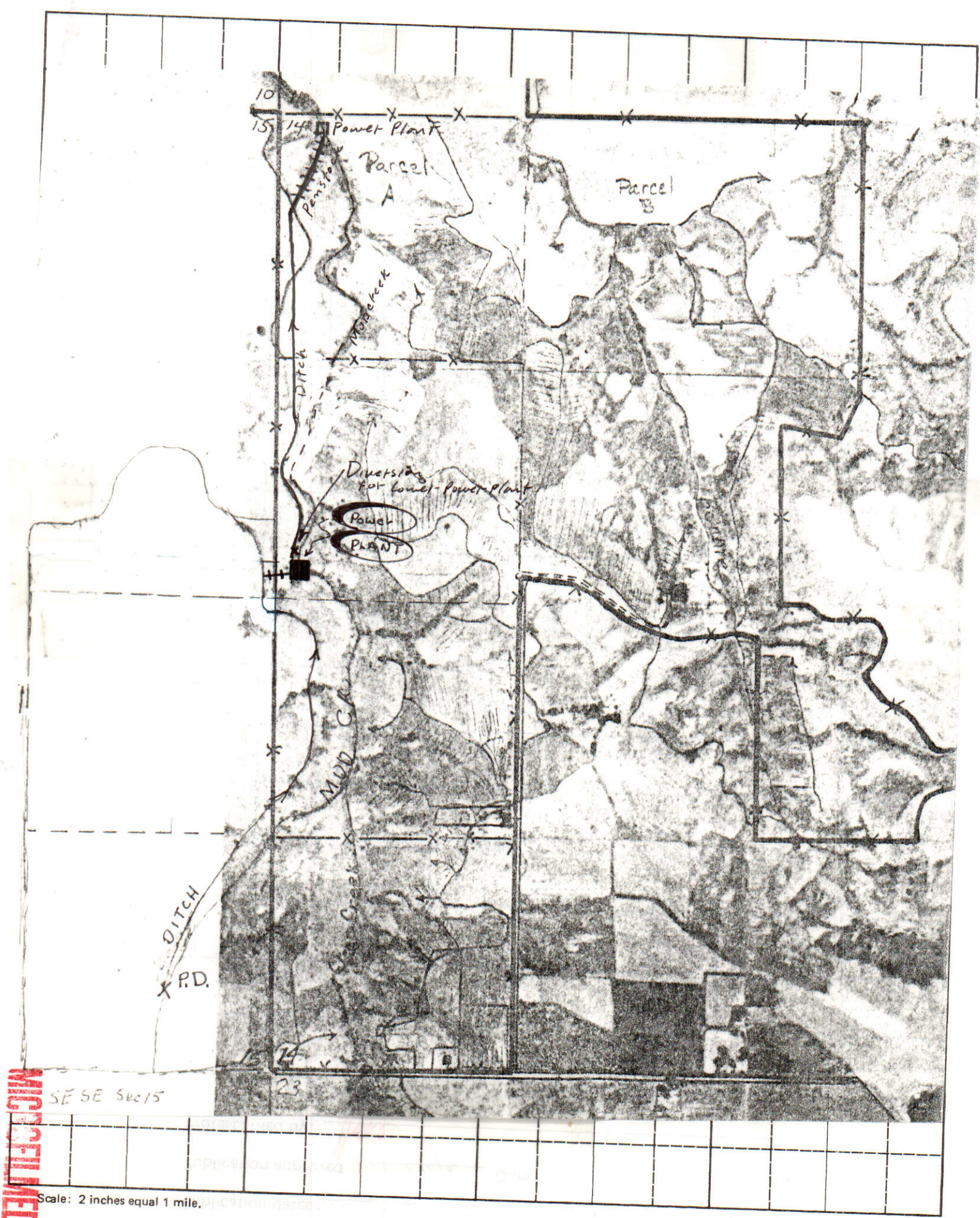


11. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.



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.

S+S Limited Partnership / by Dan Skelton
(Applicant) PARTNER

NOTICE OF AMENDED
APPLICATION FOR
WATER RIGHT

Notice is hereby given
that the following
application for permit to
appropriate the public
waters of the State of
Idaho has been
amended by the Appli-
cant:

47-7700

S&S LIMITED

PARTNERSHIP

RT. 3, BUHL, ID 83316

Source: MUD CREEK

tributary to SNAKE

RIVER

Date Filed: 02/10/1981

Amount: 50.00 CFS

Diversion Point: SESE

Sec 15 T 09S R 14E, TWIN

FALLS Co.

Use: POWER (50.00 CFS)

from 01/01 to 12/31

Place of Use: SWNW Sec

14 T 09S R 14E

Diversion Means:

CONCRETE DIVERSION,

PENSTOCK & TURBINE.

AMENDED AS

FOLLOWS

Diversion point: SESE

Sec 15, SWNW Sec 14 T

09S R 14E, TWIN FALLS

Co.

Place of Use: SWNW,

NWNW Sec 14 T 09S R

14E

If issued, the permit

will be subject to all prior

water rights. Protests

against the granting of

any permit must be filed

with the Director of

Water resources, 1041

Affidavit of Publication

STATE OF IDAHO,

COUNTY OF TWIN FALLS

ss.

Nº 11048

I, H. Endeavour being first duly sworn upon

oath, depose and say that I am print clerk of the TIMES-NEWS,

published daily, 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 2

consecutive weeks, commencing with the issue dated

January 14, 1982, and ending with the issue dated

January 21, 1982.

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,

until July 31, 1978, at which time said newspaper began daily publication 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 com-
petent jurisdiction within the state of Idaho, to be published weekly, will be published; a
that at the head of the editorial column of said combined newspapers, and in each issue ther-
of, Thursday is announced as the day on which said legal notices will be published.

Subscribed and sworn to before me on this 22 day of

January, 1982.

Gladie J. Lawrence

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

ak
Mayer

ED

2 1982
Department of Water Resources
Southern District Office

MICROFILMED

Affidavit of Publication

STATE OF IDAHO,
COUNTY OF TWIN FALLS }

ss.

N^o 9723

S & S 47-7700
LIMITED PART-
NERSHIP
RT. 3, BUHL, ID 83316
Source: MUD CREEK tribu-
tary to SNAKE RIVER
Date Filed: 02/10/1981
Amount: 50.00 CFS
Diversion Point: SESE Sec
15 T 09S R 14E, TWIN
FALLS Co.
Use: POWER (50.00 CFS)
from 01/01 to 12/31
Place of Use: SWNW Sec 14
T 09S R 14E
Diversion Means: CON-
CRETE DIVERSION,
PENSTOCK & TURBINE.

I, Rinda Copps McSwine being first duly sworn upo
oath, depose and say that I am Print Clerk of the TIMES-NEWS,
published daily, 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 Weeks, commencing with the issue dated
March 12, 19 81, and ending with the issue dated
March 19, 19 81.

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,
until July 31, 1978, at which time said newspaper began daily publication 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 com-
petent jurisdiction within the state of Idaho, to be published weekly, will be published; and
that the head of the editorial column of said combined newspapers, and in each issue ther
of, Thursday is announced as the day on which said legal notices will be published.

Subscribed and sworn to before me on this

APR 1 1981

Department of Water Resources
Southern District Office

Rinda Copps McSwine
March, 19 81, 24 day of
Melba Rowlett-Smith

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

MICROFILMED

maup

S & S Limited Partnership

Project No. 4769-001

**NOTICE OF APPLICATION FOR EXEMPTION FOR SMALL
HYDROELECTRIC POWER PROJECT UNDER 5 MW CAPACITY
(September 10, 1981)**

Take notice that on July 31, 1981, S & S Limited Partnership (Applicant) filed an application, under Section 408 of the Energy Reorganization Act of 1980 (Act) (16 U.S.C. §§2705, and 2708 as amended), for exemption of a proposed hydroelectric project from licensing under part 1 of the Federal Power Act. The proposed small hydroelectric project (Project No. 4769) would be located on Mud Creek, in Twin Falls County, Idaho. Correspondence with the Applicant should be directed to: Dan C. Skoos, Route 3, Buhl, Idaho 83316.

Project Description - The proposed project would consist of: (a) the Upper Facility consisting of: (1) a 5-foot high dam; (2) a 150-foot long and 48-inch diameter penstock; (3) a powerhouse to contain a 100-kw generating unit; and (4) a transmission line from the powerhouse to the existing Idaho Power Company substation. The average annual energy generation is estimated to be 1,223 Mwh. (d) The Lower Facility consisting of: (1) a 5-foot high dam; (2) a 200-foot long and 42-inch diameter penstock; (3) a powerhouse to contain a 100-kw generating unit; and (4) a transmission line. The average annual energy generation is estimated to be 600 Mwh.

Purpose of Project - The energy produced by the project would be sold to a local utility company.

Notice Comments - The U.S. Fish and Wildlife Service, The National Marine Fisheries Service, and the Idaho Department of Fish and Game are requested, for the purposes set forth in Section 408 of the Act, to submit within 60 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the Fish and Wildlife Coordination Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other Federal, State, and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal requests for comments will be made. Comments should be confined to substantive issues relevant to the granting of an

exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

Competing Applications - Any qualified license applicant desiring to file a competing application must submit to the Commission, on or before **OCT 21 1981**, either the competing license application that proposes to develop at least 7.5 megawatts in that project, or a notice of intent to file such a license application. Submission of a timely notice of intent allows an interested person to file the competing license application no later than 120 days from the date that comments, protests, etc. are due. Applications for preliminary permit will not be accepted.

A notice of intent must conform with the requirements of 18 C.F.R. §4.33(b) and (c) (1980). A competing license application must conform with the requirements of 18 C.F.R. §4.33(a) and (d) (1980).

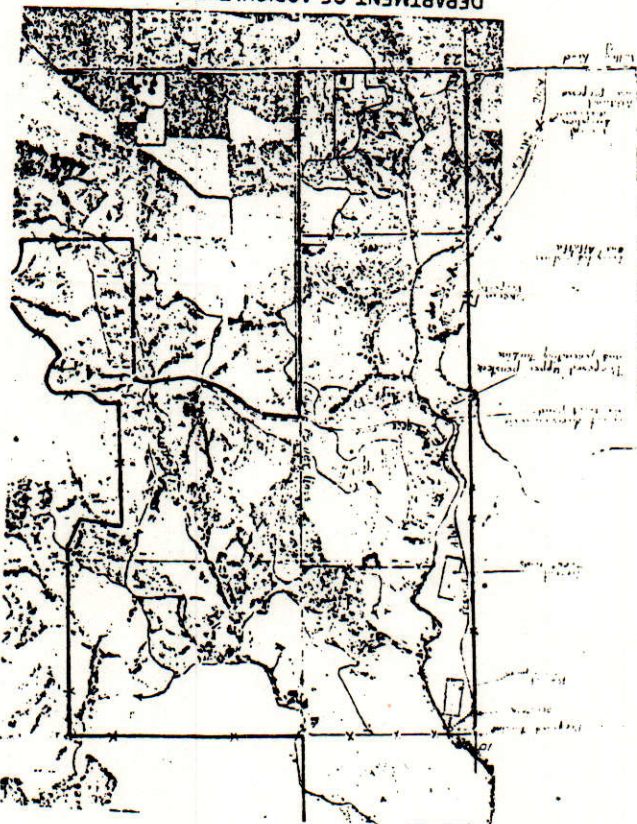
Comments, Protests, or Petitions to Intervene - Anyone may submit comments, a protest, or a petition to intervene in accordance with the requirements of the Rules of Practice and Procedure, 18 C.F.R. §1.8 or §1.10 (1980). In determining the appropriate action to take, the Commission will consider all protests or intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or petitions to intervene must be received on or before **OCT 21 1981**.

Filing and Service of responsive Documents - Any filings must be in all capital letters the title "COMMENTS", "NOTICE OF INTENT TO FILE A COMPETING APPLICATION", "COMPETING APPLICATION", "PROTEST", or "PETITION TO INTERVENE", as applicable, and the Project Number of this notice. Any of the above named documents must be filed by providing the original and three copies required by the Commission's regulations to: Kenneth F. Plumb, Secretary, Federal Energy Regulatory Commission, 475 North Capitol Street, N.E., Washington, D.C. 20426. An additional copy must be sent to: Fred L. Springer, Chief, Applications and such, Division of Hydropower Licensing, Federal Energy Regulatory Commission, Room 206 at the above address. A copy of any notice of intent, competing application, or petition to intervene must also be served upon each representative of the Applicant specified in the first paragraph of this notice.

Kenneth F. Plumb
Secretary

DC-A-45

DEPARTMENT OF AGRICULTURE
CONSERVATION SERVICE
EXHIBIT B



MICROFILMED

47-7700

WATER RIGHT OWNERSHIP SUMMARY

Original

S & S Limited Partnership

Zions Leasing Co.

Glaser Land & Livestock Inc. - awarded
ownership through decree of foreclosure
dated 9/26/86

Assignment to Zion Leasing Co. from
Glaser Land & Livestock Inc. received
3/5/87

Present Owner

Zions Leasing Co.

MICROFILMED

APR 13 1987

RECEIVED

MAR 05 1987

ASSIGNMENT OF IDAHO WATER PERMIT NO. 47-7700

Department of Water Resources

ASSIGNMENT made this 22nd day of February, 1987, between GLASER LAND & LIVESTOCK, INC., by and through Norman D. Glaser, President, Hallock, Nevada 89824, and ZIONS LEASING COMPANY, a Utah corporation, authorized to do business and in good standing in Idaho, 310 South Main Street, Salt Lake City, Utah.

WITNESSETH:

That GLASER LAND & LIVESTOCK, INC. (hereinafter referred to as "Assignor"), for good and valuable consideration, the receipt and sufficiency of which is hereby confessed and acknowledged, does by these presents assign to Zions Leasing Company all of Assignor's right, title, and interest in that certain Idaho Water Permit No. 47-7700 approved by the Idaho Department of Water Resources on February 5, 1982.

IN WITNESS WHEREOF, Assignor has hereunto set its hand the day and year first above written.

GLASER LAND & LIVESTOCK, INC.

By Norman D. Glaser
NORMAN D. GLASER, President

MICROFILMED

APR 13 1987

STATE OF IDAHO }
County of Twin Falls }
I hereby certify that this instrument
was for record at the request of
11:35 o'clock, AM this MAR 4 1987
in my office and duly recorded in book
of page
RICHARD A. PENCE
County Recorder
Deputy
Fee \$ 4.12
Return to 1

917926

BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO

IN THE MATTER OF PERMIT NO. 47-7700 IN)
THE NAME OF S & S LIMITED PARTNERSHIP)
_____)

ORDER

WHEREAS, the Department issued the above-captioned permit with the condition that proof of construction of works and application of water to beneficial use be submitted on or February 1, 1987; and,

WHEREAS, proper notice was not given to the permit holder sixty days prior to the date that proof of beneficial use of water was due as required by section 42-204, Idaho Code;

IT IS, THEREFORE, HEREBY ORDERED that the time within which to submit proof of beneficial use be extended to May 1, 1987.

Dated this 3rd day of March, 1987.



L. GLEN SAXTON
Chief, Operations Bureau

MICROFILMED

APR 13 1987

RECEIVED
JUN 2 1986

Department of Water Resources

ASSIGNMENT OF IDAHO WATER PERMIT NO. 47-7700

ASSIGNMENT made this 30 day of May, 1986, between S & S Limited Partnership, by and through Wayne B. Skeem, partner, Route 3, Buhl, Idaho, and Zions Leasing Company, a Utah corporation authorized to do business and in good standing in Idaho, 310 South Main Street, Salt Lake City, Utah.

WITNESSETH:

That S & S Limited Partnership (hereinafter referred to as "Assignor") for good and valuable consideration, the receipt and sufficiency of which is hereby confessed and acknowledged, does by these presents assign to Zions Leasing Company all of Assignor's right, title, and interest in that certain Idaho Water Permit No. 47-7700 approved by the Idaho Department of Water Resources on February 5, 1982.

IN WITNESS WHEREOF, Assignor has hereunto set its hand the day and year first above written.

S & S LIMITED PARTNERSHIP

By:

Wayne B. Skeem
Wayne B. Skeem, Partner

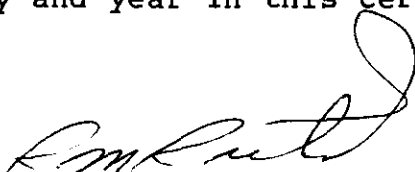
MICROFILMED

APR 13 1987

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

On this 30th day of May, 1986, before me, a Notary Public in and for said State, personally appeared Wayne B. Skeem, known or identified to me to be one of the partners in the limited partnership of S & S Limited Partnership, and the partner or one of the partners who subscribed said limited partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said limited partnership name.

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



Notary Public For: Idaho
Residing At: Twin Falls
My Commission Expires: 10-2-88

RECORDED

APR 13 1987

RECEIVED

AUG 6 1968

Department of Water Resources
Water Right No. 47-7700

AFFIDAVIT FOR WATER RIGHTS
TO BE USED FOR POWER PURPOSES

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

M. SCOTT NEWBOLD, being first duly sworn on oath, deposes and says that:

1. He is the Assistant Vice President of Zions Leasing Company ("Zions") and in that capacity has personal knowledge of the matters discussed herein.

2. Zions is a corporation duly organized and existing under and by virtue of the laws of the State of Utah, which is qualified to do business in the State of Idaho under the laws of the State of Idaho.

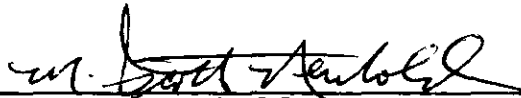
3. Zions' designated registered agent in the State of Idaho pursuant to Idaho Code § 30-1-12 is C. T. Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, qualified to do business in the State of Idaho under the laws of the State of Idaho, whose designated registered agent is Eberle, Berlin, Kading, Turnbow & Gillespie, 300 North 5th Street, Boise, Idaho. C. T. Corporation keeps the corporate records required by Idaho Code § 30-1-52.

MICROFILMED

APR 13 1981

4. The Mud Creek hydroelectric facility where water acquired pursuant to the above-referenced permit is utilized, uses a diversion dam and canals intended for hydropower uses, and will not use existing man-made irrigation facilities.

DATED this 30th day of July, 1986.


M. Scott Newbold

Subscribed and sworn to me this 30th day July, 1986.


Notary Public For: State of Utah
Residing At: Salt Lake City, Utah
My Commission Expires: Nov. 16, 1989

MICROFILMED

- 2 -

APR 13 1987

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

AMENDED

APPLICATION FOR PERMIT **APPROVED**

To appropriate the public waters of the State of Idaho

40 DAN SKEEM

1. Name of applicant S & S LIMITED PARTNERSHIP Phone 543-8082

Post office address Rte 3 Buhl, Idaho.

2. Source of water supply Mud Cr. which is a tributary of SNAKE RIVER.

3. Location of point of diversion is SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 15 Township 9S

Range 14E B.M. TWIN FALLS. County, additional points of diversion if any:

SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 14 T9S R14E

4. Water will be used for the following purposes:

Amount 50.0 ^{cfs} for HYDRO POWER purposes from JAN 1 to DEC 31 (both dates inclusive)
(cfs or acre-feet per annum)

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

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

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

5. Total quantity to be appropriated:

a. 50.0 cfs cubic feet per second and/or b. acre-feet per annum.

6. Proposed diverting works:

a. Description of ditches, flumes, pumps, headgates, etc. CONCRETE DIVERSION,
PIPELINE & TURBINE.

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

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

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

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

8. Description of proposed uses:

a. If water is not for irrigation: SW $\frac{1}{4}$ of NW $\frac{1}{4}$,
(1) Give the place of use of water: $\frac{1}{4}$ of $\frac{1}{4}$ of Section 14 Township 9S

Range 14E B.M. * NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 14 T9S R14E was

(2) Amount of power to be generated: 567 horsepower under 100 feet of head.

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

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

(5) If water is to be used for other purposes describe:

NOT RECORDED

* Amended 1/11/82

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

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

Total number of acres to be irrigated _____

c. Describe any other water rights used for the same purposes as described above. _____

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

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

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

10. Remarks WATER WILL BE DISCHARGED INTO MUD CR. (a)
SW 1/4 NW 1/4; SEC. 14 T. 9 S. R. 14 E. (UPPER PLANT) * was
And in the NW 1/4 NW 1/4 SEC 14 T 9 S R 14 E * was

* Amended 1/11/82 was

MICROFILMED

11. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.



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.

S+S Limited Partnership / by Dan Skuesen
(Applicant) PARTNER

AMENDED

1/11/82

10:AM

Proposed Priority 2/10/1981

Received by Chap. Safety Date Feb 10. 81 Time 1:00 P.M.

Preliminary check by JA Fee \$ 725.75 ^{AMENDMENT Fee \$ 20.00} # 16P24 Receipt # 20751

Receipted by manya Date 2/12/81

Publication prepared by adm Date 2/25/81

Published in times news

Publication dates 3/12 + 3/19/81

Publication approved manya Date 3/9/81

Protests filed by: none

Copies of protests forwarded by _____

Hearing held by _____ Date _____

Recommended for approval denial by JA RH Jui
2/9/82 JA

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No. 47-7700 , 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 February 1 , 19 87 .
- c. The rate of diversion, if water is to be used for irrigation under this permit, when combined with all other water rights for the same land shall not exceed 0.02 cubic feet per second for each acre of land.
- d. Other: A measuring device of a type approved by the Department shall be permanently installed and maintained as part of the diverting works.

This permit is subject to the provisions of Sections 42-205 through 42-210, Idaho Code, restricting the sale, transfer, assignment, or mortgage of this permit. Failure to comply with these provisions is cause for immediate cancellation of this permit.

This project shall be operated in a manner that will not conflict or interfere with the future diversion of water for irrigation or other beneficial consumption.

This permit does not constitute Idaho Public Utilities Commission or Federal Energy Regulatory Commission approval that may be required.

Witness my hand this 5th day of February, 1982.

A. Glen Saxton
Chief, Operations Bureau

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
AFFIDAVIT FOR WATER RIGHTS TO BE USED
FOR POWER PURPOSES

Ownership of Facilities: (To be completed for hydropower projects only)

The hydropower facility to be developed pursuant to the attached Application for

Permit:

Note! This is for P/D located in SW⁴NW⁴ Sec. 14 T9S R14E

☒ Will not utilize existing man-made irrigation facilities such as a dam or a canal.

☐ Will utilize existing man-made irrigation facilities such as a dam or a canal, and permission of the owner is documented in an affidavit attached hereto.

☐ Will utilize existing man-made irrigation facilities such as a dam or a canal and the owner of the facilities is the signee of this affidavit.

Wayne B. Skeem
Applicant S & S Limited Partnership

State of Idaho)
County of Twin Falls) ss.

On this 11th day of January, 19 82, personally
appeared before me the signer(s) of the above instrument, who duly acknowledged
to me that he (she) (they) executed the same.

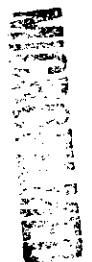
Loren O. Hubner
Notary Public residing at

seal

Twin Falls, ID

My commission expires:

Life



Ron Tigue et al
R-3
Buhl, Ida.

Dear Mr. Tigue:

This letter will serve to briefly explain to others what we, as neighbors, have already discussed.

My father, Wayne Skeem, and I (S&S limited partnership) propose to build a small hydro project on our Melon Valley property. To do this, we will need to improve and enlarge the existing weir and ditch right-of-way which you have through our property.

Please be assured that your existing shares of Mud Creek water will be delivered and your right-of-way secure. If the small pump that you own at the weir has to be re-located slightly, we will do so at no cost to you.

If you find no fault, and believe it to be mutually beneficial, would you please sign below and return it to me.

Sincerely,

Dan C. Skeem
Dan C. Skeem

Ronald J. Tigue
Ron Tigue

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
AFFIDAVIT OF RESIDENCY OR QUALIFICATION TO DO BUSINESS
IN AND UNDER THE LAWS OF IDAHO

A. Individual Applicant or Individual Members of a Partnership:

I Wayne B. Skeem of Twin Falls, County of
(name) (city)
Twin Falls, State of Idaho, being duly sworn, do hereby certify that I am a bona fide resident
of the State of Idaho.

/s/ Wayne B. Skeem

Subscribed and sworn to before me this 12 day of February, 19 81

/s/ Mary A. Hiler

Notary Public

Residence Twin Falls, id 83301

My Commission expires life

B. Corporation:

I _____ of _____, County of
(name) (city)

_____, State of Idaho, being first duly sworn, depose and say: That I am the designated
registered agent of the _____;
(name of corporation)

that as such I am in charge of the registered office of the said corporation as required by Section 30-1-12, *Idaho*
Code, at _____
(city)

Idaho, wherein are kept the corporate records required by Section 30-1-52, *Idaho Code*; and that _____
_____ is a corporation qualified to do business in the
(name of corporation)

State of Idaho under the laws of the State of Idaho.

/s/ _____

Subscribed and sworn to before me this _____ day of _____, 19 _____

/s/ _____

Notary Public

Residence _____

My Commission Expires _____



Hydro Cost Estimator - S & S Ltd.

1. Civil const. costs, including weir, ditch,
150' of 30" pipe 60,000
 2. Turbine, bldg., 1/4 mi. line 75,000
 3. Engineering, filings, consultations 10,000
 4. Three hundred feet 10" smstack &
installation, 10,000
 5. Contingency 10,000
- \$ 165,000

RECEIVED

INTER-DEPARTMENT MEMO — 1

DATE February 12, 1981

FROM Gary Funderburg

TO File

SUBJECT Financial Statement

I have reviewed the financial statement and the estimated cost for the hydro-plant of this applicant. He has shown to have sufficient financial resources to complete his project.



SIGNATURE

NOTICE OF AMENDED
APPLICATION FOR
WATER RIGHT

Notice is hereby given
that the following
application for permit to
appropriate the public
waters of the State of
Idaho has been
amended by the Appli-
cant:

47-7700

S&S LIMITED
PARTNERSHIP
RT. 3, BUHL, ID 83316

Source: MUD CREEK
tributary to SNAKE
RIVER

Date Filed: 02/10/1981

Amount: 50.00 CFS

Diversion Point: SESE
Sec 15 T 09S R 14E, TWIN
FALLS Co.

Use: POWER (50.00 CFS)
from 01/01 to 12/31

Place of Use: SWNW Sec
14 T 09S R 14E

Diversion Means:
CONCRETE DIVERSION,
PENSTOCK & TURBINE.

AMENDED AS
FOLLOWS

Diversion point: SESE
Sec 15, SWNW Sec 14 T
09S R 14E, TWIN FALLS
Co.

Place of Use: SWNW,
NW NW Sec 14 T 09S R
14E

If issued, the permit
will be subject to all prior
water rights. Protests
against the granting of
any permit must be filed
with the Director of
Water resources, 1041
Blue Lakes Blvd N th

Affidavit of Publication

STATE OF IDAHO,

COUNTY OF TWIN FALLS

ss.

Nº 11048

I, H. Endeavor

being first duly sworn upon

oath, depose and say that I am print clerk of the TIMES-NEWS,
published daily, 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 2

consecutive weeks, commencing with the issue dated

January 14, 1982, and ending with the issue dated

January 21, 1982.

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,
until July 31, 1978, at which time said newspaper began daily publication 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 com-
petent jurisdiction within the state of Idaho, to be published weekly, will be published: a
that at the head of the editorial column of said combined newspapers, and in each issue ther-
of, Thursday is announced as the day on which said legal notices will be published.

Subscribed and sworn to before me on this 22 day of

January, 1982

Eddie J. Smith
Notary Public in and for the County of Twin Falls,
State of Idaho, residing at Twin Falls, Idaho

Affidavit of Publication

Nº 9723

STATE OF IDAHO,
COUNTY OF TWIN FALLS } ss.

I, Linda Capps McSwine being first duly sworn upon oath, depose and say that I am Print Clerk of the TIMES-NEWS, published daily, 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 Weeks, commencing with the issue dated March 12, 1981, and ending with the issue dated March 19, 1981.

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, until July 31, 1978, at which time said newspaper began daily publication 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 the first day of the editorial column of said combined newspapers, and in each issue thereof, legal notices shall be announced as the day on which said legal notices will be published.

Linda Capps McSwine
Subscribed and sworn to before me on this 24 day of

March, 1981
Melba Rowlett-Smith

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

RECEIVED

APR 1 1981

Department of Water Resources
Southern District Office

47-7700

44 FERC 162 (1988)

RECEIVED
JUL 13 1988

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Department of Water Resources

S & S Limited Partnership

Project No. 4769-002
Idaho

ORDER AMENDING EXEMPTION FROM LICENSING

(Issued July 1, 1988)

On June 1, 1988, S & S Limited Partnership filed a request to amend its exemption for the Mud Creek Project No. 4769, located on Mud Creek in Twin Falls County, Idaho. The exemptee has requested an amendment to revise the capacity of both the upper and lower developments. The total installed capacity of the upper development would be increased from 166-kW to 435-kW. The total installed capacity of the lower development would be increased from 100-kW to 220-kW.

The fish and wildlife agencies have reviewed the request and do not oppose the increase of capacity. This increase in capacity will not affect the 5 cfs minimum flow requirements set forth by the agencies. The terms and conditions identified by the agencies and made a part of the issued exemption remain binding on this amendment. This amendment poses no additional environmental impacts beyond what have already been considered prior to issuance of the exemption from licensing. Issuance of this amendment is not a major federal action significantly affecting the quality of the human environment.

The Director orders:

(A) The amendment of exemption from licensing for the Mud Creek Project as proposed by S & S Limited Partnership in their filing of June 1, 1988, is approved.

(B) The project description in the Notice of Application for Exemption attached as Appendix A to the Order Granting Exemption is revised follows:

Line (A)(3) is revised to read:...a powerhouse containing four generating units with a total installed capacity of 435 kW;...

Line (B)(3) is revised to read:...a powerhouse containing five generating units with a total installed capacity of 220 kW;...

DC-A-14

-2-

(C) This order is issued under authority delegated to the Director and is final unless appealed to the Commission under Rule 1902 within 30 days from the date of this order.

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

to Gary
47-7700

Bert 47-7700
WR No?
Garr

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE: \$300



POSTAGE AND FEES PAID
FEDERAL ENERGY
REGULATORY COMMISSION
FENC-351

P -C004769002 101485
STATE OF IDAHO DIRECTOR
IDAHO DEPARTMENT OF WATER RESOURCES
STATEHOUSE
BOISE, ID 83720

47-7700
44 FEB 1982 CJS

RECEIVED

JUL 18 1988

Department of Water Resources

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

S & S Limited Partnership

Project No. 4769-002
Idaho

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The Director orders:

(A) The amendment of exemption from licensing for the Mud Creek Project as proposed by S & S Limited Partnership in their filing of June 1, 1988, is approved.

(B) The project description in the Notice of Application for Exemption attached as Appendix A to the Order Granting Exemption is revised follows:

Line (A)(3) is revised to read:...a powerhouse containing four generating units with a total installed capacity of 435 kW;...

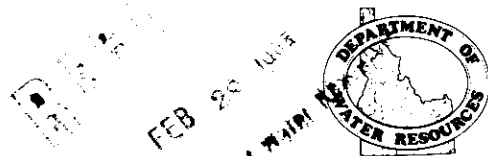
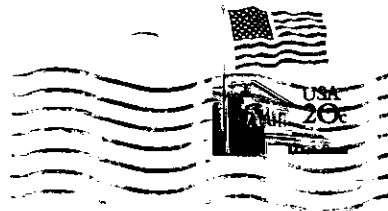
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-2-

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

DAN C-SKEEM
RT. #3 Box 219
Buhl, Idaho 83316



IDAHO DEPARTMENT OF WATER RESOURCES
STATEHOUSE
BOISE, IDAHO 83720

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
COMMENCEMENT OF WORKS

Permit No. 42-7700

Name(s) of Permit Holder(s): S+S Limited PARTNERSHIP

Post Office Address: Rt. 3 Box 219

Buhl, Idaho 83316

Tel. No. 543-8082

☒ I hereby certify that construction of diversion works for the above referenced permit began on Nov. 1981. I understand that I must
(date)

continue to develop the water system with due diligence to maintain a valid permit.

☐ I hereby certify that construction of diverting works on the above referenced project has not yet begun due to the following reason beyond my control*:

*Note: A financing difficulty is not an acceptable reason.

2-18-83
Date

Dan C. Skrum
Signature of Permit Holder

50 CFS

S+S Limited PARTNERSHIP

DAN C SKEEM
RT. 3 Box 219
Butte, IDA. 83316

PLACE
STAMP
HERE

JUN 9 1983

RECEIVED

Department of Water Resources
Southern District Office



JUN 13 1983

IDAHO DEPARTMENT OF WATER RESOURCES
STATEHOUSE
BOISE, IDAHO 83720

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
COMMENCEMENT OF WORKS

Permit No. 47-7700
Name(s) of Permit Holder(s): S+S Limited Partnership
Post Office Address: P.O. Box 219
Buhl, Ida. 83316 Tel. No. 543-8082

☒ I hereby certify that construction of diversion works for the above referenced permit began on Nov. 1981 (date). I understand that I must continue to develop the water system with due diligence to maintain a valid permit.

☐ I hereby certify that construction of diverting works on the above referenced project has not yet begun due to the following reason beyond my control*:

*Note: A financing difficulty is not an acceptable reason.

2-18-83
Date

Dan C. Steen General P
Signature of Permit Holder
S+S Limited Partnership

50 cfs

ZIONS CREDIT CORPORATION

RECEIVED
APR 29 1987

Department of Water Resources

April 27, 1987

Mr. Jim Johnson
Water Right Supervisor
State of Idaho
Department of Water Resources
State House
Boise, Idaho 83720

Re: Permit #47-7700 and #47-7702

Dear Mr. Johnson:

Enclosed please find the completed Proof of Beneficial Use Forms for Permit #47-7700 and Permit #47-7702. I am also enclosing a check in the amount of \$950.00 to cover the examination fee. It is my understanding that completion of the Proof of Beneficial Use Form and payment of the examination fee complete the requirements in applying for a Proof of Beneficial Use. It is my understanding that now the Department of Water Resources will schedule a field examination at a time suitable to Zions Leasing Company at a point when the water flow is at it's maximum.

I will assume that unless I hear from you, we have complied with all of the requirements necessary to show Proof of Beneficial Use. I will wait to be contacted by your department to schedule a field examination. If for any reason there is anything else that needs to be completed, please contact me immediately. Otherwise, I will assume that everything is satisfactory to your department.

Thank you for your assistance.

Sincerely,



M. Scott Newbold
Assistant Vice President

MICROFILMED

MSN:jm

JUL 06 1987

RECEIVED
APR 29 1987

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

Department of Water Resources

PROOF OF BENEFICIAL USE

For Office Use Only
Fee Received \$1600.00
Date 4-30-87
Receipt # 44590
Receipt by if
Reviewed by if
Sent to region

The Idaho Department of Water Resources will consider this form as a statement that the permit holder(s) has completed all development that will occur under this permit and that water has been applied according to the provisions of the permit for the beneficial use(s) described below. This form must be accompanied by a license examination fee or a completed field examination report prepared by a certified water right examiner who has been appointed by the department.

Permit No. 47-7700

Name(s) of Permit Holder: ZIONS LEASING COMPANY

Post Office Address: P. O. Box 180, Salt Lake City, Utah 84110

Telephone No. (801) 524-4791

Source of Water: Mud Creek

Extent of Use:

Domestic (number of households) Stockwater (number and type of stock)

Irrigation (acres) Other/Remark Hydro generation

Total rate and/or volume for which proof is submitted 50 cfs acre-feet

Show the date water was first diverted and beneficially used under this permit: 3/82

Measuring Device: Required? XX Yes No
Installed? XX Yes No

Fee enclosed \$ 600.00
(See License Examination Fee Schedule)

Flow Measurement Port: Required? Yes XX No
Installed? Yes XX No

Person to contact to accompany the Department representative during the field examination:

M. SCOTT NEWBOLD

(801) 524-4791

(Name)

(Telephone Number)

P. O. Box 180, Salt Lake City, Utah 84110

(Address)

MICROFILMED

MAY 12 1987

The above information is my true statement of the extent to which the above numbered permit has been developed and I relinquish any undeveloped portion of the permit to the state of Idaho.

ZIONS LEASING COMPANY

4-21-87

Date

BY M. Scott Newbold M. SCOTT NEWBOLD, ASSISTANT VICE PRES.

Signature of Permit Holder (and title, if appropriate)



State of Idaho

DEPARTMENT OF WATER RESOURCES

STATE OFFICE, 450 W. State Street, Boise, Idaho

CECIL D. ANDRUS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

March 26, 1987

RE: Permit Nos. 47-7700 & 47-7702

Brian R. Hanson
Holland & Hart, Langroise, Sullivan
P.O. Box 2527
Boise, ID 83701

Dear Mr. Hanson:

The Department is in receipt of assignments of the above referenced permits showing change in ownership from Glaser Land & Livestock, Inc. to Zions Leasing Co.

I understand that said assignments were necessary to clarify any questions on present ownership of these permits.

Normally we would send copies of the permits to the new assignee, however, I believe you already have copies and are aware of the requirements that must be met before the permits can develop into licensed water rights.

I noted that a proof due notice had been sent March 3, 1987 for Permit 47-7700. As of this letter, we have not received the requested information. As the acknowledged owner of the permit, it is appropriate that you respond in order to keep the permit in good standing.

Also, concerning Permit 47-7702, correspondence was sent to you dated February 24, 1987 requesting you to submit either a proof of beneficial use statement or a Request for Extension of Time in which to submit proof of beneficial use. You should follow-up on this also in order to keep Permit 47-7702 in good standing.

If you have any questions concerning this, please let me know.

Sincerely,

JIM JOHNSON
Water Rights Supervisor

MICROFILMED

APR 13 1987

JJ:sc

cc: Michael H. Felton (File #4720)

RECEIVED

MAR 10 1987

LAW OFFICES

HEPWORTH, NUNGESTER, FELTON, AND LEZAMIZ, CHARTERED

PROFESSIONAL CENTER — 1020 MAIN

Post Office Box 589

BUHL, IDAHO 83316

TELEPHONE (208) 543-4368

A Professional Corporation

JOHN C. HEPWORTH
WM. L. NUNGESTER
MICHAEL H. FELTON
JOHN T. LEZAMIZ
D. BRENT MARTENS (1975-1986)
JEFFREY E. ROLIG
JOHN C. HOHNHORST
J. CHARLES HEPWORTH
PENELOPE PARKER-KIMBER

Department of Water Resources

TWIN FALLS OFFICE

Black Building

133 Shoshone Street North

Post Office Box 389

Twin Falls, Idaho 83303-0389

Telephone (208) 734-7510

OUR FILE NUMBER

4720

March 9, 1987

Ms. Rita I. Fleck
Secretary/Records Manager
Department of Water Resources
Statehouse Mailroom
Boise, ID 83720

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RE: Permit No. 47-7700

Dear Ms. Fleck:

I received your letter of March 3rd on March 5th. You mention a couple of enclosures but by the time the letter got to me there were no enclosures. They may well have slipped away in our receiving process but, in any event, I cannot locate them and would appreciate it if you would provide me with copies of your intended enclosures together with an enclosure letter.

I will look forward to hearing from you and will calendar this matter for one week hence.

Very truly yours,

HEPWORTH, NUNGESTER, FELTON
& LEZAMIZ


Michael H. Felton

MHF:cjp

cc: Mr. Art Glaser
cc: Mr. Norm Glaser
cc: Brian Hanson, Esq.
cc: Lloyd J. Webb, Esq.
cc: Mark Stubbs, Esq.

*See response -
Jimmie's letter 3/26/87*
MICROFILMED

APR 13 1987

Ms. Rita I. Fleck
March 9, 1987
Page 2

P.S. Would you also send copies of those enclosures to the following persons:

Brian Hanson, Esq.
P. O. Box 2527
Boise, ID 83701-2527

Lloyd J. Webb, Esq.
P. O. Box 1768
Twin Falls, ID 83303-1768

Mark Stubbs, Esq.
P. O. Box 1846
Twin Falls, ID 83303-1846

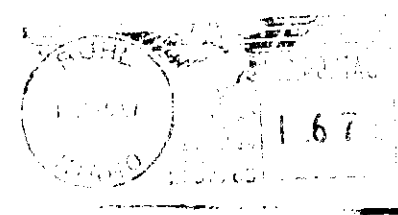
I am asking you to do this because I have forwarded copies of your March 3rd letter to these same people. Mr. Hanson represents Zions, Judge Webb represents Don Campbell and Mark Stubbs represents Joe and Hallie Miller.

Mike

INDEXED

APR 13 1987

LAW OFFICES
HEPWORTH, NUNGESTER, FELTON, AND LEZAMIZ
Professional Center 1020 Main
Post Office Box 589
BUHL, IDAHO 83316-0589



(M)

CERTIFIED
P 713 169 892
MAIL

Ms. Rita I. Fleck
Secretary/Records Manager
Department of Water Resources
Statehouse Mailroom
Boise, ID 83720

RECEIVED

APR 13 1987

DENVER OFFICE
SUITE 2900
555 SEVENTEENTH STREET
DENVER, COLORADO 80202
TELEPHONE (303) 295-8000
TELECOPIER (303) 295-8261

S. E. DENVER OFFICE
SUITE 1250
7887 EAST BELLEVIEW AVENUE
ENGLEWOOD, COLORADO 80111
TELEPHONE (303) 741-1226

ASPEN OFFICE
600 EAST MAIN STREET
ASPEN, COLORADO 81611
TELEPHONE (303) 925-3476

BRIAN R. HANSON

**HOLLAND & HART,
LANGROISE, SULLIVAN**
ATTORNEYS AT LAW

SUITE 1400
IDAHO FIRST PLAZA
BOISE, IDAHO
MAILING ADDRESS
P. O. BOX 2527
BOISE, IDAHO 83701
TELEPHONE (208) 343-3676
TELECOPIER (208) 343-8869

WASHINGTON, D. C. OFFICE
SUITE 1200
1875 EYE STREET, N. W.
WASHINGTON, D. C. 20006
TELEPHONE (202) 466-7340
TELECOPIER (202) 466-7354

WYOMING OFFICE
SUITE 500
2020 CAREY AVENUE
CHEYENNE, WYOMING 82001
TELEPHONE (307) 632-2160
TELECOPIER (307) 778-8175

MONTANA OFFICE
SUITE 1400
175 NORTH 27TH STREET
BILLINGS, MONTANA 59101
TELEPHONE (406) 252-2166
TELECOPIER (406) 252-1669

March 5, 1987

Hand Delivered

Mr. Gary Spackman
Department of Water Resources
450 West State Street
Boise, ID 83702

RECEIVED
MAR 05 1987
3:12
Department of Water Resources

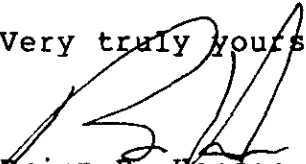
RE: Water Permit Nos. 47-7700 and 47-7702

Dear Gary:

As we discussed this afternoon, I enclose for your review and file Assignments of the above-referenced Water Permits. As we discussed, we return the originals to our client and submit copies for your files.

Of course, if you need additional documentation or if we can provide assistance in addressing questions or comments about these Assignments or this matter generally, please do not hesitate to call. Thank you again for your consideration and patience in this matter.

Very truly yours,


Brian R. Hanson

for HOLLAND & HART,
LANGROISE, SULLIVAN

BRH/dks
Enclosures

cc: Mr. M. Scott Newbold, w/o encs.

MICROFILMED

APR 13 1987

March 3, 1987

CERTIFIED MAIL

138840

Brian Hansen
HOLLAND & HART, LANGROISE, SULLIVAN
P. O. Box 2527
Boise, ID 83701

Dear Mr. Hansen:

Re: Permit No. 47-7700

PROOF DUE NOTICE

Ownership of Permit to Appropriate Water No. 47-7700 has been clouded by litigation and negotiation.

According to information recently received by the department, it appears that Zions Leasing Company may ultimately own the water right. Sufficient documentation has not been submitted to establish ownership, however.

One of the conditions of approval of the above referenced water permit was that proof of the extent of beneficial use must be submitted to this office on or before February 1, 1987, however, proper notice had not been given by that date, so the department has extended to due to May 1, 1987. (See the enclosed order). Enclosed is a form which when accompanied by the license examination fee or a completed field examination report prepared by a certified water right examiner may be used to submit the required proof.

If the project is not fully completed, and a prior extension of time has not been granted, the present owner you may request an extension of time provided the delay is for reasonable cause as described in Section 42-204, Idaho Code. If development has been prevented by a government agency or by litigation, more than one extension of time can be granted. An extension of time request form is enclosed for your convenience.

Either an acceptable proof of beneficial use submittal or an acceptable request for an extension of time must be received by this department on or before the above described proof due date. An acceptable proof of beneficial use or request for extension of time must be accompanied by documents establishing ownership. If neither is received, the department will send you a lapse notice. Within sixty (60) days of the mailing the lapse notice, the permit will no longer be of any force nor effect.

Previously, you received a letter from the department, dated February 24, 1987, concerning permit Nos. 47-7702 and 47-7705. A typographical

error was discovered in the test of the letter which may have caused some confusion. Enclosed is a corrected copy of the letter.

Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enclosures

MICROFILMED
APR 13 1981

March 3, 1987

CERTIFIED MAIL

138841

Donald K. Campbell
First Ascent Fish Farms
2297 East 3300 South
Jerome, ID 83338

Dear Mr. Campbell:

Re: Permit No. 47-7700

PROOF DUE NOTICE

Ownership of Permit to Appropriate Water No. 47-7700 has been clouded by litigation and negotiation.

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FILED
APR 13 1987

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Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enclosures

Microfilmed

APR 13 1987

March 3, 1987

CERTIFIED MAIL

138842

Glaser Land and Livestock
Halleck, NV 89824

Gentlemen:

Re: Permit No. 47-7700

PROOF DUE NOTICE

Ownership of Permit to Appropriate Water No. 47-7700 has been clouded by litigation and negotiation.

According to information recently received by the department, it appears that Zions Leasing Company may ultimately own the water right. Sufficient documentation has not been submitted to establish ownership, however.

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MICROFILMED

APR 13 1987

Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enclosures

cc: Mike Felton

RECEIVED

APR 13 1987

DENVER OFFICE
SUITE 2900
555 SEVENTEENTH STREET
DENVER, COLORADO 80202
TELEPHONE (303) 295-8000
TELECOPIER (303) 295-8261

S. E. DENVER OFFICE
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ASPEN OFFICE
500 EAST MAIN STREET
ASPEN, COLORADO 81611
TELEPHONE (303) 925-3476

BRIAN R. HANSON

HOLLAND & HART,
LANGROISE, SULLIVAN
ATTORNEYS AT LAW

SUITE 1400
IDAHO FIRST PLAZA
BOISE, IDAHO
MAILING ADDRESS
P. O. BOX 2527
BOISE, IDAHO 83701
TELEPHONE (208) 343-3676
TELECOPIER (208) 343-8869

WASHINGTON, D. C. OFFICE
SUITE 1200
1875 EYE STREET, N. W.
WASHINGTON, D. C. 20006
TELEPHONE (202) 466-7340
TELECOPIER (202) 466-7354

WYOMING OFFICE
SUITE 500
2020 CAREY AVENUE
CHEYENNE, WYOMING 82001
TELEPHONE (307) 632-2160
TELECOPIER (307) 778-8175

MONTANA OFFICE
SUITE 1400
175 NORTH 27TH STREET
BILLINGS, MONTANA 59101
TELEPHONE (406) 252-2166
TELECOPIER (406) 252-1669

February 20, 1987

RECEIVED
FEB 24 1987

Mr. Gary Spackman
State of Idaho
Department of Water Resources
Statehouse
Boise, Idaho 83720

Department of Water Resources

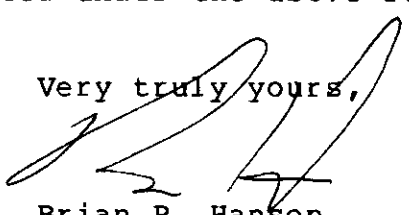
RE: Water Permit Nos. 47-7700, 47-7702, and 47-7705

Dear Gary:

As we discussed this morning, I enclose for your review and file a copy of the Agreement of Sale of Real Property (the Glaser, Campbell, and Zions settlement agreement) and Decree of Foreclosure. The Sheriff has not yet issued the deed, but as the enclosed January 16 letter from Mike Felton to the Twin Falls County Sheriff's Office indicates, a formal request for the deed has been made.

If you have any questions or comments about the enclosed documents or this matter generally, please do not hesitate to call. Otherwise, I understand that you will send us proof forms early next week so that we can proceed with proving the beneficial use of waters appropriated under the above-referenced permits.

Very truly yours,


Brian R. Hanson

for HOLLAND & HART,
LANGROISE, SULLIVAN

MICROFILMED

APR 13 1987

BRH/cd
Enclosures
cc: Mr. M. Scott Newbold

JOHN C. HEPWORTH
WM. L. NUNGESTER
MICHAEL H. FELTON
JOHN T. LEZAMIZ
D. BRENT MARTENS (1975-1986)
JEFFREY E. ROLIG
JOHN C. HOHNHORST
J. CHARLES HEPWORTH
PENELOPE PARKER-KIMBER

LAW OFFICES
HEPWORTH, NUNGESTER, FELTON, AND LEZAMIZ, CHARTERED
PROFESSIONAL CENTER — 1020 MAIN
Post Office Box 583
BUHL, IDAHO 83316
TELEPHONE (208) 543-4368
A Professional Corporation

January 16, 1987

JAN 16
HOLLAND & HART

TWIN FALLS OFFICE
Black Building
133 Shoshone Street North
Post Office Box 389
Twin Falls, Idaho 83303-0389
Telephone (208) 734-7510
OUR FILE NUMBER
4720

Twin Falls County Sheriff's Office
Attention: Bobbie
P. O. Box 146
Twin Falls, ID 83303-0146
RE: Glaser vs. Skeem

A COPY OF THIS DOCUMENT
HEPWORTH, NUNGESTER, FELTON AND LEZAMIZ

Dear Bobbie:

Enclosed is a Transfer of Rights of Redemption and Disclaimer of Interest. I have sent the original to TitleFact, Inc. (Rich Stivers) for safekeeping for the timebeing. My purpose in writing is to inquire if you are now ready to issue a Sheriff's deed in favor of the Glasers? The original is available for inspection at TitleFact, Inc. Please advise.

Very truly yours,

HEPWORTH, NUNGESTER, FELTON
& LEZAMIZ

Michael H. Felton

RECEIVED
FEB 24 1987

MHF:cjp
Enclosure
cc: Richard Stivers, Vice President
cc: TitleFact, Inc.
cc: Lloyd J. Webb, Esq.
cc: Brian Hanson, Esq.
cc: Mark Stubbs, Esq.
cc: Mr. Norm Glaser
cc: Mr. Art Glaser
cc: Jack E. Hull, Esq.

Department of Water Resources

MICROFILMED
APR 13 1987

AGREEMENT OF SALE OF REAL PROPERTY

IT IS AGREED by and among GLASER LAND & LIVESTOCK, INC., a Nevada corporation, hereinafter referred to as "Glaser", DONALD K. CAMPBELL and DIANE CAMPBELL, husband and wife, hereinafter referred to as "Campbell", ZIONS LEASING CO., a Utah corporation, hereinafter referred to as "Zions", and JOE MILLER and HALLIE MILLER, husband and wife, hereinafter referred to as "Miller", according to the following terms and conditions:

1. Recitals: The following facts are acknowledged by the parties and considered by them in the execution of this Agreement:

(a) Glaser is the owner of certain real property situated in Twin Falls County, Idaho, more specifically described in Exhibit A attached hereto and incorporated within this Agreement as if here set out in full, hereinafter referred to as the "Glaser Property";

(b) It is Campbell's desire to purchase a portion of the Glaser Property, consisting of approximately 107.11 acres, more specifically described in Exhibit B attached hereto and incorporated within this Agreement as if here set out in full, hereinafter referred to as the "Campbell Property", together with any and all appurtenant water rights, including water permits and licenses and hot water rights, permits and licenses which Glaser may own in connection with the Campbell Property;

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AGREEMENT OF SALE OF REAL PROPERTY - 1

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(c) It is Zions' desire to purchase a portion of the Glaser Property, consisting of approximately 17.97 acres, more specifically described in Exhibit C attached hereto and incorporated within this Agreement as if here set out in full, hereinafter referred to as the "Zions Property", together with any and all appurtenant water rights, including water permits and licenses, Glaser may own or have rights in or to in connection with the Zions Property, and any and all hydroelectric rights, appurtenances, permits, licenses and agreements which Glaser may own or have rights in or to in connection with the Zions Property;

(d) It is Miller's desire to purchase a portion of the Glaser Property, consisting of approximately 5.75 acres, more specifically described in Exhibit D attached hereto and incorporated within this Agreement as if here set out in full, hereinafter referred to as the "Miller Property", which excludes that certain well identified as Well No. 5, which well shall be part of the "Campbell Property";

(e) It is the purpose of this Agreement to provide for the sale and purchase of the Glaser Property, Glaser to sell the described real property and appurtenances thereto to Campbell, Zions, and Miller under the terms and conditions here provided; each party assumes responsibility for its transactions with the others and no party assumes responsibility for the entire set of transactions contemplated by this Agreement.

2. Seller's Covenants: In consideration of the promises of
AGREEMENT OF SALE OF REAL PROPERTY - 2

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Campbell, Zions, and Miller here contained, the amounts to be paid by Zions and Miller to Glaser as herein set forth, and other good and valuable consideration, Glaser agrees:

(a) To convey to Campbell the Campbell Property together with all appurtenances thereupon situated;

(b) To convey to Campbell all of its rights to the use of streams which traverse the Campbell Property, together with any and all rights in appurtenant permits and licenses for the use of water, both hot and cold, for fish propagation, irrigation and any other lawful uses;

(c) To accomplish the specified conveyances by good and sufficient deed, warranting title to the Campbell Property;

(d) To deposit in escrow with an escrow agent to be designated by the parties, and specified in Exhibit E attached to this Agreement and incorporated within this Agreement as if here set out in full, a warranty deed conveying the Campbell Property to Campbell, together with any and all of Glaser's rights in permits and licenses appurtenant thereto which relate to the use of water, both hot and cold, including Glaser's rights or interests in Water Permit Nos. 47-7705 and 47-7562 upon such forms as may be required by the Department of Water Resources of the State of Idaho, and any and all other instruments of conveyance necessary to accomplish the transfer of all of the property which is the subject of this Agreement from Glaser to Campbell;

(e) To grant to Campbell possession of the Campbell Property and all of its appurtenances immediately upon execution hereof and to allow him quiet possession of the Campbell Property pending his

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completion of performance according to the terms of this Agreement, and during such time as he shall comply with the terms of this Agreement, together with the right to the use of all appurtenances thereto during those same times;

(f) To convey to Zions the Zions Property described in Exhibit C along with any and all rights, permits, licenses, easements and agreements appurtenant thereto for the use of water, both hot and cold, for all lawful uses, including Glaser's rights or interests in Water Permit Nos. 47-7700 and 47-7702 upon such forms as may be required by the Department of Water Resources of the State of Idaho, including Glaser's rights or interests in generation of hydroelectric power, and along with any and all other appurtenances thereto, including all rights and interest of Glaser in and to the hydroelectric facilities located thereon, and to deliver into escrow for delivery to Zions, upon Campbell's compliance with paragraph 3 hereof or his exercise of the option given in paragraph 4 hereof, together with the guarantees there provided, and upon payment out of escrow of the sum of \$50,000.00 paid by Zions as herein provided, a good and sufficient deed, warranting title to the Zions Property, naming Zions as the grantee;

(g) To provide Zions with a title insurance policy acceptable to Zions covering the Zions Property;

(h) To dismiss without prejudice any claims of Glaser against Zions for deficiency in that certain action pending in the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls, as Case No. 37669, and to otherwise complete

the pending sale by bidding in up to the judgment amount including costs and fees in order to quiet the title in the subject property in the Glasers; in return, Zions agrees to convey to Glaser, Campbell and Miller all rights of redemption which it may possess in the subject real property, other than the real property which by the terms hereof will be conveyed to Zions;

(i) To convey to Miller the Miller Property described in Exhibit D-1 and to deliver to Miller upon the execution hereof and the payment by Miller of the sum of \$9,500.00 as hereinafter set forth, a good and sufficient deed, warranting title to the Miller Property, naming Miller as grantee;

(j) As to the warm water well generally referred to as Well No. 5, to convey the rights to that well to Campbell, together with an easement for access to that well, subject to Miller's right to use the waters of that well not to exceed 100 gallons per minute, which the parties understand to include the right to use the waters of the well from April 15 to October 15 of each year, in amounts not to exceed 70 gallons per minute for irrigation purposes on the Miller Property;

(k) To convey to Miller the domestic cold water well situated upon the Miller property;

(l) To quitclaim to Miller the ^{1.26 acres} described in Exhibit D-2;

(m) To pay the 1986 real property taxes ^{APR 12 1987} due to the subject property, the grantees to pay the real property taxes thereafter.

3. Campbell's Covenants to Glaser: In consideration of the promises of Glaser here contained, and other good and valuable

consideration, Campbell agrees:

(a) To pay Glaser, within sixty (60) days of the date of this Agreement, the total sum of \$160,000.00 by cashier's check or certified check; or

(b) Within that same sixty (60) days, Campbell shall pay to Glaser the sum of \$50,000.00 and shall, at the same time, notify Glaser in writing at its address at Halleck, Nevada 89824, of his intention to discharge the \$110,000.00 principal balance due Glaser in two equal annual payments of \$55,000.00 due one year from the execution date hereof and two years from the execution date hereof, respectively, together with interest at the rate provided in paragraph 4(c) below;

(c) In the event Campbell shall exercise the options here specified and obtain the advantage of the lower price, the provisions of this Agreement not otherwise inapplicable shall apply, except that:

(1) The guarantee provisions of paragraph 4(d) below shall not apply; and

(2) Campbell's option, expressed in paragraph 4(d) hereof, to defer one year's principal payment shall not apply.

4. Option to Campbell for Different Payment Arrangements:

In consideration of the covenants here contained, Glaser grants to Campbell the right to acquire the Campbell Property for an increased total principal sum of \$190,000.00 in the event that Campbell shall notify Glaser of his election to purchase the property for the increased amount by written notice to its

address at Halleck, Nevada, within sixty (60) days of the execution of this contract, in which event Campbell agrees:

(a) To pay to Glaser as a total purchase price for the Campbell Property, together with any and all appurtenances which Glaser may own as part of the Campbell Property, the sum of \$190,000.00;

(b) To pay Glaser that contract amount over a ten-year period in equal annual payments of \$19,000.00 upon the unpaid principal balance, plus accrued interest, payable on each anniversary date of this Agreement, beginning one year from execution hereof and payable in full upon the tenth anniversary date of this Agreement, provided that Campbell shall have the option to defer any one year's principal payment for payment at the end of the contract term; this shall in no way relieve Campbell from the obligation to pay annual interest payments on the unpaid principal balance as otherwise specified herein;

(c) To pay Glaser interest in addition to the specified annual payments of principal at the agreed rate of 2% above the prime rate offered by the City Bank of New York for the year next preceding the payment; it is provided, however, that the interest rate shall be not increased or decreased more than 2% in any five-year period during the term of the performance of the contract;

(d) To provide for the guarantee of his performance of this Agreement the undertaking of Campbell, Charles Parker, and First Ascent Fish Farms, a partnership consisting of Donald K. Campbell and Charles Parker, and that those parties, jointly and severally,

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Handwritten signature

shall, upon demand, make payment according to the terms of this contract in the event that Campbell shall not so perform, Glaser having no obligation in connection therewith to take any action against Campbell to require his performance according to the terms hereof before making demand upon the guarantors for that performance; it is provided, however, that, at such time as the unpaid principal balance of this contract shall be reduced to the sum of \$100,000.00, the guarantee obligations of Charles Parker and First Ascent Fish Farms, a partnership, shall lapse and Campbell alone shall be responsible for performance according to the terms hereof;

(e) To preserve the Campbell Property, water rights and appurtenances in good condition, subject only to reasonable wear and tear of depreciable structures during the term of this Agreement;

(f) To pay all taxes which accrue upon the Campbell Property upon their due dates and, upon request, to furnish Glaser with proof of that payment and, additionally, during the period of the guarantee of Charles Parker and of First Ascent Fish Farms, a partnership, is in effect, to pay the taxes accruing upon the Planned Unit Development which relates to the Campbell Property;

(g) To hold and maintain the Campbell Property free and clear of liens and encumbrances except as may be consented to, in writing, by Glaser.

5. Zions' Covenants to Glaser: In consideration of the promises of Glaser here contained, and other good and valuable consideration, Zions agrees:

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(a) To deliver into escrow for payment to Glaser, the sum of \$50,000, by cashier's or certified check, to be paid to Glaser out of escrow upon Campbell's compliance with paragraph 3 hereof or his exercise of the option given in paragraph 4 hereof, together with the guarantees there provided, and upon delivery to Zions of the deed, bill of sale and water rights assignments described in paragraph 2(f) hereof;

(b) To dismiss without prejudice all claims of Zions against Glaser in that certain action pending in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls, as Case No. 37669;

(c) To assign to Glaser water licenses and permits consistent with the Court's decree in Case No. 37669 for reconveyance to Zions consistent with the provisions hereof.

6. Zions' Covenants to Campbell: In consideration of the promises of Campbell to Zions contained herein, and other good and valuable consideration, Zions agrees:

(a) To allow Campbell, and/or any agents or employees of Campbell, access to the diversion facility located on the Zions property, at the point of diversion of Mud Creek to Campbell's projected fish farm, for purposes of constructing at Campbell's sole expense and in a manner reasonably acceptable to Zions improvements thereto and for maintenance and repair of said diversion facility;

(b) To allow Campbell, and/or any agents or employees of Campbell, access to the penstock situated upon Zions' property downstream from the diversion facility, approximately one-fourth

to one-half mile, and to the water delivery structure, including the ditch which will carry the waters of Mud Creek and other waters to his fish ponds for the purpose of inspection, maintenance, and repair. Zions agrees to share expenses of mutually-agreeable maintenance and repair and covenants not to withhold consent unreasonably;

(c) To grant to Campbell a license for the non-consumptive use of water obtained by Zions pursuant to Water Permit Nos. 47-7700 and 47-7702 for the sole purpose of filling and maintaining fish ponds of Campbell located on the Campbell Property, which license shall allow a maximum use of the following amounts of water, if available in Mud Creek:

1. September through May - a maximum of 3 cfs.
2. June through August - a maximum of 5 cfs.;

(d) To undertake any modifications of the hydroelectric plant and its appurtenances in such a way as to allow return flow from the fish farm to be used for hydropower purposes consistent with Campbell's water rights.

7. Campbell's Covenants to Zions: In consideration of the promises of Zions contained herein, and other good and valuable consideration, Campbell agrees:

(a) To submit plans for repair of the existing diversion facility under which Zions will obtain water pursuant to State Water Permit Nos. 47-7700 and 47-7702 to Zions for written approval prior to beginning construction of such repairs, to which Zions agrees to respond as to whether the plans are or are not acceptable within thirty (30) days of their receipt by Zions,

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Zions agrees that it will not withhold approval unreasonably;

(b) To undertake repair and maintenance of said diversion structure in a careful and workmanlike manner;

(c) To return at his expense all water used by Campbell for fish ponds as set out in paragraph 6(c) above at a point located in Mud Creek to be mutually agreed upon by Campbell and Zions in a condition suitable for use in the Mud Creek hydroelectric facility;

(d) To grant Zions, its agents, or assignees access across the Campbell Property to the Mud Creek Hydroelectric facility by means of the existing access road; Campbell covenants not to block the road or in any other manner restrict Zions' ability to use the road for access;

(e) To grant Zions the right to use the existing power line easement or other access across the Campbell property for hydroelectric power purposes.

8. Miller's Covenant to Glaser: In consideration of the promises of Glaser here contained, and other good and valuable consideration, Miller agrees:

To pay to Glaser the sum of \$9,500.00 upon delivery of a good and sufficient warranty deed to the Miller property as defined in Exhibit D-1. Miller agrees that the provisions herein, as they relate to his right to the use of the warm water well designated as Well No. 5, shall be subject to the regulations as may be imposed thereupon by the Department of Water Resources. He further understands that, in the event that it shall become necessary to line or reline the well upon mandate from the Department of Water Resources of the State of Idaho, he will share

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with Campbell in proportion to the allocated use of water from that well the costs of lining or relining the well. He further understands and agrees that Campbell assumes no liability for pressure losses at the well and no liability if the Department of Water Resources of the State of Idaho shall determine that irrigation use of the warm water well will not be permitted. Miller agrees to pay the real property taxes due and owing on the Miller property, Exhibit D-1, for 1986, and to reimburse Glaser for any and all sums paid by Glaser as and for real property taxes on the Miller property, Exhibit D-1, for the years 1983, 1984 and 1985.

9. Security Agreement: In the event that Campbell elects to fulfill his obligations under this Agreement, other than by the cash payment provided in paragraph 3(a) hereof, Campbell agrees that he will grant to Glaser a standard mortgage as to the "Campbell Property" securing payment of his obligations under this Agreement, consistent with the terms of either paragraph 3(b) or paragraph 4 hereof. Upon the execution and delivery of the mortgage, Glaser will convey the "Campbell Property" to Campbell by good and sufficient warranty deed as otherwise provided herein.

It is agreed, however, that Glaser will give to Campbell written notice of default as to any failure by Campbell to comply with the terms hereof, and Campbell shall have sixty (60) days thereafter to correct such default. If he does correct the default, there will be no foreclosure of the mortgage, and performance according to this contract will continue. If the

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defaults are not cured, Glaser may proceed with foreclosure of the mortgage.

10. General Terms of Agreement: The parties agree to the additional terms of agreement here specified:

(a) This Agreement shall be binding upon the parties, their heirs, assigns, and successors-in-interest;

(b) In the event that it becomes necessary for one of the parties to initiate legal proceedings to enforce this Agreement, the prevailing party shall be paid a reasonable attorney's fee for the legal expenses incurred in the enforcement of this Agreement;

(c) The parties shall execute any additional documents necessary to the full implementaion of this Agreement;

(d) In the event the subject properties are purchased upon sheriff's sale by some party other than Glasers, this Agreement shall be of no further force and effect, and the esrowed funds and documents shall be returned to the depositing parties.

IN WITNESS WHEREOF, the parties have hereto appended their hands and seals this 14th 7th day of December, 1986.

ATTEST:

Virginia M. Glaser
Its Secretary

GLASER LAND & LIVESTOCK, INC.

By Donald K. Campbell
Its President

Donald K. Campbell
Donald K. Campbell

Diane Campbell
Diane Campbell

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ZIONS LEA NG CO.

By *[Signature]*
Its Assistant V.P.

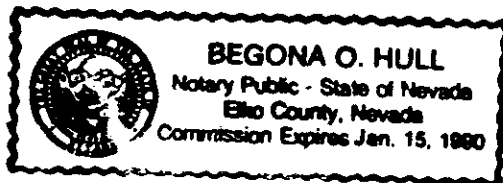
[Signature]
Joe Miller

[Signature]
Hallie Miller

STATE OF ~~Idaho~~ Nevada)
County of Elko) ss.

On this 11th day of December, 1986, before me, the under-
signed, a Notary Public in and for said State and County, person-
ally appeared *[Signature]*, known or identified to
me to be the President of GLASER LAND & LIVESTOCK, INC.,
the corporation that executed the instrument or the person who
executed the instrument on behalf of said corporation, and
acknowledged to me that such corporation executed the same.

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



[Signature]
NOTARY PUBLIC FOR ~~Idaho~~
Residence: Elko, Nevada
My Commission expires 1-15-90

STATE OF IDAHO)
County of TWIN FALLS) ss.

On this 7th day of December, 1986, before me, the under-
signed, a Notary Public in and for said State and County, person-
ally appeared DONALD K. CAMPBELL and ~~DIANE CAMPBELL~~, husband
and wife, known or identified to me to be the persons whose names
are subscribed to the within instrument, and acknowledged to me
that they executed the same.

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[Handwritten initials]

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

Residence: TWIN FALLS, ID

My Commission expires 8-8-92

STATE OF UTAH)

County of Salt Lake)

ss.

On this 9th day of December, 1986, before me, the undersigned, a Notary Public in and for said State and County, personally appeared M. Scott Newbold, known or identified to me to be the Asst. Vice President of ZIONS LEASING CO., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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


NOTARY PUBLIC FOR ~~IDAHO~~ UTAH

Residence: Salt Lake City, Utah

My Commission expires 11/16/89

STATE OF IDAHO)

County of TWIN FALLS)

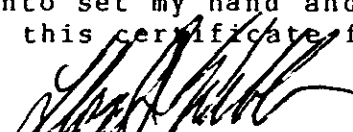
ss.

On this 7th day of December, 1986, before me, the undersigned, a Notary Public in and for said State and County, personally appeared JOE MILLER and HALLIE MILLER, husband and wife, known or identified to me 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 in this certificate first above written.

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NOTARY PUBLIC FOR IDAHO

Residence: TWIN FALLS, ID 83400

My Commission expires 8-8-92

AGREEMENT OF SALE OF REAL PROPERTY - 15



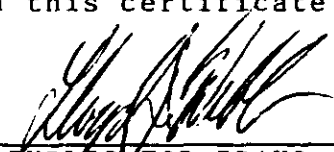
STATE OF IDAHO

County of Twin Falls

)
) ss.
)

On this 16th day of December, 1986, before me, the undersigned, a Notary Public in and for said State and County, personally appeared DIANE CAMPBELL, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she 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

Residence TWIN FALLS, ID.

My Commission expires 8-8-92

FILED
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EXHIBIT "A"

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: S $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$
EXCEPT two acres in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ described as follows:

BEGINNING at the Southwest corner of said section;
THENCE East 448 feet;
THENCE North 200 feet;
THENCE West 448 feet;
THENCE South 200 feet to the POINT OF BEGINNING.
TOGETHER WITH: All fences, improvements and tenements.
TOGETHER WITH: All water rights appurtenant.
SUBJECT TO: All existing easements.
SUBJECT TO: Recorded covenants.
SUBJECT TO: Boundary line fence as present.
EXCEPT:

A parcel of land in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 14, Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho, generally described as parcel G-2 and 2.54 acres in the North portion of parcel G-1 as shown on the map of Melon Valley Ranches on file in the office of the Recorder of Twin Falls County, Idaho in Miscellaneous Book 28 at page 1573; said parcel being more specifically described as follows:

COMMENCING at the Northwest corner of Section 14, Township 9 South, Range 14 E., B.M., a distance of 1314.04 feet on a bearing of South 0°26'39" East along the West boundary of Section 14;
THENCE a distance of 1303.61 feet on a bearing of South 89°27'12" East to the Northwest corner of parcel G-2 Melon Valley Ranches and the REAL POINT OF BEGINNING.
THENCE from this REAL POINT OF BEGINNING and along the North boundary of parcels G-2 and G-1 Melon Valley Ranches a distance of 1303.61 feet on a bearing of South 89°27'12" East to the northeast corner of said parcel G-1;
THENCE from this Northeast corner of said parcel G-1 a distance of 156.00 feet on a bearing of South 0°42'10" East along the East boundary of parcel G-1;

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THENCE a distance of 438.47 feet on a bearing of South 74°07'17" West to the Southeast corner of parcel G-2 Melon Valley Ranches; THENCE from this Southeast corner of parcel G-2 a distance of 880.96 feet on a bearing of North 89°27'12" West along the South boundary of said parcel G-2 to the southwest corner of parcel G-2; THENCE along the said West boundary of parcel G-2 a distance of 280.00 feet on a bearing of North 0°34'26" West to the REAL POINT OF BEGINNING.

SUBJECT TO: An easement on file in the office of the Recorder of Twin Falls County, Idaho, in Miscellaneous Book 28 at page 1573.

ALSO SUBJECT TO: A deeded road right of way 20 feet in width along the West boundary thereof.

AND EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho Section 14: A parcel of land in the SW¼SW¼, being more specifically described as follows:

COMMENCING at the Southwest corner of Section 14, Township 9 South, Range 14 E., B.M., a distance of 1241.89 feet on a bearing of North 88°55'14" East along the South boundary of Section 14 to the REAL POINT OF BEGINNING;

THENCE from this REAL POINT OF BEGINNING a distance of 162 feet on a bearing of North 1°04'19" West;

THENCE a distance of 268.89 feet on a bearing of South 88°55'14" West;

THENCE a distance of 94.10 feet on a bearing of North 1°04'19" West;

THENCE a distance of 341.47 feet on a bearing of North 88°55'14" East to the East boundary of the SW¼SW¼, Section 14;

THENCE along the East boundary of the SW¼SW¼, Section 14 a distance of 256.11 feet on a bearing of South 0°34'17" East to the Southeast corner of the SW¼SW¼, Section 14;

THENCE from this Southeast corner of the SW¼SW¼ and along the South boundary of Section 14 a distance of 70.34 feet on a bearing of South 88°55'14" West to the REAL POINT OF BEGINNING.

AND ALSO EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho Section 14: A parcel of land in the SW¼SW¼ more specifically described as follows:

COMMENCING at the Southwest corner of Section 14, Township 9 South, Range 14 E., B.M., a distance of 973.00 feet on a bearing of North 88°55'14" East along the South boundary of Section 14;

THENCE a distance of 256.10 feet on a bearing of North 1°04'19" West to the REAL POINT OF BEGINNING;

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THENCE from this REAL POINT OF BEGINNING a distance of 380.99 feet on a bearing of North 1°04'19" West;
THENCE a distance of 344.80 feet on a bearing of North 88°55'14" East to the East boundary of the SW¼SW¼, Section 14;
THENCE along the East boundary of the SW¼SW¼, Section 14, a distance of 381.00 feet on a bearing of South 0°34'17" East;
THENCE from this East boundary of the SW¼SW¼, a distance of 341.47 feet on a bearing of South 88°35'14" West to the REAL POINT OF BEGINNING.

SUBJECT TO: A right of way 20 feet in width for the purpose of constructing and maintaining a public road along the East boundary thereof.

AND ALSO EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel in the SW¼SW¼, more particularly described as follows:

COMMENCING at the Southwest corner of Section 14;
West to the Southeast corner of parcel G-2 Melon Valley Ranches;
THENCE from this Southeast corner of parcel G-2 a distance of 880.96 feet on a bearing of North 89°27'12" West along the South boundary of said parcel G-2 to the southwest corner of parcel G-2;

THENCE North 88°55'41" East, 973.00 feet to the TRUE POINT OF BEGINNING;

THENCE North 1°04'19" West, 162.00 feet;

THENCE North 88°55'41" East, 268.89 feet;

THENCE South 1°04'19" East 162.00 feet;

THENCE South 88°55'41" West, 268.89 feet to the TRUE POINT OF BEGINNING.

AND ALSO EXCEPT:

Lot G-1, MELON VALLEY RANCHES, Twin Falls County, Idaho,
according to the Map of Survey recorded March 17, 1977, as
Instrument No. 711808, records of Twin Falls County, Idaho.

AND ALSO EXCEPT:

Parcel 1

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land located in the SE¼NW¼ being more particularly described as follows:

The TRUE POINT OF BEGINNING is located North 88°55'41" East 1312.28 feet, North 0°34'19" West 2586.15 feet, and South 89°14'51" East 436.12 feet from the Southwest corner of said Section 14. Said corner is marked with a brass cap set by E & H Engineers dated 1973.

THENCE North 0°32'36" West (Recorded North 0°34'26" West) 74.93 feet to a set ½" x 30" iron pin;

RECORDED

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THENCE South 55°49'13" East 135.89 feet to a set ½" x 30" iron pin which falls on the center section line;
THENCE North 89°14'51" West 111.79 feet along the center quarter section line to the POINT OF BEGINNING.

Parcel 2

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land in the SE¼NW¼ being more particularly described as follows:

The TRUE POINT OF BEGINNING is the West 1/16 corner of Section 14 and is located North 88°55'4" East 1312.28 feet and North 0°34'19" West 2586.15 feet from the Southwest corner of Section 14, Township 9 South, Range 14 E., B.M. Said corner is marked with a brass cap set by E & H Engineers dated 1973. The POINT OF BEGINNING is referenced by a set ½" x 30" iron pin which bears North 89°14'51" East 20.00 feet and marked with P.E. & L.S. No.

THENCE South 89°14'51" East 436.12 feet (Recorded 436.03 feet) along the center section line of Section 14 to a point which is referenced by a set ½" x 30" iron pin which bears North 89°14'51" East 111.79 feet;

THENCE North 0°32'36" West (Recorded North 0°34'26" West) 74.93 feet to a set ½" x 30" iron pin;

THENCE North 55°49'13" West 134.65 feet to a set ½" x 30" iron pin;

THENCE North 86°23'11" West 326.28 feet to a set ½" x 30" iron pin. Said pin is referenced by a set ½" x 30" iron pin which bears South 86°23'11" East 20.05 feet;

THENCE South 0°34'19" East 165.41 feet to the POINT OF BEGINNING.

SUBJECT TO: A 20 foot wide county road easement whose West line is coincident with the West boundary of this tract.

AND ALSO EXCEPT:

Lot G-6 MELON VALLEY RANCHES, Twin Falls County, Idaho, according to the Map of Survey, recorded March 17, 1977, as Instrument No. 711808, records of Twin Falls County, Idaho, and being more particularly described as follows:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A portion of the SE¼NW¼ more particularly described as follows:

BEGINNING at the Southwest corner, which is marked with a brass cap monument, of Section 14, Township 9 South, Range 14 E., B.M.;

THENCE North 89°22'21" East 1312.28 feet to a railroad spike;

THENCE North 0°07'44" East 2586.35 feet to a 5/8" iron pin;

THENCE South 88°42'54" East 548.25 feet to a ½" iron pin which is the POINT OF BEGINNING of tract G-6 of MELON VALLEY RANCHES SUBDIVISION;

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THENCE South 55°35'34" East 242.12 feet to a $\frac{1}{4}$ " iron pin;
THENCE North 0°18'24" West 133.44 feet to a $\frac{1}{4}$ " iron pin;
THENCE North 0°27'10" West 209.52 feet to a $\frac{1}{4}$ " iron pin;
THENCE North 28°12'47" East 236.24 feet to a $\frac{1}{4}$ " iron pin;
THENCE North 75°14'03" East 190.28 feet to a $\frac{1}{4}$ " iron pin;
THENCE North 19°06'14" West 140.68 feet to a $\frac{1}{4}$ " iron pin;
THENCE South 84°31'49" West 564.71 feet to a $\frac{1}{4}$ " iron pin;
THENCE South 0°01'35" West 465.70 feet to a $\frac{1}{4}$ " iron pin;
THENCE South 56°32'38" East 138.24 feet to the POINT OF
BEGINNING.

SUBJECT TO: an established 30.0 foot wide access easement
which crosses the southerly portion of this tract.

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EXHIBIT "B"

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: S $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPT two acres in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ described as follows:

BEGINNING at the Southwest corner of said section;

THENCE East 448 feet;

THENCE North 200 feet;

THENCE West 448 feet;

THENCE South 200 feet to the POINT OF BEGINNING.

TOGETHER WITH: All fences, improvements and tenements.

TOGETHER WITH: All water rights appurtenant.

SUBJECT TO: All existing easements.

SUBJECT TO: Recorded covenants.

SUBJECT TO: Boundary line fence as present.

EXCEPT:

A parcel of land in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 14, Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho, generally described as parcel G-2 and 2.54 acres in the North portion of parcel G-1 as shown on the map of Melon Valley Ranches on file in the office of the Recorder of Twin Falls County, Idaho in Miscellaneous Book 28 at page 1573; said parcel being more specifically described as follows:

COMMENCING at the Northwest corner of Section 14, Township 9 South, Range 14 E., B.M., a distance of 1314.04 feet on a bearing of South 0°26'39" East along the West boundary of Section 14;

THENCE a distance of 1303.61 feet on a bearing of South 89°27'12" East to the Northwest corner of parcel G-2 Melon Valley Ranches and the REAL POINT OF BEGINNING.

THENCE from this REAL POINT OF BEGINNING and along the North boundary of parcels G-2 and G-1 Melon Valley Ranches a distance of 1303.61 feet on a bearing of South 89°27'12" East to the northeast corner of said parcel G-1;

THENCE from this Northeast corner of said parcel G-1 a distance of 156.00 feet on a bearing of South 0°42'10" East along the East boundary of parcel G-1;

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THENCE a distance of 438.47 feet on a bearing of South 74°07'17" West to the Southeast corner of parcel G-2 Melon Valley Ranches; THENCE from this Southeast corner of parcel G-2 a distance of 880.96 feet on a bearing of North 89°27'12" West along the South boundary of said parcel G-2 to the southwest corner of parcel G-2; THENCE along the said West boundary of parcel G-2 a distance of 280.00 feet on a bearing of North 0°34'26" West to the REAL POINT OF BEGINNING.

SUBJECT TO: An easement on file in the office of the Recorder of Twin Falls County, Idaho, in Miscellaneous Book 28 at page 1573.

ALSO SUBJECT TO: A deeded road right of way 20 feet in width along the West boundary thereof.

AND EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho Section 14: A parcel of land in the SW¼SW¼, being more specifically described as follows:

COMMENCING at the Southwest corner of Section 14, Township 9 South, Range 14 E., B.M., a distance of 1241.89 feet on a bearing of North 88°55'14" East along the South boundary of Section 14 to the REAL POINT OF BEGINNING;

THENCE from this REAL POINT OF BEGINNING a distance of 162 feet on a bearing of North 1°04'19" West;

THENCE a distance of 268.89 feet on a bearing of South 88°55'14" West;

THENCE a distance of 94.10 feet on a bearing of North 1°04'19" West;

THENCE a distance of 341.47 feet on a bearing of North 88°55'14" East to the East boundary of the SW¼SW¼, Section 14;

THENCE along the East boundary of the SW¼SW¼, Section 14 a distance of 256.11 feet on a bearing of South 0°34'17" East to the Southeast corner of the SW¼SW¼, Section 14;

THENCE from this Southeast corner of the SW¼SW¼ and along the South boundary of Section 14 a distance of 70.34 feet on a bearing of South 88°55'14" West to the REAL POINT OF BEGINNING.

AND ALSO EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho Section 14: A parcel of land in the SW¼SW¼ more specifically described as follows:

COMMENCING at the Southwest corner of Section 14, Township 9 South, Range 14 E., B.M., a distance of 973.00 feet on a bearing of North 88°55'14" East along the South boundary of Section 14; THENCE a distance of 256.10 feet on a bearing of North 1°04'19" West to the REAL POINT OF BEGINNING;

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THENCE from this REAL POINT OF BEGINNING a distance of 380.99 feet on a bearing of North 1°04'19" West;
THENCE a distance of 344.80 feet on a bearing of North 88°55'14" East to the East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14;
THENCE along the East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14, a distance of 381.00 feet on a bearing of South 0°34'17" East;
THENCE from this East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, a distance of 341.47 feet on a bearing of South 88°35'14" West to the REAL POINT OF BEGINNING.

SUBJECT TO: A right of way 20 feet in width for the purpose of constructing and maintaining a public road along the East boundary thereof.

AND ALSO EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, more particularly described as follows:

COMMENCING at the Southwest corner of Section 14;
West to the Southeast corner of parcel G-2 Melon Valley Ranches;
THENCE from this Southeast corner of parcel G-2 a distance of 880.96 feet on a bearing of North 89°27'12" West along the South boundary of said parcel G-2 to the southwest corner of parcel G-2;

THENCE North 88°55'41" East, 973.00 feet to the TRUE POINT OF BEGINNING;

THENCE North 1°04'19" West, 162.00 feet;

THENCE North 88°55'41" East, 268.89 feet;

THENCE South 1°04'19" East 162.00 feet;

THENCE South 88°55'41" West, 268.89 feet to the TRUE POINT OF BEGINNING.

AND ALSO EXCEPT:

Lot G-1, MELON VALLEY RANCHES, Twin Falls County, Idaho,
according to the Map of Survey recorded March 17, 1977, as
Instrument No. 711808, records of Twin Falls County, Idaho.

AND ALSO EXCEPT:

Parcel 1

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ being more particularly described as follows:

The TRUE POINT OF BEGINNING is located North 88°55'41" East 1312.28 feet, North 0°34'19" West 2586.15 feet, and South 89°14'51" East 436.12 feet from the Southwest corner of said Section 14. Said corner is marked with a brass cap set by E & H Engineers dated 1973.

THENCE North 0°32'36" West (Recorded North 0°34'26" West) 74.93 feet to a set $\frac{1}{4}$ " x 30" iron pin;

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THENCE South 55°49'13" East 135.89 feet to a set ½" x 30" iron pin which falls on the center section line;
THENCE North 89°14'51" West 111.79 feet along the center quarter section line to the POINT OF BEGINNING.

Parcel 2

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land in the SE¼NW¼ being more particularly described as follows:

The TRUE POINT OF BEGINNING is the West 1/16 corner of Section 14 and is located North 88°55'4" East 1312.28 feet and North 0°34'19" West 2586.15 feet from the Southwest corner of Section 14, Township 9 South, Range 14 E., B.M. Said corner is marked with a brass cap set by E & H Engineers dated 1973. The POINT OF BEGINNING is referenced by a set ½" x 30" iron pin which bears North 89°14'51" East 20.00 feet and marked with P.E. & L.S. No.

THENCE South 89°14'51" East 436.12 feet (Recorded 436.03 feet) along the center section line of Section 14 to a point which is referenced by a set ½" x 30" iron pin which bears North 89°14'51" East 111.79 feet;

THENCE North 0°32'36" West (Recorded North 0°34'26" West) 74.93 feet to a set ½" x 30" iron pin;

THENCE North 55°49'13" West 134.65 feet to a set ½" x 30" iron pin;

THENCE North 86°23'11" West 326.28 feet to a set ½" x 30" iron pin. Said pin is referenced by a set ½" x 30" iron pin which bears South 86°23'11" East 20.05 feet;

THENCE South 0°34'19" East 165.41 feet to the POINT OF BEGINNING.

SUBJECT TO: A 20 foot wide county road easement whose West line is coincident with the West boundary of this tract.

AND ALSO EXCEPT:

Lot G-6 MELON VALLEY RANCHES, Twin Falls County, Idaho, according to the Map of Survey, recorded March 17, 1977, as Instrument No. 711808, records of Twin Falls County, Idaho, and being more particularly described as follows:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A portion of the SE¼NW¼ more particularly described as follows:

BEGINNING at the Southwest corner, which is marked with a brass cap monument, of Section 14, Township 9 South, Range 14 E., B.M.;

THENCE North 89°22'21" East 1312.28 feet to a railroad spike;

THENCE North 0°07'44" East 2586.35 feet to a 5/8" iron pin;

THENCE South 88°42'54" East 548.25 feet to a ½" iron pin which is the POINT OF BEGINNING of tract G-6 of MELON VALLEY RANCHES SUBDIVISION;

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THENCE South 55°35'34" East 242.12 feet to a 1/2" iron pin;
THENCE North 0°18'24" West 133.44 feet to a 1/2" iron pin;
THENCE North 0°27'10" West 209.52 feet to a 1/2" iron pin;
THENCE North 28°12'47" East 236.24 feet to a 1/2" iron pin;
THENCE North 75°14'03" East 190.28 feet to a 1/2" iron pin;
THENCE North 19°06'14" West 140.68 feet to a 1/2" iron pin;
THENCE South 84°31'49" West 564.71 feet to a 1/2" iron pin;
THENCE South 0°01'35" West 465.70 feet to a 1/2" iron pin;
THENCE South 56°32'38" East 138.24 feet to the POINT OF
BEGINNING.

SUBJECT TO: an established 30.0 foot wide access easement
which crosses the southerly portion of this tract.

EXCEPT:

A tract of land located in the West Half of Section 14, Township
9 South, Range 14 East, Boise Meridian, in Twin Falls County,
Idaho, consisting of 17.97 acres, more or less, more particularly
described as follows:

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Beginning at the southwest corner of said Section 14;

THENCE North 0°00'00" East for a distance of 1358.12 feet along the westerly boundary of said Section 14 to the center of Mud Creek and the True Point of Beginning;

THENCE North 64°15'12" East for a distance of 446.35 feet to the easterly bank of Mud Creek;

THENCE North 15°22'56" East for a distance of 212.65 feet along the easterly bank of Mud Creek;

THENCE North 8°12'51" West for a distance of 348.06 feet along the easterly bank of Mud Creek;

THENCE North 10°25'44" East for a distance of 342.75 feet along the easterly bank of Mud Creek;

THENCE North 33°43'02" West for a distance of 363.24 feet along the easterly bank of Mud Creek;

THENCE North 63°27'56" West for a distance of 112.59 feet along the easterly bank of Mud Creek;

THENCE North 24°23'34" West for a distance of 86.99 feet along the easterly bank of Mud Creek;

THENCE North 38°06'58" East for a distance of 173.72 feet along the easterly bank of Mud Creek;

THENCE North 26°11'06" West for a distance of 266.92 feet along the easterly bank of Mud Creek;

THENCE North 24°33'24" East for a distance of 229.37 feet along the easterly bank of Mud Creek;

THENCE North 24°31'55" West for a distance of 84.03 feet along the easterly bank of Mud Creek;

THENCE North 20°04'57" East for a distance of 191.74 feet along the easterly bank of Mud Creek;

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THENCE North 18°25'30" East for a distance of 201.42 feet along the easterly bank of Mud Creek to the northerly boundary of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 14;

THENCE North 89°00'33" West for a distance of 320 feet along the northerly boundary of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ to the westerly boundary of said Section 14;

THENCE South 0°00'00" East along the westernly boundary of said Section 14 for a distance of 2584.04 feet to the True Point of Beginning.

Together with and subject to covenants, easements and restrictions of record.

ALSO EXCEPT:

A parcel of real property situated in the Southeast Quarter of the Northwest Quarter of Section 14, Township 9 South, Range 14 East, Boise Meridian, Twin Falls County, Idaho, shown as G-7 on the Survey Map of Melon Valley Ranches recorded March 17, 1977, as Instrument No. 711808, according to the records of Twin Falls County, Idaho, and more particularly described as follows:
Beginning at the southwest corner of said Section 14;

THENCE North 88°55'41" East for a distance of 2624.56 feet to the southeast corner of the SW $\frac{1}{4}$ of said Section 14;

THENCE North 00°42'14" West for a distance of 2544.59 feet along the easterly boundary of said SW $\frac{1}{4}$ to the southeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ also being the southeast corner of said parcel G-7 and the True Point of Beginning;

THENCE North 89°14'50" West for a distance of 559.94 feet along the southerly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the southwest corner of said Parcel G-7 and the southeast corner of Parcel G-6;

THENCE North 00°35'27" West for a distance of 209.98 feet on the boundary of Parcels G-6 and G-7;

THENCE North 27°58'21" East for a distance of 236.24 feet on the boundary of Parcel G-6 and G-7;

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THENCE North 75°12'00" East for a distance of 459.83 feet to a point on the easterly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$;

THENCE South 00°42'14" East for a distance of 543.47 feet along the easterly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the True Point of Beginning;

Together with and subject to covenants, easements and restrictions of record.

Said property contains 5.75 acres, more or less.

MICROFILMED

APR 13 1987

EXHIBIT "C"

A tract of land located in the West Half of Section 14, Township 9 South, Range 14 East, Boise Meridian, in Twin Falls County, Idaho, consisting of 17.97 acres, more or less, more particularly described as follows:

Beginning at the southwest corner of said Section 14;

THENCE North 0°00'00" East for a distance of 1358.12 feet along the westerly boundary of said Section 14 to the center of Mud Creek and the True Point of Beginning;

THENCE North 64°15'12" East for a distance of 446.35 feet to the easterly bank of Mud Creek;

THENCE North 15°22'56" East for a distance of 212.65 feet along the easterly bank of Mud Creek;

THENCE North 8°12'51" West for a distance of 348.06 feet along the easterly bank of Mud Creek;

THENCE North 10°25'44" East for a distance of 342.75 feet along the easterly bank of Mud Creek;

THENCE North 33°43'02" West for a distance of 363.24 feet along the easterly bank of Mud Creek;

THENCE North 63°27'56" West for a distance of 112.59 feet along the easterly bank of Mud Creek;

THENCE North 24°23'34" West for a distance of 86.99 feet along the easterly bank of Mud Creek;

THENCE North 38°06'58" East for a distance of 173.72 feet along the easterly bank of Mud Creek;

THENCE North 26°11'06" West for a distance of 266.92 feet along the easterly bank of Mud Creek;

THENCE North 24°33'24" East for a distance of 229.37 feet along the easterly bank of Mud Creek;

THENCE North 24°31'55" West for a distance of 84.03 feet along the easterly bank of Mud Creek;

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THENCE North 20°04'57" East for a distance of 191.74 feet along the easterly bank of Mud Creek;

THENCE North 18°25'30" East for a distance of 201.42 feet along the easterly bank of Mud Creek to the northerly boundary of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 14;

237.10'

THENCE North 89°00'33" West for a distance of 320 feet along the northerly boundary of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ to the westerly boundary of said Section 14;

323.18'

THENCE South 0°00'00" East along the westerly boundary of said Section 14 for a distance of 2584.04 feet to the True Point of Beginning.

Together with and subject to covenants, easements and restrictions of record.

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EXHIBIT "D-1"

A parcel of real property situated in the Southeast Quarter of the Northwest Quarter of Section 14, Township 9 South, Range 14 East, Boise Meridian, Twin Falls County, Idaho, shown as G-7 on the Survey Map of Melon Valley Ranches recorded March 17, 1977, as Instrument No. 711808, according to the records of Twin Falls County, Idaho, and more particularly described as follows:

Beginning at the southwest corner of said Section 14;

THENCE North 88°55'41" East for a distance of 2624.56 feet to the southeast corner of the SW $\frac{1}{4}$ of said Section 14;

THENCE North 00°42'14" West for a distance of 2544.59 feet along the easterly boundary of said SW $\frac{1}{4}$ to the southeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ also being the southeast corner of said parcel G-7 and the True Point of Beginning;

THENCE North 89°14'50" West for a distance of 559.94 feet along the southerly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the southwest corner of said Parcel G-7 and the southeast corner of Parcel G-6;

THENCE North 00°35'27" West for a distance of 209.98 feet on the boundary of Parcels G-6 and G-7;

THENCE North 27°58'21" East for a distance of 236.24 feet on the boundary of Parcels G-6 and G-7;

THENCE North 75°12'00" East for a distance of 459.83 feet to a point on the easterly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$;

THENCE South 00°42'14" East for a distance of 543.47 feet along the easterly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the True Point of Beginning;

Together with and subject to covenants, easements and restrictions of record.

Said property contains 5.75 acres, more or less.

RECORDED
APR 13 1987

EXHIBIT "D-1" TO GLASER/CAMPBELL/ZIONS LEASING/MILLER
"Agreement of Sale of Real Property"

EXHIBIT "D-2"

A tract of land located in the Northeast Quarter of the Southwest Quarter of Section 14, Township 9 South, Range 14 East, Boise Meridian, Twin Falls County, Idaho, more particularly described as follows:

THE POINT OF BEGINNING MARKED BY A SET $\frac{1}{2}$ " x 30" iron pin is located North 88°55'41" East 1312.28 feet (Basis of Bearings-Dan Crafton Survey dated 1973), North 0°34'19" West 2586.15 feet, and South 89°14'51" East 746.85 feet from the Southwest corner of Section 14, T. 9 S., R. 14 E., B.M. Said corner is marked with a brass cap set by E & H Engineers date 1973;

THENCE South 0°36'35" East (Record South 0°34'26" East) 133.44 feet to a set $\frac{1}{2}$ " x 30" iron pin;

THENCE South 55°49'13" East 15.76 feet to a set $\frac{1}{2}$ " x 30" iron pin;

THENCE North 81°48'36" East 509.19 feet to a set $\frac{1}{2}$ " x 30" iron pin;

THENCE North 33°42'02" East 75.00 feet to an existing $\frac{1}{2}$ " iron pin which is the center quarter corner of Section 14, T. 9 S., R. 14 E., B.M.;

THENCE North 89°14'51" West 560.12 feet (Record 560.00 feet) along the center quarter line to the POINT OF BEGINNING.

SUBJECT TO: A 50.00 foot wide roadway easement which crosses this tract.

RECORDED
APR 13 1987

EXHIBIT "D-2" TO GLASER/CAMPBELL/ZIONS LEASING/MILLER
"Agreement of Sale of Real Property"

EXHIBIT "E"

The escrow agent shall be the TWIN FALLS BANK & TRUST
COMPANY, Twin Falls, Idaho.

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EXHIBIT "E" TO GLASER/CAMPBELL/ZIONS LEASING/MILLER
"Agreement of Sale of Real Property"

1 HEPWORTH, NUNGESTER, FELTON
2 & LEZAMIZ
3 1020 Main
4 Post Office Box 589
5 Buhl, Idaho 83316
6 Telephone: (208) 543-4368
7 Attorneys for Plaintiffs

RECEIVED
OCT 11 8
HOLLAND & HART

8
9 IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
10 STATE OF IDAHO, IN AND FOR TWIN FALLS COUNTY

11 * * * * *

12 GLASER LAND & LIVESTOCK, INC.,) Case No. 37669
13 a Nevada corporation,)
14 Plaintiff,)
15 vs.) DECREE OF FORECLOSURE
16 DANIEL C. SKEEM and DARLENE)
17 SKEEM, husband and wife, and)
18 WAYNE B. SKEEM and DANIEL C.)
19 SKEEM d/b/a S & S LIMITED)
20 PARTNERSHIP, and ZIONS)
21 LEASING COMPANY, a Utah)
22 corporation,)
23 Defendants.)

24 * * * * *

25 Plaintiffs' Motion for Summary Judgment came on regu-
26 larly to be heard before the Court on the 24th day of February,
27 1986, and supplemental argument being heard by the Court on

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DECREE - 1

1 August 11, 1986, with Michael H. Felton of the firm of Hepworth,
2 Nungester, Felton & Lezamiz, Chartered, appearing on behalf of
3 the plaintiff and Brian R. Hanson of the firm of Holland & Hart,
4 Langroise, Sullivan appearing on behalf of Zions Leasing Co.,
5 and defendants, Daniel C. Skeem and Darlene Skeem, husband and
6 wife, and Wayne B. Skeem and Daniel C. Skeem d/b/a S & S Limit-
7 ed Partnership having failed to appear in person or through
8 counsel, and their default having been entered and proof having
9 been submitted to the Court that they were served with process,
10 the time for appearance by said defaulted defendants having
11 expired, and the plaintiff having introduced evidence of non-
12 military service and further stating that said defaulting
13 defendants were not infants nor incompetents, and the plaintiffs
14 having submitted adequate proof in support of its Motion for
15 Summary Judgment, and the Court having entered its Memorandum
16 Opinion dated April 9, 1986, and the Second Memorandum Opinion
17 on the further matters submitted to it on September 2, 1986,
18 and the Court being fully advised in the premises;

17 WHEREFORE, by virtue of the law and by reason of the
18 premises aforesaid, IT IS HEREBY ORDERED, ADJUDGED AND DECREED
19 as follows:

20 1. That plaintiff have judgment against the defend-
21 ants in the following amounts and in the following priority and
22 only to the extent that the proceeds of the sale of the real
23 property described as follows:

DECREE - 2

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APR 13 1987

1 Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
2 Section 14: S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$
EXCEPT two acres in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ described as follows:

3 BEGINNING at the Southwest corner of said section;
4 THENCE East 448 feet;
5 THENCE North 200 feet;
6 THENCE West 448 feet;
7 THENCE South 200 feet to the POINT OF BEGINNING.
TOGETHER WITH: All fences, improvements and tenements.
TOGETHER WITH: All water rights appurtenant.
SUBJECT TO: All existing easements.
SUBJECT TO: Recorded covenants.
SUBJECT TO: Boundary line fence as present.
EXCEPT:

8 A parcel of land in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 14, Township 9 South,
9 Range 14 E., B.M., Twin Falls County, Idaho, generally described
10 as parcel G-2 and 2.54 acres in the North portion of parcel G-1
11 as shown on the map of Melon Valley Ranches on file in the office
of the Recorder of Twin Falls County, Idaho in Miscellaneous
Book 28 at page 1573; said parcel being more specifically
described as follows:

12 COMMENCING at the Northwest corner of Section 14, Township 9
13 South, Range 14 E., B.M., a distance of 1314.04 feet on a
bearing of South 0°26'39" East along the West boundary of
Section 14;
14 THENCE a distance of 1303.61 feet on a bearing of South 89°27'12"
East to the Northwest corner of parcel G-2 Melon Valley Ranches
and the REAL POINT OF BEGINNING.
15 THENCE from this REAL POINT OF BEGINNING and along the North
boundary of parcels G-2 and G-1 Melon Valley Ranches a distance
16 of 1303.61 feet on a bearing of South 89°27'12" East to the
northeast corner of said parcel G-1;
17 THENCE from this Northeast corner of said parcel G-1 a distance
of 156.00 feet on a bearing of South 0°42'10" East along the
East boundary of parcel G-1;
18 THENCE a distance of 438.47 feet on a bearing of South 74°07'17"
West to the Southeast corner of parcel G-2 Melon Valley Ranches;
19 THENCE from this Southeast corner of parcel G-2 a distance of
880.96 feet on a bearing of North 89°27'12" West along the
20 South boundary of said parcel G-2 to the southwest corner of
parcel G-2;

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1 THENCE along the said West boundary of parcel G-2 a distance of
2 280.00 feet on a bearing of North 0°34'26" West to the REAL
POINT OF BEGINNING.

3 SUBJECT TO: An easement on file in the office of the Recorder
4 of Twin Falls County, Idaho, in Miscellaneous Book 28 at page
1573.

5 ALSO SUBJECT TO: A deeded road right of way 20 feet in width
6 along the West boundary thereof.

7 AND EXCEPT:

8 Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
9 Section 14: A parcel of land in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, being more specifi-
cally described as follows:

10 COMMENCING at the Southwest corner of Section 14, Township 9
11 South, Range 14 E., B.M., a distance of 1241.89 feet on a
12 bearing of North 88°55'14" East along the South boundary of
13 Section 14 to the REAL POINT OF BEGINNING;

14 THENCE from this REAL POINT OF BEGINNING a distance of 162 feet
15 on a bearing of North 1°04'19" West;

16 THENCE a distance of 268.89 feet on a bearing of South 88°55'14"
17 West;

18 THENCE a distance of 94.10 feet on a bearing of North 1°04'19"
19 West;

20 THENCE a distance of 341.47 feet on a bearing of North 88°55'14"
21 East to the East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14;

22 THENCE along the East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14 a
23 distance of 256.11 feet on a bearing of South 0°34'17" East to
the Southeast corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14;

THENCE from this Southeast corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and along the
South boundary of Section 14 a distance of 70.34 feet on a
bearing of South 88°55'14" West to the REAL POINT OF BEGINNING.

AND ALSO EXCEPT:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ more specifically
described as follows:

COMMENCING at the Southwest corner of Section 14, Township 9
South, Range 14 E., B.M., a distance of 973.00 feet on a bearing
of North 88°55'14" East along the South boundary of Section 14;

THENCE a distance of 256.10 feet on a bearing of North 1°04'19"
West to the REAL POINT OF BEGINNING;

THENCE from this REAL POINT OF BEGINNING a distance of 380.99
feet on a bearing of North 1°04'19" West;

THENCE a distance of 344.80 feet on a bearing of North 88°55'14"
East to the East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14;

THENCE along the East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14, a
distance of 381.00 feet on a bearing of South 0°34'17" East;

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1 THENCE from this East boundary of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, a distance of
2 341.47 feet on a bearing of South 88°35'14" West to the REAL
POINT OF BEGINNING.

3 SUBJECT TO: A right of way 20 feet in width for the purpose of
4 constructing and maintaining a public road along the East
boundary thereof.

5 AND ALSO EXCEPT:

6 Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, more particularly described
as follows:

7 COMMENCING at the Southwest corner of Section 14;

8 THENCE North 88°55'41" East, 973.00 feet to the TRUE POINT OF
BEGINNING;

9 THENCE North 1°04'19" West, 162.00 feet;

10 THENCE North 88°55'41" East, 268.89 feet;

11 THENCE South 1°04'19" East 162.00 feet;

12 THENCE South 88°55'41" West, 268.89 feet to the TRUE POINT OF
BEGINNING.

13 AND ALSO EXCEPT:

14 Lot G-1, MELON VALLEY RANCHES, Twin Falls County, Idaho,
according to the Map of Survey recorded March 17, 1977, as
15 Instrument No. 711808, records of Twin Falls County, Idaho.

16 AND ALSO EXCEPT:

17 Parcel 1

18 Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ being more
particularly described as follows:

19 The TRUE POINT OF BEGINNING is located North 88°55'41" East
1312.28 feet, North 0°34'19" West 2586.15 feet, and South
20 89°14'51" East 436.12 feet from the Southwest corner of said
Section 14. Said corner is marked with a brass cap set by E &
H Engineers dated 1973.

21 THENCE North 0°32'36" West (Recorded North 0°34'26" West) 74.93
feet to a set $\frac{1}{2}$ " x 30" iron pin;

22 THENCE South 55°49'13" East 135.89 feet to a set $\frac{1}{2}$ " x 30" iron
pin which falls on the center section line;

23 THENCE North 89°14'51" West 111.79 feet along the center quarter
section line to the POINT OF BEGINNING.

Parcel 2

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A parcel of land in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ being more partic-
ularly described as follows:

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1 The TRUE POINT OF BEGINNING is the West 1/16 corner of Section
2 14 and is located North 88°55'4" East 1312.28 feet and North
3 0°34'19" West 2586.15 feet from the Southwest corner of Section
4 14, Township 9 South, Range 14 E., B.M. Said corner is marked
5 with a brass cap set by E & H Engineers dated 1973. The POINT
6 OF BEGINNING is referenced by a set ½" x 30" iron pin which
7 bears North 89°14'51" East 20.00 feet and marked with P.E. &
8 L.S. No.
9 THENCE South 89°14'51" East 436.12 feet (Recorded 436.03 feet)
10 along the center section line of Section 14 to a point which is
11 referenced by a set ½" x 30" iron pin which bears North 89°14'51"
12 East 111.79 feet;
13 THENCE North 0°32'36" West (Recorded North 0°34'26" West) 74.93
14 feet to a set ½" x 30" iron pin;
15 THENCE North 55°49'13" West 134.65 feet to a set ½" x 30" iron
16 pin;
17 THENCE North 86°23'11" West 326.28 feet to a set ½" x 30" iron
18 pin. Said pin is referenced by a set ½" x 30" iron pin which
19 bears South 86°23'11" East 20.05 feet;
20 THENCE South 0°34'19" East 165.41 feet to the POINT OF BEGINNING.
21 SUBJECT TO: A 20 foot wide county road easement whose West
22 line is coincident with the West boundary of this tract.

23 AND ALSO EXCEPT:

Lot G-6 MELON VALLEY RANCHES, Twin Falls County, Idaho, according
to the Map of Survey, recorded March 17, 1977, as Instrument
No. 711808, records of Twin Falls County, Idaho, and being more
particularly described as follows:

Township 9 South, Range 14 E., B.M., Twin Falls County, Idaho
Section 14: A portion of the SE¼NW¼ more particularly described
as follows:

BEGINNING at the Southwest corner, which is marked with a brass
cap monument, of Section 14, Township 9 South, Range 14 E., B.M.;

THENCE North 89°22'21" East 1312.28 feet to a railroad spike;

THENCE North 0°07'44" East 2586.35 feet to a 5/8" iron pin;

THENCE South 88°42'54" East 548.25 feet to a ½" iron pin which
is the POINT OF BEGINNING of tract G-6 of MELON VALLEY RANCHES

SUBDIVISION;

THENCE South 55°35'34" East 242.12 feet to a ½" iron pin;

THENCE North 0°18'24" West 133.44 feet to a ½" iron pin;

THENCE North 0°27'10" West 209.52 feet to a ½" iron pin;

THENCE North 28°12'47" East 236.24 feet to a ½" iron pin;

THENCE North 75°14'03" East 190.28 feet to a ½" iron pin;

THENCE North 19°06'14" West 140.68 feet to a ½" iron pin;

THENCE South 84°31'49" West 564.71 feet to a ½" iron pin;

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1 THENCE South 0°01'35" West 465.70 feet to a 1/2" iron pin;
2 THENCE South 56°32'38" East 138.24 feet to the POINT OF
BEGINNING.

3 SUBJECT TO: an established 30.0 foot wide access easement
4 which crosses the southerly portion of this tract.

shall satisfy said judgment.

5 a. That the plaintiff have judgment against the
6 defendants Daniel C. Skeem and Darlene Skeem, husband and wife,
7 and Wayne B. Skeem and Daniel C. Skeem d/b/a S & S Limited Part-
8 nership, for the sum of \$178,360.02, together with interest
9 thereon in the sum of \$68,568.48 through September 15, 1986,
10 for the sum of \$24,000.00 as attorney fees, and for the sum of
\$2,085.39 as costs for a total judgment amount of \$273,013.89.

11 2. That the Contract of Sale between the plaintiffs
12 and the defendants Skeem for the property described above is
13 hereby treated as a valid first mortgage upon said property.
14 Included with said property are the following:

15 a. Water permits/licenses* #47-7700, 47-7702 &
47-7705

16 b. The improvements located upon the above
17 described realty as follows:

18
19
20 *That as fully set out in this court's memorandum opinion dated
21 April 9, 1986 this court has determined that defendants Skeem
22 have substantially complied with the statutory requirements and
therefore these permits have ripened into water licenses.

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Item	Unit	No. of Units
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Upper East Side

Earthen ditch from Well #1 to east hydro inlet Bottom-6ft. Depth 3 ft.	Ft	750
---	----	-----

Penstock-east inlet to upper hydro plant 24in dia., 1/4 in steel unwrapped, surface install.	Ft	790
---	----	-----

Penstock inlest (east side) 3 bay w/check boards		
Concrete	cu.yd	10
Trash rack 1/4in x 1in steel	unit	1

Penstock inlet overflow (east side)		
Concrete	cu.yd	10
Trash rack	unit	1

UPPER WEST SIDE

Earthen ditch from Mud Creek(west side) on Glaser property (1100ft.) 12ft. width, 4 ft. depth		
Earthwork	cu.yd	1790
Nat. gas pipe crossings(2)		
Concrete	cu.yd	5

Penstock inlet(west side) 3 bay, 35 ft overflow		
Concrete	cu.yd	28
Trash rack	unit	1

Penstock(west side) 36 in dia., 1/4 in steel unwrapped, surface instal	Ft	330
---	----	-----

Spill pipe (west side) 36 in. CMP partially buried	Ft	300
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Item

Unit

No. of
UnitsUpper turbine pit
Concrete
Exit pipe 36" CMPcu.yd.
Ft27.3
60Upper turbine pit
Turbine-generator sets
Service leads, motor load
control center
Manifold, valvesunit
unit
unit6
1
1Road East side
to bridge

Ft

700

Bridge across
Mud Creek
Concrete

cu.yd

54

Inlet to lower ditch
Concrete
Trash rackcu.yd
unit11
1

WELLS

Well #1
Valving
Concrete outlet structure
and measuring deviceunit
unit
unit1
1
1Well #2
Valving
Pipe to collector
ditch 12in. dia
PVCunit
unit
Ft1
1
500Well #3
valvingunit
unit1
1together with the fences, ditches, checks
and gates.

3. That the plaintiffs have a first priority lien on
the property described in paragraphs 1 and 2 above and situated
in Twin Falls County, Idaho

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1 4. That all and singular of the premises described
2 in paragraphs 1 and 2 above and situate in Twin Falls County,
3 State of Idaho, be sold at public auction by the Sheriff of
4 Twin Falls County, Idaho in the letter and manner prescribed by
5 law and according to the rules and practice of this Court, and
6 that the Sheriff, after the time allowed by law for redemption
7 has expired, shall execute the deed to the purchaser or pur-
8 chasers of the said premises at said sale, and that parties
herein may become purchasers at said sale.

9 5. That said Sheriff from the proceeds of said sale
10 shall retain his fees, disbursements and commissions on said
11 sale and then pay out the proceeds as follows:

12 a. First, to plaintiffs the sum of \$178,360.02
13 with interest thereon in the sum of \$68,568.48, for the sum of
14 \$24,000.00 as attorneys fees, and for the sum of \$2,085.39
15 as costs, or so much thereof as the proceeds will payoff the
same.

16 b. The surplus, if any, shall be paid by said
17 Sheriff to the Clerk of the Court, there to be held by the
18 Clerk of this Court and subject to further order of the Court.

19 6. That Daniel C. Skeem and Darlene Skeem, husband
20 and wife, and Wayne B. Skeem and Daniel C. Skeem d/b/a S & S
21 Limited Partnership, and Zions Leasing Company, and any unknown
22 heirs or devisees of the foregoing named parties who may be
23

1 deceased, and the unknown owners, claimants and parties in
2 interest claiming to all or any part of the real property here-
3 inabove described in paragraphs 1 and 2, and each of them, and
4 all persons claiming or to claim from and under them, or any of
5 them, and all persons having liens subject to the Mortgage of
6 plaintiff herein by judgment or decree or otherwise upon the
7 lands and premises hereinabove described, or any part or parcel
8 thereof, and their heirs, personal representatives and all per-
9 sons claiming to have acquired any estate or interest in or to
10 said lands or premises be, and they hereby are, forever barred
11 and foreclosed of and from all right, title, claim and interest
12 in and to said mortgaged premises and in and to every part or
13 parcel thereof, except for such rights or redemption as they
14 may have pursuant thereto, and that said persons, and each of
15 them be, and they hereby are enjoined and restrained from
16 removing or destroying any of the buildings, the improvements
17 or appurtenances, or otherwise damaging the lands or premises
18 prior to redemption from such sale.

17 7. In the event the proceeds from the sale of the
18 premises described in paragraph 1 and 2 shall be insufficient
19 to satisfy the amounts due herein, together with the costs of
20 sale and other proper charges, as shown by the Sheriff's return
21 on sale, then plaintiff and Zions Leasing Company shall have a
22 deficiency judgment against Skeems for the amount of judgment

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DECREE - 11

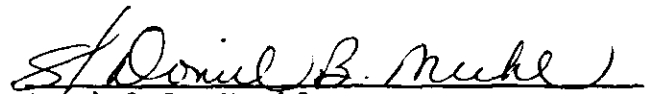
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1 entered herein remaining unsatisfied, and this Court shall
2 retain jurisdiction to enter such additional order, judgment or
3 decree of foreclosure necessary to satisfy said deficiency
4 judgment or judgments.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
6 purchaser or purchasers of the mortgaged premises hereinabove
7 described at such sale be let into possession thereof upon
8 application to this Court and that any of the parties to this
9 action who may be in possession of said premises or any part
10 thereof, or any person who, since the commencement of this act-
11 ion, has come into possession of them, or any of them, shall
12 deliver possession thereof to such purchaser or purchasers upon
13 the production of a Sheriff's Deed of such premises or any part
14 thereof.

15 Jurisdiction of this cause is hereby expressly reserv-
16 ed and retained for the purpose of making such further orders
17 as may be necessary in order to carry this Decree of Foreclosure
18 into effect and correct any mathematical error, to grant any
19 accrued credits, or for the purpose of making such further
20 orders as may be necessary or desireable.

21 DATED this 26th day of September, 1986.

22 
23 Daniel B. Meehl
District Judge

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APR 13 1987



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

MEMORANDUM

TO: File

FROM: Gary Spackman *G.S.*

DATE: December 31, 1986

RE: Permit Nos. 47-7700, 47-7702, 47-7705, & 47-7562

In mid December, Rita Fleck discussed the status of the above files with me. At the conclusion of our discussion, we decided that the following action should be taken:

Permit No. 47-7700. A Proof Due Notice must be sent to the permit holder because proof is due on February 1, 1987.

Permit No. 47-7700 does not need special treatment because the source is from Mud Creek, and does not directly impact the critical groundwater area.

Permit No. 47-7702. A Proof Due Notice was mailed to Wayne Skeem and Dan Skeem in the spring of 1986, but was returned to the Department unclaimed. Proof was due on May 1, 1986. A Lapse Notice must be sent to the permit holder. No special treatment is required because the source is from Sewer Creek, and does not impact the critical groundwater area.

Permit No. 47-7705 & Permit No. 47-7562. By Order of the Department on December 4, 1985, proof was due on the above numbered permits in approximately January, 1986. Proof of Beneficial Use has not been received. The apparent way in which the permits should be canceled is by an Order of Cancellation. Both of these permits name groundwater as their source, and both impact the critical groundwater area.

By Memorandum Decision dated April 9, 1986, Daniel B. Meehl, District Judge in the 5th Judicial District, State of Idaho, held that Permits Nos. 47-7702, and 47-7705 were real property, and Glaser Land & Livestock had the right to foreclose on the water rights as part of the real estate. In conversation with a Mr. Nungester, Attorney at Law, Buhl, Idaho, he revealed that Glaser Land & Livestock obtained a Judgement of Foreclosure, but that just prior to the sheriff sale, Zions Leasing, Donald Campbell, and a third party agreed to purchase the property in question. Glaser purchased the property at the sheriff sale, and subsequently sold it to the three interested parties. I requested that Mr. Nungester send me a copy of the Judgement of Foreclosure, the Sheriffs Deed, and the subsequent land sales contract, mortgages, deeds of trust, or any other pertinent document. These documents should establish the ownership of the permits. Once ownership is established, proper notification can be given to the parties regarding Departmental action. Mr. Nungester indicated that he would ask his associate, Mike Felton, Attorney at Law, to forward the copies of the documents to me.

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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

December 2, 1986

Donald K. Campbell
First Ascent Fish Farms
2297 East 3300 South
Jerome, ID 83338

RE: Permits 47-7562, 47-7700, 47-7002, 47-7005

Dear Mr. Campbell:

I have reviewed your letter of November 17, 1986 requesting the status of the above referenced permits relative to the additional development described in your letter. The permits provide for:

47-7000 ← 47-7700

Date Filed - February 10, 1981

Source - Mud Creek

Amount - 50 cfs

Purpose - Hydropower, year around use

Diversion Point - SESE 15, SWNW 14, T. 9S, R. 14E

Place of Use - SWNW, NWNW, Sec. 14, T. 9S, R. 14E

Proof Due - February 1, 1987

Ownership - Assigned 5/30/86 to Zion's Leasing Co. by Wayne Skeem
Awarded 4/9/86 to Glaser Land and Livestock by

judgment of Fifth Judicial District.

47-7002 (47-7702)

Date Filed - February 10, 1981

Source - Sewer Creek

Amount - 10 cfs

Purpose - Hydropower, year around use

Diversion Point - NENW, SENW, Sec. 23, T. 9S, R. 14E

Place of Use - SWNW, Sec. 14, T. 9S, R. 14E

Proof Due - May 1, 1986 (Proof has not been received)

Ownership - Same competitive situation as permit 47-7700

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December 2, 1986

47-7005 (47 7705)

Date Filed - February 10, 1981

Source - Ground water

Amount & Purpose - 25 cfs for recreation
25 cfs for hydropower
25 cfs for fish propagation
10 cfs for heating
.38 cfs for domestic

All uses year around

Diversion Point - NW1/4, SE1/4, NW1/4, SW1/4, Sec. 14, T. 9S, R. 14E

Place of Use - Same as point of diversion

Proof Due - May 1, 1987 but modified by order of December 4, 1985 to 30 days after service of order.

Ownership - Same competitive situation as 47-770047-7562 (47 7562)

Date Filed - August 21, 1979

Source - Ground water

Amount & Purpose - 5 cfs for fish production 10/1 to 5/1
1 cfs for heating year around
5 cfs for recreation year around

Diversion Point - SW1/4, Sec. 14, T. 9S, R. 14E

Place of Use - NW1/4, Sec. 14, T. 9S, R. 14E

Proof Due - October 1, 1984 (Extended to 10/1/86) (Proof has not been received. Proof due date modified by order of 12/4/85)

Ownership - Assigned 3/28/86 to Glaser Land and Livestock Inc.

The department is concerned about the apparent overdraft of thermal water within the area presently designated as the Banbury Ground Water Management Area. The December 4, 1985 order issued by the department (copy enclosed) terminated further development under existing permits and required immediate filing of proof of beneficial use. Subsequent to the order some permit holders were allowed to complete projects found to be underway before the order was issued. I consider the December 4, 1985 order as final relative to permits 47-7005 and 47-7562. Proof of beneficial use needs to be filed to allow licensing of diversion and usage completed at the time of the order. These two permits, as well as permit 47-7002, will have a lapse order issued in the near future for failure to submit proof of beneficial use.

The ownership of permits 47-7700, 47-7002, and 47-7005 also seems to be an issue. Enclosed is a letter the department has attempted to deliver to clarify assignments made on 47-7005. Perhaps you will be able to clarify this issue by getting assignments or agreements from all parties. A concern also exists that the permits for hydropower use have been jeopardized by failure to comply with Section 42-207 Idaho Code.

Donald K. Campbell

3

December 2, 1986

The use for fish propagation proposed in your letter appears to be much more extensive than that covered by the permits. Any additional use beyond that in existence prior to the 12/4/85 order should be covered by making new applications on both the ground water and surface water sources you plan to use. Without additional data to show that additional thermal ground water can be diverted without injury to other rights, it is not likely that applications to divert thermal ground water will be approved that increase the rate and annual volume diverted from that which is ultimately licensed under the existing permits.

Applications will also need to be filed to allow approval of exchanges with other rights and changes in points of diversion or places of use.

I hope this information is useful to you as you plan your project. Don't hesitate to contact me or Loren Holmes at our Twin Falls office if we can assist you in any way.

Sincerely,



NORMAN C. YOUNG
Administrator

Resource Administration Division

NCY:alw

Encls.

cc: Loren Holmes

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APR 10 1986
Hepworth, Nungester and Felton

Department of Water Resources

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

GLASER LAND & LIVESTOCK,
INC., a Nevada
corporation,

Plaintiff,

vs.

DANIEL C. SKEEM and DARLENE
SKEEM, husband and wife; and
WAYNE B. SKEEM, ARLENE SKEEM,
and DANIEL C. SKEEM dba
S & S LIMITED PARTNERSHIP,
and ZIONS LEASING CORPORATION,
a Utah corporation,

Defendants.

Case No. 37669

MEMORANDUM OPINION GRANT-
ING IN PART AND DENYING
IN PART PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT

Glaser Land & Livestock, Inc. has moved this court for summary judgment against Zions Leasing Company. Zions survives as the only remaining defendant inasmuch as default judgments and a decree quieting title in the plaintiff has been granted against all other defendants.

Glaser's motion for summary judgment is one for the right to foreclose on approximately 158 acres of land. Said property is the subject of an installment land sale contract, including amendments, entered into between plaintiff and defendants Daniel and Darlene Skeem. The

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Skeems have defaulted on the contract. Plaintiff wants to to foreclose on the underlying real property, as well as water permits, a power sale agreement, a FERC exception, as well as equipment and improvements.

Zions contend they are able to compel plaintiff to sell them that property, within the 158 acres, in which they claim they had a "secured interest." Said interest arises by virtue of having financed the construction and operation of a hydroelectric plant.

DISCUSSION OF LEGAL ISSUES

Basic contract principles must be considered by the court in determining the merits of both parties' contentions.

There is no doubt the underlying land sale contract is enforceable. The contract between Glaser and Skeems was complete and definite in all its material terms and, therefore, is enforceable. Wood v. Simonsen, 108 Idaho 699, 701 P.2d 317 (Ct. App. 1985). A land sale contract whereunder prospective vendors agree to sell the land in question and prospective purchasers obligated themselves to pay by a down payment and an agreement to pay the remaining balance, together with interest, in annual installments meets the requirement for "mutuality of obligation." McCandless v. Schick, 85 Idaho 509, 380 P.2d 893 (1963). In order to ascertain the intent of the parties to a contract, the contract as a whole must be construed. Wing v. Martin,

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107 Idaho 267, 688 P.2d 1172 (1984). Whether a contract is ambiguous is a question of law. Wood v. Simonsen, supra, at 701. The Glaser-Skeem contract is not ambiguous. The interpretation and legal effect of an unambiguous contract are questions of law to be resolved by the court. Luzar v. Western Sur. Co., 107 Idaho 693, 692 P.2d 337 (1984).

In order to be able to compel performance under a contract, one must be in "privity." Privity refers to those who exchange contractual promissory words or those to whom promissory words are directed. Wing v. Martin, supra at 272. Zions is not a party to the contract entered into between Glaser and Skeem. Zions is not in privity with the vendor and, therefore, cannot sue to enforce performance pursuant to the terms of the underlying contract.

A party must look to the person with whom he is in a direct contractual relationship for relief, in the event his expectations under the contract are not met. Id.

Therefore, Glaser cannot compel Zions performance to be substituted for Skeems. Nor can Zions compel Glaser to perform under the terms of the contract. Zions cannot compel Glaser to sell Zions that portion of the total 158-acre parcel in which Zions claims an interest.

Further, Zions cannot be construed as a third-party beneficiary to the Glaser-Skeem contract. Obviously, the land sale contract was not entered into to directly benefit Zions. I.C. Sec. 26-107

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Absent fraud or overreaching, a court cannot modify express terms of an agreement lawfully entered into by two competent persons. Knoke v. Charlebois, 107 Idaho 427, 690 P.2d 392 (Ct. App. 1984).

The court is without jurisdiction to make a contract between Glaser and Zions. Minidoka County For Use and Benefit of Detweiler Bros., Inc. v. Krieger, 88 Idaho 395, 399 P.2d 962 (1964).

While a party to a contract may agree to accept the performance different in form from that recited in the contract, there is not evidence to support a finding by this court that the Glasers agreed to accept Zions' performance of the land sale contract.

Glaser's only remedy is against the defaulting buyers. Glasers cannot insist Zions pay the full balance due and owing under the contract, nor can Zions, not a party or a third-party beneficiary of the contract, insist on Glaser's performance under the partial release provisions of the contract.

In concluding the discussion as to the land itself, there is no doubt Glasers validly asked this court to treat the installment land sale contract as a mortgage and allow the vendors to foreclose.¹

¹By asking the court to treat this contract as a
(Footnote Continued)

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Given that the Glasers can proceed to foreclose on the real property, the next question for this court concerns Zions' asserted rights, via assignment by Skeems, in the water rights, a power contract and a FERC permit exemption.

A. Water Rights.

The Skeems applied for and obtained water permits no. 47-7700, 47-7702 and 47-7705.

The Skeems have until various dates in 1987 to submit proof of application of the water to a beneficial use to the Department of Water Resources. There is evidence to support a finding by this court that the water has, in fact, been put to beneficial use.

In regard to water permit 47-7700, Skeems had until on or before February 1, 1987, to submit proof of application of beneficial use. Water permit 47-7702, Skeems had until on or before May 1, 1987, to submit proof. Water permit 47-7705, Skeems had until on or before May 1, 1987, to submit proof. This "outside" time frame does not preclude the Skeems from submitting proof earlier. Nor does it preclude the Department of Water Resources itself from being requested by Glaser to make such a finding.

These water rights are not adjudicated, licensed or unadjudicated "constitutional" rights. Nor is this mere

(Footnote Continued)
mortgage, the Skeems obviously have a statutory right to redeem. I.C. Sec. 11-402.

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initiation of the statutory process by the filing of an application for an appropriation permit. See Matter of Hidden Springs Trout Ranch, Inc. v. Allred, 102 Idaho 623, 636 P.2d 745 (1981). Skeems have already procured water appropriation permits. The defendants cite Big Wood Canal Co. v. Chapman, 45 Idaho 380, 263 P. 45 (1921), as precedent for characterizing Skeems' permits as inchoate rights and, therefore, not real property. However, Big Wood Canal Co. also stands for the proposition that substantial compliance with the statutory conditions in regard to proof of application to beneficial use will suffice.

"The purpose and object for requiring proof of completion of works is to ascertain whether or not they conform to the terms of the application and permit, and are capable of diverting the amount of water intended. Substantial conformity with such application and permit is all that is required." Big Wood Canal Co. v. Chapman, supra at 394-395.

It appears from the record that Skeem has diverted and put the water to beneficial use. This court finds Skeem has substantially complied with the statutory mandates and, therefore, the water rights must be considered as having vested in the Skeems. Case law indicates that this court has jurisdiction to make such a finding by considering the entire record. See Glendale Ranches, Inc. v. Schaub, 94 Idaho 585, 494 P.2d 1029 (1972). By virtue of the rights

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having vested, the rights are appurtenant to the property to which the water has been beneficially applied. Clearly, water rights are within the definition of real property. I.C. Sec. 55-101 and cases cited under "Ditches and Water Rights".

Therefore, Glaser can proceed to foreclose upon the water permits.

B. The FERC Exemption and the Idaho Power Contract.

The FERC exemption is federal authorization to operate the "Mud Creek Project." The "project" involves some parcels of land not subject to, nor which can ever be subject to Glaser's foreclosure action. The exemption is appurtenant to the entire three parcels of land on which the project is located.

An essential element of a license or a license coupled with an interest is the right to use land in the possession of another. Shultz v. Atkins, 97 Idaho 770, 554 P.2d (1976). The FERC exemption is analogous to a license. The court agrees with Zions that the exemption should be characterized as a general intangible. Glaser cannot foreclose on the FERC exemption.

The Idaho Power contract is an agreement to sell power produced from the Mud Creek Project. The rights under the contract have been validly assigned to Zions. Contract

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rights are also general intangibles and, therefore, Glaser cannot foreclose on the power sales contract.

C. Other Improvements, Etc.

The record is insufficient as to other improvements, related equipment, structures, etc. for this court to make a determination of whether any of the aforementioned are subject to foreclosure. Therefore, summary judgment is denied, pending augmentation of the record so as to put enough evidence before this court with which to make a competent decision.

EMINENT DOMAIN

The question of whether Zions can succeed with an action for eminent domain is not before this court. However, the court notes that it agrees with Zions' position that Zions does not have to have an ownership interest in the water rights, which supply the source of energy for the Mud Creek Project, prior to being able to go forward with an action for eminent domain. Bassett v. Swenson, 51 Idaho 256, 5 P.2d 722 (1931).

Therefore, summary judgment will be granted to plaintiff as to the underlying real property and the water permits.

Summary judgment is denied as to the FERC exemption and the Idaho Power contract.

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Summary judgment is denied as to the related equipment, improvements, etc. pending augmentation of the record.

Counsel for plaintiff is asked to prepare an order of partial summary judgment.

DATED this 9th day of April, 1986.

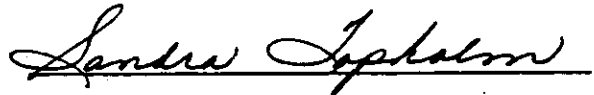

DANIEL B. MEEHL
District Judge

CERTIFICATE OF MAILING

The undersigned certifies that on the 9 day of April, 1986, she caused to be mailed a copy of the foregoing memorandum opinion to:

Holland & Hart, Langroise, Sullivan
Attorneys at Law
P. O. Box 2527
Boise, Idaho 83701

Hepworth, Nungester & Felton
Attorneys at Law
P. O. Box 589
Buhl, Idaho 83316



MICROFILMED

APR 13 1987

HOLLAND & HART,
LANGROISE, SULLIVAN
ATTORNEYS AT LAW

DENVER OFFICE
SUITE 2900
555 SEVENTEENTH STREET
DENVER, COLORADO 80202
TELEPHONE (303) 295-8000
TELECOPIER (303) 295-8261

S. E. DENVER OFFICE
SUITE 1250
7887 EAST BELLEVIEW AVENUE
ENGLEWOOD, COLORADO 80111
TELEPHONE (303) 741-1226

ASPEN OFFICE
600 EAST MAIN STREET
ASPEN, COLORADO 81611
TELEPHONE (303) 925-3476

BRIAN R. HANSON

SUITE 1400
IDAHO FIRST PLAZA
BOISE, IDAHO
MAILING ADDRESS
P. O. BOX 2527
BOISE, IDAHO 83701
TELEPHONE (208) 343-3676
TELECOPIER (208) 343-8869

WASHINGTON, D. C. OFFICE
SUITE 1200
1875 EYE STREET, N. W.
WASHINGTON, D. C. 20006
TELEPHONE (202) 466-7340
TELECOPIER (202) 466-7354

WYOMING OFFICE
SUITE 500
2020 CAREY AVENUE
CHEYENNE, WYOMING 82001
TELEPHONE (307) 632-2160
TELECOPIER (307) 778-8175

MONTANA OFFICE
SUITE 1400
175 NORTH 27TH STREET
BILLINGS, MONTANA 59101
TELEPHONE (406) 252-2166
TELECOPIER (406) 252-1669

August 5, 1986

RECEIVED
AUG 6 1986

Mr. Jim Johnson
Water Rights Supervisor
Department of Water Resources
Statehouse
Boise, Idaho 83720

Department of Water Resources

RE: Affidavits For Water Rights
To Be Used For Power Purposes
Water Right Nos. 47-7700, 47-7702 & 47-7705

Dear Mr. Johnson:

Enclosed are the executed affidavits as we discussed, which are described above.

If you have any questions, please feel free to call.

Very truly yours,

Brian R. Hanson/cd

Brian R. Hanson

for HOLLAND & HART,
LANGROISE, SULLIVAN

BRH/cd
Enclosures

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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 12, 1986

RE: Permit Nos. 47-7700/7702/7705

Brian R. Hanson
Holland & Hart
Box 2527
Boise, ID 83701

Dear Mr. Hanson:

We are in receipt of assignments of the above referenced permits. Before these assignments can be officially recognized by the Department as changing ownership of the permits from S & S Limited Partnership to Zion Leasing Co., we must have the enclosed affidavit returned stating that Zion Leasing Co. is established and authorized to do business in the State of Idaho.

If you have any questions, please let me know.

Sincerely,

JIM JOHNSON
Water Rights Supervisor

JJ:sc

Enclosure

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MASTER LEASE

Number 297681 1

Dated DECEMBER 20, 1981

ZIONS LEASING COMPANY (hereinafter referred to as "LESSOR"), Utah corporation, with offices at 310 South Main Street, Salt Lake City, Utah, and S and S Limited Partnership (hereinafter referred to as "LESSEE"), with offices at 1742 Targhee Dr. Twin Falls, Idaho 83301 in consideration of the mutual covenants and promises hereinafter set forth agree as follows:

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property described below upon the terms and conditions hereinafter set forth.
2. The property leased hereunder is as follows:

MAKE — DESCRIPTION

Mud Creek Hydro-Electric Power Plant

Rt 3 Buhl, Idaho 83316

Address of Installation if different from the above address

"SEE PAYMENT SCHEDULE"

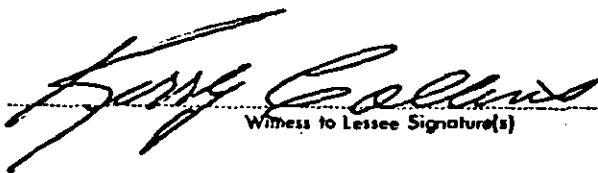
3. Lessee shall pay Lessor at the office of Lessor in Salt Lake City, Utah or at such other place as Lessor may hereafter designate, the sum of \$ Per month, commencing December 20 19 81 and on the 20th day of each and every consecutive month thereafter, for a period of months, the lease term hereunder. The first ~~XXXXX~~ months payment(s) in the total amount of \$ 12,529.05 being payable at time of signing this Agreement. (*Includes \$ 364.92 use tax)

~~ANNUAL RENTAL UPON RENEWAL~~

4. OWNERSHIP. Title to the equipment shall at all times remain in Lessor, and Lessee agrees to keep each item of equipment at all times free and clear from all claims, levies, liens and process. Equipment is and shall remain personal property, notwithstanding that the equipment or any part thereof may be hereafter become in any manner affixed to or attached to any real property or any building thereon. Lessor may require Lessee, at Lessee's expense, to affix and keep affixed in a prominent place on equipment, labels, plates or other markings stating that the equipment is owned by Lessor.

5. LESSEE'S INSPECTION AND ACCEPTANCE. Lessee shall inspect equipment within three business days after delivery thereof to the Lessee. Unless within said period the Lessee gives notice to Lessor specifying any defects in or other proper objections to equipment, it shall be conclusively presumed that Lessee has fully accepted equipment, that it is in full compliance with the terms of this lease and in good condition and repair.

Executed this 20th day of December, 19 81


Witness to Lessee Signature(s)

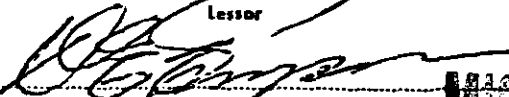
By execution hereof, the signer hereby certifies that he has read this Agreement INCLUDING THE REVERSE SIDE HEREOF, and that he is duly authorized to execute this lease on behalf of the Lessee.

LESSEE: S and S Limited Partnership

Accepted this 20th day of December, 19 81

ZIONS LEASING COMPANY

Lessor



D. E. Timpson, Vice-President

BY Wayne B. Skeem
Wayne B. Skeem
BY Daniel C. Skeem
Daniel C. Skeem

Authorized Signature and Title

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THIS LEASE CANNOT BE CANCELLED

(Continued on reverse side hereof)

EXHIBIT "A"

6. LESSOR'S INSPECTION. Lessor shall have the right at any time during reasonable business hours to enter upon the lessee's premises or elsewhere to inspect the equipment or observe its use.

7. ASSIGNMENT. This lease and all rights hereunder may be assigned by Lessor without the lessee's consent. Lessee shall not assign this lease or its interests hereunder or enter into any sublease or lease the equipment without the prior written consent of Lessor.

8. MAINTENANCE, USE, COMPLIANCE WITH LAWS. Lessee shall make at its own cost and expense all repairs and replacements required to maintain the equipment in good condition, reasonable wear and tear excepted, and Lessee shall use and maintain the equipment in a careful manner in conformity with all governmental laws, ordinances, regulations, requirements and rules.

9. DISCLAIMER, WARRANTIES, DEFECTS, SHIPPING CHARGES. The seller, method of shipment, make, model, specifications, performance and all other matters relating to the ordering, delivery, operation and performance of each item of equipment have been selected and determined by the Lessee and the Lessee agrees: (a) ALL PRODUCTS ARE SOLD IN AN "AS IS" CONDITION. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE PRODUCT IS WITH THE LESSEE. THIS DISCLAIMER AND WARRANTY AGREEMENT IS EXPRESSLY IN LIEU OF ANY AND ALL REPRESENTATIONS AND WARRANTIES EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING FROM STATUTE, COMMON LAW, CUSTOM OR OTHERWISE. THE REMEDY SET FORTH IN THIS DISCLAIMER AND WARRANTY AGREEMENT SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO ANY PERSON. NO PERSON SHALL HAVE ANY AUTHORITY TO BIND THE COMPANY TO ANY REPRESENTATION OR WARRANTY OTHER THAN THIS DISCLAIMER AND WARRANTY AGREEMENT. THE COMPANY SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF THIS PRODUCT OR CAUSED BY ANY DEFECT, FAILURE OR MALFUNCTION OF ANY PRODUCT WHETHER A CLAIM FOR SUCH DAMAGE IS BASED UPON WARRANTY, CONTRACT, NEGLIGENCE OR OTHERWISE. (b) TO PAY LESSOR ON DEMAND ANY AMOUNTS PAID BY OR DUE FROM LESSOR FOR THE PURCHASE OF ANY ITEM OF EQUIPMENT REJECTED BY LESSEE UNDER 14 OF THE LEASE AND TO INDEMNIFY AND SAVE LESSOR HARMLESS FROM ANY AND ALL LIABILITY TO THE SELLER THEREOF. (c) TO PAY ALL SHIPPING CHARGES AND OTHER EXPENSES INCURRED IN CONNECTION WITH THE SHIPMENT OF THE LEASED EQUIPMENT BY SELLER TO THE LESSEE AND TO BEAR ALL RISK OF LOSS THEREOF. (d) LESSOR SHALL NOT BE LIABLE FOR AND LESSEE WILL BE LIABLE FOR LOSS OR DAMAGE OCCASIONED BY ANY CAUSE, CIRCUMSTANCE, OR EVENT OF WHATSOEVER NATURE, ARISING OUT OF THE ORDERING, MANUFACTURING, DELIVERY, OPERATION OR PERFORMANCE OF ANY EQUIPMENT, OR WHICH ARISES AS A CONSEQUENCE OF THE FACT THAT LESSOR HAS NOT INSPECTED THE EQUIPMENT.

10. LOSS OR DAMAGE. No loss of or damage to equipment or any part thereof shall impair any obligation of Lessee under this lease, which shall continue in full force and effect. If any leased equipment is totally destroyed, liability of Lessee to pay rent therefore may be discharged by paying to lessor off accrued rent due thereon together with the termination value of such equipment less the amount of recovery, if any, actually received by lessor from any insurance or otherwise for such loss or damage.

11. INSURANCE. Lessee shall at its expense maintain at all times from the time of delivery of equipment to Lessee public liability and property damage insurance in amounts and in insurance companies satisfactory to Lessor, protecting Lessor as an additional insured thereunder, and providing for ten days written notice to Lessor before any policy shall be altered or canceled. Lessee shall deliver to Lessor evidence of such insurance coverage satisfactory to Lessor.

12. TAXES. Lessee shall pay when due all taxes, assessments, licenses and registration fees and other governmental charges, municipal, state and federal, which may now or hereafter be imposed upon the lease payments, ownership, possession, leasing, operation, control, use and maintenance of the equipment, excluding Lessor's franchise and income tax. Lessee shall supply to Lessor in form satisfactory to Lessor, proof of payment of the foregoing at least five days before the same may become delinquent.

13. INDEMNITY. Lessee agrees to indemnify and hold lessor free and harmless from any liability, loss, cost, damage or expense, including attorneys fees, which lessor may suffer or incur as a result of any claims which may be made by any person or persons, including, but not being limited to Lessee, its agents and employees, that arise out of or result from the manufacture, delivery, actual or alleged ownership, performance, use, operation, possession, selection, leasing and/or return of the equipment or personal property, whether such claims are based on negligence, whether of Lessor or another, breach of contract, breach of warranty, absolute liability, or otherwise.

14. SURRENDER. Upon the expiration or termination of this lease, Lessee shall, at its own cost and expense, return equipment unencumbered to Lessor at the address specified by Lessor, in the same condition as received, reasonable wear and tear excepted.

15. DEFAULT. Time is of the essence. In the event of a default in the payment of any sums due hereunder, or in the performance of any other covenant herein, or if Lessee becomes insolvent, or ceases to do business as a going concern, or makes an assignment for the benefit of creditors or an proceeding or petition under the Bankruptcy Act as amended is filed by or against Lessee (including a proceeding for reorganization, arrangement or extension), then in any such event, Lessor at its sole option shall have the right to exercise concurrently or separately any one or more of the following remedies: (a) With or without notice or demand, to declare the entire rental provided for under this lease and each and every schedule thereto, to be immediately due and payable; (b) With or without notice or demand and with or without legal process enter into the premises where any and all items of equipment may be located and take possession of and remove same. Any such taking of possession shall not constitute termination of this lease as to any or all items of equipment unless Lessor expressly notifies Lessee in writing to that effect; (c) Terminate this lease as to any or all items of equipment and Lessor shall thereupon be entitled to recover from Lessee the excess, if any, of the amount of rent and charges reserved in the lease for the balance of the stated term, over the then reasonable rental value of equipment for the same period. (The parties agree that in the event of a termination under this subparagraph (b), Lessor will make a good-faith effort to sell or release the items of equipment affected by such termination, and that if sold or released in good faith, the net amount received by Lessor on such sale or subsequent lease shall be deemed to be the reasonable rental value of such equipment); (d) Sell any or all items of equipment at public or private sale and/or release any or all items of equipment for a term and rental which may be equal to, greater than or less than the rental and term herein provided. In the event of such sale or such a release, for a term equal to or greater than the balance of the term herein provided, there shall be immediately due Lessor from Lessee the termination value remaining unpaid together with all expenses of retaking, repairing, holding, transporting, selling and reletting and reasonable attorneys fees less the purchase price received at any such sale or the total rentals to be received from and such releases; (e) To release any or all items of equipment at such lease payments and terms as may be arranged by Lessor, Lessee remaining liable for the difference in lease payments received by Lessor from any new Lessee and the lease payments due herein; (f) Pursue any other remedy available to Lessor at law or in equity.

16. COLLECTION CHARGES. Should Lessee fail to pay when due any part of the rent herein reserved or any other sum required to be paid to Lessor by Lessee, Lessee shall pay to Lessor a reasonable late charge not to exceed five (5%) percent of the payment due together with all other expenses necessarily incurred by reason of Lessee's default including a reasonable attorneys' fee in connection with any efforts instituted by Lessor to recover possession of any of the equipment or to enforce any of the terms and conditions or provisions hereof or to obtain damages for any breach hereof.

17. PERFORMANCE OF OBLIGATIONS OF LESSEE BY LESSOR. In the event that Lessee shall fail duly and promptly to perform any of its obligations under this lease or any Schedule or Lease Order thereto to be performed by Lessee, Lessor may, at its option, immediately or at any time thereafter perform the same for the account of Lessee without thereby waiving such default, and any amount paid for expenses or liability incurred by Lessor in such performance, together with interest thereon at the highest lawful contract rate, shall be payable by Lessee upon demand as additional rent for the leased equipment.

18. NOTICES, REMEDIES, WAIVERS, SUCCESSORS. All notices relating hereto shall be delivered in person to an office of the lessor or lessee or shall be mailed by certified mail to Lessor or Lessee at its respective address shown above or at any later address last known to the sender. All remedies of Lessor hereunder are cumulative and not alternative. A waiver of a default shall not be a waiver of any other subsequent default. This lease shall be binding upon the Lessor and Lessee and Lessee's heirs, executors, administrators, successors and assigns and shall inure to the benefit of the successor and assigns of Lessor.

19. ENTIRE AGREEMENT. This lease contains the entire agreement between the parties and may not be changed, modified, terminated or discharged except in writing. This agreement is, and is intended to be a lease, and Lessee does not acquire hereby any right, title or interest whatsoever, legal or equitable in or to any of the equipment or the proceeds of the sale of any equipment, except its interest as a Lessee hereunder.

20. GOVERNING LAWS. This agreement shall be deemed to have been made in Utah regardless of the order in which the signatures of the parties shall be affixed hereto and shall be interpreted and the right and liabilities of the parties hereto determined in the laws of the State of Utah.

21. CONFLICT OF APPLICABLE LAW. If any provision of this lease is contrary to, prohibited by or deemed invalid under applicable laws or regulation of any jurisdiction in which it is sought to be enforced, then such provision shall be deemed inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof.

22. STATEMENTS. Lessee will furnish Lessor within ninety days after the end of each year of Lessee, a balance sheet and profit and loss statement as of the end of such year, and such other information respecting the financial condition and operations of Lessee as Lessor may from time to time reasonably request.

23. UNIFORM COMMERCIAL CODE. At Lessor's request, Lessee shall execute and deliver to Lessor any document Lessor requires will protect Lessor's ownership interest in said equipment under the Uniform Commercial Code as adopted by the State of Utah, or any other state where the equipment is to be located. The execution and/or filing of any such document shall not alter the parties' respective interests in and rights to the equipment.

24. The undersigned certifies that this lease is executed for business purposes only and not for family, personal or other purposes and the equipment

LEASE PAYMENT SCHEDULE

LEASE PAYMENTS - Lessee agrees to pay to Lessor Lease Payments for leased equipment subject to this Lease in 120 consecutive installments. The First Three installments shall be in an amount equal to _____ of Lessor's cost of equipment. The amount of the following three installments shall be computed as follows:

On the date that the third installment of lease payments shall become due to Lessor, and upon the date that every third installment of lease payment shall become due to Lessor thereafter to and including the date that the 118 installment shall become due to Lessor, the level of the corporate base rate of interest ("Prime") charged by Zions First National Bank, from time-to-time, to its largest and most credit-worthy commercial customers on 90-day commercial loans, shall determine the amount of the following three installment(s) of lease payments.

The following table determines the amount of lease payments as a percentage of Lessor's cost of each item of equipment at different levels of Prime, plus sales tax if applicable:

Prime Interest Rate at
ZIONS FIRST NATIONAL BANK

Monthly Payments in
Advance as a Percentage
of Equipment Cost

1.	12.0 - 12.9	1.433
2.	13.0 - 13.9	1.496
3.	14.0 - 14.9	1.550
4.	15.0 - 15.9	1.625
5.	16.0 - 16.9	1.691
6.	17.0 - 17.9	1.757
7.	18.0 - 18.9	1.824
8.	19.0 - 19.9	1.892
9.	20.0 - 20.9	1.960
10.	21.0 - 21.9	2.029
11.	22.0 - 22.9	2.098
12.	23.0 - 23.9	2.168
13.	24.0 - 24.9	2.238
14.	25.0 - 25.9	2.309
15.	26.0 - 26.9	2.380
16.	27.0 - 27.9	2.452
17.	28.0 - 28.9	2.524
18.	29.0 - 29.9	2.596

LESSEE: S and S Limited Partnership

By

Wayne B. Skeem

By

Daniel C. Skeem

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Number 297681 SCHEDULE #2

MASTER LEASE

Dated September 20, 1982

ZIONS LEASING COMPANY (hereinafter referred to as "LESSOR"), Utah corporation, with offices at 10 West Broadway Building, Salt Lake City, Utah, and S & S LIMITED PARTNERSHIP

(hereinafter referred to as "LESSEE"), with offices at 1742 Targhee Drive, Twin Falls, Idaho 83301

in consideration of the mutual covenants and promises hereinafter set forth agree as follows:

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property described below upon the terms and conditions hereinafter set forth
2. The property leased hereunder is as follows:

LEASE — DESCRIPTION

MUD CREEK HYDRO-ELECTRIC POWER PLANT, Additional Pumps, Including;

1 - Worthington 100 H.P. Reverse Action Turbine Pump

1 - Western Landroller 50 H.P. Reverse Action Pump

1 - Cascade 50 H.P. Reverse Action Turbine Pump

1 - Johnson 70 H.P. Reverse Action Pump

Route #3, Buhl, Idaho 83316

Address of Installation if different from the above address

3. Lessee shall pay Lessor at the office of Lessor in Salt Lake City, Utah or at such other place as Lessor may hereafter designate, the sum of \$ see payment sch. Per month, commencing September 20, 19 82 and on the 20th day of each and every consecutive month thereafter, for a period of 120 months, the lease term hereunder. The first ~~xxx~~ months payment(s) in the total amount of \$ 1,580.14 being payable at time of signing this Agreement. (*Includes \$ 46.02 use tax)

4. OWNERSHIP. Title to the equipment shall at all times remain in Lessor, and Lessee agrees to keep each item of equipment at all times free and clear from all claims, levies, liens and process. Equipment is and shall remain personal property, notwithstanding that the equipment or any part thereof may be hereafter become in any manner affixed to or attached to any real property or any building thereon. Lessor may require Lessee, at Lessee's expense, to affix and keep affixed in a prominent place on equipment, labels, plates or other markings stating that the equipment is owned by Lessor.

5. LESSEE'S INSPECTION AND ACCEPTANCE. Lessee shall inspect equipment within three business days after delivery thereof to the Lessee. Unless within said period the Lessee gives notice to Lessor specifying any defects in or other proper objections to equipment, it shall be conclusively presumed that Lessee has fully accepted equipment, that it is in full compliance with the terms of this lease and in good condition and repair.

Executed this 20th day of September, 19 82

By execution hereof, the signer hereby certifies that he has read this Agreement INCLUDING THE REVERSE SIDE HEREOF, and that he is duly authorized to execute this lease on behalf of the Lessee.

Witness to Lessee Signature(s)

LESSEE: S & S LIMITED PARTNERSHIP

Accepted this 20th day of September, 19 82

ZIONS LEASING COMPANY

Lessor

BY

D.E. TIMPSON, VICE PRESIDENT

BY

Wayne B. Skeem
WAYNE B. SKEEM

BY

Daniel C. Skeem
DANIEL C. SKEEM

MICROFILMED

Authorized Signature and Title

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THIS LEASE CANNOT BE CANCELLED

6. LESSOR'S INSPECTION. Lessor shall have the right at any time during reasonable business hours to enter upon the lessee's premises or elsewhere to inspect the equipment or observe its use.

7. ASSIGNMENT. This lease and all rights in the equipment hereunder may be assigned by Lessor without Lessee's consent. Lessee shall not assign this lease or its interests hereunder or enter into any lease or lend the equipment without the prior written consent of Lessor.

8. MAINTENANCE, USE, COMPLIANCE WITH LAWS. Lessee shall make at its own cost and expense all repairs and replacements required to maintain the equipment in good condition, reasonable wear and tear excepted, and Lessee shall use and maintain the equipment in a careful manner in conformity with all governmental laws, ordinances, regulations, requirements and rules.

9. DISCLAIMER, WARRANTIES, DEFECTS, SHIPPING CHARGES. The seller, method of shipment, make, model, specifications, performance and all other matters relating to the ordering, delivery, operation and performance of each item of equipment have been selected and determined by the Lessee and the Lessee agrees: (a) ALL PRODUCTS ARE SOLD IN AN (AS IS) CONDITION. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE PRODUCT IS WITH THE LESSEE. THIS DISCLAIMER AND WARRANTY AGREEMENT IS EXPRESSLY IN LIEU OF ANY AND ALL REPRESENTATIONS AND WARRANTIES EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING FROM STATUTE, COMMON LAW, CUSTOM OR OTHERWISE. THE REMEDY SET FORTH IN THIS DISCLAIMER AND WARRANTY AGREEMENT SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO ANY PERSON. NO PERSON SHALL HAVE ANY AUTHORITY TO BIND THE COMPANY TO ANY REPRESENTATION OR WARRANTY OTHER THAN THIS DISCLAIMER AND WARRANTY AGREEMENT. THE COMPANY SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF THIS PRODUCT OR CAUSED BY ANY DEFECT, FAILURE OR MALFUNCTION OF ANY PRODUCT WHETHER A CLAIM FOR SUCH DAMAGE IS BASED UPON WARRANTY, CONTRACT, NEGLIGENCE OR OTHERWISE. (b) TO PAY LESSOR ON DEMAND ANY AMOUNTS PAID BY OR DUE FROM LESSOR FOR THE PURCHASE OF ANY ITEM OF EQUIPMENT RECEIVED BY LESSEE UNDER 14 OF THE LEASE AND TO INDEMNIFY AND SAVE LESSOR HARMLESS FROM ANY AND ALL LIABILITY TO THE SELLER THEREOF. (c) TO PAY ALL SHIPPING CHARGES AND OTHER EXPENSES INCURRED IN CONNECTION WITH THE SHIPMENT OF THE LEASED EQUIPMENT BY SELLER TO LESSEE AND TO BEAR ALL RISK OF LOSS THEREOF. (d) LESSOR SHALL NOT BE LIABLE FOR AND LESSEE WILL BE LIABLE FOR LOSS OR DAMAGE OCCASIONED BY ANY CAUSE, CIRCUMSTANCE, OR EVENT OF WHATSOEVER NATURE, ARISING OUT OF THE ORDERING, MANUFACTURING, DELIVERY, OPERATION OR PERFORMANCE OF ANY EQUIPMENT, OR WHICH ARISES AS A CONSEQUENCE OF THE FACT THAT LESSOR HAS NOT INSPECTED THE EQUIPMENT.

10. LOSS OR DAMAGE. No loss of or damage to equipment or any part thereof shall impair any obligation of Lessee under this lease, which shall continue in full force and effect. If any leased equipment is totally destroyed, liability of Lessee to pay rent therefore may be discharged by paying to Lessor all accrued rent due thereon together with the termination value of such equipment less the amount of recovery, if any, actually received by Lessor from an insurance or otherwise for such loss or damage.

11. INSURANCE. Lessee shall at its expense maintain at all times from the time of delivery of equipment to Lessee public liability and property damage insurance in amounts and in insurance companies satisfactory to Lessor, protecting Lessor as an additional insured hereunder, and providing for ten day written notice to Lessor before any policy shall be altered or canceled. Lessee shall deliver to Lessor evidence of such insurance coverage satisfactory to Lessor.

12. TAXES. Lessee shall pay when due all taxes, assessments, licenses and registration fees and other governmental charges, municipal, state or federal, which may now or hereafter be imposed upon the lease payments, ownership, possession, leasing, operation, control, use and maintenance of the equipment, excluding Lessor's franchise and income tax. Lessee shall supply to Lessor in form satisfactory to Lessor, proof of payment of the foregoing at least five days before the same may become delinquent.

13. INDEMNITY. Lessee agrees to indemnify and hold Lessor free and harmless from any liability, loss, cost, damage or expense, including attorneys' fees, which Lessor may suffer or incur as a result of any claims which may be made by any person or persons, including, but not being limited to Lessee, its agents and employees, that arise out of or result from the manufacture, delivery, actual or alleged ownership, performance, use, operation, possession, selection, leasing and/or return of the equipment or personal property, whether such claims are based on negligence, whether of Lessor or another, breach of contract, breach of warranty, absolute liability, or otherwise.

14. SURRENDER. Upon the expiration or termination of this lease, Lessee shall, at its own cost and expense, return equipment unencumbered to Lessor at the address specified by Lessor, in the same condition as received, reasonable wear and tear expected.

15. DEFAULT. Time is of the essence. In the event of a default in the payment of any sums due hereunder, or in the performance of any other covenant herein, or if Lessee becomes insolvent, or ceases to do business as a going concern, or makes an assignment for the benefit of creditors or on proceeding or petition under the Bankruptcy Act as amended is filed by or against Lessee (including a proceeding for reorganization, arrangement or extension) then in any such event, Lessor at its sole option shall have the right to exercise concurrently or separately any one or more of the following remedies: (a) With or without notice or demand, to declare the entire rental provided for under this lease and each and every schedule thereto, to be immediately due and payable; (b) With or without notice or demand and with or without legal process enter into the premises where any and all items of equipment may be located and take possession of and remove same. Any such taking of possession shall not constitute termination of this lease as to any or all items of equipment unless Lessee expressly notifies Lessee in writing to that effect; (c) Terminate this lease as to any or all items of equipment and Lessor shall thereupon be entitled to recover from Lessee the excess, if any, of the amount of rent and charges reserved in the lease for the balance of the stated term, over the then reasonable rental value of equipment for the same period. (The parties agree that in the event of a termination under this subparagraph (b), Lessor will make a good-faith effort to sell or release the items of equipment affected by such termination, and that if sold or released in good faith, the net amount received by Lessor on such sale or subsequent lease shall be deemed to be the reasonable rental value of such equipment); (d) Sell any or all items of equipment at public or private sale and/or release any or all items of equipment for a term and rental which may be equal to, greater than or less than the rental and term herein provided. In the event of such sale or such a release, for a term equal to or greater than the balance of the term herein provided, there shall be immediately due Lessor from Lessee the termination value remaining unpaid together with all expenses of retaking, repairing, holding, transporting, selling and retelling and reasonable attorneys' fees less the purchase price received at any such sale or the total rentals to be received from and such release; (e) To release any or all items of equipment on such lease payments and terms as may be arranged by Lessor, Lessee remaining liable for the difference in lease payments received by Lessor from any new Lessee and the lease payments due herein; (f) Pursue any other remedy available to Lessor at law or in equity.

16. COLLECTION CHARGES. Should Lessee fail to pay when due any part of the rent herein reserved or any other sum required to be paid to Lessor by Lessee, Lessee shall pay to Lessor a reasonable late charge not to exceed five (5%) percent of the payment due together with all other expenses necessarily incurred by reason of Lessee's default including a reasonable attorneys' fee in connection with any efforts instituted by Lessor to recover possession of any of the equipment or to enforce any of the terms and conditions or provisions hereof or to obtain damages for any breach hereof.

17. PERFORMANCE OF OBLIGATIONS OF LESSEE BY LESSOR. In the event that Lessee shall fail duly and promptly to perform any of its obligations under this lease or any Schedule or Lease Order thereto to be performed by Lessee, Lessor may, at its option, immediately or at any time thereafter perform the same for the account of Lessee without thereby waiving such default, and any amount paid for expenses or liability incurred by Lessor in such performance, together with interest thereon at the highest lawful contract rate, shall be payable by Lessee upon demand as additional rent for the leased equipment.

18. NOTICES, REMEDIES, WAIVERS, SUCCESSORS. All notices relating hereto shall be delivered in person to an office of the Lessor or Lessee or shall be mailed by certified mail to Lessor or Lessee at its respective address shown above or at any later address last known to the sender. All remedies of Lessor hereunder are cumulative and not alternative. A waiver of a default shall not be a waiver of any other subsequent default. This lease shall be binding upon the Lessor and Lessee and Lessee's heirs, executors, administrators, successors and assigns and shall inure to the benefit of the successor and assigns of Lessor.

19. ENTIRE AGREEMENT. This lease contains the entire agreement between the parties and may not be changed, modified, terminated or discharged except in writing. This agreement is, and is intended to be a lease, and Lessee does not acquire hereby any right, title or interest whatsoever, legal or equitable, in or to any of the equipment or the proceeds of the sale of any equipment, except its interest as a Lessee hereunder.

20. GOVERNING LAWS. This agreement shall be deemed to have been made in and governed by the laws of the State of Utah, regardless of the order in which the signatures of the parties shall be affixed hereto and shall be interpreted and the right and liability of the parties shall be determined in the laws of the State of Utah.

21. CONFLICT OF APPLICABLE LAW. If any provision of this lease is contrary to, prohibited by or deemed invalid under applicable laws or regulations of any jurisdiction in which it is sought to be enforced, then such provision shall be deemed inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof.

22. STATEMENTS. Lessee will furnish Lessor within ninety days after the close of each fiscal year of Lessee, a balance sheet and profit and loss statement as of the end of such year, and such other information respecting the financial condition and operations of Lessee as Lessor may from time to time reasonably request.

23. UNIFORM COMMERCIAL CODE. At Lessor's request, Lessee shall execute and deliver to Lessor any document Lessor believes will protect Lessor's ownership interest in said equipment under the Uniform Commercial Code as adopted by the State of Utah, or any other state where equipment is to be located. The execution and/or filing of any such document shall not alter the parties' respective interests in and rights to the equipment.

24. The undersigned certifies that this lease is executed for business purposes only and not for family, personal or household purposes and the equipment

LEASE PAYMENT SCHEDULE

LEASE PAYMENTS- Lessee agrees to pay to Lessor Lease Payments for Leased Equipment subject to this Lease in 120 consecutive installments. The First Three installments shall be in an amount equal to 1.496 of Lessor's cost of equipment. The amount of the following three installments shall be computed as follows:

On the date that the third installment of lease payments become due to Lessor, and upon the date that every third installment of Lease payment shall become due to Lessor thereafter to and including the date that the 118 installment shall become due to Lessor, the level of the corporate base rate of interest ("Prime") charged to Zions First National Bank, from time-to-time to its largest and most creditworthy commercial customers on 90-day commercial loans, installment(s) of lease payments.

The following table determines the amount of lease payments as a percentage of Lessor's cost of each item of equipment at different levels of Prime, Plus sales tax if applicable:

Prime Interest Rate at
ZIONS FIRST NATIONAL BANK

Monthly payments in
advance as a percentage
of equipment Cost

1.	12.0	12.9	1.433
2.	13.0	13.9	1.496
3.	14.0	14.9	1.550
4.	15.0	15.9	1.625
5.	16.0	16.9	1.691
6.	17.0	17.9	1.757
7.	18.0	18.9	1.824
8.	19.0	19.9	1.892
9.	20.0	20.9	1.960
10.	21.0	21.9	2.029
11.	22.0	22.9	2.098
12.	23.0	23.9	2.168
13.	24.0	24.9	2.238
14.	25.0	25.9	2.309
15.	26.0	26.9	2.380
16.	27.0	27.9	2.452
17.	28.0	28.9	2.524
18.	29.0	29.9	2.596

LESSEE: S. & S Limited Partnership

By

Wayne B. Skeem
Wayne B. Skeem

By

Daniel C. Skeem
Daniel C. Skeem

MICROFILMED

APR 13 1981

Number 297681 ser' 3

MASTER LEASE

Dated June 15, 1983

ZIONS LEASING COMPANY (hereinafter referred to as "LESSOR"), Utah corporation, with offices at 10 West Broadway Building Salt Lake City, Utah, and S & S Limited Partnership (hereinafter referred to as "LESSEE"), with offices at 1742 Targhee Drive; Twin Falls, Idaho 83301 in consideration of the mutual covenants and promises hereinafter set forth agree as follows:

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property described below upon the terms and conditions hereinafter set forth
2. The property leased hereunder is as follows:

MAKE — DESCRIPTION

(3) Horizontal Split case well head hydroturbines model # 10TR1-6

s/n WH 3680-181s/n WH 3680-182s/n WH 3680-183

Complete with induction generators

(2) Vertical Solid Case hydroturbines model 10TR1-4

s/n WH 2141096s/n WH 2141097

complete with induction generators

All wiring and electrical intertie

(3) 10" Butterfly Valves (320') pipe

required start up and testing

Rt. #3, Buhl, Idaho 83316

Address of installation if different from the above address

3 Lessee shall pay Lessor at the office of Lessor in Salt Lake City, Utah or at such other place as Lessor may hereafter designate, the sum of \$ *See pmt. sch. Per month, commencing June 15 19 83 and on the 15th day of each and every consecutive month thereafter, for a period of 120 months, the lease term hereunder. The first ~~XXXX~~ months payment(s) in the total amount of \$ 2,714.19 being payable at time of signing this Agreement. (*Includes \$ *See pmt. sch. use tax)

4. OWNERSHIP Title to the equipment shall at all times remain in Lessor, and Lessee agrees to keep each item of equipment at all times free and clear from all claims, levies, liens and process. Equipment is and shall remain personal property, notwithstanding that the equipment or any part thereof may be hereafter become in any manner affixed to or attached to any real property or any building thereon. Lessor may require Lessee, at Lessee's expense, to affix and keep affixed in a prominent place on equipment, labels, plates or other markings stating that the equipment is owned by Lessor.

5. LESSEE'S INSPECTION AND ACCEPTANCE. Lessee shall inspect equipment within three business days after delivery thereof to the Lessee. Unless within said period the Lessee gives notice to Lessor specifying any defects in or other proper objections to equipment, it shall be conclusively presumed that Lessee has fully accepted equipment, that it is in full compliance with the terms of this lease and in good condition and repair.

Executed this 15th day of June, 19 83

[Signature]

 Write to Lessee Signature(s)

By execution hereof, the signer hereby certifies that he has read this Agreement INCLUDING THE REVERSE SIDE HEREOF, and that he is duly authorized to execute this lease on behalf of the Lessee.

LESSEE: S & S Limited PartnershipAccepted this 15th day of June, 19 83

ZIONS LEASING COMPANY

BY

Wayne B. Skeem

Daniel C. Skeem

D.E. Timpson, Vice President

APR 13 1981

THIS LEASE CANNOT BE CANCELLED

6. LESSOR'S INSPECTION. Lessor shall have the right at any time during reasonable business hours to enter upon the lessee's premises or elsewhere to inspect the equipment or observe its use.

7. ASSIGNMENT. This lease and all rights hereunder may be assigned by Lessor without the lessee's consent. Lessee shall not assign this lease or its interests hereunder or enter into any sublease or lend the equipment without the prior written consent of Lessor.

8. MAINTENANCE, COMPLIANCE WITH LAWS. Lessee shall make at its own cost and expense all repairs and replacements required to maintain the equipment in good condition, reasonable wear and tear excepted, and Lessee shall use and maintain the equipment in a careful manner in conformity with all governmental laws, ordinances, regulations, requirements and rules.

9. DISCLAIMER, WARRANTIES, DEFECTS, SHIPPING CHARGES. The seller, method of shipment, make, model, specifications, performance and all other matters relating to the ordering, delivery, operation and performance of each item of equipment have been selected and determined by the Lessee and the Lessee agrees: (a) ALL PRODUCTS ARE SOLD IN AN "AS IS" CONDITION. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE PRODUCT IS WITH THE LESSEE. THIS DISCLAIMER AND WARRANTY AGREEMENT IS EXPRESSLY IN LIEU OF ANY AND ALL REPRESENTATIONS AND WARRANTIES EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING FROM STATUTE, COMMON LAW, CUSTOM OR OTHERWISE. THE REMEDY SET FORTH IN THIS DISCLAIMER AND WARRANTY AGREEMENT SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO ANY PERSON. NO PERSON SHALL HAVE ANY AUTHORITY TO BIND THE COMPANY TO ANY REPRESENTATION OR WARRANTY OTHER THAN THIS DISCLAIMER AND WARRANTY AGREEMENT. THE COMPANY SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF THIS PRODUCT OR CAUSED BY ANY DEFECT, FAILURE OR MALFUNCTION OF ANY PRODUCT WHETHER A CLAIM FOR SUCH DAMAGE IS BASED UPON WARRANTY, CONTRACT, NEGLIGENCE OR OTHERWISE. (b) TO PAY LESSOR ON DEMAND ANY AMOUNTS PAID BY OR DUE FROM LESSOR FOR THE PURCHASE OF ANY ITEM OF EQUIPMENT REJECTED BY LESSEE UNDER 14 OF THE LEASE AND TO INDEMNIFY AND SAVE LESSOR HARMLESS FROM ANY AND ALL LIABILITY TO THE SELLER THEREOF. (c) TO PAY ALL SHIPPING CHARGES AND OTHER EXPENSES INCURRED IN CONNECTION WITH THE SHIPMENT OF THE LEASED EQUIPMENT BY SELLER TO THE LESSEE AND TO BEAR ALL RISK OF LOSS THEREOF. (d) LESSOR SHALL NOT BE LIABLE FOR AND LESSEE WILL BE LIABLE FOR LOSS OR DAMAGE OCCASIONED BY ANY CAUSE, CIRCUMSTANCE, OR EVENT OF WHATSOEVER NATURE, ARISING OUT OF THE ORDERING, MANUFACTURING, DELIVERY, OPERATION OR PERFORMANCE OF ANY EQUIPMENT, OR WHICH ARISES AS A CONSEQUENCE OF THE FACT THAT LESSOR HAS NOT INSPECTED THE EQUIPMENT.

10. LOSS OR DAMAGE. No loss of or damage to equipment or any part thereof shall impair any obligation of Lessee under this lease, which shall continue in full force and effect. If any leased equipment is totally destroyed, liability of Lessee to pay rent therefor may be discharged by paying to Lessor all accrued rent due thereon together with the termination value of such equipment less the amount of recovery, if any, actually received by Lessor from an insurance or otherwise for such loss or damage.

11. INSURANCE. Lessee shall at its expense maintain at all times from the time of delivery of equipment to Lessee public liability and property damage insurance in amounts and in insurance companies satisfactory to Lessor, protecting Lessor as an additional insured thereunder, and providing for ten days written notice to Lessor before any policy shall be altered or canceled. Lessee shall deliver to Lessor evidence of such insurance coverage satisfactory to Lessor.

12. TAXES. Lessee shall pay when due all taxes, assessments, licenses and registration fees and other governmental charges, municipal, state and federal, which may now or hereafter be imposed upon the lease payments, ownership, possession, leasing, operation, control, use and maintenance of the equipment, excluding Lessor's franchise and income tax. Lessee shall supply to Lessor in form satisfactory to Lessor, proof of payment of the foregoing at least five days before the same may become delinquent.

13. INDEMNITY. Lessee agrees to indemnify and hold Lessor free and harmless from any liability, loss, cost, damage or expense, including attorneys' fees, which Lessor may suffer or incur as a result of any claims which may be made by any person or persons, including, but not being limited to Lessee, its agents and employees, that arise out of or result from the manufacture, delivery, actual or alleged ownership, performance, use, operation, possession, selection, leasing and/or return of the equipment or personal property, whether such claims are based on negligence, whether of Lessor or another, breach of contract, breach of warranty, absolute liability, or otherwise.

14. SURRENDER. Upon the expiration or termination of this lease, Lessee shall, at its own cost and expense, return equipment unencumbered to Lessor at the address specified by Lessor, in the same condition as received, reasonable wear and tear excepted.

15. DEFAULT. Time is of the essence. In the event of a default in the payment of any sums due hereunder, or in the performance of any other covenant herein, or if Lessee becomes insolvent, or ceases to do business as a going concern, or makes an assignment for the benefit of creditors or any proceeding or petition under the Bankruptcy Act as amended is filed by or against Lessee (including a proceeding for reorganization, arrangement or extension), then in any such event, Lessor at its sole option shall have the right to exercise concurrently or separately any one or more of the following remedies: (a) With or without notice or demand, to declare the entire rental provided for under this lease and each and every schedule thereto, to be immediately due and payable; (b) With or without notice or demand and with or without legal process enter into the premises where any and all items of equipment may be located and take possession of and remove same. Any such taking of possession shall not constitute termination of this lease as to any or all items of equipment unless Lessor expressly notifies Lessee in writing to that effect; (c) Terminate this lease as to any or all items of equipment and Lessor shall thereupon be entitled to recover from Lessee the excess, if any, of the amount of rent and charges reserved in the lease for the balance of the stated term, over the then reasonable rental value of equipment for the same period. [The parties agree that in the event of a termination under this subparagraph (b), Lessor will make a good-faith effort to sell or release the items of equipment affected by such termination, and that if sold or released in good faith, the net amount received by Lessor on such sale or subsequent lease shall be deemed to be the reasonable rental value of such equipment]; (d) Sell any or all items of equipment at public or private sale and/or release any or all items of equipment for a term and rental which may be equal to, greater than or less than the rental and term herein provided. In the event of such sale or such a release, for a term equal to or greater than the balance of the term herein provided, there shall be immediately due to Lessor from Lessee the termination value remaining unpaid together with all expenses of retaking, repairing, holding, transporting, selling and reletting and reasonable attorneys' fees less the purchase price received at any such sale or the total rentals to be received from and such release; (e) To release any or all items of equipment at such lease payments and terms as may be arranged by Lessor, Lessee remaining liable for the difference in lease payments received by Lessor from any new Lessee and the lease payments due herein; (f) Pursue any other remedy available to Lessor at law or in equity.

16. COLLECTION CHARGES. Should Lessee fail to pay when due any part of the rent herein reserved or any other sum required to be paid to Lessor by Lessee, Lessee shall pay to Lessor a reasonable late charge not to exceed five (5%) percent of the payment due together with all other expenses necessarily incurred by reason of Lessee's default including a reasonable attorneys' fee in connection with any efforts instituted by Lessor to recover possession of any of the equipment or to enforce any of the terms and conditions or provisions hereof or to obtain damages for any breach hereof.

17. PERFORMANCE OF OBLIGATIONS OF LESSEE BY LESSOR. In the event that Lessee shall fail duly and promptly to perform any of its obligations under this lease or any Schedule or Lease Order thereto to be performed by Lessee, Lessor may, at its option, immediately or at any time thereafter perform the same for the account of Lessee without thereby waiving such default, and any amount paid for expenses or liability incurred by Lessor in such performance, together with interest thereon at the highest lawful contract rate, shall be payable by Lessee upon demand as additional rent for the leased equipment.

18. NOTICES, REMEDIES, WAIVERS, SUCCESSORS. All notices relating hereto shall be delivered in person to an office of the Lessor or Lessee or shall be mailed by certified mail to Lessor or Lessee at its respective address shown above or at any later address last known to the sender. All remedies of Lessor hereunder are cumulative and not alternative. A waiver of a default shall not be a waiver of any other subsequent default. This lease shall be binding upon the Lessor and Lessee and Lessee's heirs, executors, administrators, successors and assigns and shall inure to the benefit of the successor and assigns of Lessor.

19. ENTIRE AGREEMENT. This lease contains the entire agreement between the parties and may not be changed, modified, terminated or discharged except in writing. This agreement is, and is intended to be, a lease, and Lessee does not acquire hereby any right, title or interest whatsoever, legal or equitable, in or to any of the equipment or the proceeds of the sale of the equipment, except its interest as a Lessee hereunder.

20. GOVERNING LAWS. This agreement shall be governed by the laws of the State of Utah regardless of the order in which the signatures of the parties shall be affixed hereto and shall be interpreted and the right and liability of the parties hereto determined in the laws of the State of Utah.

21. CONFLICT OF APPLICABLE LAW. If any provision of this lease is contrary to, prohibited by or deemed invalid under applicable laws or regulations of any jurisdiction in which it is sought to be enforced, then such provision shall be deemed inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof.

22. STATEMENTS. Lessee will furnish Lessor within ninety days after the close of each fiscal year of Lessee, a balance sheet and profit and loss statement as of the end of such year, and such other information respecting the financial condition and operations of Lessee as Lessor may from time to time reasonably request.

23. UNIFORM COMMERCIAL CODE. At Lessor's request, Lessee shall execute and deliver to Lessor any document Lessor believes will protect Lessor's ownership interest in said equipment under the Uniform Commercial Code as adopted by the State of Utah, or any other state where equipment is to be located. The execution and/or filing of any such document shall not alter the parties' respective interests in and rights to the equipment.

24. The undersigned certifies that this lease is executed for business purposes only and not for family, personal or household purposes and the equipment

LEASE PAYMENT SCHEDULE

LEASE PAYMENTS - Lessee agrees to pay to Lessor Lease Payments for leased equipment subject to this Lease in 120 CONSECUTIVE installments. The FIRST THREE installments shall be in an amount equal to _____ of Lessor's cost of equipment. The amount of the following THREE installments shall be computed as follows:

On the date that the third installment of lease payments shall become due to Lessor, and upon the date that every third installment of lease payment shall become due to Lessor thereafter to and including the date that the 118 installment shall become due to Lessor, the level of the corporate base rate of interest ("Prime") charged by Zions First National Bank, from time-to-time, to its largest and most credit-worthy commercial customers on 90-day commercial loans, shall determine the amount of the following three installments of lease payments.

The following table determines the amount of lease payments as a percentage of Lessor's cost of each item of equipment at different levels of Prime, plus sales tax if applicable:

	<u>PRIME</u>	<u>FACTOR</u>	<u>PAYMENTS</u>	<u>SALES TAX</u>	<u>TOTAL</u>
1.	12.0 - 12.9	1.433	2,534.23	101.37	2,635.60
2.	13.0 - 13.9	1.496	2,645.65	105.83	2,751.48
3.	14.0 - 14.9	1.550	2,741.14	109.65	2,850.79
4.	15.0 - 15.9	1.625	2,873.78	114.95	2,988.73
5.	16.0 - 16.9	1.691	2,990.50	119.62	3,110.12
6.	17.0 - 17.9	1.757	3,107.22	124.29	3,231.51
7.	18.0 - 18.9	1.824	3,225.71	129.03	3,354.74
8.	19.0 - 19.9	1.892	3,345.96	133.84	3,479.80
9.	20.0 - 20.9	1.960	3,466.22	138.65	3,604.87
10.	21.0 - 21.9	2.029	3,588.25	143.53	3,731.78
11.	22.0 - 22.9	2.098	3,710.27	148.41	3,858.68
12.	23.0 - 23.9	2.168	3,834.06	153.36	3,987.42
13.	24.0 - 24.9	2.238	3,957.86	158.31	4,116.17
14.	25.0 - 25.9	2.309	4,083.42	163.34	4,246.76
15.	26.0 - 26.9	2.380	4,208.98	168.36	4,377.34
16.	27.0 - 27.9	2.452	4,336.31	173.45	4,509.76
17.	28.0 - 28.9	2.524	4,463.64	178.55	4,642.11
18.	29.0 - 29.9	2.596	4,590.97	183.64	4,774.61

LESSEE: S and S Limited Partnership

MICROFILMED

APR 13 1981

By

Wayne B. Skeem
Wayne B. Skeem

By

Daniel C. Skeem
Daniel C. Skeem

~~CONFIDENTIAL FOR SECURITY~~

KNOW ALL MEN BY THESE PRESENTS:

THIS ASSIGNMENT, made this 25 day of November, 1981, by and between S & S LIMITED PARTNERSHIP, a limited partnership, of Twin Falls County, Idaho, hereinafter referred to as the Assignor, as Party of the First Part, and ZIONS LEASING COMPANY, a Utah corporation, hereinafter referred to as the Assignee, as Party of the Second Part.

WITNESSETH:

RECITALS:

WHEREAS, S & S Limited Partnership is the seller under a certain power sales agreement, dated October 30, 1981, wherein Idaho Power Company agrees to purchase power and energy under certain terms and conditions therein specified; and

WHEREAS, S & S Limited Partnership, as lessee, and Zions Leasing Company, as lessor, have entered into a certain equipment, premises and property lease, dated ^{December} ~~November~~ 25, 1981, wherein the said lessor has agreed to furnish certain items of electrical generating equipment and property to the said lessee, and the lessor agrees to acquire certain specified equipment and property and lease the same to the lessee, under the rental payments and the terms and conditions of said lease agreement, supplements, schedules and addendums thereto; and

WHEREAS, as a condition to said lease agreement and the furnishing of said property and equipment, and as an inducement for Zions Leasing Company to purchase such equipment and to furnish the same to the said lessee, the Assignor herein, the undersigned Assignor did agree and does hereby agree to assign all of its right, title and interest in and to the proceeds of that power sales agreement herein described, as security for the performance of the obligations of the said Assignor, as lessee under the leasing agreement with Zions Leasing Company.

AGREEMENT:

NOW, THEREFORE, for a good and valuable consideration and as an inducement to Zions Leasing Company to purchase said equipment and to furnish the same for the use of the lessee, the Assignor herein, the Assignor does hereby agree:

2
Dec 20th 1981?

RECEIVED DEC 31 1981

MICROFILMED

APR 13 1987

1. Assignment. That the Assignor herein has assigned, set over, transferred and conveyed, and ~~does hereby assign~~, set over, transfer and convey unto the Assignee all of the Assignor's right, title and interest in and to the payments and ~~proceeds~~ to be received, as seller under that certain power sale agreement, dated October 30, 1981, between S & S Limited Partnership, as seller, and Idaho Power Company.

2. Security. That this assignment shall be as security for the performance of the terms and conditions by the Assignor of that certain lease agreement, dated ^{Incumbent} ~~November~~ 25, 1981, between Zions Leasing Company, as lessor, and S & S Limited Partnership, as lessee, and for any renewal or extension thereof, and for any further advance or extension of credit during the term of the lease, as herein assigned.

3. Contract Payments. The entire proceeds and payments to be received, pursuant to that power sales agreement of October 30, 1981, wherein S & S Limited Partnership agrees to sell power and energy to Idaho Power Company, shall be paid over to Zions Leasing Company, under this assignment, and who shall thereupon deduct the appropriate amount therefrom, as then due upon the payments of said lease agreement, and remit the balance to the Assignor.

4. Consent of Idaho Power. That the Assignor herein shall obtain the consent of Idaho Power Company, under said power sales agreement, to this assignment.

5. Default. Upon the default being declared in the terms and conditions of any payment on any obligation owed by the Assignor to the Assignee, or in the performance of any other term or condition contained in the lease agreement that the Assignee shall the right, at its option, to take any action as provided in said lease agreement upon the default, and to further have the right to enter into and upon the premises wherein such equipment is located, and the Assignor does hereby grant an irrevocable license and easement for the Assignee to enter thereupon during the term of this assignment and the said lease, and to operate such facilities and equipment to perform the terms and conditions required to be performed by the seller under that certain power sales agreement herein above described; that the Assignee may employ such personnel, con-

MICROFILMED

APR 13 1987

sultants and technicians as may, in the Assignee's sole discretion, be deemed necessary to be able to fulfill such terms and conditions, and pay the costs thereof from the proceeds to be received under said power sales agreement, in addition to the amounts to be paid under said lease agreement. Such amounts so advanced, while remaining unpaid, shall bear interest at the amount computed as the interest rate and factor under the sums advanced for the lease agreement and the repayment thereof. The Assignee may further, in the event of such default, sublease or assign the right to operate such facilities under such terms and conditions as the Assignee, in its sole discretion, shall deem necessary or desirable, until all delinquent amounts have been paid and satisfied and the said facility is being operated pursuant to the terms and conditions of the power sales agreement, without default thereunder. The remedies herein specified may be utilized on successive defaults and shall not be extinguished by the utilization of a remedy and then a reinstatement of the lease agreement and the contract.

6. Liability. The Assignor shall be and remain responsible and obligated to the Idaho Power Company, under the said power sales agreement, for the fulfillment of the terms and conditions of said contract.

The Assignee shall have no obligation or liability for the performance of said power sale contract, prior to the declaration of a default and the election to enter into operation of said facility. Any obligation or liability of the Assignee shall be only for that period of time which the Assignee assumes the operation therefor, and upon the return of the facility to the operation of the Assignor herein, all obligation and liability of the Assignee shall thereupon terminate and cease.

IN WITNESS WHEREOF, the parties have hereunto caused this assignment to be executed this 25 day of November, 1981.

S & S LIMITED PARTNERSHIP

By: Daniel C. Sheen
General Partner

3.

RECORDED
INDEXED

APR 13 1987

ZIONS LEASING COMPANY

By: [Signature]
Its: VICE PRESIDENT

ATTEST:

M. McKenzie
Secretary

STATE OF IDAHO)
Salt Lake) ss.
County of ADAMS)

On this 8th day of ~~November~~ December, 1981, before me, the undersigned, a Notary Public for Idaho, personally appeared

D. E. Timpson, known to me to be the Vice President of ZIONS LEASING COMPANY, the corporation that executed the within instrument and acknowledged to me that he subscribed his name for and in behalf of said corporation.

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

Mary E. Davis
Notary Public for Idaho Utah
Residing at Salt Lake City, Utah

STATE OF IDAHO)
County of Twin Falls) ss.

On this 25th day of November, 1981, before me, the undersigned, a Notary Public for Idaho, personally appeared Donald B. Stuenkel, known to me to be the general partner of S & S LIMITED PARTNERSHIP, the limited partnership that executed the within instrument and acknowledged to me that he subscribed his name for and in behalf of said limited partnership.

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

[Signature]
Notary Public for Idaho
Residing at Twin Falls, Idaho

4.

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APR 13 1981

CONSENT TO ASSIGNMENT

Idaho Power Company, the purchaser under that certain power sales agreement, dated October 30, 1981, wherein S & S Limited Partnership is the seller, does hereby consent to the above and foregoing assignment, for security by said seller to the Zions Leasing Company, and do hereby agree to make all payments due under said power sales agreement to Zions Leasing Company, until notified by Zions Leasing Company that such assignment is released, and do further consent to the terms and conditions of said assignment.

IN WITNESS WHEREOF, Idaho Power Company has caused this consent to be executed this 4th day of December, 1981.

IDaho POWER COMPANY

DE Barclay
By: D E Barclay
Its: Vice President

ATTEST:

Barton I Kline
By: Barton I Kline
Its: Assistant Secretary

813695

*S & S Limited
Partnership*

Joan Kline

STATE OF IDAHO

*I hereby certify that the foregoing
has been signed at the request of
the undersigned, this DEC 4, 1981
at my office and duly recorded in book
No. 6, 1st page 264*

RECORDED A. R. RICH
Recorder
Boise, Idaho
Fee \$12.00
Return to:
Joan Kline
7.7.

MICROFILMED

APR 13 1987

ADDENDUM TO AGREEMENT

THIS ADDENDUM, made and executed this 25 day of November, 1981, by and between ZIONS LEASING COMPANY, a Utah corporation, hereinafter referred to as Lessor, and S & S LIMITED PARTNERSHIP, a limited partnership of the State of Idaho, of Twin Falls County, Idaho, hereinafter referred to as Lessee.

WITNESSETH:

WHEREAS, the parties hereto, as Lessor and Lessee, respectively, did enter into a certain leasing agreement on the ___ day of November, 1981, wherein and whereby the Lessor leases to the Lessee certain machinery, equipment and property for the generation of electrical power and energy; and

WHEREAS, the parties desire to provide for a further and additional remedy for the Lessor in the event of a default in the performance of the terms and conditions by the Lessee; and

WHEREAS, the Lessee has entered into an agreement wherein it is designated as the seller, and Idaho Power Company, a corporation, is designated as Idaho and agrees to purchase from the seller therein the power and energy generated by the seller, through the use of the generating facilities and equipment herein leased from Lessor to Lessee; and

WHEREAS, the said agreement between the Lessee herein, as seller, and Idaho Power Company, as purchaser of the power and energy to be generated, is being assigned to the Lessor herein, as security for the lease agreement.

NOW, THEREFORE, as further and additional provisions of that certain lease agreement, hereinabove described, the parties do further agree as follows:

1. That any default by the Lessee herein, as seller under that certain contract dated October 30, 1981, between S & S Limited Partnership, as the seller, and Idaho Power Company, as the purchaser of power and energy, shall be considered a default of the lease agreement between the Lessor and Lessee.

2. That upon any default by the Lessee, in the performance of the terms and conditions required by the Lessee to be performed, then as an additional and further remedy the Lessor shall have the right, at its option, to enter into and upon the premises wherein such equipment is located, and the Assignor

MICROFILMED

APR 13 1987

does hereby grant an irrevocable license and easement for the Assignee to enter thereupon during the term of this assignment and the said lease, and to operate such facilities and equipment to perform the terms and conditions required to be performed by the seller under that certain power sales agreement herein above described, that the Assignee may employ such personnel, consultants and technicians as may, in the Assignee's sole discretion, be deemed necessary to be able to fulfill such terms and conditions, and pay the costs thereof from the proceeds to be received under said power sales agreement, in addition to the amounts to be paid under said lease agreement. Such amounts so advanced, while remaining unpaid, shall bear interest at the amount computed as the interest rate and factor under the sums advanced for the lease agreement and the repayment thereof. The Assignee may further, in the event of such default, sublease or assign the right to operate such facilities under such terms and conditions as the Assignee, in its sole discretion, shall deem necessary or desirable, until all delinquent amounts have been paid and satisfied and the said facility is being operated pursuant to the terms and conditions of the power sales agreement, without default thereunder. The remedies herein specified may be utilized on successive defaults and shall not be extinguished by the utilization of a remedy and then a reinstatement of the lease agreement and the contract.

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

ZIONS LEASING COMPANY

By: [Signature]
Its: D.E. TIMPSON, VICE PRESIDENT

ATTEST:

[Signature]
Secretary

S & S LIMITED PARTNERSHIP

By: [Signature]
General Partner

2.

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APR 13 1987

STATE OF IDAHO)
Salt Lake)
County of ~~Franklin~~) ss.

On this 31st day of November, 1981, before me, the undersigned, a Notary Public for Idaho, personally appeared D. F. Timpon, known to me to be the Vice President of ZIONS LEASING COMPANY, the corporation that executed the within instrument and acknowledged to me that he subscribed his name for and in behalf of said corporation.

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

Mary B. Davis
Notary Public for Idaho Utah
Residing at Salt Lake City, Utah

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

On this 25 day of November, 1981, before me, the undersigned, a Notary Public for Idaho, personally appeared David C. Shum, known to me to be the general partner of S & S LIMITED PARTNERSHIP, the limited partnership that executed the within instrument and acknowledged to me that he subscribed his name for and in behalf of said limited partnership.

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

David C. Shum
Notary Public for Idaho
Residing at Twin Falls, Idaho

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APR 13 1987

HOLLAND & HART,
LANGROISE, SULLIVAN
ATTORNEYS AT LAW

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TELECOPIER (303) 295-8261

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ASPEN OFFICE
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BRIAN R. HANSON

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2020 CAREY AVENUE
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MONTANA OFFICE
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175 NORTH 27TH STREET
BILLINGS, MONTANA 59101
TELEPHONE (406) 252-2166
TELECOPIER (406) 252-1669

June 2, 1986

RECEIVED
JUN 2 1986

HAND DELIVERED

Department of Water Resources

Mr. L. Glen Saxton
Operations Bureau Chief
Department of Water Resources
State of Idaho
450 West State Street
Boise, Idaho 83702

Re: Idaho Water Permit Nos. 47-7700, 47-7702, and
47-7705

Dear Mr. Saxton:

I enclose for your review and file the assignments that we discussed last week of the above-referenced water permits. As we discussed, the assignments identify expressly the individual water permit numbers. We hereby request that the Department of Water Resources recognize and approve these assignments of the above-referenced water permits. If you have questions or comments about the assignments, please do not hesitate to call.

As you know, our May 1 request for extension of time in which to submit proof of construction of works and application of water to beneficial use remains pending before the Department. Upon approval of the assignments of Water Permit Nos. 47-7702 and 47-7705, we request that the Department grant the requested extensions. Of course, we will be glad to provide additional information at the Department's request.

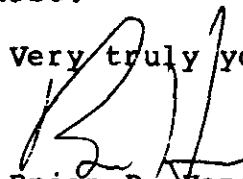
MICROFILMED

APR 13 1987

Mr. L. Glen Saxton
June 2, 1986
Page 2

We appreciate your consideration of these matters, and will do all we can to facilitate the Department's review of the assignments and extension request.

Very truly yours,



Brian R. Hanson

for HOLLAND & HART,
LANGROISE, SULLIVAN

BRH/cd

Enclosures

cc: Mr. M. Scott Newbold (w/encl.)

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APR 15 1987

DENVER OFFICE
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TELEPHONE (303) 925-3476

BRIAN R. HANSON

**HOLLAND & HART,
LANGROISE, SULLIVAN**
ATTORNEYS AT LAW

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TELEPHONE (406) 252-2166
TELECOPIER (406) 252-1669

May 30, 1986

RECEIVED
JUN 2 1986

Mr. L. Glen Saxton
Operations Bureau Chief
Department of Water Resources
State of Idaho
450 W. State Street
Boise, Idaho 83702

Department of Water Resources

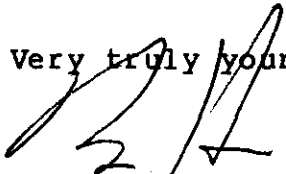
RE: Idaho Water Permit Nos. 47-7700, 47-7702, and
47-7705

Dear Mr. Saxton:

This letter confirms our telephone conversation today in which I informed you that Zions Leasing Company intended to file the assignments of the above-referenced permits executed by the permit holder. We anticipate filing the assignments on Monday, June 2. We appreciate your forbearance in this matter, and look forward to resolving this matter promptly.

If we can answer any questions about the above-referenced permits or Zions Leasing Company's position generally, please do not hesitate to call.

Very truly yours,


Brian R. Hanson

for HOLLAND & HART,
LANGROISE, SULLIVAN

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BRH/eag

cc: Mr. Scott Newbold

APR 13 1987

DENVER OFFICE
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TELECOPIER (406) 252-1669

May 1, 1986

RECEIVED
MAY 1 1986

HAND DELIVERED

Mr. L. Glen Saxton
Chief, Operations Bureau
Department of Water Resources
State of Idaho
450 West State Street
Boise, Idaho 83702

Department of Water Resources

RE: Idaho Water Permit Nos. 47-7700,
47-7702, and 47-7705

Dear Mr. Saxton:

We represent Zions Leasing Company, the owner of the Mud Creek hydroelectric facility where water acquired pursuant to the above-referenced permits is utilized. The permits originally were issued to S & S Limited Partnership and/or its partners, Dan C. Skeem and/or Wayne B. Skeem. Copies of the permits are enclosed for your convenience. S & S Limited Partnership leased the hydroelectric facility and related equipment from Zions. On or about November 25, 1981, the partnership entered into an Assignment for Security and an Addendum with Zions (copies attached). The Assignment and Addendum were intended to provide Zions with additional security for its leasing the hydroelectric facility and related equipment to the partnership.

Pursuant to the Assignment for Security and Addendum, upon default of S & S Limited Partnership's obligations to Zions or failure to perform terms and conditions contained in the equipment lease agreements, Zions acquired the right and an irrevocable license and easement to enter into and upon the Mud Creek hydroelectric facility to operate the facility. Unfortunately, S & S Limited Partnership defaulted in its obligations to Zions, and Zions was compelled to enter into and upon

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APR 13 1987



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
CHIEF, OPERATIONS BUREAU

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APR 13 1987

February 5, 1982

RE: Permit No. 47-7700

S & S Limited, Partnership
c/o Dan Skeem
Route #3
Buhl, ID 83316

Gentlemen:

Enclosed is a copy of your approved application for permit. We direct your attention to the conditions of approval on the fourth page.

Be sure to note the special condition requiring you to install and maintain a measuring device at your point of diversion. We have enclosed a description of the different types of measuring devices accepted by this office.

We have enclosed a form entitled "Making Proof of Beneficial Use". Please read the instructions carefully since you must take further action to develop this permit into a license.

Sincerely,

DAVID R. TUTHILL, JR., P.E.
Supervisor, Water Allocation Section

DRT:kw
Enclosures

RECEIVED

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

S & S Limited Partnership) Project No. 4769-001

ORDER GRANTING EXEMPTION FROM LICENSING OF A
SMALL HYDROELECTRIC PROJECT OF 5 MEGAWATTS OR LESS

(Issued November 20, 1981)

The Applicant 1/ filed an application for exemption from all or part of Part I of the Federal Power Act pursuant to 18 C.F.R. Part 4 SUBPART K (1980) implementing in part Section 408 of the Energy Security Act (Act) of 1980 for a project as described in the attached public notice. 2/ 3/

Notice of the application was published in accordance with Section 408 of the Act and the Commission's regulations and comments were requested from interested Federal and State agencies including the U. S. Fish and Wildlife Service and the State Fish and Wildlife Agency. All comments, protests and petitions to intervene that were filed have been considered. No agency has any objection relevant to issuance of this exemption.

Standard Article 2 included in this exemption, requires compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and conditions referred to in Article 2 are contained in any letters of comment by these agencies which have been forwarded to the Applicant in conjunction with this exemption.

- 1/ S & S Limited Partnership, Project No. 4769-001, filed on July 31, 1981.
- 2/ Pub. Law 96-294, 94 Stat. 611. Section 408 of the ESA amends inter alia, Sections 405 and 408 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §§2705 and 2708).
- 3/ Authority to act on this matter is delegated to the Deputy Director, Office of Electric Power Regulation under §375.308 of the Commission's regulations 45 Fed. Reg. 21216 (1980), as amended by Order No. 112 in Docket No. RM81-5, issued November 21, 1980, (45 Fed. Reg. 79024).

Only file
MICROFILMED

- 2 -

Should the Applicant contest any terms or conditions that were proposed by Federal or State agencies in their letters of comment as being outside the scope of Article 2, the Commission shall determine whether the disputed terms or conditions are outside the scope of Article 2.

It is ordered that:

(A) Mud Creek Project No. 4769 as described and designated in S & S Limited Partnership's application filed on July 31, 1981, is exempted from all of the requirements of Part I of the Federal Power Act, including licensing, subject to the standard articles in §4.106 of the Commission's regulations, 18 C.F.R. §4.106 45 Fed. Reg. 76115 (November 18, 1980).

(B) This order is final unless a petition appealing it to the Commission is filed within 30 days from the date of its issuance, as provided in Section 1.7(d) of the Commission's regulations, 18 C.F.R. 1.7(d)(1979), as amended, 44 Fed. Reg. 46449 (1979). The filing of a petition appealing this order to the Commission or an application for rehearing as provided in Section 313(a) of the Act does not operate as a stay of the effective date of this order, except as specifically ordered by the Commission.

(S E A L)

Robert E. Cackowski

Robert E. Cackowski
Deputy Director, Office of
Electric Power Regulation

RECEIVED

JAN 20 1982

Department of Water Resources
Southern District Office

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Project No. 4769-001

- 2 -

S & S Limited Partnership)

Project No. 4769-001

OFFICE OF APPLICATION FOR EXEMPTION FOR SMALL
HYDROELECTRIC POWER PLANT UNDER 5 MW CAPACITY
(September 10, 1981)

Take notice that on July 31, 1981, S & S Limited Partnership (Applicant) filed an application, under section 408 of the Energy Policy Act of 1980 (Act) (16 U.S.C. §§2705, and 2706 as amended), for exemption of a proposed hydroelectric project from licensing under Part I of the Federal Power Act. The proposed small hydroelectric project (Project No. 4769) would be located on Mud Creek, in Twin Falls County, Idaho. Correspondence with the Applicant should be directed to: Dan L. Brown, Route 3, Buhl, Idaho 83316.

Project Description - The proposed project would consist of: (a) the Upper facility consisting of: (1) a 5-foot high dam; (2) a 150-foot long and 36-inch diameter penstock; (3) a powerhouse to contain a 100-hp generating unit; and (4) a transmission line from the powerhouse to the existing Idaho Power Company substation; the average annual energy generation is estimated to be 1,243 kWh. (b) The Lower facility consisting of: (1) a 5-foot high dam; (2) a 200-foot long and 42-inch diameter penstock; (3) a powerhouse to contain a 100-hp generating unit; and (4) a transmission line. The average annual energy generation is estimated to be 600 kWh.

Source of Power - The energy produced by the project would be sold to a local utility company.

Agency Comments - The U.S. Fish and Wildlife Service, The National Marine Fisheries Service, and the Idaho Department of Fish and Game are requested, for the purposes set forth in section 408 of the Act, to submit within 60 days from the date of issuance of this notice appropriate comments and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the Act and the National Conservation Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the agency letter. If an agency cannot file comments and conditions within this time period, that agency will be presumed to have none. Other Federal, State, and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other issues relevant to the granting of an

exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

Competing Applications - Any qualified license applicant desiring to file a competing application must submit to the Commission, on or before ~~OCT 21 1981~~ either the competing license application that proposes to develop at least 7.5 megawatts in that project, or a notice of intent to file such a license application. Submission of a timely notice of intent allows an interested person to file the competing license application no later than 120 days from the date that comments, protests, etc. are due. Applications for preliminary permit will not be accepted.

A notice of intent must conform with the requirements of 18 C.F.R. §4.33(b) and (c) (1980). A competing license application must conform with the requirements of 18 C.F.R. §4.33(a) and (d) (1980).

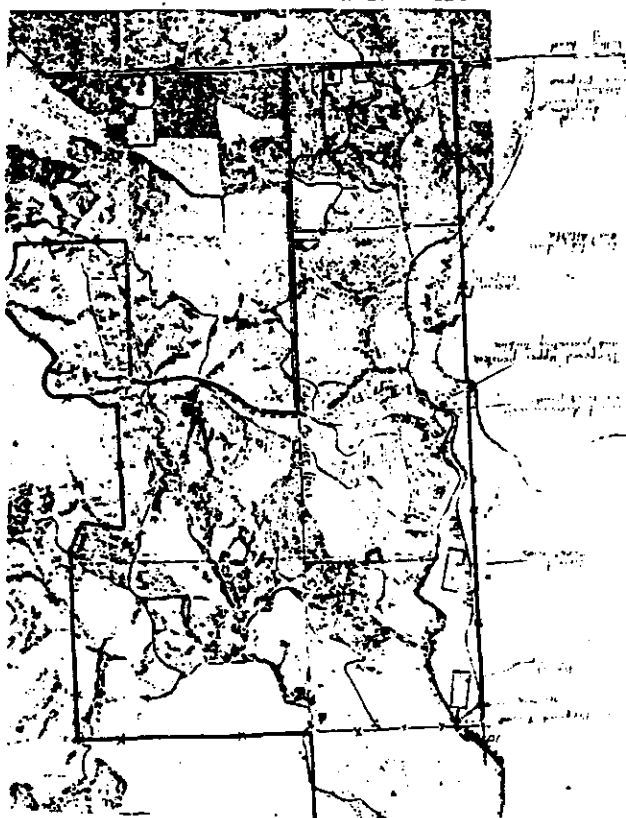
Comments, Protests, or Petitions to Intervene - Anyone may submit comments, a protest, or a petition to intervene in accordance with the requirements of the Rules of Practice and Procedure, 18 C.F.R. §1.8 or §1.10 (1980). In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a petition to intervene in accordance with the Commission's rules may become a party to the proceeding. Any comments, protests, or petitions to intervene must be received on or before ~~OCT 21 1981~~.

Filing and Service of Responsive Documents - Any filings must be in all capital letters the title "COMMENTS", "NOTICE OF INTENT TO FILE COMPETING APPLICATION", "COMPETING APPLICATION", "PROTEST", or "PETITION TO INTERVENE", as applicable, and the Project Number of this notice. Any of the above named documents must be filed by providing the original and three copies required by the Commission's regulations to: Kenneth F. Plumb, Secretary, Federal Energy Regulatory Commission, 225 North Capital Street, N.E., Washington, D.C. 20426. An additional copy must be sent to: Paul L. Springer, Chief, Applications Branch, Division of Hydropower Licensing, Federal Energy Regulatory Commission, 400 1st Ave. N.E. at the above address. A copy of any notice of intent, competing application, or petition to intervene must also be served upon each representative of the Applicant specified in the first paragraph of this notice.

Kenneth F. Plumb
Secretary

DC-4-45

DEPARTMENT OF AGRICULTURE
CONSERVATION SERVICE
EXHIBIT 10



MICROFILMED

NOTICE OF AMENDED APPLICATION FOR WATER RIGHT

Notice is hereby given that the following application for permit to appropriate the public waters of the State of Idaho has been amended by the Applicant:

42-2200

S & S LIMITED PARTNERSHIP

RT.3, BUHL, ID 83316

Source: MUD CREEK tributary to SNAKE RIVER

Date Filed: 02/10/1981

Amount: 50.00 CFS

Diversion Point: SESE Sec 15 T 09S R 14E, TWIN FALLS Co.

Use: POWER (50.00 CFS) from 01/01 to 12/31

Place of Use: SWNW Sec 14 T 09S R 14E

Diversion Means: CONCRETE DIVERSION, PENSTOCK & TURBINE.

AMENDED AS FOLLOWS

Diversion point: SESE Sec 15, SWNW Sec 14 T 09S R 14E, TWIN FALLS Co.

Place of Use: SWNW, NNWN Sec 14 T 09S R 14E

If issued, the permit will be subject to all prior water rights. Protests against the granting of any permit must be filed with the Director of of Water resources< 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301 and received on or before FEBRUARY 1, 1982.

A. KENNETH DUNN

Director

Published 1/14 & 1/21/82.

OFFICE OF THE DIRECTOR
DIVISION OF WATER RESOURCES
TWIN FALLS, IDAHO 83301

MICROFILMED

if issued
filed
2/2/82

/1870 pgl dept water resc
022.6 IN 11:13

Legal Notice
Thursday, January 14,
1982.

NOTICE OF AMENDED
APPLICATION FOR
WATER RIGHT

Notice is hereby given
that the following
application for permit to
appropriate the public
waters of the State of
Idaho has been
amended by the Appli-
cant:

47-7700

S&S LIMITED
PARTNERSHIP
RT. 3, BUHL, ID 83316
Source: MUD CREEK
tributary to SNAKE
RIVER

Date Filed: 02/10/1981

Amount: 50.00 CFS

Diversion Point: SESE
Sec 15 T 09S R 14E, TWIN
FALLS Co.

Use: POWER (50.00 CFS)
from 01/01 to 12/31

Place of Use: SWNW Sec
14 T 09S R 14E

Diversion Means:
CONCRETE DIVERSION,
PENSTOCK & TURBINE.

AMENDED AS
FOLLOWS

Diversion point: SESE
Sec 15, SWNW Sec 14 T
09S R 14E, TWIN FALLS
Co.

Place of Use: SWNW,
NWNW Sec 14 T 09S R
14E

If issued, the permit
will be subject to all prior
water rights. Protests
against the granting of
any permit must be filed
with the Director of
Water resources, 1041
Blue Lakes Blvd. North,
Twin Falls, Idaho 83301
and received on or
before FEBRUARY, 1,
1982.

A. KENNETH DUNN
Director

PUBLISH: Thursday,
January 14 and 21, 1982.

*ok
meyer
1/12/82*



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region

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

JANUARY 11, 1982

Times News
P. O. Box 548
Twin Falls, Idaho 83301

Gentlemen:

Enclosed you will find a legal notice which we wish to have published on the dates indicated (once a week for two consecutive weekly issues) in your newspaper. We have allowed ample time for you to submit a galley proof to this office for review before the first publication date. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Your cooperation is appreciated.

Please send the affidavit of publication and publication billing to this office before FEBRUARY 1, 1982.

Yours truly,

Mary A. Hill
Secretary

Encl.

To be Hand Delivered
By Wayne Skeem 1/11/82

LA

MICROFILMED

INTER-DEPARTMENT MEMO — 1

FROM Dave Tuttle

DATE 1-7-82

TO Loren Holmes

SUBJECT 47-1700

As per our telecon, it appears that another P.d. should be added, in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ S. 14 T9S R. 14E.

Mr Skeem will come in to add the pd & to pay the \$20⁰⁰ fee. Since the system is installed he has asked that we expedite if possible.

The form 205 in this file pertains to the upstream diversion pt. only. Please ask Mr Skeem to complete needed info on the attached 205 to cover the lower P.d.

DAT

SIGNATURE

December 15, 1981

Responded Per
Telecon DET 1-1-82

DEC 16 1981

December 16, 1981

Mr. L. Glen Saxton, Chief Operations Bureau
Idaho Department of Water Resources, Re: 47-7700
450 West State
Boise, Idaho 83720

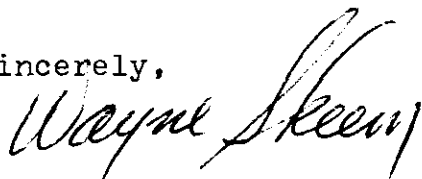
Dear Mr. Saxton:

I appreciated the phone visit of December 10th. Thought I would forward pertinent pages from the purchase option with Greg and Gloria Smith. You will note they did not consider the Waters of Mud Creek very important to their acreage valuation last February 10th. I hope, and believe, Mrs. Smith feels okay now. We've really tried to be good neighbors. I'm confident the real hurt was that she regrets she did not lever a double price for her property. We paid plenty as it was.

Kay Walker sent us another form, but one which was signed, notarized and returned several months ago. It pertained to permission to use (and improve) on existing man-made irrigation ditch. It was signed by Mr. Ron Teiges.

It would certainly be appreciated if you will forward the Mud Creek and other water permits just as soon as the FERC exemption is received. Just the interest on \$700,000 bears heavily unless we can soon get energy onto Idaho's lines.

Sincerely,



Wayne Skeem
S & S Limited Partnership

Wayne Skeem 734-8296
1742 Targhee
Twin Falls ID 83301

DEC 16 1981

Department of Water Resources

1 FENCES AND FARMING:

2 While seller is entitled to possession on a limited
3 basis under this option to purchase, he shall not change any of
4 the fences nor any of the crops nor any of the ditches upon the
5 above described property until his option to purchase has been
6 exercised in the manner as aforesaid. In the event the option to
7 purchase is not exercised within the time allowed, buyer shall
8 not be entitled to any refunds of the option money theretofore
9 paid nor to any expenses or reimbursement for labor incurred in
10 corrugating, ditching, irrigating and other tasks required to
11 operate the above described property in a husbandlike manner.

12 WATER AND WATER RIGHTS:

13 Seller covenants that he will not protest any filings
14 on Mud Creek made by buyer. Buyer likewise covenants that he
15 will not protest any filing by seller for up to fifteen (15)
16 more inches of the waters of Mud Creek.

17 The parties hereto further agree that there is a dam in
18 Mud Creek between the above described property and the property
19 retained by seller. The parties agree to reciprocal easements
20 for access over one another's property to said damsite for repair,
21 maintenance and any necessary reconstruction of said dam. They
22 further agree to cooperate with one another in the repair and
23 maintenance of said dam. The expense of maintenance, reconstruc-
24 tion and repair shall be shared between the parties hereto in a
25 ratio based upon the amount of water each pumps from the damsite.

28 OPTION TO PURCHASE - 12

RECEIVED
DEC 16 1981

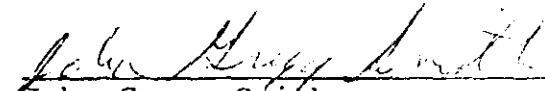
1 counsel. The buyer hereby acknowledges that said firm of attor-
2 neys has advised said buyer that buyer has the privilege of
3 consulting independent counsel at any phase of this transaction.

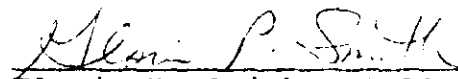
4 HEIRS, ETC.:

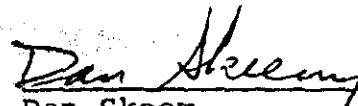
5 The covenants in this contract shall extend to and bind
6 the heirs, personal representatives, assigns and successors of
7 the respective parties hereto.

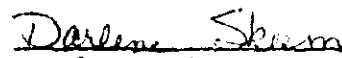
8 SIGNATURES:

9 IN WITNESS WHEREOF, the parties hereto have hereunto
10 set their hands, the day and year in this contract first above
11 written.

12 
13 John Gregg Smith

14 
15 Gloria P. Smith - Sellers

16 
17 Dan Skeem

18 
19 Darlene Skeem - Buyers

20 STATE OF IDAHO)
21) ss.
22 County of Twin Falls)

23 On this 10th day of February, 1981, before me, the
24 undersigned, a Notary Public in and for the said County and State,
25 personally appeared John Gregg Smith and Gloria P. Smith, husband
26 and wife, known to me to be the persons whose names are subscribed
27 to the foregoing instrument, and acknowledged to me that they

28 OPTION TO PURCHASE - 14

Wayne Skeem
1742 Targhee
Twin Falls ID 83301



Mr. L. Glen Saxton, Chief Operations Bureau
Idaho Department of Water Resources
450 West State
Boise, Idaho 83720

NOT FILMED

December 10, 1981

RE: Application for Permit No. 47-7700

S & S Limited Partnership
c/o Dan Skeem
Route #3
Buhl, ID 83316

Dear Mr. Skeem:

Enclosed herewith are copies of the correspondences our office forwarded to you on May 12, 1981 and July 24, 1981; both were returned as unable to forward. Please feel free to contact our office should you have any questions in this matter.

Sincerely,

KAY WALKER
Sr. Clerk

KW:k
Enclosures

RECORDED
INDEXED

INTER-DEPARTMENT MEMO — 1

FROM

Robyn

DATE

12/8/81

TO File 47-7700 & 47-7705

SUBJECT

Gary from Southern called today in regards to 2 subjects. 1) S&S Limited Partnership's correspondances should be sent 40 Dan Steem. 2) He has had several calls from concerned people in & around the Mud Creek area. I advised him the same as Bob F. did to Mrs. Smith in Memo dated 11-10-81.

SIGNATURE

RC

MICROFILMED

INTER-DEPARTMENT MEMO — 1

FROM Bob Fleenor

DATE 11-10-81

TO File 47-7700 S&S

SUBJECT Protest

Mrs Greg Smith called today (543-4371) about protesting application no 47-7700. The Smiths own property along Mud Creek just below, downstream, from the point of diversion and they are concerned that their property value will be decreased and their enjoyment of their property diminished by the diversion of the total flow of Mud Creek.

She will be sending a letter asking us to consider the "local public interest" prior to taking any further action on this application

SIGNATURE

August 21, 1981

Mr. Dan &/or Wayne Skeem
% Glaser Land & Livestock Company
Buhl, Idaho 83316

Since May our office has made several attempts to mail correspondence to you at the Route #3 Buhl, Idaho, address that was given to us. All of this correspondence has been returned to our office "unable to forward". Would you please contact our office with a correct mailing for your "S & S Limited Partnership".

Will appreciate hearing from you at your earliest convenience.

Sincerely,

DAVID R. TUTHILL, JR., P. E.
Supervisor, Water Allocation Section

DRT:jg

RECEIVED
AUG 22 1981
FBI

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
house
Boise, Idaho 83720

47-7700

(Power of attorney)

S & S Limited Partnership
Route #3
Buhl, Idaho 83316



State of Idaho

DEPARTMENT OF WATER RESOURCES

STATE OFFICE, 450 W. State Street, Boise, Idaho

Copy

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

47-7700

July 24, 1981

RE: Application for Permit No.

Dear Applicant:

The 1981 Idaho Legislature made a change in Section 42-205, Idaho Code, that may affect the above referenced application. The change requires that if a proposed hydropower project will use existing irrigation facilities, the approval of the owner of the facilities must be obtained before an application for permit to develop a water right can be approved.

Please find enclosed an affidavit which we must receive before we can complete the review of your application. Please complete the affidavit, sign it before a notary, and return it to this office at your earliest convenience, no later than August 15, 1981.

Sincerely,

David R. Tuthill Jr.

DAVID R. TUTHILL JR., P. E.
Supervisor, Water Allocation Section

DRT:jg

Enclosure

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Statehouse
Boise, Idaho 83720

RECEIVED

MAY 15 1981

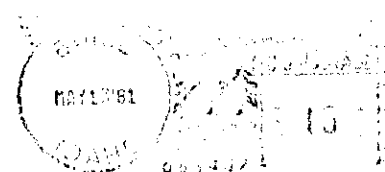
Department of Water Resources



UNDELIVERABLE
UNABLE TO FORWARD

PRESORTED
FIRST-CLASS

*May 12-81
Letter from Glen Saylor*
S & S Limited
Rt. 3
Buhl, Idaho 83318



UNDELIVERED



State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS

Governor

A. KENNETH DUNN

~~XXXXXXXXXX~~

Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

May 12, 1981

S & S Limited
Rt. 3
Buhl, Idaho 83318

Dear Sirs,

RE: Permit No. 47-7700

We have completed a preliminary review of the above referenced application. This review has included advertising by the regional office and a verification that all required preliminary information has been provided.

At this time we see no reason that the application will not be approved with certain conditions of approval. However, for power projects that are under the jurisdiction of the Federal Energy Regulatory Commission (FERC), we withhold final action on the application pending (1) approval of a preliminary permit by FERC, or (2) FERC granting an exemption. If you have not yet contacted FERC, the address below is a good starting point:

Federal Energy Regulatory Commission
Regional Engineer's Office
Attn: Mr. Jerry Leach
6th Floor, 333 Market Street
San Francisco, CA 94105
(Tel. No. (415) 764-7150)

The continued validity of this application is contingent on your proceeding with due diligence toward obtaining an approval or an exemption from FERC. Please keep this office informed of progress in this regard.

Sincerely,

L. GLEN SAXTON
Chief, Operations Bureau

RECEIVED
MAY 15 1981
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Power Calculations for 47-7700

$$P = Kw \quad (hp \times .74)$$

$$Q = cfs$$

$$H = ft$$

$$e = \text{efficiency}$$

Proposed

419.58 Kw

50.0 cfs

100 ft

50% & 70%

Based on 50%

$$P = \frac{QHe}{11.8} = \frac{50 \times 100 \times .5}{11.8} = \frac{2500}{11.8} = 211.86 Kw$$

$$Q = \frac{P(11.8)}{He} = \frac{419.58(11.8)}{100 \times .5} = \frac{4951.044}{50} = 99.02 cfs$$

Based on 70%

$$P = \frac{QHe}{11.8} = \frac{50 \times 100 \times .7}{11.8} = \frac{3500}{11.8} = 296.6 Kw$$

$$Q = \frac{P(11.8)}{He} = \frac{419.58(11.8)}{100 \times .7} = \frac{4951.044}{70} = 70.7 cfs$$

Conclusion - based on the calculations above w/ 50% & 70% efficiency, the proposed project must have 70%+ (plus) efficiency for the projected Kws and more feet of head.

7/11 4/21/81

UNPROCESSED

INTER-DEPARTMENT MEMO — 1

DATE March 4, 1981

FROM Gary L. Funderburg

TO File

SUBJECT 47-7700 - Pre-surface exam)

I met with applicant at his proposed point of diversion and place of use. It appears applicant will divert most of the Mud Creek flow during low time of flow. There are no other diversions between applicants' proposed diversion and point of discharge.

GLF:

SIGNATURE

RECEIVED
MAR 10 1981
FBI - MEMPHIS

NOTICE OF APPLICATION FOR WATER RIGHT

Notice is hereby given that the following application(s) have been submitted for permit to appropriate the public waters of the State of Idaho:

47-2200

S & S LIMITED PARTNERSHIP

RT.3, BUHL, ID 83316

Source: MUD CREEK tributary to SNAKE RIVER

Date Filed: 02/10/1981

Amount: 50.00 CFS

Diversion Point: SESE Sec 15 T 09S R 14E, TWIN FALLS Co.

Use: POWER (50.00 CFS) from 01/01 to 12/31

Place of Use: SNNW Sec 14 T 09S R 14E

Diversion Means: CONCRETE DIVERSION, PENSTOCK & TURBINE.

If issued, the permit(s) will be subject to all prior water rights. Protests against the granting of any permit must be filed with the Director of the Idaho Department of Water Resources, 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301 and received on or before MARCH 30, 1981.

C. STEPHEN ALLRED

Director

Published 3/12 & 3/19/81.

RECEIVED

ok
merge
3/1/81

47-7788
S & S LIMITED PART-
SHIP
RT. 3, BURL ID 88514
Source: MUD CREEK tribu-
tary to SNAKE RIVER
Date Filed: 02/10/1981
Amount: 50.00 CFS
Diversion Point: SESE Sec
15 T 09S R 14E, TWIN
FALLS Co.
Use: POWER (50.00 CFS)
from 01/01 to 12/31
Place of Use: SWNW Sec 14
T 09S R 14E
Diversion Means: CON-
CRETE DIVERSION,
PENSTOCK & TURBINE.

FILED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region

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

FEBRUARY 25, 1981

Times News
P. O. Box 548
Twin Falls, Idaho 83301

Gentlemen:

Enclosed you will find a legal notice which we wish to have published on the dates indicated (once a week for two consecutive weekly issues) in your newspaper. We have allowed ample time for you to submit a galley proof to this office for review before the first publication date. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Your cooperation is appreciated.

Please send the affidavit of publication and publication billing to this office before MARCH 30, 1981.

Yours truly,

Mary A. Hill
Secretary

Encl.

RECEIVED



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
SOUTHERN REGION

John V. Evans
Governor

C. Stephen Allred
Director

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

February 24, 1981

Mr. Bob Bell, Regional Fisheries Biologist
Idaho Fish & Game Department
Region #4
P. O. Box 428
Jerome, Idaho 83338

Re: Application for Permit No. 47-7702, 47-7701, 47-7700

Dear Mr. Bell:

Please find enclosed a copy of the above referenced application for permit for your information and files.

Sincerely,

Mary A. Hill
Secretary

for

Loren O. Holmes
Southern Region Supervisor

Encl:

MICROFILMED