

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 507

RECEIVED

MAR 16 2021

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

TETON RAINBOW RANCH INC
C/O LARRY KUNZ
7215 S 4500 W
VICTOR, ID 83455

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
22-13923	7/18/1978	GROUND WATER	0.39	138	46	0.01	3.0
Combined Rental Totals			0.39	138	46	0.01	3.0

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2025. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2021, whichever occurs last.

Annual Rental Fee:

2021 - 2022: \$2,760.00 annually
2023 - 2025: \$3,174.00 annually

The full fee for the rental of the above-described right(s) is \$2,760.00 per year for years 2021 - 2022 and \$3,174.00 per year for years 2023 - 2025. The rental fee includes an administrative fee of \$276.00 per year for years 2021 - 2022 and \$317.40 per year for years 2023 - 2025.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 507

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Larry Kunz 3-11-2021
Signature of Renter Date

LARRY KUNZ 3-11-2021
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By Brian Patton Date 3/17/21
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR Phum Date 3/17/21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 507

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER SENW Sec. 25, Twp 05N, Rge 44E, TETON County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
0.39 CFS

VOLUME
138 AF

SEASON OF USE

Water Right No. **From** **To**
22-13923 4/15 10/15

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	44E	25						29	17										46

Total Acres: 46.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
10. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

STATE OF IDAHO
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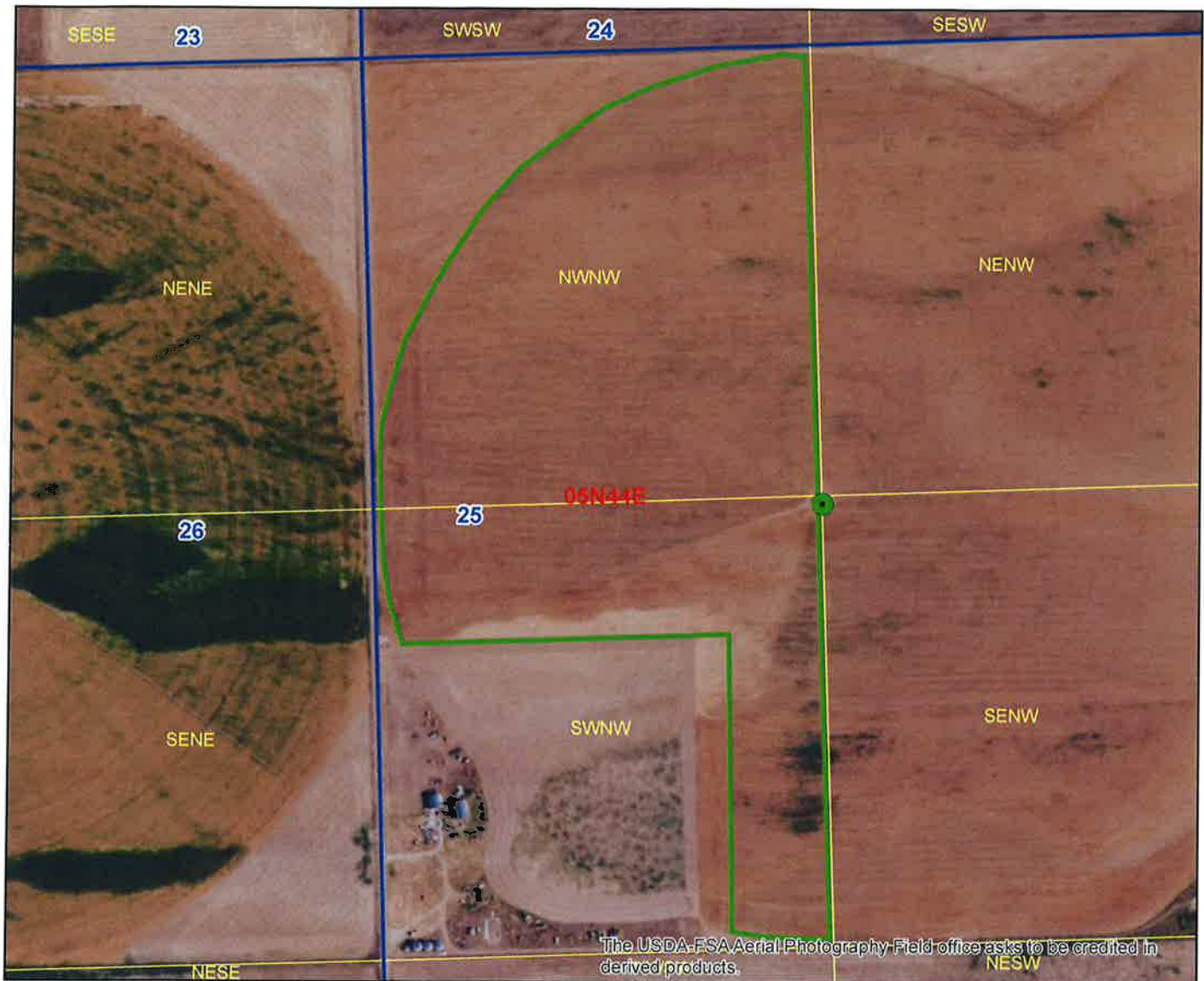
WATER SUPPLY BANK RENTAL AGREEMENT No. 507

11. This rental agreement does not authorize the construction of a well.
12. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.

Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 507

Effective until December 31, 2025

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



● Authorized Rental Point of Diversion

□ Authorized Rental Place of Use

□ Township/Range

□ Sections

□ QQ



0 1,000 Feet

STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKRECEIVED
JAN 28 2020
DEPT OF WATER RESOURCES

Applicant Name: Teton Rainbow Ranches Inc.

Is this application being submitted with a lease application as a lease/rental package?

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed Application to Rent Water from the Board's Water Supply Bank
- ☐ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- 2 ☒ A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
- 3A ☐ ☒ Detailed information on a proposed use of rental water
- 3F ☐ ☒ Authorization from the owner/operator of the rental point(s) of diversion
- 3H ☒ ☐ Water modeling to account for the impacts of the rental request
- 3J ☒ ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre
- 3K ☐ ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use
- 4B ☐ ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes
- 4C ☒ ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Teton Rainbow Ranches Inc.

Mailing Address 7215 South 4500 West

Street

City

State

Zip Code

Email Address jjdkunz@live.com

Phone Number 208-604-4661

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Larry Kunz Professional Title Pres.

Organization Teton Rainbow Ranches Inc. Relationship to Applicant

Mailing Address 7215 S. 4500 W. Victor ID 83455

Email Address jjdkunz@live.com Phone Number 208-709-5674

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

To irrigate crops with pivot

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.39 CFS	138 AF	CFS	AF	46 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
4-15	ASAP	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Well, pipeline, pivot

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
SENW Sec. 25	Groundwater	22-13843
T05N, R44E		

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☒ N/A ☐

If yes, include documented consent as Attachment 3F.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒

Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒

If yes, label modeling Attachment 3 H.

Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 46 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒

If yes, justify the rate of flow and attach any supporting documents as Attachment 3J. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒

If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it Attachment 3K.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
22-13923	Irrigation	0.39	138	46		0.39	138	46
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.39	138	46
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☒
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

Prior rental agreement #4

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information

DECLARATION

I hereby assert that 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 rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Teton Rainbow Ranches Inc.

[Signature]
Signature of Applicant

CARRY KUNZ Pres.
Printed Name of Applicant

1-25-2021
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

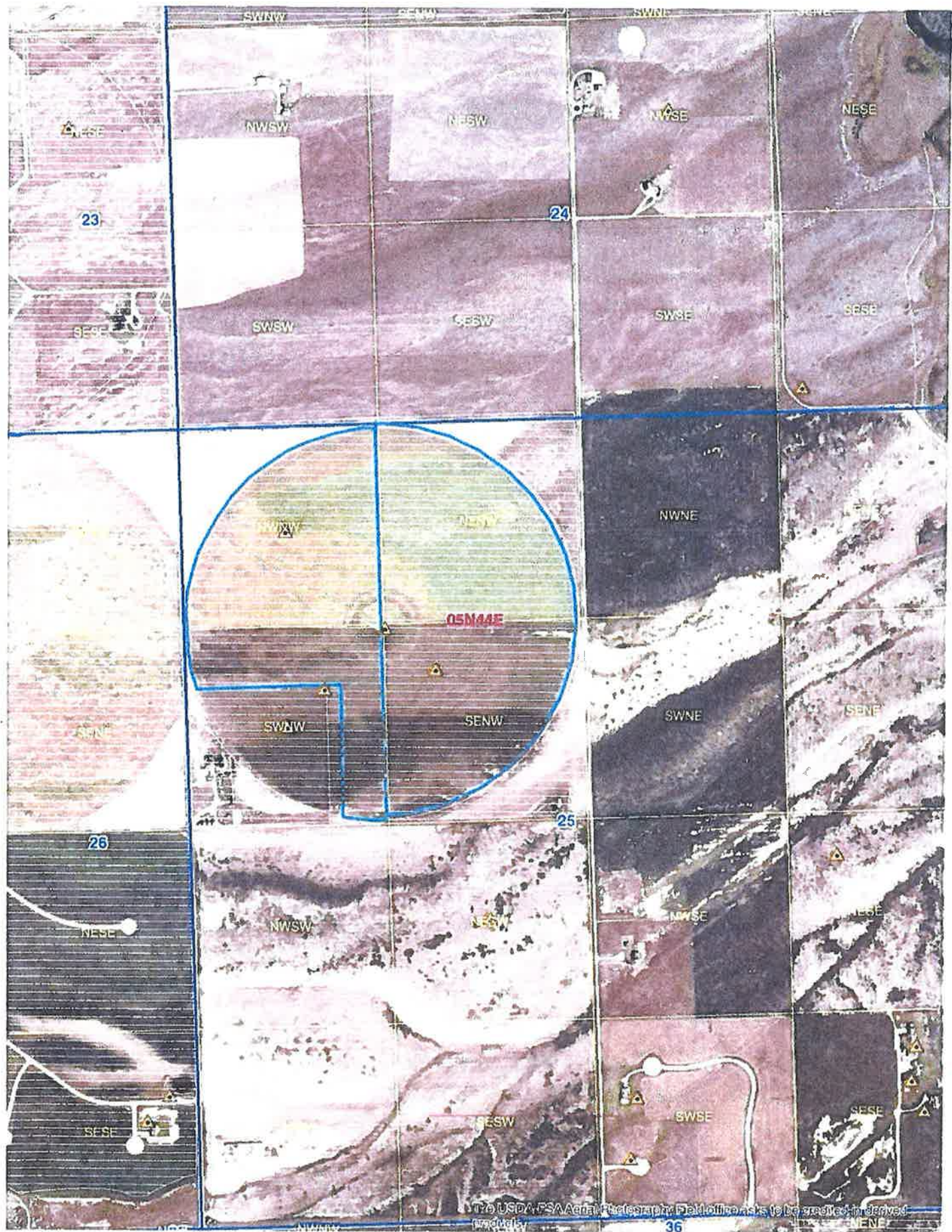
Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.



PROPERTY LEASE

This lease is made and entered into this 27th day of January, 2021, between Three Forks LL hereinafter called "Landlord", Address is 1575 Happy Valley Road, Woodstock, Vermont 05091 and Teton Rainbow Ranches Inc. Whose mailing address is 7215 S 4500 W, Victor, Id 83455 hereinafter called "Tenant".

WITNESSETH:

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the herein described premises on the following terms and conditions:

1- LEASED PREMISES AND TERM:

In consideration of the covenants of Tenant herein contained, Landlord hereby leases unto Tenant those certain Premises known and described as follows:

TOWNSHIP 5 NORTH, RANGE 44 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO,

SECTION 25: N ¼

Commonly Known as: 484 N 5500 W, Driggs, ID 83422

Less and excepting the residential home and curtilage in the Southeast corner of the Leased Premises.

2- TERM OF LEASE:

This lease shall run for five (5) crop year, commencing April 1 2021 and continuing to November 1, 2025 unless Tenant or Landlord gives the other party notice of cancellation in writing prior to December 1st of the final year.

3-RENTAL:

Tenant shall pay Landlord as cash rent for the Lease the sum of \$65.00 per Irrigable acre according to the ASCS crop map and \$10 per Non irrigable acre according to the ASCS crop map. There are 113 irrigable acres and 15 Non irrigable acres that are tillable for a total rental of \$7,495.00. The rent is payable in full on December 1st of each year.

4-TENANTS OBLIGATIONS:

- A. To farm the leased premises in a good farmer like manner.
- B. To keep all improvements on the lease's premises in as good repair and condition as they are when Tenant obtains possession, reasonable wear and tear by the elements excepted.
- C. To fully comply with all the terms, conditions and requirements of any Soil Conservation Services Conservation Plan for the premises, including the control of noxious weeds.
- D. To allow Landlord or anyone designated by them to enter the premises provided such entry by Landlord does not interfere with Tenant's regular farming operations or injure crops growing on the leased premises.

- E. The improvements (pivot irrigation system) on the premises shall be kept in good order, condition, and repair costs limited to \$1,500.00 annually. All repairs over \$1,500.00 must be pre-approved by the Landlord.
- F. To maintain a policy of insurance with minimum public liability limits of \$100,00.00, and property damage of \$100,00.00 insuring against any loss, damage or injury to persons or property arising on the demised premises or from any act or omission of the tenant.
- G. To surrender peaceably possession and occupancy of the premises at the termination of the lease.
- H. That tenant and its agents have examined the leased premises, that Tenant leases the same in the condition they now are in "AS IS", and that Landlord and its agents make no representation or warranty regarding the condition or operability thereof or the capacity of the water or wells on the premises to irrigate the same and that tenant will bear all risks of possession of said premises during the term of this lease.

5-LANDLORD'S OBLIGATIONS:

Landlord agrees to warrant and defend Tenant's possession against any and all persons as long as this lease remains in effect.

6-DEFAULT:

Time is of the essence of this lease, and in the event that the leased premises are deserted or vacated or default be made in the payment of rent, or any part thereof, as herein specified, or if, without consent of the Landlord, the Tenant shall sell, assign, or otherwise transfer this lease, or let, underlet or sublease the premises, or if default be made in the performance of any of the other covenants and conditions in this lease contained on the part of the Tenant to be kept and performed, or if the Tenant shall file a petition in bankruptcy or be adjudicated a bankrupt, or make any assignment for the benefit of creditors or take advantage of any insolvency act, and any such condition or default shall continue for a period of twenty (20) days after the deposit in the mail by Landlord of a notice from the Landlord sent by certified mail, return receipt requested, postage prepaid, to the Tenant at the address given above or at such other address as may be given in writing by the Tenant to the Landlord, demanding payment, performance, or removal of any of the aforesaid conditions or compliance with any of the terms or conditions hereof, then the Landlord may, at its election, without further notice and in addition to such other remedies as it may have at law or equity, terminate this lease, take possession of the land and property, and complete the maturing of said crops and charge the expense thereof to tenant. PROVIDED, HOWEVER, termination of this lease in accordance with this paragraph shall in no wise release tenant from the obligation of tenant incurred in connection with this lease.

7-ATTORNEY'S FEES:

The parties agree that should either party default in its performance of any covenant contained herein, the defaulting party shall pay to the other all costs and expenses, including a reasonable attorney's fee, which the offended party may incur in enforcing this agreement or in pursuing any remedy allowed by law for breach hereof, whether such is incurred by the filing of suit or otherwise.

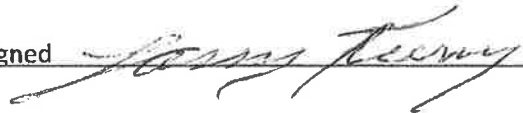
8-BINDING EFFECTS:

This agreement shall extend to and be binding upon the respective heirs, personal representative, assigns, or other successor-in-interest of the parties hereto. This agreement contains the entire agreement of the parties hereto and there are no other representations, warranties or agreements except only as contained herein. This agreement cannot be amended or modified except by a writing signed by the parties hereto.

TENANT

TETON RAINBOW RANCHES, INC.

Signed

_____

Printed

LARRY TENZ_____

LANDLORD

THREE FORKS LLC.

Signed

_____

Printed

Nancy C. H. Winter_____



0003774848

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State

PO Box 83720

Boise, ID 83720-0080

(208) 334-2301

Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0003774848

Date Filed: 2/6/2020 4:00:13 PM

Entity Name and Mailing Address:

TETON RAINBOW RANCHES, INC.

The file number of this entity on the records of the Idaho Secretary of State is: 0000184873

Address

6677 S 4500 W
VICTOR, ID 83455-5298

Entity Details:

Entity Status

Active-Good Standing

This entity is organized under the laws of:

IDAHO

If applicable, the old file number of this entity on the records of the Idaho Secretary of State was: C57832

The registered agent on record is:

Registered Agent

LARRY KUNZ
Registered Agent
Physical Address
7215 S 4500 W VICTOR, ID 83455
Mailing Address

Corporate Officers and Directors:

Name	Title	Business Address
TERRIE KUNZ	Secretary	6677 S 4500 W VICTOR, ID 83455
JERRY KUNZ	Director	6677 S 4500 W VICTOR, ID 83455
LARRY KUNZ	President	7215 S 4500 W VICTOR, ID 83455

The annual report must be signed by an authorized signer of the entity.

*Terrie Kunz**02/06/2020*

Sign Here

Date

Job Title: Secretary

B0483-1030 02/06/2020 4:00 PM Received by ID Secretary of State Lawrence Denney



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

March 23, 2021

TETON RAINBOW RANCH INC
C/O LARRY KUNZ
7215 S 4500 W
VICTOR, ID 83455

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 22-13923, AGREEMENT 507**

Dear Renter:

Please find enclosed a receipt in the amount of \$2,760.00 and a copy of a fully executed Water Supply Bank Rental Agreement of 138.0 acre-feet of water for irrigation of 46.0 acres. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$2,484.00 of the rental fee will be paid to the lessor(s) and 10% or \$276.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C110072
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Eastern Regional Office
Cherie Palmer - IDWR



State of Idaho

DEPARTMENT OF WATER RESOURCES

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BRAD LITTLE
Governor

GARY SPACKMAN
Director

March 3, 2021

TETON RAINBOW RANCH INC
C/O LARRY KUNZ
7215 S 4500 W
VICTOR, ID 83455

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 22-13923 AGREEMENT 507**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$2,760.00 was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 138 acre-feet.

Please send a check for \$2,760.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$2,484.00 of the rental fee will be paid to the lessor(s) and 10% or \$276.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure

c: IDWR Front Desk

MEMORANDUM FOR AGREEMENT # 507

To: Water Right(s) 22-13923
From: Scott Storms
Date: February 26, 2021
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: Application to rent water from the Water Supply Bank (Bank) was received from Teton Rainbow Ranches Inc. (TRR) on February 1, 2021. The application was essentially a renewal of agreement #4, which expired in 2019. During review of lease application 1871 for water right (WR) 22-13923, it was recognized that the place of use (POU) as described on the right had been irrigated in 2020, even though the right was still under lease contract and no rental was in place. Through a series of correspondence with the owner of WR 22-13923, DMA family Trust, and review of the water right file, it was recognized that the right had been severed from the land by quitclaim deed and was no longer actually appurtenant to the land at the POU as described on the right. The land at the POU was under different ownership than WR 22-13923 and TRR had authority from the land owner to operate farming operations on that land (further discussion on ownership and authority in Authority to File section). After correspondence DMA family Trust, Larry Kunz, president of TRR, reached out to me to discuss actions moving forward, which lead to the submittal of the current application for a 5 year rental.

AUTHORITY TO FILE: Parcel data maintained by the Department of Water Resources (Department) shows the land at the POU as owned by Three Forks LLC. The application included a land lease agreement between Thee Forks LLC and Teton Rainbow Ranches Inc. authorizing TRR to operate on the property at the POU from April 1, 2021 to November 1, 2025. The rental application was signed by Larry Kunz and a 2020 Secretary of State business report included with the application shows Larry Kunz as President of Teton Rainbow Ranches Inc. There are no concerns of authority to file.

WATER RIGHT VALIDITY: Water right 22-13923 is a child right of water right 22-13842, which was decreed on November 28, 2008. A split that took place as part of Transfer 74125, approved September 30, 2009, ultimately created right 22-13923. Subsequent Transfer 80535, approved January 8, 2016 moved the POD and POU of the right to their current location. The right was then accepted into the Bank on February 10, 2016 under contract 341 which expired on December 31, 2020. The lease was renewed under contract 1300, which runs until December 31, 2025. There are no further concerns over water right validity.

INJURY TO OTHER WATER RIGHTS: The rental POU and POD are the same as described on the original right being rented. The rental right has been severed from the land through quitclaim deed and is now held by DMA Family Trust, who does not own or operate the land at the POU, however this right has been rented by TRR and used at the same POU from the same POD since 2017. In that time the Department has received no complaints or concerns of injury to other rights. There are no further concerns of injury to other water rights.

ENLARGEMENT OF USE: This right had been rented for use at the same POU from 2017 to 2019. Review of aerial imagery and remote sensing data did showed clear evidence of irrigation having taken place in 2020, even though there was no rental agreement in place. Correspondence with DMA Family Trust and TRR revealed that there was also no private agreement for use of the water right. The situation was brought forth to the Department

Enforcement section and a Notice of Violation may be issues. During the years when there was a rental agreement in place, TRR appeared to have only irrigated within the confines of the rental POU. There is no WMIS data available for the POD. There are no further concerns of enlargement, so long as TRR remembers to renew the rental contract for 2026, if they intent to continue irrigation at the POU.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the rental PD is within the Eastern regional management area and is not subject to a Water District. Application review has been sent to Eastern regional contact James Cefalo for comment.

Buyer, Remington

From: Ferguson, Justin
Sent: Thursday, January 28, 2021 3:03 PM
To: Storms, Scott
Cc: Bank
Subject: FW: Water Bank Application.pdf
Attachments: Water Bank Application.pdf

Hey this just came though the Bank email for you

From: jeff kunz [mailto:jjdkunz@live.com]
Sent: Thursday, January 28, 2021 3:02 PM
To: Bank <Bank@idwr.idaho.gov>
Subject: Water Bank Application.pdf

Att: Scott Storm here is the app for Teton Rainbow Ranches Inc. Please look over let me know if it is correct info ect. Is there someone I need to contact for season 2020 correction? Thanks for your help
Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)