

RECEIVED

APR 03 2007

**WATER RESOURCES
WESTERN REGION**

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**

1. Name of Applicant Elk Creek Canyon LLC Phone (702) 433-9696
Mailing address 1349 Galleria Dr., Suite 200, Henderson, NV 89014

OR

Name of Applicant Cleveland Corder LLC Phone (208) 860-2559
Mailing Address 2248 VanOker St., Meridian, ID 83642

A. PURPOSE OF TRANSFER

1. Change point of diversion Add diversion point(s) Change place of use
 Change nature of use Change period of use Other _____
2. Describe the reason for the proposed changes Elk Creek Canyon LLC has purchased land and water rights within the Cinder Cone Butte Critical Groundwater Area and wishes to move both the point of diversion and place of use to allow first-phase development of a planned community to be known as Elk Creek Canyon.

B. DESCRIPTION OF RIGHT(S) OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

<u>Right Number</u>	<u>Priority</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>61-7204</u>	<u>01/05/1975</u>	<u>4.82 cfs/964.0 ac-ft</u>	<u>Municipal</u>	<u>01/01</u> to <u>12/31</u>
<u>61-7330</u>	<u>05/24/1977</u>	<u>2.64 cfs/720.0 ac-ft</u>	<u>Municipal</u>	<u>01/01</u> to <u>12/31</u>
<u>61-7206C</u>	<u>11/08/1974</u>	<u>0.80 cfs/180.0 ac-ft</u>	<u>Municipal</u>	<u>01/01</u> to <u>12/31</u>
<u>61-12015</u>	<u>09/10/1975</u>	<u>3.26 cfs/733.5 ac-ft</u>	<u>Municipal</u>	<u>01/01</u> to <u>12/31</u>
<u>61-12017</u>	<u>09/06/1974</u>	<u>6.4 cfs/1440 ac-ft</u>	<u>Municipal</u>	<u>01/01</u> to <u>12/31</u>

2. Total amount of water being transferred 17.92 cubic feet per second and/or 4037.5 acre-feet per annum.

3. Source of water groundwater tributary to _____

4. Point(s) of Diversion:

<u>Lot</u>	<u>¼</u>	<u>¼</u>	<u>¼</u>	<u>Sec</u>	<u>Twp</u>	<u>Rge</u>	<u>County</u>	<u>Local name for diversion</u>
		NE	SW	21	01N	05E	Elmore	
		NE	NE	30	01N	05E	Elmore	
		SE	NE	31	01N	05E	Elmore	
		NE	NE	33	01N	05E	Elmore	
		SW	SW	33	01N	05E	Elmore	
		SW	SW	5	01S	05E	Elmore	

REJECTED

5. Lands irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
1N	5E	10													M			M	
		11									M	M	M	M	M	M	M	M	
		14	M	M	M	M	M	M	M	M	M	M	M	M	M	M			
		15	M	M	M	M			M	M	M	M	M	M	M	M	M	M	
		19																M	
		20									M		M	M	M	M			
		21	M	M	M	M	M			M	M	M	M	M	M	M	M	M	
		22					M		M	M									
		23									M			M					
		26					M	M	M	M									
		27			M	M			M	M					M				
		28			M	M							M	M		M	M		
		29			M	M		M	M					M	M	M	M	M	
		30	M	M		M													
		31	M			M								M	M	M	M	M	
		32	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	
		33	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	
		34							M	M	M	M	M	M					
1S	5E	4	M L 1	M L 2			M L 3	M L 4	M	M									
		5	M L 1	M L 2	M	M	M L 3	M L 4	M	M	M	M	M	M	M	M	M	M	
		6	M L 1	M L 2	M	M													
		7	M	M	M	M													
		8	M	M	M	M	M	M	M	M									

PART 1

6. General Information:

a. Description of diversion system Up to six (6) wells and electric pumps to public water supply distribution system

b. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
 X Yes No. If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes.

c. Describe the affect on the land now irrigated if the place of use is changed pursuant to this transfer:
Place of use will no longer be irrigated.

d. Remarks:

Municipal use is for the first-phase development of the Elk Creek Canyon Planned Community. The community will have 29,400 homes, an 18-hole golf course, schools, churches and various commercial sites after full development. It is anticipated this development will take more than 10 years and water for the community will be supplied by a combination of the transfer of existing water rights, development of new groundwater rights, the use of treated wastewater for irrigation of open space (including the golf course). Full development may depend on a future regional water system supplying growth in this area.

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Transfer of Water Rights No. _____

And the said application is hereby _____, subject to the following conditions:

Witness my hand this _____ day of _____, 20_____.

For the Director

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2**

(Attach one copy for each right)

A. DESCRIPTION OF RIGHT AS RECORDED (see attached copies of Partial Decrees in the SRBA and copy of License)

1. Right as evidenced by:

- a. Decree No. _____ Decreed to _____
in case of _____ vs. _____
dated _____ in _____ county of _____
- b. License No. _____ issued by the Idaho Department of Water Resources.
- c. Claim No. _____ on file with the Idaho Department of Water Resources.
- d. Transfer No. _____ which produced this right.

2. Attach copy of last year's tax notice for the property to which the water right is appurtenant or other documents which show ownership. Label document as **Attachment A**. Check appropriate box below:

- Tax Notice Warranty Deed Other _____

3. Source of water _____ tributary to _____

4. Date or priority _____

5. Water is used for the following purposes:

- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

6. Total amount of water under right _____ cubic feet per second and/or _____ acre-feet per annum.

7. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

8. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals		
			NE	NW	SW	SE															

Total Acres _____

9. Describe any other water rights used for the same purpose as described above _____

PART 2

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of non-use?

_____ No _____ If yes, describe _____

B. DESCRIPTION OF PORTION OF RIGHT BEING TRANSFERRED

(If the entire right is to be changed by the applicant, omit part B and C.)

1. amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals	
			NE	NW	SW	SE														

Total Acres _____

C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT (omit if there is no change)

1. amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)
- amount _____ for _____ purposes from _____ to _____
(cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals	
			NE	NW	SW	SE														

Total Acres _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3

A. MAP See Attachment B.

B. CHANGES IN NATURE OF USE

1.	<u>New Nature of Use</u>	<u>Amount(cfs/af-ft)</u>	<u>Hours/days/year</u>	<u>Period of Use</u>
	Municipal	17.92 cfs/4037.5 ac-ft	24 hrs /365 days	01/01 to 12/31
				to

Quantity and quality of return flows and location of discharge: _____

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

Irrigation will no longer occur at the decreed place of use after the proposed change.

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

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

[Signature] counsel for
Elk Creek Canyon, LLC

Subscribed and sworn to before me this 2nd day of April, 2007.

[Signature]
(Notary Public)

My commission expires _____



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

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

Pres Cleveland C Coch

Cleveland Corder, LLC

Subscribed and sworn to before me this 2 day of APRIL, 2007.

Roxanne Brown

(Notary Public)

My commission expires 5/11/2008



FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments

Received by DB Date 4-3-07 Protest filed by _____

Prelim. Check by _____ Fee \$930-

Received by DB / W035216 Date 4-3-07

Published in _____ Copies of protest forwarded by _____

Pub. Dates _____ Hearing held by _____ Date _____

Watermaster recommendations requested on _____ Recommended for approval denial

_____ received _____ by _____

Copy of transfer sent to lien holder _____

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 61-07204

Priority: January 5, 1975

Maximum Diversion Rate: 4.82 CFS
Maximum Diversion Volume: 964.0 AF

This is to certify, that AHMAD PAKSIMA
EMILY PAKSIMA

5438 AVENIDA FIESTA
LA JOLLA CA 92037

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated November 6, 1974; and has submitted Proof of Beneficial Use on November 30, 1992. An examination indicates that the works have a diversion capacity of 8.490 cfs of water from a GROUNDWATER source, and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
IRRIGATION	04/01 to 10/31	4.82 CFS	964.0 AF

LOCATION OF POINT(S) OF DIVERSION:

SESW , Sec. 20, Township 02S, Range 05E
NESW , Sec. 30, Township 02S, Range 05E
NWSE , Sec. 30, Township 02S, Range 05E
ELMORE County

PLACE OF USE: IRRIGATION

<u>TWN</u>	<u>RGE</u>	<u>SEC</u>	<u>ACRES</u>	<u>ACRES</u>	<u>ACRES</u>	<u>TOTAL</u>
02S	05E	19	NENW 40	NWNW 40	SWNW 40	
			SENW 40	NESW 40	NWSW 40	
			SWSW 38	SESW 38		316

Total number of acres irrigated: 316

CONDITIONS OF APPROVAL AND REMARKS

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount that can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.
3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.

DEC 20 1995

State of Idaho
Department of Water Resources**WATER RIGHT LICENSE**

WATER RIGHT NO. 61-07204

CONDITIONS OF APPROVAL AND REMARKS

5. One point of diversion is located on or near line between NWSE and NESW, S30, T02S, R05E.
6. This right is limited to the irrigation of 241 acres within the place of use described above in a single irrigation season.
7. This right when combined with Rights 61-07195A and 61-07210 is limited to a total combined diversion rate of 22.38 cfs and a total combined annual diversion volume of 4480 af.
8. This right when combined with the following rights is limited to a total combined diversion rate of 20.68 cfs and a total combined annual diversion volume of 4664 af. The combined rights include: 61-07306A, 61-07390 and 61-07424.
9. This right when combined with the following rights shall not exceed an annual diversion volume of 8180 af nor the irrigation of a combined total of 2045 acres in a single irrigation season. The combined rights include: 61-07195A, 61-07210, 61-07306A, 61-07390 and 61-07424.
10. This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 4.0 afa per acre for the lands above.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. Witness the seal and signature of the Director, affixed at Boise, this 13TH day of NOVEMBER, 1978.

Acting for  KARL J. DREHER, Director

DEC 20 1978

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

FILED
2003 MAR 3 AM 10 35

In Re SRBA)
) PARTIAL DECREE PURSUANT TO
) I.R.C.P. 54(b) FOR
Case No. 39576)
) Water Right 61-07206C

RECEIVED
MAR - 5 2003
Department of Water Resources

NAME AND ADDRESS: CARL F REYNOLDS AND SONS
CINDER CONE FARMS
1115 W 24TH S
MOUNTAIN HOME, ID 83647

SOURCE: GROUNDWATER
QUANTITY: 0.80 CFS
180.00 AFY

THIS RIGHT WHEN COMBINED WITH ALL OTHER RIGHTS SHALL PROVIDE NO MORE THAN 0.02 CFS PER ACRE NOR MORE THAN 4.5 APA PER ACRE AT THE FIELD HEADGATE FOR IRRIGATION OF THE LANDS ABOVE.

THE TOTAL INSTANTANEOUS DIVERSION OF WATER FROM ALL POINTS OF DIVERSION UNDER RIGHTS 61-7204, 61-7206C, 61-7330, 61-12015 AND 61-12017 SHALL NOT EXCEED 17.92 CFS. A TOTAL COMBINED ANNUAL VOLUME OF 4037.5 AF, AND THE IRRIGATION OF 924 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

PRIORITY DATE: 11/08/1974

POINT OF DIVERSION: T02S R05E S19 SWNW Within Elmore County
R04E S35 SENE
T03S R05E S06 NESW

TWO POINTS OF DIVERSION LOCATED IN T03S, R05E, S06, NESW.

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	03-15 TO 11-15	0.80 CFS 180.00 AFY

PLACE OF USE:	Irrigation	Within Elmore County		
T02S R04E S12	NENW 40.0	NWNW 40.0		
	SNW 40.0	SEW 40.0		
	NESW 40.0	NWSW 40.0		
	SWSW 40.0	SESW 40.0		
	S26	NENW 40.0	SEW 40.0	
		NESW 40.0	NWSW 40.0	
		SWSW 40.0	SESW 40.0	
		SESE 40.0	SESE 40.0	
	S34	NESE 40.0	NWSE 40.0	
		SWSE 40.0	SESE 40.0	
		S35	NENE 40.0	NWNE 40.0
			SWNE 40.0	SENE 40.0
	NENW 40.0		NWNW 40.0	
	SNW 40.0		SEW 40.0	
	R05E S19	NESW 40.0	NWSW 40.0	
		SWSW 40.0	SESW 40.0	
NESE 40.0		NWSE 40.0		
SWSE 40.0		SESE 40.0		
T03S R04E S13		NENW 40.0	NWNW 40.0	
		SNW 40.0	SEW 40.0	
		NESW 40.0	NWSW 40.0	
		SWSW 40.0	SESW 40.0	
T03S R04E S13		NENE 40.0	NWNE 40.0	
		SWNE 40.0	SENE 40.0	
		NWSE 40.0	NWSE 40.0	
		SWSE 40.0	SESE 40.0	

PLACE OF USE (continued)

R05E S06	WESW 40.0	NWSW 40.0
	WSW 40.0	SESW 40.0
S07	NENW 40.0	NWNW 40.0
	SWNW 40.0	SEW 40.0
	WESW 40.0	SESW 40.0
	NWSE 40.0	WSE 40.0
S18	NENW 40.0	NWNW 40.0
	SWNW 40.0	SEW 40.0
2640.0 Acres Total		

THIS RIGHT IS LIMITED TO THE IRRIGATION OF 40 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 61: WATER RIGHT NO. _____ SOURCE NONE NONE THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 61 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

THE RIGHT HOLDER SHALL ACCOMPLISH THE CHANGE AUTHORIZED BY THIS TRANSFER WITHIN ONE (1) YEAR OF THE DATE OF THIS APPROVAL OR BY 9/3/03.

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

Roger Burdick

Roger Burdick
Presiding Judge of the
Snake River Basin Adjudication

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

DISTRICT COURT-SRBA
TWIN FALLS CO., IDAHO
FILED

2003 MAR 3 AM 10 35

In Re SRBA)
) PARTIAL DECREE PURSUANT TO
) I.R.C.P. 54(b) FOR
Case No. 39576)
)
) Water Right 61-07330

NAME AND ADDRESS: CARL P REYNOLDS AND SONS
C/O CINDER CONE FARMS
1115 W 24TH S
MOUNTAIN HOME, ID 83647

QUANTITY: 2.64 CFS
720.00 AFY

THIS RIGHT WHEN COMBINED WITH ALL OTHER RIGHTS SHALL PROVIDE NO MORE THAN 0.02 CFS PER ACRE NOR MORE THAN 4.5 AFA PER ACRE AT THE FIELD HEADGATE FOR IRRIGATION OF THE LANDS ABOVE.

THE TOTAL INSTANTANEOUS DIVERSION OF WATER FROM ALL POINTS OF DIVERSION UNDER RIGHTS 61-7204, 61-7206C, 61-7330, 61-12015 AND 61-12017 SHALL NOT EXCEED 17.92 CFS. A TOTAL COMBINED ANNUAL VOLUME OF 4037.5 AF, AND THE IRRIGATION OF 924 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

PRIORITY DATE: 05/24/1977

POINT OF DIVERSION: T02S R04E S35 SENE Within Elmore County
R05E S06 NESW
S19 SWNW

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	03-15 TO 11-15	2.64 CFS 720.00 AFY

PLACE OF USE:		Within Elmore County
T02S R04E S12		NENW 40.0
		SWNW 40.0
		NESW 40.0
		SWSW 40.0
	S26	NENW 40.0
		NESW 40.0
		SWSW 40.0
	S34	NESE 40.0
		SWSE 40.0
	S35	NENE 40.0
		SWNE 40.0
		NENW 40.0
		SWNW 40.0
		NESW 40.0
		SWSW 40.0
		NESE 40.0
		SWSE 40.0
	R05E S19	
		SWNW 40.0
		NESW 40.0
T03S R04E S13		SWSW 40.0
		NENE 40.0
		SWNE 40.0
R05E S06		NESE 40.0
		SWSE 40.0
		NESW 40.0
S07		SWSW 40.0
		NENW 40.0

PLACE OF USE (continued)

	SNNW 40.0	SENN 40.0
	HESW 40.0	SESW 40.0
	NWSE 40.0	SWSE 40.0
S18	NENW 40.0	NNNW 40.0
	SNNW 40.0	SENN 40.0
2640.0 Acres Total		

THIS RIGHT IS LIMITED TO THE IRRIGATION OF 160 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 61: WATER RIGHT NO. _____ SOURCE NONE NONE THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 61 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

THE RIGHT HOLDER SHALL ACCOMPLISH THE CHANGE AUTHORIZED BY THIS TRANSFER WITHIN ONE (1) YEAR OF THE DATE OF THIS APPROVAL OR BY 9/3/03.

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.


Roger Burdick
Presiding Judge of the
Snake River Basin Adjudication

PLACE OF USE (continued)

ROSE S06	NESW 40.0	NWSW 40.0
	SWSW 40.0	SESW 40.0
S07	NENW 40.0	NWNW 40.0
	SWNW 40.0	SENW 40.0
	NESW 40.0	SESW 40.0
	NWSE 40.0	SWSE 40.0
S18	NENW 40.0	NWNW 40.0
	SWNW 40.0	SENW 40.0
2640.0 Acres Total		

THIS RIGHT IS LIMITED TO THE IRRIGATION OF 163 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 61: WATER RIGHT NO. _____ SOURCE NONE NONE THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 61 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

THE RIGHT HOLDER SHALL ACCOMPLISH THE CHANGE AUTHORIZED BY THIS TRANSFER WITHIN ONE (1) YEAR OF THE DATE OF THIS APPROVAL OR BY 9/3/03.

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).

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With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

Roger Burdick

Roger Burdick
Presiding Judge of the
Snake River Basin Adjudication

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

DISTRICT COURT - SRBA
TWIN FALLS CO., IDAHO
FILED

2003 MAR 3 PM 10 36

In Re SRBA)
) PARTIAL DECREE PURSUANT TO
) I.R.C.P. 54(b) FOR
Case No. 39576)
) Water Right 61-12017

NAME AND ADDRESS: CARL F REYNOLDS & SONS
CINDER CONE FARMS
1115 W 24TH S
MOUNTAIN HOME, ID 83647

SOURCE: GROUNDWATER

QUANTITY: 6.40 CFS
1440.00 AFY

THIS RIGHT WHEN COMBINED WITH ALL OTHER RIGHTS SHALL PROVIDE NO MORE THAN 0.02 CFS PER ACRE NOR MORE THAN 4.5 AFA PER ACRE AT THE FIELD HEADGATE FOR IRRIGATION OF THE LANDS ABOVE.

THE TOTAL INSTANTANEOUS DIVERSION OF WATER FROM ALL POINTS OF DIVERSION UNDER RIGHTS 61-7204, 61-7206C, 61-7330, 61-12015 AND 61-12017 SHALL NOT EXCEED 17.92 CFS, A TOTAL COMBINED ANNUAL VOLUME OF 4037.5 AF, AND THE IRRIGATION OF 924 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

RIGHTS 61-12016 AND 61-012017 WHEN COMBINED SHALL NOT EXCEED A TOTAL DIVERSION RATE OF 6.40 CFS.

PRIORITY DATE: 09/06/1974

POINT OF DIVERSION: T02S R04E S35 SENE Within Elmore County
 R05E S19 SWNW
 T03S R05E S06 NESW

TWO POINTS OF DIVERSION LOCATED IN T03S, R05E, S06, NESW

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	03-15 TO 11-15	6.40 CFS 1440.00 AFY

PLACE OF USE:	Irrigation		Within Elmore County
	T02S R04E S12	NENW 40.0	NWNW 40.0
		SWNW 40.0	SENW 40.0
		NESW 40.0	NWSW 40.0
		SWSW 40.0	SESW 40.0
	S26	NENW 40.0	SENW 40.0
		NESW 40.0	NWSW 40.0
		SWSW 40.0	SESW 40.0
	S34	NESE 40.0	NWSE 40.0
		SWSE 40.0	SESE 40.0
	S35	NENE 40.0	NWNE 40.0
		SWNE 40.0	SENE 40.0
		NENW 40.0	NWNW 40.0
		SWNW 40.0	SENW 40.0
		NESW 40.0	NWSW 40.0
		SWSW 40.0	SESW 40.0
		NESE 40.0	NWSE 40.0
		SWSE 40.0	SESE 40.0
	R05E S19	NENW 40.0	NWNW 40.0
		SWNW 40.0	SENW 40.0
		NESW 40.0	NWSW 40.0
		SWSW 40.0	SESW 40.0
	T03S R04E S13	NENE 40.0	NWNE 40.0
		SWNE 40.0	SENE 40.0

PLACE OF USE (continued)

	NESE 40.0	NWSE 40.0
	SNSE 40.0	SESE 40.0
R05E S06	NESW 40.0	NWSW 40.0
	SWSW 40.0	SESW 40.0
S07	NENW 40.0	NWNW 40.0
	SWNW 40.0	SENW 40.0
	NESW 40.0	SESW 40.0
	NWSE 40.0	SWSE 40.0
S18	NENW 40.0	NWNW 40.0
	SWNW 40.0	SENW 40.0
2640.0 Acres Total		

THIS RIGHT IS LIMITED TO THE IRRIGATION OF 163 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 61: WATER RIGHT NO. _____ SOURCE NONE NONE THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 61 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 61 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

THE RIGHT HOLDER SHALL ACCOMPLISH THE CHANGE AUTHORIZED BY THIS TRANSFER WITHIN ONE (1) YEAR OF THE DATE OF THIS APPROVAL OR BY 9/3/03.

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.



Roger Burdick
Presiding Judge of the
Snake River Basin Adjudication

PURCHASE AND SALE AGREEMENT

Date: February 2, 2007

This Offer to Purchase sets forth certain material terms upon which Corder LLC ("Purchaser") would be willing to purchase from Carl F. Reynolds and Sons, a general partnership and Jason and Rachel Reynolds LLC (collectively the "Seller"), that certain property known as the Cindercone Property located in Mountain Home, Idaho, and legally described in Exhibit "A" (to be added after acceptance from both parties) together with all tangible and intangible personal property associated therewith or used in the operation thereof (collectively referred to as "Property").

It is understood that the Property is a 2,978.9 acres of land (including associated personalty) and is comprised of the below parcel numbers together with all appurtenant water rights. The full legal description for each parcel and water rights are included in Exhibit A attached hereto.

Parcel List:

County	Parcel #	Total Acres	Description
Elmore	RP02S04E122410A	320 Acres	Cunningham Property
Elmore	RP02S04E224810A	160 Acres	North Cindercone Butte
Elmore	RP02S04E350010A	160 Acres	Saciloto/Weitz Property
Elmore	RP02S05E192420A	320 Acres	Paksima Property
Elmore	RP03S04E130020A	296.88 Acres	Wing Property
Elmore	RP03S04E010045A	60.84 Acres	Hickey Farm
Elmore	RP03S04E010630A	46.24 Acres	Hickey Farm
Elmore	RP03S04E011810A	53.3 Acres	Hickey Farm
Elmore	RP03S04E014810A	160 Acres	Hickey Farm
Elmore	RP03S04E020010A	171.41 Acres	Hickey Farm
Elmore	RP03S05E064810A	170.24 Acres	Wing Property
Elmore	RP03S05E072420A	330.25 Acres	Wing Property
Elmore	RP03S05E182410A	169.94 Acres	Wing Property
Ada	S2820100000	400 Acres	South Cinder Butte
Elmore	RP02S04E222410A	160 Acres	Cowger Property

1. **PRICE/TERMS:** Purchase price of the subject Property shall be the sum of Fifteen Million and No/100 Dollars (\$15,000,000) payable as follows:
 - A) \$20,000 earnest money deposit paid into escrow upon execution of the Purchase and Sale Agreement – non-refundable after expiration of the Review Period;
 - B) \$980,000 additional earnest money deposit paid into escrow on or prior to the expiration of the Review Period - non-refundable after the expiration of the Review Period;
 - C) \$500,000 non-refundable paid one year after the expiration of the Review Period;
 - D) \$7,000,000 paid at closing; wherein 4,037.5 acre feet of water for Paksima, Weitz, Cunningham and the 4 Wing Properties with 924 irrigated acres will be released to Purchaser;
 - E) Remaining \$6,500,000 price for the remaining land and water will be paid out annually 1 year after closing over a 3 year period based on the combination of water rights listed as follows:
 - I. Payment One, April 3, 2010 - \$3,770,000
 - 1804 acre feet of water for South Cinder Butte, Cowger Property and North Cindercone Properties with 451 irrigated acres
 - II. Payment Two, April 3, 2011 - \$1,690,000
 - 1343 acre feet of water for the five Hickey Properties with 339 irrigated rights
 - III. Payment Three, April 3, 2012 - \$1,040,000

2. **REVIEW PERIOD:** Immediately upon acceptance, but in no event later than February 16, 2007, Seller shall deliver to Purchaser one (1) full set of all documents listed on Exhibit "B". The Purchaser shall have 60 days until and including April 3, 2007 ("Review Period") during which to review the documents and make detailed physical inspections of the subject Property. After date of acceptance of this Offer to Purchase by Seller, Purchaser, its employees, agents and consultants, shall be granted a right of entry to the property to inspect the physical condition thereof. Purchaser shall indemnify, defend and hold Seller harmless from

and against any and all claims, liens, liabilities, losses, damages, costs and expenses resulting from Purchaser's activities in, on or about the property pursuant to the right of entry granted herein; provided, however, that Purchaser shall not be responsible for any existing condition of the Property.

Purchaser's approval of the documents and Property shall be a condition of its obligations hereunder and if approved shall be evidenced in writing (the "Approval Notice") and delivered to the Seller within two (2) business days of the conclusion of the Review Period. In the event that Purchaser determines that the documents or the Property are unsatisfactory in any respect, or that the purchase is not feasible or desirable in any respect, Purchaser shall have no obligation to purchase the Property and Purchaser shall be relieved of all liability under this Offer to Purchase. Purchaser's failure to deliver the Approval Notice shall constitute sufficient notice to Seller of Purchaser's election not to go forward with the purchase of the Property and Purchaser's determination that Property is unsatisfactory in accordance with the preceding sentence.

3. **DISCLAIMER:** During the course of the transaction, it is anticipated that information will be provided by the Seller to the Purchaser. Some of this information may have been provided through Grubb & Ellis / ICG. Grubb & Ellis / ICG has not undertaken an obligation to independently verify all of such information. Grubb & Ellis / ICG believes that such information is reliable; however, ultimately, the Purchaser must look solely to the Seller as to the accuracy of such information and to the specific warranties and representations of the Seller as contained in the transaction documents.
4. **EARNEST MONEY DEPOSIT:** With the execution of the Purchase and Sale Agreement, Purchaser will deposit in an interest-bearing account at LandAmerica Transnation (the "Title Company") the amount of **\$20,000** as an earnest money deposit. On or prior to the expiration of the Review Period Purchaser will increase the earnest money deposit by the amount of **\$980,000**. The earnest money deposit (and interest accrued thereon) shall be used as part of the purchase price at closing. The earnest money will become non-refundable after the expiration of the Review Period. A second non-refundable payment of **\$500,000** will be made 12 months after the expiration of the Review Period as provided in Section 1(C) above. This deposit will also be used as a part of the purchase price at closing. In the event of default by Purchaser, the earnest money deposit (and interest accrued thereon) shall be retained by the Seller as liquidated damages, and as Seller's sole and exclusive remedy against Purchaser. If the PSA is terminated for any reason other than the default of Purchaser, the earnest money deposit and interest accrued thereon shall be refunded to Purchaser.

Purchaser and Seller hereby agree that the title company and escrow agent is holding the earnest money deposit as a mere stakeholder and shall have no liability hereunder other than for its willful misconduct or negligent action.

5. **REPRESENTATIONS AND WARRANTIES:** Seller warrants and will warrant at closing (among other customary warranties) that, to the best of Seller's knowledge:
 - A) There are no substantial structural or mechanical defects in the subject Property.
 - B) All information supplied by the Seller or to be supplied by the Seller or its agents is accurate and complete; financial statements will be certified by Seller as to accuracy.
 - C) The individual(s) executing this Agreement warrant and represent that said individual(s) either own the Property or has/have full power and right to enter into this Agreement and to sell and convey the Property on behalf of the Seller and that to the best of said individual(s) knowledge the Property is in compliance with all applicable building and zoning regulations and with any applicable covenants and restrictions affecting the Property.
 - D) There are no parties in possession of the Property, nor are there any parties with possessory or any other rights in the Property other than Seller.
 - E) No agreements or contracts, whether written or oral, express or implied, for lease, mortgage or purchase of all or a portion of the Property, or other agreement, contract or mortgage affecting the Property exist as of the closing.
 - F) Seller has received no notice of any violation of, nor is the Property in violation of any applicable law, ordinance, order or regulation (including, but not limited to environmental laws, zoning laws, building codes, health codes, and fire codes) of any governmental or quasi-governmental agency having jurisdiction over the Property or any portion thereof, and no proceedings of any type have been instituted or contemplated against the Property or any part thereof.
 - G) To the best of Seller's knowledge, (i) no "Hazardous Material" is or has been transported to or from, or generated, placed, held, released, located, stored, or disposed of on, under, or at the Property; (ii) neither the Property nor any part of any improvements and equipment thereon contains any asbestos or polychlorinated biphenyls; (iii) Seller has not received any notice of any

action or proceeding relating to any Hazardous Material or notice of any release or threatened release thereof on, under or at the Property or any notice contrary to (i) and (ii) above; and (iv) no underground or above ground storage tanks are or have been located on the Property.

"Hazardous Material" means, without limitation, any substance or material defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous waste", "acutely hazardous waste", "restricted hazardous waste", "toxic substances" (including toxic mold) or "known to cause cancer or reproductive toxicity", (or words of similar import) petroleum products (including crude oil or any fraction thereof) or any other chemical, substance or material which is prohibited, limited or regulated under any federal, state or local law, ordinance, regulation, order, permit, license, decree, common law, or treaty regulating, relating to or imposing liability or standards concerning materials or substances known or suspected to be toxic or hazardous to health and safety, the environment, or natural resources. For purposes of this Section, Laws and regulations shall include, but not be limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §1901, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §8901, *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. §1251, *et seq.*; the Clean Air Act, 42 U.S.C. §7401, *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §2601, *et seq.*; the Oil Pollution Act of 1990, 33 U.S.C. §2701, *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. §651, *et seq.*; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §11001, *et seq.*; A.R.S. §§49-201(16), 49-901(3), and 49-921(5); and in the regulations adopted pursuant to such laws; and any substance or material which has been determined by a state, federal or local governmental authority with jurisdiction over the Property to be capable of posing a risk of injury to health or safety.

There are no pending proceedings for the imposition of any special assessment, or the formation of a special assessment district, which would affect in any manner any portion of the Property.

- H) No litigation, administrative or other proceeding, order or judgment is pending or outstanding, or to Seller's knowledge, threatened against or relating to any portion of the Property.
- I) The Property, and every portion thereof, is in full compliance with all building, environmental, land use, health, insurance and other applicable laws governing the use and operation thereof, nor does there exist any facts or circumstances which with notice or the passage of time would constitute such a violation.
- J) Except as expressly stated in this Agreement and related title report, there are no encroachments, easements, or rights-of-way on, over, under, or across the Property or any part of the Property; no part of the buildings or structures on the Property are encroaching on any other property and all improvements on the property are fully within the boundaries of the Property and violate no setback requirements; none of the improvements on the Property violate any ordinance, regulation or restriction on any governmental authority, or any restrictions, covenants, or agreements of any kind or nature.
- K) There are no material defects in or about the Property, improvements, or systems, or any parts thereof. The improvements on the Property are structurally sound in all material respects and are in good repair and Seller knows of no defects in such improvements which would render them unfit for their continued use in a manner consistent with the current use.
- L) All taxes required to be paid by the Seller with respect to the Property or operation of the Property by Seller, and which are or could become liens against the Property, have been or will be duly and timely paid.
- M) No labor has been performed, nor materials supplied for the Property which the Seller has not fully paid, or for which mechanic's lien or materialman's lien or other lien or liens may be claimed by any person or entity.
- N) There are no condemnation proceedings pending, or to Seller's knowledge, contemplated against the Property, or any part thereof, and the Seller has received no notice, oral or written, or the intent or desire of any public authority or public utility to take or use the Property or any part thereof.
- O) There are no proposed or pending special assessments, condemnation proceedings, change in zoning or roadway, water or sewer construction affecting any portion of the Property, nor of any special or unusual environmental condition affecting any portion of the Property.
- P) There are no violations of any rule, regulations, code, resolution, ordinance, statute, or law involving the use, maintenance, operation, or condition of the Property or improvements. To the best of Seller's knowledge or belief all installations and improvements on the Property fully and duly comply with all applicable resolutions, statutes, rules, regulations and codes of all

governmental agencies having jurisdiction over the Property, and the requirements of all Boards of Underwriters.

6. **TITLE AND EXISTING ENCUMBRANCES:** Title to the Property to be conveyed by Warranty Deed, unless otherwise provided herein, and is to be marketable and insurable except for rights reserved in federal patents, federal, state or railroad deeds, building or use restrictions, environmental, building and/or zoning regulations and ordinances of any governmental entity, and rights of way and easements established or of record.

The Seller agrees to provide good and marketable title to the Property at the time of closing. The Property is currently encumbered by the following liens: 1st Mortgage 2nd Mortgage
 Other: _____

7. **SPECIAL CONDITIONS PURCHASER:** Purchaser's obligation to purchase the Property shall be subject to the following additional conditions by closing, unless waived in writing by Purchaser:

- A. Purchaser will allow Seller to stay on "Property" for a minimum 2 year period lease free provided Seller continues to use the water rights to the full extent of the rights.
- B. Seller will obtain a legal description of the Property during the first 10 days of the Review Period and, upon Purchaser's approval, the same will be attached hereto as Exhibit A.
- C. Receipt and approval by Purchaser prior to end of Review Period of all existing wells and equipment with documentation proving the wells are being utilized.
- D. Receipt and approval by Purchaser prior to end of Review Period of documentation providing Seller's ownership for 7,184.5 acre feet of water for Property.
- E. Purchaser's receipt prior to Closing of Assignment & Assumption Agreement for all leases of record.

8. **SPECIAL CONDITIONS SELLER:** Seller's obligation to sell the Property shall be subject to the following additional conditions to be performed by closing, unless waived in writing by Seller: Purchaser will provide Seller with a statement of financial viability for purchase of the Property by Corder LLC or assignee.

9. **CLOSING:** Closing of the purchase of the Property shall occur at the office of the Title Company on or before April 3, 2009, or at such other time as the parties shall mutually agree. It is specifically agreed that a delay is acceptable to both parties up to thirty (30) days, to accommodate a delay in the satisfaction of the conditions referenced in Paragraph 8 above. All normal closing costs shall be shared by the parties on a 50/50 basis except the costs of ALTA Standard Coverage Title Insurance, including an ALTA survey completed to Purchaser's specifications, and brokerage commissions, which shall be the sole responsibility of the Seller. Each party shall be responsible for its own expense of legal and tax counsels review. Rents, taxes, utility charges, security deposits, and other operating expenses shall be prorated between Purchaser and Seller at closing. All leasing commissions and tenant improvements costs incurred prior to closing shall be the responsibility of Seller.

10. [INTENTIONALLY DELETED]

11. **TIME PERIOD EXTENSIONS:** In the event that Exhibit "B" documents are not received by Purchaser on or before _____, then all time periods shall be extended by the same number of days that the receipt of said documents are delayed.

12. **REPRESENTATION CONFIRMATION:**

Check one (1) box in Section 1 below and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the PURCHASER(S) and SELLER(S).

Section 1:

- A. There is no broker working with the PURCHASER(S).

Section 2:

- A. The broker working with the SELLER(S) is acting as an AGENT for the SELLER(S).
- B. The broker working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.

- C. The broker working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).
- D. The broker working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

Each party signing this document confirms that he or she has received read and understood the Agency Disclosure Brochure and has elected the relationship confirmed above. In addition, each party confirms that the broker's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE/SHE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKER UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

- 13. **COMMISSIONS:** Seller is responsible for the payment of a commission resulting from this transaction, in the amount of Two percent (2%) of the purchase price, payable in full at closing to Grubb & Ellis Idaho Commercial Group, LLC.
- 14. **FACSIMILE SIGNATURES:** Facsimile transaction of any signed original document and re-transmission of any signed facsimile transmission shall be the same as delivery of an original. At the request of either party or the closing agent, the parties will confirm facsimile-transmitted signatures by signing an original document.
- 15. **GENERAL PROVISIONS:** In the event either party shall initiate any suit or action or appeal on any matter relating to this Agreement, the defaulting party shall pay the prevailing party all damages and expenses resulting from the default, including all reasonable attorneys' fees and all court costs and other expenses incurred by the prevailing party. This Agreement is made in accordance with and it shall be interpreted and governed by the laws of the State of Idaho. All rights and obligations of the parties hereunder shall be binding upon and inure to the benefits of their heirs, personal representatives, successors and assigns.
- 16. **ASSIGNMENT:** Purchaser shall have the right to assign its rights under this Purchase and Sale Agreement to any entity. Upon such assignment, the Assignee shall assume all of the original Purchaser's rights, duties and obligations hereunder pursuant to a written assumption agreement in the form and substance reasonably satisfactory to Seller, and the original Purchaser shall be released from its obligations under this Agreement.
- 17. **SELLER PERFORMANCE:** Provided Purchaser has satisfied all of its obligations herein, in the event Seller fails to timely close as provided in this agreement, Purchaser shall have recourse to all legal remedies provided by Idaho law, including, but not limited to specific performance by Seller.
- 18. **MEMORANDUM OF PURCHASE AND SALE AGREEMENT:** Simultaneously with the execution of this Purchase and Sale Agreement the Purchaser and Seller will have executed (and caused to be acknowledged) and delivered to the other party a memorandum of this Purchase and Sale Agreement ("Memorandum of Agreement") in a form prepared by Purchaser and similar to that of Exhibit "C" attached hereto and made a part hereof. Purchaser shall have the right at its sole cost and expense to have the Memorandum of Agreement to be recorded against the Property in the land records of Elmore and Ada counties in the state of Idaho.

OFFER DURATION: This Agreement must be accepted by Seller on or before 5:00 p.m. [MST], February 2, 2007, or at Purchaser's option will become null and void.

SELLER:	Carl F. Reynolds and Sons	PURCHASER:	Corder LLC
	_____		_____
Signature:	_____	Signature:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City, State, Zip	_____	City, State, Zip	_____
Telephone:	_____	Telephone:	_____
Date:	_____	Date:	_____

SELLER:

Jason and Rachel Reynolds

Signature:

Print Name:

Address:

City, State, Zip

Telephone:

Date:



EXHIBIT A

EXHIBIT B

1. **ALTA Surveys and any other surveys of the property.**
2. **List of set backs and easements on property with supporting documentation.**
3. **Any irrigation district easements or information available.**
4. **An itemized list of all personal property to be included in the sale.**
5. **Copies of any existing tenant leases and amendments or rental agreements. Statement of all current rents, deposits, advance fees, and delinquencies pertaining to the Property (Rent Roll).**
6. **Summary of insurance cost and coverage.**
7. **Copy of any warranties, maintenance, service, supply, management or other agreements presently in effect, or which may come into effect, of whatsoever nature affecting the Property.**
8. **Copy of real estate tax bills and assessments for the last year and current year.**
9. **Current commitment for title insurance from the Title Company, together with the copies of all documents referred to therein and all documents giving rise to exceptions to title.**
10. **Copy of existing loan documents including notes, loan agreements, assignments, and deeds of trust.**
11. **Any and all environmental studies: Soils, asbestos, hazardous waste, and Level 1 environmental assessment reports.**
12. **Licenses, permits, and certificates of occupancy.**
13. **Any topographical maps of the property to aerial photos.**
14. **Copy of all recent appraisals.**

EXHIBIT C

Parcel #'s: RP02S04E122410A
RP02S04E224810A
RP02S04E350010A
RP02S05E192420A
RP03S04E130020A
RP03S04E010045A
RP03S04E010630A
RP03S04E011810A
RP03S04E014810A
RP03S04E020010A
RP03S05E064810A
RP03S05E072420A
RP03S05E182410A
S2820100000
RP02S04E222410A

WHEN RECORDED, PLEASE MAIL TO:

**Woods Erickson Whitaker Miles & Maurice
1349 Galleria Drive, #200
Henderson, NV 89014
Attn: John Erickson
Telephone: 702-433-9696**

MEMORANDUM OF PURCHASE AND SALE AGREEMENT

by and among

**Carl F. Reynolds and Sons, a general partnership
and
Jason and Rachel Reynolds LLC, collectively as "Seller"
and
Corder LLC, as "Purchaser**

Dated as of February __, 2007

MEMORANDUM OF PURCHASE AND SALE AGREEMENT

THIS MEMORANDUM OF PURCHASE AND SALE AGREEMENT (this "*Memorandum*") is made as of the ___ day of February, 2007 between Seller and Purchaser.

WITNESSETH:

WHEREAS, Seller is the owner of the fee title interest in those certain parcels of land located in Elmore and Ada County, State of Idaho, as the same is more particularly described on Exhibit A annexed hereto and made a part hereof (the "**Property**").

WHEREAS, pursuant to that certain Purchase and Sale Agreement of Sale of even date herewith (the "**Sale Agreement**"), Seller has agreed to sell its interest in the Property and the other property which is set forth in the Sale Agreement to Purchaser, and Purchaser has agreed to purchase the Property from Seller, subject to, and in accordance with, all of the terms and provisions of the Sale Agreement.

NOW, THEREFORE, Seller and Purchaser hereby state the following for recording:

1. Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Sale Agreement.
2. Seller has agreed to sell to Purchaser the Property in accordance with the terms of the Sale Agreement.
3. The closing of the transactions contemplated by the Sale Agreement is scheduled to occur no later than April 3, 2009; provided, however, that under certain circumstances more particularly set forth in the Sale Agreement, the closing may occur on or prior to the above referenced date.
4. This Memorandum is not a complete summary of the Sale Agreement. Provisions of this Memorandum shall not be used in interpreting the provisions of this Sale Agreement. In the event of a conflict between this Memorandum and the unrecorded Sale Agreement, the terms of the unrecorded Sale Agreement shall control.

IN WITNESS WHEREOF, Seller and Purchaser have executed and delivered this Memorandum as of the date and year first above written.

SELLER:

PURCHASER:

Carl F. Reynolds and Sons

Corder LLC

By: David Reynolds

By: Charles Corder

By: Steve Reynolds

By: Randy Reynolds

By: Carl F. Reynolds Partner
Jason and Rachel Reynolds LLC

By: Jason Reynolds

By: Rachel Reynolds

STATE OF IDAHO)
) ss.
COUNTY OF ELMORE)

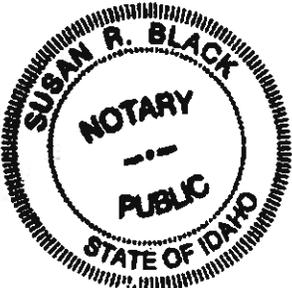
This instrument was acknowledged before me on Feb. 9, 2007 by Carl F. Reynolds in his or her capacity as Partner of CFR&S, as Seller.



Susan R. Black
NOTARY PUBLIC

STATE OF IDAHO)
) ss.
COUNTY OF ELMORE)

This instrument was acknowledged before me on Feb. 9, 2007 by Randy Reynolds in his or her capacity as Partner of CFR&S, as Seller.



Susan R. Black
NOTARY PUBLIC

STATE OF IDAHO)
) ss.
COUNTY OF EMMORE)

This instrument was acknowledged before me on Feb. 9, 2007 by Steve Reynolds in his or her capacity as Partner of CFRS, as Seller.



Susan R. Black
NOTARY PUBLIC

STATE OF IDAHO)
) ss.
COUNTY OF EMMORE)

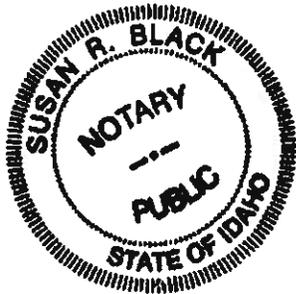
This instrument was acknowledged before me on Feb. 9, 2007 by DAVID Reynolds in his or her capacity as Partner of CFRS, as Seller.



Susan R. Black
NOTARY PUBLIC

STATE OF ~~IDAHO~~ EMMORE)
) ss.
COUNTY OF EMMORE)

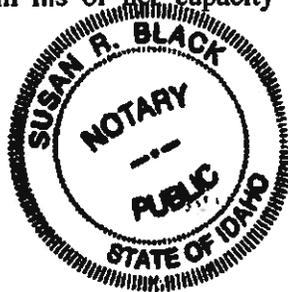
This instrument was acknowledged before me on Feb. 9, 2007 by Jason Reynolds in his or her capacity as Managing Member of Jason & Rachel Reynolds as Seller.



Susan R. Black
NOTARY PUBLIC

STATE OF IDAHO)
) ss.
COUNTY OF ELMORE)

This instrument was acknowledged before me on Feb. 9, 2007 by Rachel Reynolds in his or her capacity as Managing Member of Jason & Rachel Reynolds as Seller.



Susan R. Black
NOTARY PUBLIC

STATE OF Idaho)
) ss.
COUNTY OF Ada)

This instrument was acknowledged before me on Feb. 2, 2007 by Cleveland Corder in his or her capacity as Managing Member of Corder, LLC, as Purchaser.



Gloria J. Freeman
NOTARY PUBLIC

ADDENDUM TO PURCHASE AND SALE AGREEMENT

The undersigned parties hereby agree to the following addendum to modify that certain Purchase and Sale Agreement dated February 2, 2007 (hereinafter referred to as "Agreement"). The Agreement is hereby modified as follows which are hereby incorporated as terms of the Agreement:

A. Section 1 entitled "PRICE/TERMS" of the Agreement is eliminated and hereby replaced as follows:

1. PRICE/TERMS: Purchase price of the subject property shall be the sum of fifteen million and no/100 dollars (\$15,000,000.00) payable as follows:

"A) \$20,000.00 shall be paid into escrow upon execution of the Agreement. This sum of twenty thousand dollars (\$20,000.00) shall become nonrefundable and shall be released from escrow and paid to the Seller on April 10, 2007 in accordance with section 4 of the Agreement.

B) \$980,000.00 shall be paid to Seller by Purchaser on April 10, 2007 as additional nonrefundable earnest money in accordance with section 4 of the Agreement.

C) \$500,000.00 shall be paid to Seller by Purchaser on April 10, 2008 as additional nonrefundable earnest money.

Purchase acknowledges that Seller is agreeing to sell the subject Property to Purchase in a closing that will not occur until April 10, 2009. Seller is thereby refraining from pursuing numerous other opportunities concerning the subject Property including but not limited to the construction of a feed lot on the subject Property. The foregoing sums in subsections A), B) and C) shall be paid to Seller to compensate it for its lost opportunities on the subject Property. At closing Purchaser shall receive credit against the purchase price for the payments made in A), B) and C).

D) \$7,000,000.00 paid by Purchaser at closing, which shall be on or before April 10, 2009. Upon closing Seller shall release the following water rights: 4,037.50 acre feet and 924 irrigated acres of water related to the Paksima, Wietz, Cunningham and the 4 Wing Properties.

E) The remaining balance of six million five hundred thousand dollars (\$6,500,000.00) shall be paid by Purchaser to Seller as follows:

I. Payments shall be made by Purchase as follows:

a. The principal sum of three million seven hundred and seventy thousand dollars (\$3,770,000.00) shall be paid on or before April 10, 2010. Upon payment of this sum Seller shall release the following water rights: 1804 acre feet

and 451 irrigated acres of water related to the South Cinder Butte Property, North Cinderone Properties and the Cowger Property.

b. The principal sum of one million six hundred and ninety thousand dollars (\$1,690,000.00) shall be paid on or before April 10, 2011. Upon payment of this sum, Seller shall release from its lien the following water rights: 1343 acre feet and 339 irrigated acres of water related to the five Hickey Properties. In addition in the event Seller has identified additional water rights as described in Section 1A below, and if Purchaser has paid for these rights as therein described, then seller shall release those additional water rights.

c. The principal sum of one million forty thousand dollars (\$1,040,000.00) shall be paid on or before April 10, 2012. Upon payment of this sum, Seller shall execute appropriate satisfactions of any remaining water rights, which were not previously released under subsection a or b above.”

B. A new section 1.A. is added to the Agreement which state as follows:

“1.A. ADDITIONAL WATER RIGHT PURCHASES: In addition to the water rights being purchased consisting of 7,184.50 acre feet of water, Seller agrees to sell and Purchaser agrees to purchase those additional water rights referenced below if it is determined that they are connected to the subject Property. At the current time the Idaho Department of Water Resources is review its records as Seller has advised it there is an error and that Seller may own an additional approximate 405 acre feet of water. In the event on or before April 10, 2011, the Seller can provide proof through the Department of Water Resources records that it is the owner of an additional up to 405 acre feet of water rights then Purchaser agrees that it shall purchase those additional identified water rights based on a purchase price of one thousand two hundred dollars (\$1,200.00) per acre foot. This purchase price shall be paid by Purchaser on or before April 10, 2011 and those water rights shall be transferred to Purchaser free of Seller’s lien or interest upon receipt of the full purchase price for these additional water rights. Broker is entitled to a commission paid by Seller as described in subsection 13 of this addendum payable from the Seller when the purchase price is paid.”

C. Section 2, entitled “REVIEW PERIOD” shall be modified as follows:

(1) Add the following sentence to the end of the first paragraph of that section: “While exercising its right of entry on the subject Property, Purchaser shall not interfere with Seller’s use of the Subject Property”.

(2) Add the following sentence to the end of the second paragraph of Section 2: “Once the Approval Notice is given, the sum of one million dollars (\$1,000,000.00) shall become nonrefundable and shall be released from the escrow and delivered to Seller and Purchaser shall pay the remaining balance of the \$1,000,000.00 due to Seller that is not released from the escrow.

(3) Replace the following language at the beginning of the second sentence, "The Purchase shall have 60 days until and including April 3, 2007" with "The Purchaser shall have 60 days from February 9, 2007, until and including April 10, 2007."

(4) The date February 16, 2007 in the first sentence shall be replaced with February 23, 2007.

D. Section 4 is deleted and replaced with the following:

"4 EARNEST MONEY DEPOSIT: With the execution of the Agreement, Purchaser will deposit in an interest-bearing account at LandAmerica Transnation (the "Title Company") the amount of twenty thousand dollars (\$20,000.00) as an earnest money deposit. The earnest money deposit (and interest accrued thereon) shall be used as part of the purchase price at closing. The earnest money will become non-refundable after the Approval Notice is delivered in accordance with section 2 of the Agreement, and upon delivery of that Approval Notice, the sum of one million dollars (\$1,000,000.00) shall be paid by the release of \$20,000.00 from escrow by the Title Company to Seller and by Purchaser paying the Seller the balance of nine hundred and eighty thousand dollars (\$980,000.00). Further the Purchaser, as additional earnest money, shall be required to pay the Seller the sum of five hundred thousand dollars (\$500,000.00) on or before April 10, 2008. In the event the Purchaser defaults under this Agreement, the total of one million five hundred thousand dollars (1,500,000.00) (and interest accrued thereon) whether held by Seller or the Title Company shall be retained by the Seller as liquidated damages, and as Seller's sole and exclusive remedy against Purchaser. If the Agreement is terminated for any reason other than the default of Purchaser, the earnest money and interest accrued thereon shall be refunded to Purchaser.

Purchaser and Seller hereby agree that the Title Company and escrow agent is holding the earnest money deposit as a mere stakeholder and shall have no liability hereunder other than for its willful misconduct or negligent action."

E. Section 5 entitled "REPRESENTATIONS AND WARRANTIES" shall be modified as follows:

(1) Subsection B) as deleted and replaced with:

"B) All information supplied by the Seller or to be supplied by the Seller or its agents is accurate and complete, unless noted in writing by the Seller".

(2) Subsection E) is modified to add the following sentence to the end of the existing language: "Seller shall obtain releases or satisfactions of all mortgage liens existing against the subject Property on or before closing."

(3) Subsection G) is modified to add the following sentences to the end of the first paragraph: "Seller has informed Purchaser and does hereby inform Purchaser that Seller has used above ground fuel petroleum storage tanks on the subject Property in its business operations on the subject Property. Seller shall show Purchaser the location of those above ground storage tanks and shall remove them on or before closing."

F. Section 6 of the Agreement entitled "TITLE AND EXISTING ENCUMBRANCES" is modified to replace the second paragraph of section 6 with the following:

"The Seller agrees to provide good and marketable title to the Property at the time of Closing. The Property is currently encumbered by liens held by Seller's lenders, which shall be paid or released on or before closing."

G. Section 7 of the Agreement entitled "SPECIAL CONDITIONS PURCHASER" is modified as follows:

Subsection A. is replaced with: "A. Seller shall have the uninterrupted use of the Subject Property until closing. Seller shall, during the two years before closing, continue to utilize its water rights to the full extent possible permitted under Idaho law."

Omit Subsection E of section 7 of the Agreement.

H. Section 8 of the Agreement entitled "SPECIAL CONDITIONS SELLER" is deleted and replaced with the following:

"8. SPECIAL CONDITIONS SELLER: Seller's obligation to sell the subject Property shall be subject to the following additional conditions to be performed by closing, unless waived in writing by Seller: Purchaser will provide Seller with a statement of financial viability for purchase of the subject Property and the performance by Purchaser under this Agreement."

I. Section 9 of the Agreement entitled "CLOSING" is modified to delete any requirement of the Seller to provide an ALTA survey or to require Seller to provide or pay for any title insurance policy other than an ALTA standard Coverage Title Insurance policy. Nothing herein should be construed as limiting Purchaser from purchasing an ALTA survey or extended ALTA title insurance policy, however, Purchaser shall pay for the costs of these additional items. The date in the first sentence of the paragraph shall be changed from "April 3, 2009" to April 10, 2009."

J. The date in Section II entitled "TIME PERIOD EXTENSIONS" shall be "February 23, 2007".

K. Section 13 of the Agreement entitled "COMMISSIONS" shall be modified to provide that Seller shall pay a 1% commission. Further Seller shall pay a 1% commission to Grubb & Ellis Idaho Commercial Group, LLC on the gross purchase price

of the Additional Water Rights at the time it receives payment from Purchaser for the Additional Water Rights described in Section 1A of this Agreement.

L. Section 16 of the Agreement entitled "ASSIGNMENT" shall be modified to delete the last clause of the section. The following language is deleted: "and the original Purchaser shall be released from its obligations under this Agreement" and replaced with: "Seller shall consider a request to release the original Purchaser from its obligations under this Agreement, which request shall not be unreasonably refused, so long as the assignee is able to demonstrate it is in as good a position financially as the original Purchaser to complete the terms and conditions of this Agreement."

M. Section 18 entitled "MEMORANDUM OF PURCHASE AND SALE AGREEMENT" is modified to provide that the Memorandum shall be executed and may be recorded in the respective county only upon the receipt by Seller of the Approval Notice described in section 2 and the payment to Seller of the sum of one million dollars (\$1,000,000.00) as described in section 4 of this Agreement.

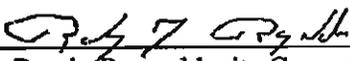
N. Exhibit "B" of the Agreement is hereby replaced with the Exhibit B attached hereto.

O. "OFFER DURATION" is deleted and replaced with the following:

COUNTEROFFER DURATION: The Counteroffer contained in this Agreement must be accepted by Purchaser on or before 5:00 p.m. (M.S.T.) February 9, 2007, or at Seller's option will become null and void.

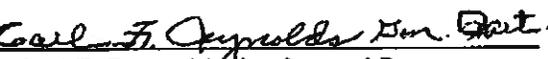
DATED AND SIGNED This 9 day of February 2007

CARL F. REYNOLDS and SONS.


By Randy Reynolds, its General Partner

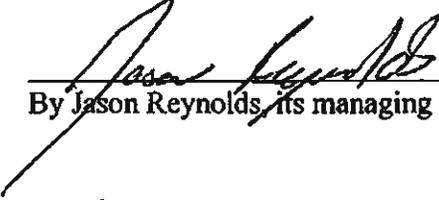

By Steve Reynolds, its General Partner


By David Reynolds, its General Partner


By Carl F. Reynolds, its General Partner



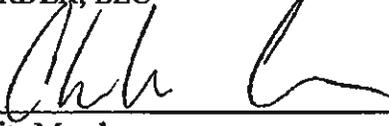
Jason and Rachel Reynolds, LLC



By Jason Reynolds, its managing member

DATED AND SIGNED This 9 day of February 2007

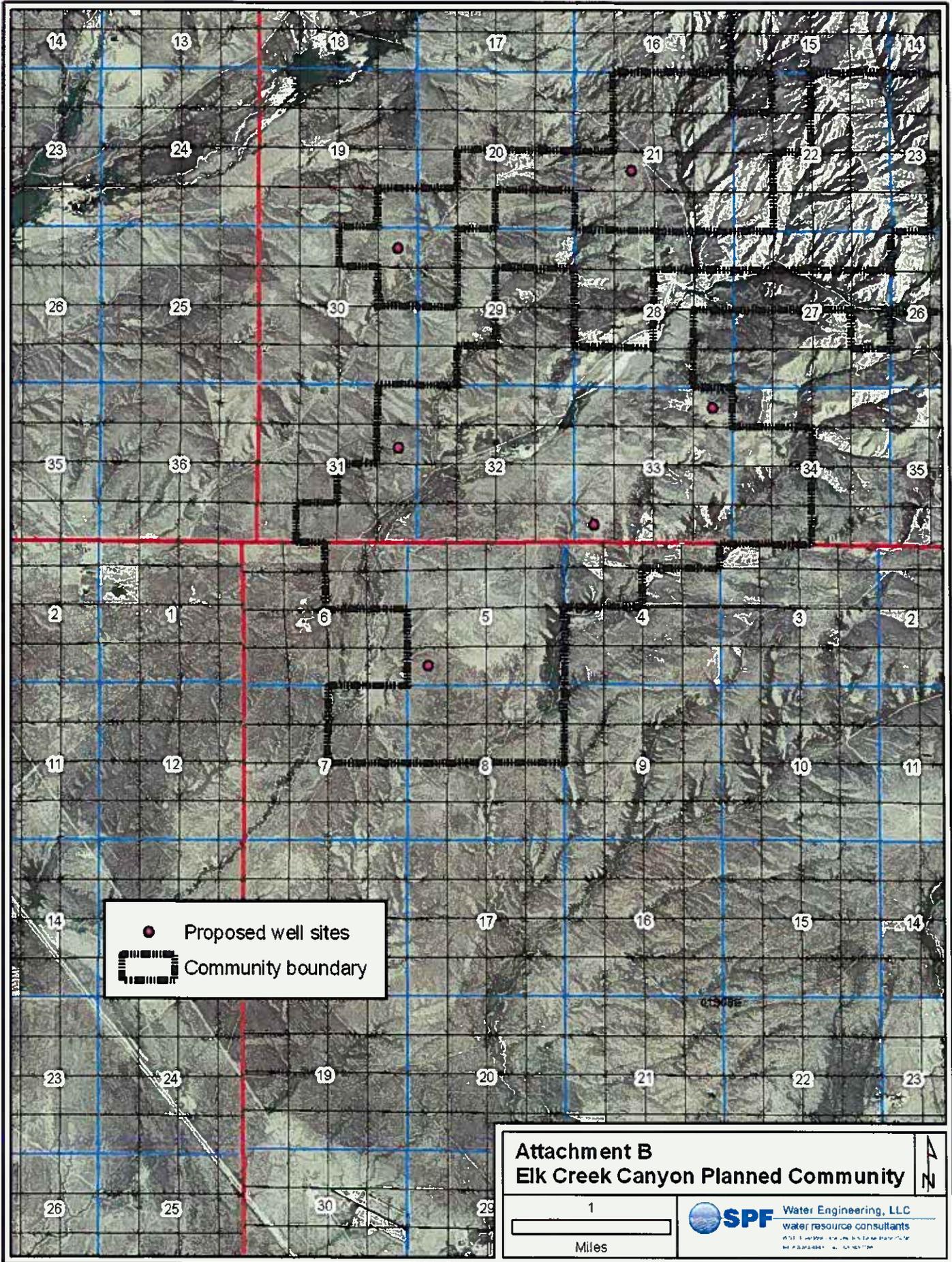
CORDER, LLC



By its Member

EXHIBIT "B"
Replacement to Original Exhibit "B"

1. Seller possesses no ALTA Surveys or any other surveys of the subject property.
2. List of set backs and easements on property with supporting documentation-these shall be provided as part of the preliminary title policy to be provided by Seller.
3. Any irrigation district easements or information available. The subject Property is not in an irrigation district.
4. The following is the personal property that shall be sold to Purchaser. All other personal property shall be removed including all irrigation pivots, pipes, wheel lines and handlines. The personal property to be delivered to Purchaser are the following:
 - a. Two shop buildings;
 - b. All wells, well casings pumps and motors and electrical panels connected thereto and the pumphouse;
 - c. The home and garage located on the Hickey property;
 - d. All buried irrigation mainline; and
 - e. Three 1 5,000 bushel grain bins.
5. Seller shall have one year after closing to remove all personal property retained by it from the subject Property.
6. Seller is not leasing the subject property to any third parties.
7. Seller shall provide a summary of insurance cost and coverage on the subject Property.
8. Seller has no existing warranties, maintenance, service, supply management or other similar agreements concerning the subject Property.
9. Seller shall provide copies of real estate tax bills and assessments for 2006 and 2007.
10. Seller shall provide a current commitment for title insurance from the Title Company together with the copies of all documents referenced therein that are requested by Purchaser.
11. Seller shall provide a copy of all liens recorded against the subject Property.
12. Seller possesses no copies of any environmental studies, soils, asbestos, hazardous waste, and Level 1 environmental assessment reports.
13. Seller will provide copies of any licenses, permits and certificates of occupancy requested by Purchaser.
14. Seller has no topographical maps of the subject Property or aerial photos of the subject Property.
15. Seller has no copies of any appraisal on the subject Property.



Proposed well sites
 Community boundary

Attachment B
Elk Creek Canyon Planned Community

1
Miles

N
SPF Water Engineering, LLC
 water resource consultants
1011 S. 10th Street, Suite 100, Phoenix, AZ 85001
 Tel: 602.998.1111 Fax: 602.998.1112