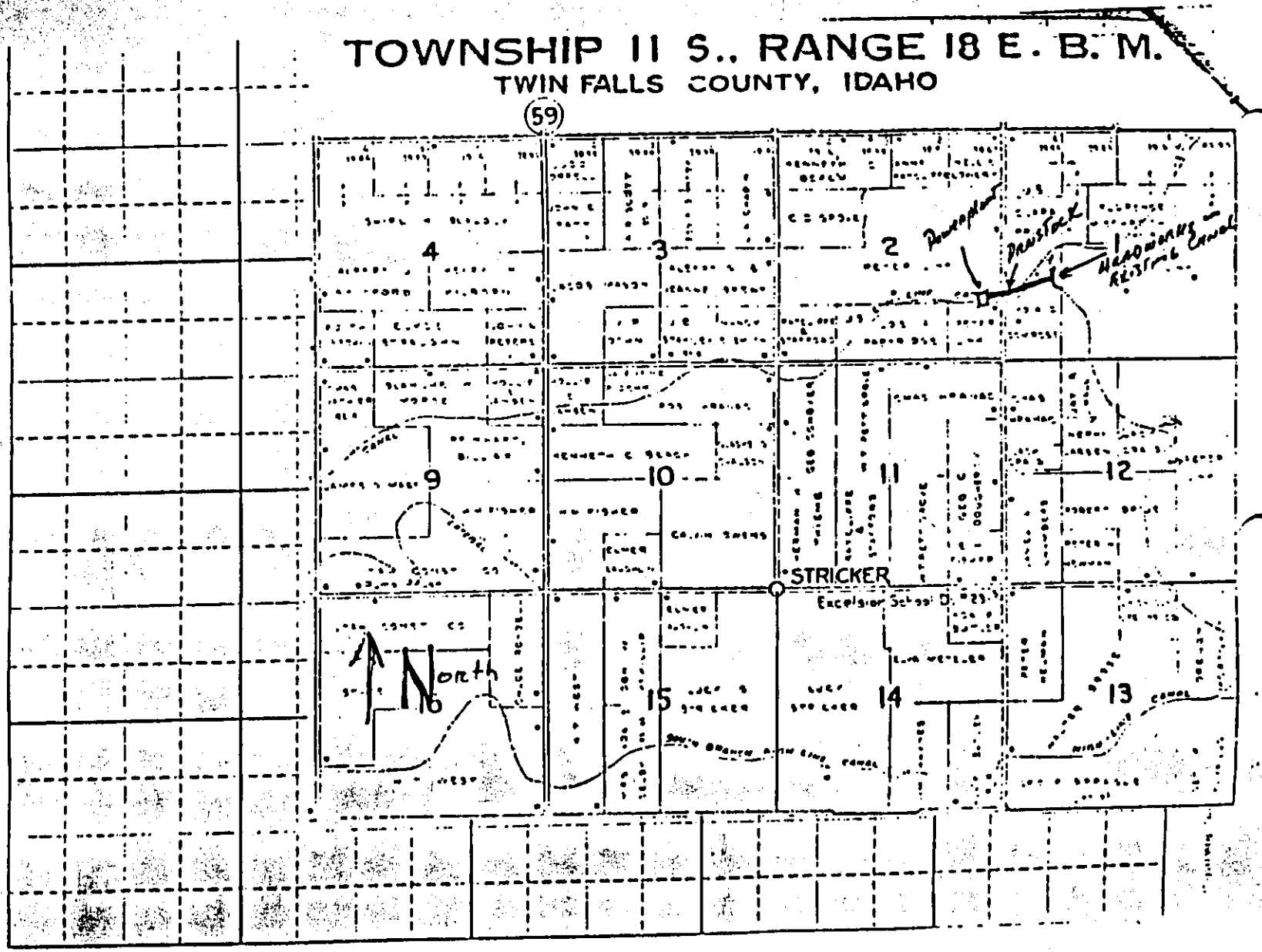
b. Who owns the land to be irrigated or place of use Applicant owns right of ways - possibility of ne to acquire additional private ground.

c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing None needed as now contemplated.

10. Remarks: Applicant would utilize water in canal system to also generate power as well as supply irrigation needs during irrigation season. Use other than during the irrigation season for power pursuant to this permit would be subordinate to all other valid and prior existing water rights.

# TOWNSHIP 11 S., RANGE 18 E. B. M.

## TWIN FALLS COUNTY, IDAHO




Scale 2 inches equal 1 mile.

By [illegible] the waters of the State of Idaho as herein set forth

[illegible] applications for permits to appropriate the waters

[illegible]

[illegible] President, Twin Falls Canal Company

Proposed Priority 3/30/77

Received by [illegible] Date 4-26-77 Time 9:05 a

Preliminary check by ADM Fee $115.00

Recorded by AG Date 4/5/77 11-3423

Publication prepared by DB Date 4/27/77

Published in Times News

Publication dates 5/5 & 5/12/77

Publication approved by [illegible] Date 5/16/77

Priority reduced to ... Reason ...

Protests filed by, ...

Copies of protests forwarded by ...

Hearing held by ... Date ...

Recommended for (approval) denial by [illegible]

RECEIVED

APR 1977

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER ADMINISTRATION

This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No 01-7009, and said application is hereby APPROVED.

1. Approval of said application is subject to the following limitations and conditions

a SUBJECT TO ALL PRIOR WATER RIGHTS.

b Proof of construction of works and application of water to beneficial use shall be submitted on or before July 1, 19 82.

c Other. For licensing purposes a scientific measurement of the diversion rate of the system as it is normally operated shall be provided by either properly installing an approved type of measuring device or by having a professional engineer certify the rate of diversion to the Department prior to submitting proof of beneficial use of water.

The permit holder must comply with the Federal Power Commission.

Witness my hand this 20 day of July 19 77.

[signature]
Deputy Director

Form 204
7/80

Identification No. 01-7009

RECEIVED
JUN 16 1982
Department of Water Resources
Southern District Office

# STATE OF IDAHO
# DEPARTMENT OF WATER RESOURCES
# REQUEST FOR EXTENSION OF TIME

To provide additional time in which to submit proof of beneficial use on a water right permit.

Maurice Klaas, President
Twin Falls Canal Company (Name) of P.O. Box 326, Twin Falls, Idaho 83301 (Address)

State of Idaho, deposes and says:

That he is the holder, or the duly authorized agent of the holder*, of Permit to Appropriate the Public Waters of the State of Idaho No. 01-7009.

That under the terms and conditions of said permit, work thereunder was required to be completed on or before July 1, 19 82.

That he has heretofore performed the following work described under said permit:

The Company has obtained F.E.R.C. exemption to construct. The Company has secured most of needed right of ways. The Company has negotiated a contract for sale of the power and is presently working on plans, specifications and designs.

Costing $100,000.00

That he is unable to complete the remainder of the work within the required time for the following reasons, to-wit: After plans are completed, construction can begin during non-irrigation season beginning in the fall of 1982.

Wherefore, he asks that the Department of Water Resources extend the time for the completion of obligations under said permit to July 1, 19 87.

Maurice V. Klaas
(Signature)

*IF OTHER THAN HOLDER Power of Attorney must be submitted

## ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above application for extension of time be APPROVED and the time within which to submit the statement of beneficial use is extended to July 1, 1987.

Signed this 10 day of June, 19 82.

David R Tuthill
Acting Chief, Operations Bureau

-7009

93619

First Interstate Bank
of Utah, N.A.
P.O. Box 30169
Salt Lake City, UT 84142
801 350-7043

Pamela T. Greenwood
Vice President
& General Counsel

RECEIVED
MAY 14 1985
Department of Water Resources

May 10, 1985

Dept. of Water Resources
450 West State Street
Boise, Idaho 83702

Attn: Mr. L. Glen Saxton
Chief Operations Bureau

Re: Release of Security Interest Relating to ~~Permanent~~ Permit
No. 01-7009

Dear Mr. Saxton:

Please refer to your letter of September 11, 1984, wherein David R. Tuthill, Jr. of your office and on your behalf approved the Assignment for Security of the above-referenced Water Permit in favor of First Interstate Bank of Utah and First Interstate Bank of Idaho (as Co-Trustees).

It is our understanding that Bonneville Pacific Corporation intends to refinance the Low Line Drop Hydroelectric Project to which said Water Permit relates. This refinancing will be with Prudential Interfunding Corp. and is scheduled to close May 15, 1985.

I have prepared and will be delivering to our agent, Safeco Title Insurance Company of Idaho, UCC-3 Termination Statement releasing this Water Permit as collateral for our loan. I will instruct Safeco Title to file this Termination Statement with the Idaho Secretary of State upon receipt by First Interstate Bank of Utah of the outstanding balance of our loan through this refinancing.

Upon the filing of the UCC-3 Termination Statement by Safeco at closing of the refinancing, the security interest of First Interstate Bank of Idaho in and to the Water Permit will be completely discharged and you will be free to approve a like security interest in the name of the new lender.

MICROFILMED

Please contact me with any questions or comments which you may have regarding this matter.

Sincerely,

Pamela T. Greenwood
Vice President
& General Counsel

cc: David B. Lincoln
David M. Wilf, Esq.
David P. Herschi, Esq.

PTG:wp

PTGLT:83

FILMED

May 6, 1985

Kaye L. O'Riordan
ELAM, BURKE AND BOYD
P. O. Box 1559
Boise, ID 83701

Dear Ms. O'Riordan:

Re: Permit No. 01-7009 - Twin Falls Canal Co.

As a follow-up to your phone conversation with L. Glen Saxton of this office and your request, please find enclosed a copy of a letter addressed to the Bonneville Pacific Corporation, First Interstate Bank of Utah and First Interstate Bank of Idaho dated September 11, 1984.

If this office can be of further assistance, please feel free to contact us.

Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enclosure

SCANNED

INTER-DEPARTMENT MEMO — 1

DATE 5/3/85

FROM Dave T

TO Glen

SUBJECT Review of Security Agreement attached

1. Evidence must be provided that Prudential Interfunding Corp. is a corp qual to do business in Idaho. (Copy of Secy of State authorization)

2 The interface between this security agreement and the earlier one between Bonneville Pacific & First Int'l Bank of Id must be clarified to our satisfaction

I called Kayla O'Riordan today (5-6-85) & advised her of item 1 & 2 above.

SIGNATURE

RECEIVED
MAY 2 1985
Department of Water Resources

ELAM, BURKE AND BOYD
ATTORNEYS AND COUNSELORS AT LAW
SUITE 1010 FIRST INTERSTATE BUILDING
POST OFFICE BOX 1559
BOISE, IDAHO 83701
TELEPHONE 208-343-5454

May 2, 1985

LAUREL E. ELAM (1888-1974)
CARL A. BURKE (1898-1961)
CARL P. BURKE
PETER J. BOYD
M. ALLYN DINGEL, JR.
JACK S. GJORDING
JOHN MAGEL
DAVID B. LINCOLN
RICHARD C. MELLON, JR.
ROBERT M. TYLER, JR.
JAMES D. LARUE
RANDALL A. PETERMAN
WILLIAM J. RUSSELL
KAYE L. O'RIORDAN
RYAN P. ARMBRUSTER

DAVID E. COMSTOCK
MELVIN E.W. FISHER II
TODD J. WILCOX
PETER C. MARSHALL
TRUDY HANSON FOUSER
D. ALAN KOFOED
BRIAN D. HARPER
SCOTT L. CAMPBELL
BOBBI KILLIAN DOMINICK
W. DALLAS BURKHALTER
ALAN P. CONILOGUE
JOHN K. DAVIS
LAWRENCE GEORGE SIRHALL, JR.

HAND DELIVERED

Mr. L. Glen Saxton
Chief, Operations Bureau
Idaho Department of Water Resources
450 W. State
Boise, Idaho 83702

RE: Prudential Interfunding Corp./Bonneville Pacific Corporation

Dear Mr. Saxton:

Enclosed is a copy of the proposed security agreement. Please review it and let me know if it meets the requirements of Section 42-207, Idaho Code, provided that we provide the Department with evidence that Prudential Interfunding Corp. is qualified to do business in Idaho and that Twin Falls Canal Company has consented to the Assignment.

I would appreciate your comments as soon as possible so that any necessary modifications can be made to the security agreement prior to the closing of the transaction scheduled for May 10, 1985.

Thank you for your assistance.

Very truly yours,

ELAM, BURKE AND BOYD

Kaye L. O'Riordan

SIGNED IN HER ABSENCE
TO AVOID DELAY

KLO:bhb
Encl.

From: Dave Tuthill

5/3/85

To: Phil Rassier

Another action has come in regarding this file, and it needs to be documented as requested below. Would you plz send a brief memo for the file?

Thanks, Dave

---

INTER-DEPARTMENT MEMO — 1

FROM Dave Tuthill

DATE 9/25/84

TO Phil Rassier

SUBJECT 01:7009 - Twin Falls Canal Co

Phil - are you still planning to prepare a brief memo which establishes that the First Interstate Bank of Idaho, N.A. is "qualified to do business in the state"? We are not in a rush for this, but it does need to be added to the file.

Dave

SIGNATURE

State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

September 11, 1984

Bonneville Pacific Corporation
200 East South Temple, Suite 300
Salt Lake City, Utah 84111

First Interstate Bank of Utah, N.A.
180 South Main Street
Salt Lake City, Utah 84101

First Interstate Bank of Idaho, N.A.
700 West Idaho Street, 3rd Floor
Boise, Idaho 83702

RE: Mortgage Trust Indenture and Security Agreement
Affecting Permit No. 01-7009

Gentlemen:

This office has received the Mortgage Trust Indenture and Security Agreement dated September 7, 1984, between Bonneville Pacific Corporation (the owner by assignment of Permit No. 01-7009), First Interstate Bank of Idaho, N.A. and First Interstate Bank of Utah, N.A.

Based on our understanding of the information in said Agreement, Bonneville Pacific Corporation has granted a security interest in Permit No. 01-7009 to First Interstate Bank of Idaho, N.A. as Trustee, to have and hold as partial security for the performance by Bonneville Pacific Corporation of certain obligations to First Interstate Bank of Utah, N.A. in connection with financing the Low Line Drop Hydroelectric Project described in Permit No. 01-7009

The letter confirms that this office has reviewed the Mortgage Trust Indenture and Security Agreement and has found that it conforms to and complies with the requirements of Sections 42-206 and 42-207, Idaho Code and that

MICROFILMED

the Trustee, First Interstate Bank of Idaho, N.A. is an entity qualified to hold said water right. An Assignment of Permit No. 01-7009 from Bonneville Pacific Corporation to First Interstate Bank of Idaho, N.A. is therefore effective as of the date of this letter.

Sincerely,

David R. Tuthill Jr.

for L. GLEN SAXTON
Operations Bureau Chief

LGS/ls

MICROFILMED

COPY

# MORTGAGE TRUST INDENTURE

# AND

# SECURITY AGREEMENT

This Mortgage Trust Indenture and Security Agreement (the "Agreement"), made and enterd into as of this 7th day of September, 1984, by and among, BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho (herein referred to as "Borrower"), FIRST INTERSTATE BANK OF IDAHO, N.A., a national banking association authorized to do business in the State of Idaho (herein "Trustee"), and FIRST INTERSTATE BANK OF UTAH, N.A., a national banking association (herein "Beneficiary").

## W I T N E S S E T H :

WHEREAS, Borrower and Beneficiary have entered into a Construction and Permanent Loan Agreement (herein "Loan Agreement"), Floating Rate Promissory Note (herein "Note"), and Real Estate Mortgage (herein "Mortgage"), all of even date herewith, whereunder Beneficiary has agreed to lend to Borrower the original principal amount of $10,200,000.00 with interest thereon payable at the times set forth in the Loan Agreement and the Note; and

WHEREAS, as additional collateral for the Note, the Loan Agreement requires Borrower to grant, assign and convey to Trustee in Trust with the power of sale, a security interest in

MICROFILMED

and to all of Borrowers right, title and interest under that certain Assignment of Water Rights and Permit (herein the "Assignment") dated August 3, 1984, between Borrower and Twin Falls Canal Company, an Idaho corporation, a copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof; and

WHEREAS, Borrower desires hereby to grant, convey and assign to Trustee a security interest in the Assignment, and Trustee desires to accept the same, all in accordance with the terms of this Agreement and the Loan Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Borrower hereby grants, conveys, and assigns to Trustee in trust, with powers of sale, a security interest in and to all of Borrower's right, title and interest under the Assignment, together with all rights, easements, rents, profits, issues, income, tenements, hereditaments, privileges and appurtenances thereunto belonging (all of the foregoing rights and interests being hereinafter collectively referred to as the "Collateral"), to have and to hold the same as additional security for Borrower's performance under the Loan Agreement and Note.

2. For so long as Borrower is not in default under the Loan Agreement or Note, Borrower shall have the right to use the collateral in connection with a hydroelectric project

known as the Low Line Drop Hydroelectric Project, to be constructed, operated and maintained by Borrower upon certain real property located in Twin Falls County, State of Idaho, more particularly described in Exhibit "B" attached hereto and by this reference made a part hereof.

3. Trustee shall have the right to notify any party other than Borrower obligated on the Collateral to make any required payments thereunder directly to Trustee, and Trustee may take control of all proceeds arising from the Collateral, which rights Trustee may exercise any time whether or not Borrower is then in default under the Note or the Loan Agreement. Trustee's costs of collection and enforcement, including attorney's fees and out-of-pocket expenses shall be borne solely by Borrower.

4. All payments received by Trustee pursuant to this Agreement shall be applied when the funds are available against the principal or interest of the Note, the order and method of such application to be in the discretion of Trustee and Beneficiary. Any portion of the payment which Trustee or Beneficiary elect not to so apply shall be paid over to Borrower.

5. Borrower will at all times keep accurate and complete records of Borrower's performance under the Collateral and Trustee, or any of its agents, shall have the right to call at the Borrower's place of business or where the Collateral is located at intervals to be determined by Trustee, and without hindrance or delay, to inspect, audit, check and make extracts

from the books, records, journals, orders, receipts, correspondence, and other data relating to the Collateral.

6. Borrower warrants that there are no financing statements on file in any public office covering the Collateral or any of the proceeds thereof and so long as Borrower is indebted pursuant to the Note, or credit thereunder is available to Borrower, Borrower will not execute a financing statement or security agreement covering the Collateral or the proceeds thereof with anyone other than Trustee. Borrower agress to sign and deliver one or more financing statements or supplements thereto or other instruments as Trustee may from time to time require to comply with the Idaho Uniform Commercial Code or other applicable law to preserve, protect, and enforce the security interest of Trustee and to pay all costs of filing such statements or instruments.

7. Borrower shall perform all acts required of it by said portion of the Collateral which requires performance by it.

8. Borrower shall: keep in effect all licenses, permits and franchises required by law or contract relating to Borrower's business, property or to the Collateral; be responsible for any loss or damage to the Collateral; at all times warrant and defend Borrower's ownership and possession of the Collateral; keep the Collateral free from any liens, encumbrances and security interests other than those consented to in writing by Bank; pay when due all taxes, license fees and other charges upon the Collateral; not misuse, conceal, or in any way

use or dispose of the Collateral or any of the proceeds thereof without the prior written consent of Trustee and Beneficiary; or take any action which is unlawful or contrary to the provisions of this Agreement or of any insurance coverage.

9. If Borrower fails to make any payments or perform any acts required by this Agreement, or which Trustee deems advisable to preserve the Collateral or any part thereof or the priority or perfection of Trustee's security interest, Trustee may advance funds for the same and such advances shall be one of the obligations secured hereby and shall be immediately payable with a finance charge thereon at the rate of Beneficiary's Prime rate plus 2% floating per annum. In protecting, exercising or assuring its interest or the interest of Beneficiary under this Agreement, Trustee may execute, sign and endorse on behalf of and in the name of Borrower negotiable and other instruments for the payment of money, documents of title, other evidences of title, payment, shipment or storage relating to the Collateral or the proceeds thereof.

10. Upon the occurrence of any default hereunder or under the Note or the Loan Agreement, and at any time thereafter, all of the obligations under the aforesaid Note shall, at the election of Trustee or at the direction of Beneficiary, become immediately due and payable and Trustee shall have the remedies of a secured party under the Idaho Uniform Commercial Code or other applicable law, and;

a. Trustee shall have the right to enter the premises under the control of Borrower where the Collateral or any records pertaining thereto may be and take possession of such Collateral and records.

b. Borrower shall, if requested by Trustee, assemble the Collateral and the records pertaining thereto at a place designated by Trustee.

c. Trustee may dispose of the Collateral and, after deducting the expense incurred by Trustee and Beneficiary, including reasonable attorneys fees and expenses, apply the revenue to pay the obligations under the Note.

11. Rights, powers, and remedies given to Trustee by this Agreement shall be in addition to all rights, powers and remedies given to Trustee by virtue of the Idaho Uniform Commercial Code or other applicable law. Any forbearance, failure, or delay by Trustee in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power, or remedy and any single or partial exercise of any right, power, or remedy hereunder shall not preclude the future exercise thereof. Every right, power, and remedy of Trustee shall continue in full force and effect until such right, power, or remedy is specifically waived by an instrument in writing executed by Trustee.

Executed the date and year first above written.

TRUSTEE:

FIRST INTERSTATE BANK OF IDAHO, N.A.

By _____
Its _____

BORROWER:

BONNEVILLE PACIFIC CORPORATION, a Utah corporation

By _____
Its SECRETARY

BENEFICIARY:

FIRST INTERSTATE BANK OF UTAH, N.A.

By _____
Its Vice President

STATE OF IDAHO )
: ss.
COUNTY OF Ada )

On the 11th day of September, 1984, personally appeared before me George Telford, who, being by me duly sworn, did say that he is the Vice President of FIRST INTERSTATE BANK OF IDAHO, N.A., and that the foregoing instrument was signed in behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said George Telford duly acknowledged to me that said corporation executed the same as Trustee.

Dana A. Olson
NOTARY PUBLIC

Residing at: Boise, Idaho

My Commission Expires:

8-2-88

STATE OF UTAH )
: ss.
COUNTY OF SALT LAKE )

On the 7th day of September, 1984, personally appeared before me Kenneth W Bell, who, being by me duly sworn, did say that he is the Vice-President of FIRST INTERSTATE BANK OF UTAH, N.A., and that the foregoing instrument was signed in behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said Kenneth W. Bell duly acknowledged to me that said corporation executed the same as Beneficiary.

NOTARY PUBLIC

Residing at: Huntsville Utah

My Commission Expires:

8-20-87

STATE OF UTAH )
: ss.
COUNTY OF SALT LAKE )

On the 7th day of September, 1984, personally appeared before me Robert W. Wood, who, being by me duly sworn, did say that he is the Secretary of BONNEVILLE PACIFIC CORPORATION, and that the foregoing instrument was signed in behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said Robert C. Wood acknowledged to me that said corporation executed the same as Borrower.

NOTARY PUBLIC

Residing at: Centerville Utah

My Commission Expires:

8-20-87

3870d

# EXHIBIT "A"

## Assignment of Water Rights

(Attached)

EXHIBIT "B"

Real property located in Twin Falls County, State of Idaho, described as follows:

PARCEL I

A parcel of land being situated in a portion of the NW1/4SW1/4 of Section 1, Township 11 South, Range 18 East of the Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

BEGINNING at the Northwest corner of said NW1/4SW1/4; thence along the Westerly boundary of said Section 1 South 0°25'00" East, 1094.50 feet (Recorded as South 0°25' East, 1081 feet in a deed dated Feb. 18, 1933 and recorded as Instrument No. 247618 in the Records of Twin Falls County, Idaho) to a point on the approximated centerline of the Low Line Canal; said point being the True Point of Beginning; thence along the Southerly boundary of said deeded property North 48°41'45" East, 1050.00 feet (Recorded as North 48°05' East, 1069 feet); thence South 73°53'04" East, 96.00 feet (Recorded as South 68°39' East, 96 feet) to the common property corner of lands owned by the Pringle Estate and recorded as Instrument No. 247618 and lands owned by the Twin Falls Canal Company and recorded as Instrument No. 306650 in the records of Twin Falls County, Idaho; thence along the Easterly property line of the Pringle Estate North 46°44'54" East, 128.00 feet (Recorded as North 45°16" East); thence North 44°41'08" West, 79.03 feet; thence South 84°21'52" West, 158.07 feet; thence South 53°35'00" West, 906.19 feet; thence South 78°47'00" West, 34.60 feet to a point on the Westerly boundary line of said Section 1; thence continuing along said line South 0°25'00" East, 250.10 feet to the True Point of Beginning.

PARCEL II

A parcel of land being situated in a portion of the N1/2SE1/4 of Section 2, Township 11

South, Range 18 East of the Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

BEGINNING at the Northeast corner of said N1/2SE1/4; thence along the Easterly boundary line of said Section 2 South 0°25'00" East, 1094.50 feet to a point on the approximate centerline of the Low Line Canal, said point lies North 0°25'00" West, 1560.60 feet from the Southeast corner of said Section 2 and is the True Point of Beginning; thence along said Easterly boundary line of Section 2 North 0°25'00" West, 215.46 feet; thence South 54°35'00" West, 275.00 feet; thence South 84°38'47" West, 1098.80 feet; thence South 0°25'00" East 152.40 feet to a point on the approximate centerline of the Low Line Canal; thence continuing along said canal centerline North 83°00'00" East, 359.70 feet; thence continuing along said canal centerline North 85°49'00" East, 833.70 feet; thence continuing along said canal centerline North 54°05'46" East, 160.59 feet to the True Point of Beginning.

3870d

State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

August 9, 1984

Bonneville Pacific Corporation
c/o David P. Hirschi
Parsons, Behle & Latimer
185 South State Street
P.O. Box 11898
Salt Lake City, UT 84147

RE: Assignment of Permit No. 01-7009 (Twin Falls Canal Company)

Gentlemen:

This office has reviewed the Assignment of the above referenced permit dated August 3, 1984 between Twin Falls Canal Company, Assignors, and Bonneville Pacific Corporation, a Utah corporation qualified to do business in the State of Idaho, as Assignee.

This office has also reviewed the Lease and Assignment between Twin Falls Canal Company and Bonneville Pacific Corporation dated March 16, 1984 and certain loan agreements between Bonneville Pacific Corporation and First Interstate Bank of Utah, N.A. (the construction lender), relating to the proposed Low Line Drop Project.

This letter confirms that this office has received the documentation needed to process the assignment of the above referenced permit from Twin Falls Canal Company to Bonneville Pacific Corporation. The material submitted satisfies the requirements of Sections 42-206 and 42-207, Idaho Code for the Assignment to Bonneville Pacific Corporation, and said Assignment is effective as of the date of this letter.

Sincerely,

L. Glen Saxton

L. GLEN SAXTON
Chief, Operations Bureau

LGS:sc

MICRO

MEMORANDUM

TO: File 0 -7009

FROM: Jim Johnson

DATE: August 9, 1984

RE: Assignment of Permit from Twin Falls Canal Co. to Bonneville Pacifif Corp.

On this day, I reviewed the documents provided in the letter from David P. Hirschi dated 8/7/1984.

My review of said information determined that neither an affidavit of residency nor a statement of ownership of facilities had been enclosed.

I reserached Dept. records and found that Bonneville Pacific Corporation had submitted Incorporation documents showing that they were qualified to conduct business in the State of Idaho in an assignment of permit of 37-7922. A copy of this document is now on file with this right.

A statement of ownership of facilities is not required from Bonneville Pacific Corporation because Twin Falls Canal Co. is the owner of the facilities and the Lease and Assignment Agreements state that Bonneville Pacific Corporation is using the canal facilities.

RECEIVED
AUG 8 1984
Department of Water Resources

LAW OFFICES OF
PARSONS, BEHLE & LATIMER
A PROFESSIONAL CORPORATION
185 SOUTH STATE STREET, SUITE 700
POST OFFICE BOX 11898
SALT LAKE CITY, UTAH 84147-0898
TELEPHONE (801) 532-1234
TELECOPIER (801) 521-9868

1101 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20036-4803
TELEPHONE (202) 659-0862

FORMERLY
DICKSON, ELLIS, PARSONS & McCREA
1882-1959

KEITH E. TAYLOR
JAMES B. LEE
JOHN A. DAHLSTROM
GORDON L. ROBERTS
F. ROBERT REEDER
WILLIAM L. CRAWFORD
LAWRENCE E. STEVENS
DANIEL M. ALLRED
HOWARD J. MARSH
YAN M. ROSS
ERIE V. BOORMAN
DAVID S. DOLOWITZ
KENT W. WINTERHOLLER
BARBARA K. POLICH
RANDY L. DRYER
CHARLES H. THRONSON
DAVID R. BIRD
RAYMOND J. ETCHEVERRY
FRANCIS M. WIKSTROM
DAVID W. TUNDERMANN
KREGE B. CHRISTENSEN
JAMES M. ELEGANTE
DAVID P. HIRSCHI
VAL R. ANTCZAK
PATRICK J. GARVER

C.C. PARSONS
1907-1968

CALVIN A. BEHLE
1947-

OF COUNSEL
GEORGE W. LATIMER
CONSTANCE K. LUNDBERG

SPENCER E. AUSTIN
JOHN B. WILSON
ROBERT C. HYDE
CRAIG B. TERRY
DAVID A. ANDERSON
KENT O. ROCHE
PATRICIA J. WINMILL
JAN P. BENSON
RANDY M. GRIMSHAW
J. STEPHEN RUSSELL
T. PATRICK CASEY
ALICE L. HEARST
HENRY D. MARSH
D. R. CHAMBERS
BYRON W. MILSTEAD
LOIS A. BAAR
JAMES E. MORTON
MICHAEL L. LARSEN
JONATHAN K. BUTLER
SUSAN R. POULTER
JULIA C. ATTWOOD

August 7, 1984

Mr. David Tuthill
Department of Water Resources
Statehouse
Boise, Idaho 83720

FEDERAL EXPRESS

Re: Assignment of Permit No. 01-7009 (Twin Falls Canal Company, as Assignor, to Bonneville Pacific Corporation, as Assignee).

Dear Mr. Tuthill:

As you are aware, this firm represents Bonnevile Pacific Corporation in connection with its hydroelectric projects in Southern Idaho.

Bonneville Pacific Corporation has entered into a Lease and Assignment Agreement with Twin Falls Canal Company dated March 16, 1984, a copy of which is enclosed herewith for your review. Under the Lease and Assignment Agreement, Twin Falls Canal Company has agreed to assign to Bonneville Pacific Corporation its approved Application for Permit No. 01-7009, a copy of which is also enclosed herewith for your review.

Bonneville Pacific Corporation is finalizing its construction loan for the project and it is necessary to have a consent from the Department of Water Resources to the Assignment prior to closing that loan. In connection with the loan, I am enclosing for your review the Loan Commitment dated August 1, 1984 from First Interstate Bank of Utah and a copy of the Construction Loan Agreement to be entered into by First Interstate Bank of Utah and Bonneville Pacific Corporation at the time of closing the loan.

MICROFILMED

Based upon the foreging, we are requesting the Idaho Department of Water Resources to formally approve the Assignment of Water Rights and Permit, an original copy of which is enclosed herewith. We suggest that that approval take the form of the draft letter which I have enclosed herewith for your convenience.

Please contact me should you have any questions or comments concerning the request. We will appreciate receiving the consent of the Department of Water Resources at your earliest convenience.

Very truly yours,

PARSONS, BEHLE & LATIMER

David P. Hirschi

DPH/ms
Enclosures

ASSIGNMENT OF WATER RIGHTS AND PERMIT

THIS ASSIGNMENT made and entered into this 3rd day of August, 1984, by and between TWIN FALLS CANAL COMPANY, an Idaho corporation (hereinafter referred to as "Assignor"), and BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho (hereinafter referred to as "Assignee"),

W I T N E S S E T H:

WHEREAS, Assignor has obtained an approved Application for Permit to Use Water Resources in the State of Idaho, Permit No. 01-7009 (hereinafter referred to as the "Permit"), a copy of which is attached hereto as Schedule "I" and by this reference made a part hereof; and

WHEREAS, in connection with that certain Lease and Assignment Agreement between Assignor and Assignee, dated March 16, 1984, incorporated herein by this reference, Assignor desires hereby to assign to Assignee all of its right, title and interest in and to said Permit for the purpose of holding said Permit for and on behalf of the Low Line Drop Hydro-electric Project, a hydroelectric project located on the Low Line Canal, being part of the Northwest Quarter of the South-west Quarter of Section 1, Township 11 South, Range 18 East of the Boise Meridian and the North 1/2 of the southeast Quarter of Section 2, Township 11 South, Range 18 East of the Boise Meridian, Twin Falls County, Idaho.

MICROFILMED

NOW, THEREFORE, for TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby assigns to Assignee all of its right, title and interest in and to the Permit as contained in Schedule "I" attached hereto, to hold and use the same for and on behalf of said Low Line Drop Hydroelectric Project during the entire term of the project as more specifically set forth in said Lease and Assignment Agreement.

2. Assignee hereby accepts the assignment of said Permit as contained in Schedule "I" in accordance with the terms hereof.

3. Assignee agrees to allow the rights and interests referred to in said Permit to be used in connection with the Low Line Drop Hydroelectric Project in accordance with said Lease and Assignment Agreement.

4. To induce the Assignee to accept this assignment and the rights and obligations pursuant thereto, Assignor hereby represents to the Assignee as follows:

(a) Said Permit is in full force and effect; and

(b) Upon approval of the Department of water Resources, State of Idaho, said Permit is assignable.

5. That in consideration of the Assignor executing and delivering this Assignment, Assignee covenants with Assignor as follows:

(a) That the Assignee will duly keep, observe and perform all of the terms, conditions and provisions of the Permit that are to be kept, observed and performed by the Assignor;

(b) That Assignee will not further assign the rights or Permit conveyed hereunder without the prior written consent of the Assignor and the prior written consent of the Director or Administrator of the Department of Water Resources, State of Idaho; and

(c) That at the end of the lease and assignment term as described in the Lease and Assignment Agreement, Assignee will assign the Permit to Assignor and this Agreement shall thereafter become null and void.

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

ASSIGNOR:

TWIN FALLS CANAL COMPANY, an Idaho corporation

By _____
Its President

ASSIGNEE:

BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho

By _____
Its Secretary

STATE OF IDAHO )
) ss.
County of Twin Falls)

On this 3rd day of August, 1984, before me, a Notary Public, in and for said County and State, personally appeared Maurice V. Klaas, known or identified to me to be the President of Twin Falls Canal Company, an Idaho corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

_____
NOTARY PUBLIC FOR IDAHO
Residing at Twin Falls

STATE OF ~~IDAHO~~UTAH )
) ss.
County of Salt Lake)

On this 7th day of August, 1984, before me, a Notary Public, in and for said County and State, personally appeared Robert L. Wood, known or identified to me to be the Secretary of Bonneville Pacific Corporation, a Utah corporation that executed the foregoing instrument or the person who executed the instrument on behalf of the corporation, and acknowledged to me that such corporation executed the same.

MICROFILMED

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

Deborah Buckley

NOTARY PUBLIC FOR ~~IDAHO~~ UTAH
Residing at Salt Lake City

SCHEDULE "I"

TWIN FALLS CANAL COMPANY APPROVED
APPLICATION FOR PERMIT NO. 01-7009
AND REQUEST FOR EXTENSION OF TIME RELATING
TO APPLICATION NO. 01-7009
(Attached)

MICROFILMED

PETE T. CENARRUSA
SECRETARY OF STATE
STATE CAPITAL
BOISE, IDAHO

# State of Idaho

## Department of State.

*I, PETE T. CENARRUSA, Secretary of State of the State of Idaho and custodian of the Seal of said State, do hereby certify that the annexed is a full, true and complete transcipt of* the articles of incorporation of BONNEVILLE PACIFIC CORPORATION, a Utah corporation, received and filed in this office on the 30th day of November, 1982, as appears of record in this office as of this date.

*IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Idaho.*

*Done at Boise, Idaho, this* 30th *day of* November *A.D., 19* 82.

Pete T. Cenarrusa
Pete T. Cenarrusa
*Secretary of State*

Marilyn Johnson
*Corporation Clerk*

MICROFILMED

CCC 2-79 MICROFILMED **Certificate of Certified Copy**

State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

June 10, 1982

Maurice Klaas, President
Twin Falls Canal Company
P.O. Box 326
Twin Falls, ID 83301

Dear Mr. Klaas:

Re: Permit No. 01-7009

Enclosed is a copy of the approved request for extension of time. The time within which to submit the statement of beneficial use is extended to July 1, 1987.

Enclosed is Receipt No. 23689 in the amount of $15.

Sincerely,

RITA I. FLECK
Sr. Secretary

Enclosures
cc: John Rosholt

MICROFILMED

P A Y E E: DETACH THIS STATEMENT BEFORE DEPOSITING

NELSON, ROSHOLT, ROBERTSON, TOLMAN AND TUCKER, CHARTERED
TWIN FALLS, IDAHO

| DATE | INVOICE NO. | DESCRIPTION | AMOUNT | DISCOUNT OR DEDUCTION | NET AMOUNT |
|---|---|---|---|---|---|
| 5/19/82 | | 514/ File Request for Extension of Time. 2,010. TFCC/Low Line. | $15.00 | | $15.00 |

MICROFILMED

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
ATTORNEYS AT LAW
IDAHO FIRST NATIONAL BANK BUILDING
P.O. BOX 1906
TWIN FALLS, IDAHO 83301
(208) 734-0700

DATE: 5/19/82

TO:
DWR
Boi
ATTN: Jim Tourtellotte

RE:
01-7009 - Trout

Think this is now finally.
Also enclosed is filing Fee.

Regards,
NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER

BY .....

RECEIVED
OCT 20 1981
Department of Water Resources

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
ATTORNEYS AT LAW
P. O. BOX 1906
TWIN FALLS, IDAHO 83301
TELEPHONE (208) 734-0700

THOMAS G. NELSON
JOHN A. ROSHOLT
J. EVAN ROBERTSON
STEVEN K. TOLMAN
JAMES C. TUCKER

SUN VALLEY-KETCHUM OFFICE
P.O. BOX 2399
SUN VALLEY, IDAHO 83353
TELEPHONE (208) 726-4491

October 16, 1981

| Route To | | Date | Initial |
|---|---|---|---|
| | Director | | AKD |
| | Deputy Dir. | | |
| ✓ | Reso. Adm. | | DCR |
| ✓ | Reso. Analysis | | |
| ✓ | Oper. Bureau | | |
| | Proj. Stud. Bu. | | |
| ✓ | Reg. Off. Bu. | | RDE |
| | Tech. Serv. Bu. | | |
| | | | |
| | | | |
| | | | |
| ✓ | File: | | |

IN Twin Falls Canal Co
File only DRT 11-4-81
01-7063
01-7009
01-2027
01-7011

TO: Canyon View Irrigation Company
John Hepworth 02-7100
Tom Schafer
Salmon Falls
Bureau of Reclamation
Lloyd Webb
Bill Lanting
Tuana Mutual Irrigation Company
Bob Weaver 02-1101
Keith Munsee 02-7130
Bill Blass
Yahoo Irrigation Company
Harry LeMoyne
Grindestone Butte Mutual Canal Company
Bill Ringert 02-7265
James R. Kent
Little Pilgrim Irrigation Company
Steven Lund
Chuck Brockway
Mountain View Irrigation Company
Don Potucek
Randy Quigley
Bell Rapids
Darrell Savage

Re: Water Conveyance

Gentlemen:

The Twin Falls Canal Company Board of Directors are concerned about proposals for the conveyance of water through their system. The Board has one lawsuit presently pending seeking the condemnation of such right. One formal proposal has been presented for their consideration. They have been advised by two other addressees of this letter that they will present formal proposals for water conveyance. The Board is also aware generally that others of you may well be at some point in preparing a proposal for the Company. Recognizing that litigation of these issues may well be fruitless and so that we might discuss the interests of each of you, the Twin Falls Canal Company has scheduled a meeting for October 28,

MICROFILMED

1981, at 1:30 o'clock p.m., in the Mini-Auditorium in the College of Southern Idaho Vocational Tech Building in Twin Falls.

It would be the Board's hope at this meeting that each of you could identify your interests and freely discuss your plans. Feel free to invite your entire Board and other groups that you know are similarly situated.

We look forward to seeing you on October 28th.

Respectfully submitted,

John A. Rosholt

JOHN A. ROSHOLT
Attorney for Twin Falls
Canal Company

JAR:bg

MICROFILMED

CERTIFIED MAIL
#138737

Apirl 30, 1982

Twin Falls Canal Company
P. O. Box 326
Twin Falls, ID 83301

Gentlemen:

One of the conditions of approval of your water permit No. 01-7009 was that evidence of the extent of development must be submitted to this office on or before July 1, 1982. (See last page of your approved permit). Enclosed is a postcard which may be used to submit the required proof of beneficial use.

If you have not fully completed your project, and you have not previously received an extension of time, you may request an extension of time provided the delay is for reasonable cause as indicated in Section 42-204, Idaho Code, amended. If you have been prevented from proceeding by a governmental agency or by litigation, more than one extension of time can be granted. A request for extension of time form is enclosed for your convenience. Please note that a fee of $15.00 must be submitted with this form.

Either the beneficial use postcard or a request for an extension of time must be received by this department on or before the above-mentioned date, otherwise, the permit will lapse and be of no further force or effect within sixty days.

Sincerely,

RITA I. FLECK
Sr. Secretary

Enclosures

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
ATTORNEYS AT LAW
IDAHO FIRST NATIONAL BANK BUILDING
P.O. BOX 1906
TWIN FALLS, IDAHO 83301
(208) 734-0700

RECEIVED
DEC 1 1981
Department of Water Resources

DATE: 11/30/81

TO: Jim Thomson
Dwr - Boi

RE: Extentions of Time

The request form and check were not returned with this letter. Therefore, we should process the proof of beneficial use as normal when the time comes.
Jean 12/1/81

Jim - Thanks for your Ltr of 11/23/81 on my Request for extention for Permit # 01-7009 in Name of T.K. Pond. Since the form does not require a date, I thought You could keep it in Your file and when May 1, 1982 Came Around, Your Computer wouldn't have to send me a Letter.

Regards,
John Rosholt

MICROFILMED
NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
BY

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
ATTORNEYS AT LAW
P. O. BOX 1906
TWIN FALLS, IDAHO 83301

Mr. Jim Johnson
Department of Water Resources
Statehouse
Boise, Idaho 83720

MICROFILMED

S .e of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

November 23, 1981

RE: Permit No. 01-7009

John Rosholt
NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
P.O. Box 1906
Twin Falls, ID 83301

Dear John:

I received the request for extension of time in which to submit proof to beneficial use of water under Permit No. 01-7009 which you submitted on 10/29/1981.

Normally we do not accept requests for extension that are submitted six months prior to the beneficial use date unless there is a reasonable cause for doing so. If we were to process this request in November we could not extend the proof due date past 5 years from the date of the request. This would make the proof due for this permit on November 1, 1986, rather than July 1, 1987.

The Department will send the permit holder a notice that either proof to beneficial use is due or an extension of time request is necessary 60 days prior to July 1, 1982. Therefore, I am returning the extension request form with Check No. 4324, 92-39/1241. If you wish to have us process the request now, please return it with an explanation.

If you have any questions, please let me know. Have a happy Thanksgiving.

Sincerely,

JIM JOHNSON
Water Distribution Supervisor

JJ:kw
Enclosures

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER
ATTORNEYS AT LAW
IDAHO FIRST NATIONAL BANK BUILDING
P.O. BOX 1906
TWIN FALLS, IDAHO 83301
(208) 734-0700

RECEIVED
NOV 5 1981
Department of Water Resources

RECEIVED
NOV 1 1981
Department of Water Resources
Southern District Office

DATE: 10/29/81

TO: Lorin Holmes
Dan

RE: TFCC - Low Line

Please find enclosed Request for
Extension and $15 Check.

Yours truly,

NELSON, ROSHOLT, ROBERTSON, TOLMAN & TUCKER

BY Tom Rosholt

August 1, 1977

Re: Permit No. 01-7009

Twin Falls Canal Company
P. O. Box 326
Twin Falls, ID 83301

Gentlemen:

Enclosed is a copy of your approved Application for Permit No. 01-7009 . We direct your attention to the conditions of approval as listed on the fourth page.

Be sure to note that a special condition requiring you to either install and maintain a measuring device at your point of diversion or to provide the Department a certified measurement of the systems diversion capacity prior to submitting proof of beneficial use of water. We have enclosed a letter describing the different types of measuring devices accepted by this office.

Sincerely,

BOBBY D. FLEENOR
Chief, Operations Bureau

BDF/cah

Enclosure

FEDERAL POWER COMMISSION
REGIONAL OFFICE
U. S. CUSTOM HOUSE
SAN FRANCISCO, CA. 94111

Department of Water Resources

July 12, 1977

Mr. Verl G. King
Chief, Permits, Loans &
Land Grant Section
State of Idaho
Department of Water Resources
Statehouse
Boise, Idaho 83720

Dear Mr. King:

Thank you for letter of June 30, 1977, advising of Application No. 01-7009 filed on March 30, 1977, by the Twin Falls Canal Company for a permit to divert water from the Snake River for power purposes.

On the basis of the limited information contained in the application, it appears that the proposed project would require a license by the Federal Power Commission. In any event, the Federal Power Act (Section 23(b)) requires that the proponent of a project, such as the one in question, file with the Commission a declaration of intention before undertaking construction. Upon receipt of the declaration of intention the Commission will instigate an investigation to determine if the interests of interstate or foreign commerce would be affected by the proposed project and if an application for license should be filed.

Twin Falls Canal Company is being informed of the action it should take regarding the proposed project by our letter of July 12, a copy of which is enclosed for your information.

Very truly yours,

George R. Bell

George R. Bell
Regional Engineer

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

FEDERAL POWER COMMISSIO.
REGIONAL OFFICE
U. S. CUSTOM HOUSE
SAN FRANCISCO, CA. 94111

July 12, 1977

COPY

Mr. Jose Baringa
President
Twin Falls Canal Company
P.O. Box 326
Twin Falls, Idaho 83301

Dear Mr. Baringa:

The State of Idaho, Department of Water Resources, has furnished us a copy of Application No. 01-7009 by which Twin Falls Canal Company seeks a permit to divert 1,500 cfs of water from the Snake River for the purpose of developing hydroelectric power.

From information provided in the application it appears that Twin Falls Canal Company should apply for a license from the Federal Power Commission to construct, operate, and maintain the proposed project. If you question the Commission's licensing jurisdiction, you are required, nevertheless, to file a declaration of intention with the Commission before construction. Upon the filing of a declaration of intention the Commission will instigate an investigation to determine if the interests of interstate or foreign commerce would be affected by the proposed project and if a license is required.

Since the capacity of the proposed project, as stated in the application, would be 13,500 hp, the project would be classed as a major project. Applications for license for major projects should be prepared and filed in accordance with Section 4.40 of the Regulations Under the Federal Power Act (18 CFR 4.40). A copy of 18 CFR 4.40 and pertinent regulations which are cross-referenced in Section 4.40 (Sections 2.80, 2.81(a), 4.30, 4.31, 4.32, 4.33, 4.41, 4.42, 131.2, 131.3, and 131.4) are enclosed for your convenience.



Also enclosed for your convenience are copies of Section 23(b) of the Federal Power Act and Part 24 of the Regulations Under the Federal Power Act (18 CFR 24) regarding the filing of declarations of intention.

If you have any question regarding this matter, feel free to contact this office.

Very truly yours,

George R. Bell
Regional Engineer

Enclosures

cc: Verl G. King, Chief
Permits, Loans & Land Grant Section
State of Idaho, DWR

# State of Idaho

## Department of State.

*I, PETE T. CENARRUSA, Secretary of State of the State of Idaho and custodian of the Seal of said State, do hereby certify that the annexed is a full, true and complete transcipt of articles of incorporation, as amended, of* TWIN FALLS CANAL COMPANY, *an Idaho corporation, received and filed in this office as appears of record in this office as of this date.*



*IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Idaho.*

*Done at Boise, Idaho, this 11th day of* ~~April~~ *A.D., 19 77*

Pete T. Cenarrusa

Pete T. Cenarrusa

*Secretary of State*

Megan Zapp

*Corporation Clerk*

**Certificate of Certified Copy**

# ARTICLES OF INCORPORATION

of the

## TWIN FALLS CANAL COMPANY

KNOW ALL MEN BY THESE PRESENTS; That the undersigned have formed and by these presents do form an incorporation under and pursuant to the provisions of Chapter 1, Title IV of the Revised Codes of Idaho, and acts amendatory thereof, and for that purpose do agree as follows, to-wit:

### ARTICLE I

The parties to this agreement and their respective places of residence are as follows, to-wit:

[illegible], Twin Falls, Idaho.

[illegible] Corlin, Twin Falls, Idaho.

H. C. Milner, Twin Falls, Idaho.

W. O. Taylor, Twin Falls, Idaho.

Twin Falls Land and Water Company, a corporation under the laws of Utah, of Salt Lake City, Utah.

### ARTICLE II

The name of the corporation hereby formed is "TWIN FALLS CANAL COMPANY".

### ARTICLE III

The purposes for which this corporation is formed are to own, hold, maintain, and operate a certain canal and a dam across Snake River, in Idaho, connected therewith, which said dam is now

constructed and is located at"The Cedars", near the section line dividing sections 28 and 29 in Township 10 South, Range 21 East of the Boise Meridian, and which canal and its subdivisions are to extend on the southerly side of Snake River, for the purpose of diverting water from said Snake River; also for the purpose of acquiring from the Twin Falls Land and Water Company all and singular its rights to the appropriation of water made by said last named corporation for use on the south side of said river; also to acquire, hold, maintain, and distribute among its stockholders and others equally and ratably the water diverted from said Snake River by and through said dam and canal and pursuant to the appropriation aforesaid, and for that purpose to fix, charge and collect from its said stockholders and others using the waters so furnished by it or entitled to use the same, reasonable tolls, rentals, maintenance or service charges, in such manner as may be determined by regulations or by-laws adopted for that purpose, or by means of assessments levied upon its stock in accordance with the laws of the State of Idaho; to regulate, control and distribute to its various share holders in accordance with their respective holdings, and to others entitled thereto the waters furnished through its various irrigation works, including the laterals from its main canal; to determine and fix the parcel or parcels of land to which the water furnished any stockholder or other person shall be appurtenant; to construct, maintain, and operate, for the benefit of its stockholders and others, storage reservoirs for the impounding of waters appropriated by it; to construct, purchase or lease, and maintain a telephone system to be used in the proper conduct of its business; to manage, lease and dispose of all other uses to which the water in said canal system may be devoted, including power and mining purposes; to buy, own, hold, lease, and dispose of such real and personal property as may be necessary or expedient for the proper con-

duct of its business; to commence, prosecute or defend suits, to determine water rights affecting said canal system or the lands covered thereby, or for any and all other purposes; to assess, fix, charge, and collect from its stockholders and others entitled to the use of water from or through its canal system, tolls, rentals, assessments, maintenace charges and expenses for the delivery of water and in conducting the business affairs of said corporation, based upon the number of shares of stock held by each person or proportioned to the amount of water used or owned by any party entitled to use water from or through said canal system, or by both such methods, or by assessments upon the capital stock levied in accordance with the laws of the State of Idaho, or such other method as may be prescribed by the By-laws of said corporation, and to provide the manner of collecting the same and the penalty to attach for non-payment thereof, and generally to do any and all things necessary and proper to be done in conducting the business or enabling it, its stockholders, and others, water for irrigation and domestic purposes.

And this corporation shall have power to borrow money and to execute or negotiate notes, bonds, or other obligations, for the payment of money for the purpose of raising revenues to defray the expense of the management, maintenance, and operation of its canal system.

ARTICLE IV.

The place where its principal business is to be transacted, and the place where the meetings of its stockholders shall be held is Twin Falls, Idaho; but offices may be maintained for the transaction of its financial business at other places, designated from time to time by the Board of Directors.

ARTICLE V

The term for which this corporation shall exist is

fifty (50) years.

ARTICLE VI

The business of this corporation shall be managed and its affiars conducted by a board of five (5) directors, who shall appoint from their own number the following officers, to-wit: A President, a Vice President, a Secretary, and a Treasurer. One person may hold the office of Secretary and Treasurer.

For the first year and until their successors are duly elected and qualified the following named persons shall be directors of this corporation, vis: A. C. Milner, H. C. Milner, Fred A. Voigt, Mark A. Coffin, and W. O. Taylor.

The Board of Directors of this corporation may appoint an executive committee of its members, equal in number to at least one-third of the number of its directors, and such committee shall have all the powers, rights and privileges of the said Board of Directors.

ARTICLE VII

The capital stock of the corporation shall be Two Hundred Forty Thousand ($240,000) Dollars, divided into two hundred forty thousand shares of the par value of One ($1.00) per share.

The amount thereof actually subscribed and the number of shares subscribed by each of the subscribers, are as follows:

| | | |
|---|---|---|
| A. C. Milner | 1 share | 1.00 |
| Fred A. Voigt | 1 share | $1.00 |
| Mark A. Coffin | 1 " | 1.00 |
| H. C. Milner | 1 " | 1.00 |
| W. O. Taylor | 1 " | 1.00 |
| Twin Falls Land and Water Co. | 239,995 shares | 239,995.00 |
| | 240,000 " | $240,000.00 |

IN WITNESS WHEREOF the parties first above named hereunto set their hands and the said Twin Falls Land and Water Company has caused this instrument to be signed by its Secretary, with its corporate

seal hereunto affixed this 25th day of September, 1909.

Fred A. Voigt
Mark A. Coffin
H. O. Milner.
W. O. Taylor

TWIN FALLS LAND & WATER CO. CORPORATE Seal UTAH

TWIN FALLS LAND AND WATER COMPANY

By Fred A. Voigt.
Secretary.

STATE OF IDAHO )
) ss.
COUNTY OF TWIN FALLS. )

On this 21st day of September, 1909, before me a Notary Public in and for said State and county, personally appeared Fred A. Voigt, Mark A. Coffin, H.O. Milner, and W. O. Taylor, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and each acknowledged to me that he executed the same.

And also personally appeared before me, at the same time, Fred A. Voigt, personally known to me to be the Secretary of the said Twin Falls Land and Water Company, the corporation that executed the foregoing Articles of Incorporation and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notorial seal at Twin Falls, Idaho, the date last above written.

(Seal)
( Grace A.Kiersted )
( NOTARY PUBLIC, )
( My commission expires)
( July 3 1911 )
( Twin Falls County, )
( IDAHO. )

Grace A.Kiersted,
Notary Public in and for Twin Falls County, Idaho.
My Commission expires July 3, 1911.

STATE OF IDAHO, )
: ss.
COUNTY OF TWIN FALLS, )

I, H. T. West, Clerk of the District Court of the Fourth Judicial District of the State of Idaho, in and for Twin Falls County and ex-officio County Recorder for said Twin Falls County, do hereby certify that the above and foregoing is a full, true and correct copy of the articles of incorporation of the Twin Falls Canal Company, the original of which was this day filed in my office.

In witness whereof I hereunto subscribe my name and affix my seal of office this 27th day of September, 1909.

H. T. West

County Recorder.

CERTIFIED COPY V 6548

No. 48 of

ARTICLES OF INCORPORATION

of

TWIN FALLS CANAL COMPANY.

(Copy)

STATE OF IDAHO }
County of Twin Falls } ss.

I hereby certify that this instrument
was filed for record at request of
[illegible]
[illegible] minutes past [illegible]
o'clock [illegible] M. this [illegible]
day of [illegible] A.D. 190[illegible] in my
office, and duly recorded in Book
[illegible] of [illegible] at
Page [illegible]

[illegible]
Ex Officio Recorder.

[illegible] Deputy.

Fees $ [illegible]

Cert Copy $2.00

DEPARTMENT OF STATE,
Secretary's Office.
Filed this 29 day of
September 1905 A.D.
at 9 o'clock A. M. and recorded in Book
1 Misc. Corpns.
Page 226
of the State of Idaho.
[illegible]
Secretary of State.

65 80

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION OF TWIN FALLS CANAL COMPANY.

- - - - - - -

This is to certify that a regular annual meeting of the stockholders of the Twin Falls Canal Company, a corporation, organized under the laws of the State of Idaho, was held at Twin Falls, Idaho, on January 14, 1919, pursuant to notice duly given in compliance with Section 4 of Article 1 of the By-laws of the said Twin Falls Canal Company; that 78,108.6 shares of the capital stock of the Twin Falls Canal Company was represented at said meeting and that at said meeting the following resolution was proposed:

> "WHEREAS, Article 6 of the Articles of Incorporation of Twin Falls Canal Company provides, in part, as follows: 'The business of this corporation shall be managed and its affairs conducted by a Board of five (5) directors, who shall appoint from their own number the following officers, to-wit: a President, a Vice-President, a Secretary and a Treasurer. One person may hold the office of Secretary and Treasurer.'
>
> And, WHEREAS, it is believed that a change is desired so that the Secretary shall not be a director but shall be chosen by the Board of Directors outside of the membership of said Board:
>
> NOW, THEREFORE, be it RESOLVED: that Article 6 of the Articles of Incorporation, be, and the same is hereby amended as to the part above set forth to read and provide as follows:
>
> 'The business of this corporation shall be managed and its affairs conducted by a board of five (5) directors, who shall appoint from their number the following officers, to-wit: a President, and a Vice-President, and shall appoint or elect a Secretary and Treasurer not a member of said board of directors. One person may hold the office of Secretary and Treasurer.'

That said resolution was duly submitted to the stockholders for acceptance or rejection by stock vote, with the following results:

"Yes" 63,049.2

"No" 1,831.62.

And it appearing that more than two-thirds of the stock represented at said regular meeting voted in favor of the resolution as required by Chapter 46, Laws of Idaho for the year 1917; it was thereupon declared that paragraph 1 of Article 6 of the Articles of Incorporation of the Twin Falls Canal Company, a corporation organized under the laws of the State of Idaho, was, and the same hereby is, duly amended by a two-thirds vote of the stock represented at a regular meeting of the stockholders of said corporation to read as follows:

> "The business of this corporation shall be managed and its affairs conducted by a board of five directors, who shall appoint from their number the following officers, to-wit: a President and Vice-President, and shall appoint or elect a Secretary and a Treasurer not a member of the said Board of Directors. One person may hold the office of Secretary and Treasurer."

O. G. Zuck.
Chairman of Stockholders Meeting.

Edwin N Day
Secretary of Stockholders Meeting.

STATE OF IDAHO, )
) SS.
County of Twin Falls.)

O. G. Zuck, being duly sworn deposes and says:

That he is the O. G. Zuck who was Chairman of the regular meeting of the stockholders of the Twin Falls Canal Company, a corporation organized under the laws of the State of Idaho, held at Twin Falls, Idaho, on January 14, 1919; that he has subscribed his name to the foregoing certificate as Chairman of said stockholders meeting; that he has read the foregoing certificate and knows the contents thereof and that the facts therein stated are true.

O. G. Zuck.

SUBSCRIBED and SWORN to before me this 22nd day of February, A.D. 1919.

L. H. Haeden

Notary Public in and for Twin Falls County, State of Idaho, Residing at Burley Idaho

STATE OF IDAHO, )
) SS.
COUNTY OF TWIN FALLS.)

Edwin N. Day being duly sworn deposes and says:

That he is the Edwin N. Day who was Secretary of the regular meeting of the stockholders of the Twin Falls Canal Company, a corporation organized under the laws of the State of Idaho, held at Twin Falls, Idaho, on January 14, 1919; that he has subscribed his name to the foregoing certificate as Secretary of said stockholders meeting; that he has read the foregoing certificate and knows the contents thereof and that the facts therein stated are true.

Edwin N Day

SUBSCRIBED and SWORN to before me this 15th day of February, A.D. 1919.

Notary Public in and for Twin Falls County, State of Idaho, Residing at Twin Falls.

IN WITNESS WHEREOF, we, the majority of the Board of Directors of the Twin Falls Canal Company, a corporation organized under the laws of the State of Idaho, have hereunto set our hands this ____ day of February, A.D. 1919.

Executed in the presence of

J. H. Barker

Irvin G. Linder

Claud Brown

John W. Fisher

D. F. Detweiler

STATE OF IDAHO, )
) SS
County of Twin Falls.)

On this 12 day of Mar, 1919, before me, J. A. Ross, a Notary Public, personally appeared J. H. Barker, Ivan G. Lueder, Claude Bowen, John W. Freburg and D. F. Dutweiler, known to me to be a majority of the Board of Directors of the Twin Falls Canal Company, a corporation organized under the laws of the State of Idaho, and to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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

J. A. Ross
Notary Public in and for Twin Falls County, State of Idaho, residing at Twin Falls, Idaho.

State of Idaho }
County of Twin Falls } ss.

**Certificate of True Copy--Recorder**

*I, C. C. SIGGINS, Ex-Officio Recorder in and for Twin Falls County, State of Idaho, do hereby certify that the annexed is a full, true and correct copy of a certain* Amended Articles of Incorporation of Twin Falls Canal Company

*from* ..... *to* ..... *as the same appears on record in* ~~Book XXX~~ ..... *of* ~~at page~~ ....., *Records of Twin Falls County, State of Idaho.*

*IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official Seal this* 17 *day of* March *A. D.* 1919

*By* C. F. Bowen, *Deputy*

C. C. Siggins IV
*Ex-Officio Recorder.*

Amendment to

Certified Copy of the Articles of Incorporation of

Twin Falls

Canal Co.

DEPARTMENT OF STATE,
Secretary's Office,
Filed this 25 day of
March, 1919 at 10
o'clock A. M. and Recorded in Book
A-10 of Domestic Corps
on page 383—384
Records of the State of Idaho.
Robt. N. Lansdon
Secretary of State.
By R. L. Wilkerson
Chief Clerk.

2.00
2.00
1.00

INDEXED CORPORATION

INDEXED GENERAL

# State of Idaho

## Department of State.

## CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

I, JAS. H. YOUNG, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the

TWIN FALLS CANAL COMPANY

a corporation organized and existing under and by virtue of the laws of the State of Idaho, filed in this office on the 22nd day of October 19 57, original articles of amendment, as provided by Sections 30-147 and 30-160, Idaho Code, extending the corporate existence to perpetual

and that the said articles of amendment contain the statement of facts required by law, and are recorded on Film No. 100 of Record of Domestic Corporations of the State of Idaho.

I THEREFORE FURTHER CERTIFY, That the Articles of Incorporation have been amended accordingly.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this 22nd day of October, A. D., 19 57.

Secretary of State

CERTIFICATE OF EXTENSION OF CORPORATE EXISTENCE

OF TWIN FALLS CANAL COMPANY

STATE OF IDAHO )
) ss.
County of Twin Falls )

FAY FRAHM and ALFRED KRAMER do hereby certify:

1. That the said Fay Frahm is and continuously since before April 9, 1957, has been the duly elected, qualified and acting President of Twin Falls Canal Company, an Idaho corporation, and that Alfred Kramer is and continuously since before April 9, 1957, has been the duly elected, qualified and acting Secretary of Twin Falls Canal Company, an Idaho corporation.

2. That on the 9th day of April, Nineteen Hundred and Fifty-Seven, a special meeting of the Board of Directors of the Twin Falls Canal Company was held at the company offices in Twin Falls, Idaho, at which meeting all directors were present and at which meeting the following resolution was adopted by unanimous vote of the members of the Board:

WHEREAS, this corporation was duly incorporated under the laws of Idaho on or about October 25, 1909, for a period of fifty years which at the time of such incorporation was the maximum period for which corporations could be organized in this State.

WHEREAS, since its incorporation this company has received and now holds in trust for its shareholders certain water rights and irrigation works appurtenant to the lands of such shareholders; and

WHEREAS, this corporation now maintains and operates for its shareholders said irrigation works; and

WHEREAS, it would be of great detriment to the shareholders of this company if this corporation ceased to exist and would for that reason be unable to perform the services which it renders to its shareholders in connection with the ownership of said water rights and the ownership, operation and maintenance of said irrigation works.

NOW, THEREFORE, be it resolved by the Board of Directors of Twin Falls Canal Company, more than two-thirds of the membership of said Board concurring, that this Board finds that it will be for the best interests of the stockholders of this corporation that the corporate existence of this corporation be extended perpetually and hereby proposes to make such extension; that for the purpose of making such extension a special meeting of the Board of Directors of this corporation shall be held at the company offices in the City of Twin Falls, County of Twin Falls, State of Idaho, on Tuesday, the 14th day of May, 1957, at the hour of ten o'clock a.m., at which time and place the Board of Directors, unless shareholders representing more than one-third of the outstanding stock of the corporation object thereto, will consider the proposal herein made to extend the existence of this corporation perpetually.

AND BE IT FURTHER RESOLVED that the question of extending said corporate existence at said special meeting shall be determined by the Board of Directors upon affirmative and negative votes to be cast upon the adoption of the following resolution, to-wit:

> "BE IT RESOLVED by the Board of Directors of Twin Falls Canal Company, an Idaho corporation, at least two-thirds of the members of such Board concurring, that the term of corporate existence of this corporation be and the same is hereby extended perpetually."

AND BE IT FURTHER RESOLVED that the Secretary of this corporation be and he is here authorized and directed to give to each shareholder at his last known mailing address, notice of sa special meeting, and to cause such notice to be published at leas once a week for four consecutive weeks prior to said meeting in the Times-News, a newspaper of general circulation in Twin Falls County where the registered office of this corporation is situate said notice to be substantially in the following form:

NOTICE OF PROPOSAL TO EXTEND THE CORPORATE EXISTENCE OF TWIN FALLS CANAL COMPANY

---

Notice is hereby given to the stockholders of Twin Falls Canal Company, an Idaho corporation:

1. That on the 9th day of April, 1957, the Board of Directors of Twin Falls Canal Company, having found by vote of more than two-thirds of the membership of said Board that the best interests of the shareholders of this corporation would be served by extending the term of corporate existence of this corporation perpetually, have proposed so to extend such corporate existence and for the purpose of so doing have fixed Tuesday, the 14th day of May, 1957, at the hour of ten o'clock a.m. at the office of the corporation in the City of Twin Falls, County of Twin Falls, State of Idaho, as the time and place for a special meeting of said Board of Directors for the consideration of said proposal to extend the existence of said corporation perpetually.

2. That any stockholder who objects to such proposed extension may make such objection in writing, which written objection may be mailed to the corporation at the registered office in Twin Falls, Idaho, by registered, certified or regular mail, or such written objection may be personally served upon the President or Secretary of said corporation; likewise, any stockholder may appear at such Directors' meeting in person or by written proxy filed at the time of the meeting and make objection to such proposed extension.

3. That unless stockholders representing one-third of the outstanding capital stock of the corporation make objection to such proposed extension at or prior to said meeting in one or more of the methods above specified, then the Board of Directors will proceed to consider such proposal by voting upon the adoption of the following resolution, to-wit:

"BE IT RESOLVED by the Board of Directors of the Twin Falls Canal Company, an Idaho corporation, at least two-thirds of the membership of such Board concurring, that the term of corporate existence of this corporation be and the same is hereby extended perpetually."

Dated this 9th day of April, 1957.

/s/ ALFRED KRAMER
Secretary

(SEAL)

That pursuant to said resolution the said Alfred Kramer, on or before the 14th day of April, 1957, mailed copies of the Notice of Proposal to extend the corporate existence of Twin Falls Canal Company, to each shareholder of said corporation at his last known mailing address and caused such notice to be published in the Times-News, a newspaper of general circulation in Twin Falls County where the registered office of said corporation is situated; such publication being made in said newspaper on April 11th, 18th, 25th and May 2nd and 9th, 1957.

3. That on the 14th day of May, 1957, at the hour of 10:00 o'clock A.M., the Board of Directors of Twin Falls Canal Company, held a special meeting at the company offices in Twin Falls, Idaho, pursuant to the foregoing resolution and for the purpose of considering the proposal mentioned therein, to extend the corporate existence of said corporation. That prior to said meeting, no objections to such said proposed extension had been received by said corporation by mail nor had any such objections been personally served upon the President or Secretary, and at said meeting no one appeared in person or by proxy to make objection to such proposed extension. That at said meeting on May 14, 1957, four-fifths of the members of the Board of Directors of Twin Falls Canal Company, were present, and by unanimous vote by said members of said Board, being more than two-thirds of the members of said Board, the following resolution was adopted, to-wit:

WHEREAS, heretofore on the 9th day of April, 1957, the Board of Directors of Twin Falls Canal Company, an Idaho corporation, at a special meeting of said Board at which all Directors were present adopted a

resolution by unanimous vote of the members of said Board proposing to extend the existence of this corporation perpetually; and whereas, thirty days notice of such proposal has been given to all of the shareholders of this corporation by mailing to each such shareholder on or before the 14th day of April, 1957, at his last known mailing address, a notice that such proposal would be considered by this Board on this 14th day of May, 1957, which notice was likewise published on April 11th, 18th, 25th, and May 2nd and 9th, 1957, in the Times-News, a newspaper with a general circulation in Twin Falls County where the registered office of this corporation is situated, which notice also set forth the rights of stockholders to object to such proposal; and, whereas, no person whatsoever has made any objection in any manner whatsoever to such proposal or to the extension of the corporate existence of this corporation.

NOW THEREFORE, Be it Resolved by the Board of Directors of Twin Falls Canal Company, an Idaho corporation, at least two-thirds of the members of such Board concurring, that the term of corporate existence of this corporation be and the same is hereby extended perpetually; and,

Be it Further Resolved that the President of this corporation, as chairman of this meeting of this Board of Directors, and the Secretary of this corporation as secretary of this meeting of this Board of Directors, be and they are hereby authorized and directed to sign and deliver to the Secretary of State, State of Idaho, and other public officials, all such certificates and other documents as may be necessary to complete and to make a matter of record the perpetual existence of this corporation."

4. That at the meetings of the Board of Directors of Twin Falls Canal Company, on April 9, 1957, and May 14, 1957, referred to above, the said Fay Frahm as President of said corporation served as Chairman and the said Alfred Kramer as Secretary of said corporation served as Secretary.

IN WITNESS WHEREOF, the said Fay Frahm and Alfred Kramer have hereunto set their hands and affixed the seal of said corporation this 17th day of May, 1957.

Fay Frahm

Alfred Kramer

STATE OF IDAHO )
) ss.
County of Twin Falls )

FAY FRAHM and ALFRED KRAMER, each duly sworn, depose and say that they are respectively the President and Secretary of Twin Falls Canal Company, an Idaho corporation, and the persons who executed the foregoing certificate. That they have read over the foregoing certificate and know the contents thereof and all of the facts stated therein are true.

Fay Frahm

Alfred Kramer

SUBSCRIBED and SWORN to before me this 9 day of July, 1957.

Marguerite G Conant
Notary Public
Residing at Twin Falls, Idaho

6549-b

ARTICLES OF AMENDMENT OF TWIN FALLS CANAL COMPANY

Amdt extending corp ex to perp

STATE OF IDAHO
DEPARTMENT OF STATE
Secretary's Office
Boise, Idaho

Approved, filed, and admitted to the records of Articles of Incorporation of the State of Idaho and certificate issued

this 22nd day of October, 19 57

at 9:00 o'clock A.M.

FEES PAID

Filing $10.00

Recording 6.80

Certificate

License Tax

TOTAL $ 16.80

JAS. H. YOUNG
SECRETARY OF STATE

By Chas. J. McGrath
CORPORATION CLERK

Filed by J. F. McIntyre, Attorney, Twin Falls

RECORDED

INDEXED

PHOTOGRAPHED

DEPARTMENT OF WATER RESOURCES
- STAFF ANALYSIS -

Item Initial Date

Application No. 01-~~7006~~ 7009 -Twin Falls Canal Co.

✓ Source
✓ Point of Diversion
✓ County
✓ Quantity of Water and Period of Use
✓ Description of Diverting Works
✓ Time required for B/U of water
✓ Place of Use or Acres Irrigated
✓ Map
✓ Signature
✓ Fee

(1) ADM 4-14-77 In form to receipt

(2) _____ _____ Send Copies to:
_____ Idaho State Health Department
_____ Idaho Fish and Game Department
_____ Bureau of Land Management
X Federal Power Commission

(3) _____ _____
_____ Request Special Use Permit from U.S.F.S.
_____ Request Easement from B.L.M.
_____ Request Information from Applicant

(4) ADM 4-28-77 In form for advertising

(5) _____ _____ Platted on Map No._____

(6) _____ _____ Located within Water District No._____

(7) _____ _____ Critical groundwater area: yes_____ no ✓

(8) _____ _____ Groundwater levels:

_____ Declining, ✓ Stable, _____ Increasing

(comment)_____

(9) _____ _____ Other rights on the same place of use

(10) _____ _____ Comments:_____

(11) _____ _____ Affidavit of Publication received(date) 5-16-77

(12) mls 5-23-77 Final date for protests 5/23/77
Protests received: yes_____ no ✓

(13) _____ _____ All requested information received from agencies or applicant: yes_____ no_____

(14) mls 5-23-77 Action recommended:

✓ Approve _____ Deny

_____ Proposed Priority

_____ Reason for Reduction_____

The permit holder must comply with the requirement of the Federal Power Commission

✓ Measuring device required

_____ See attached sheet for other conditions of approval

_____ No special conditions for approval

(15) District Southern By Michael Stute Date 5-23-77

cc sent to Bauer 4/27/77

NOTICE OF APPLICATION FOR WATER PERMIT

Notice is hereby given that Twin Falls Canal Company

Twin Falls, Idaho 83301

has on ~~4/1/77~~ 3/30/77 submitted Application No. 01-~~7006~~ 7009

for a permit to appropriate 1,500 cubic feet per second ~~acre feet per annum~~

of water from Snake River, tributary of the Columbia River

by means of headworks, penstock, ~~XXXXXXXX~~ power plants

within the NE¼SE¼, Sec. 29, Twp. 10S, Rge. 21E., B.M., Twin Falls County

to be used from Jan. 1 to Dec. 31

for power

within the NE¼SE¼, Sec. 2, Twp. 11S, Rge. 18E., B.M.

If issued, this permit will be subject to all prior water rights. Protests against the granting of the permit must be filed with the Idaho Department of Water Resources, 1041 Blue Lakes Blvd., North, Twin Falls, Idaho, 83301 on or before May 23, 1977.

STEPHEN ALLRED
~~XXXKEITH HIGGINSON~~

Director

Published in the Times News

on 5/5 and 5/12/77

April 27, 1977

Times News
P.O. Box 548
Twin Falls, Idaho 83301

RE: Application for Permit #01-~~7006~~ 7009-Twin Falls Canal Company

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.

Sincerely,

Michael L. Steele
Southern Region Supervisor

MLS:sb

Enclosure

Bill submitted: _____