STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1128

This Lease Contract ("**Lease**") is between the Idaho Water Resource Board ("**Board**"), and

LESSOR: LAFFERTY INVESTMENTS LLC
PO BOX 16
WENDELL, ID 83355

RECEIVED
JAN 27 2020
DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.

2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on January 07, 2020.

3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS**: The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
47-7462	3/13/1978	UNNAMED STREAM, tributary to MUD CREEK	10.0	Not Stated	0.00
Lease Totals			**10.0**	**Not Stated**	**0.00**

2. **COMPENSATION**: The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

   Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE**: The term of this lease shall be January 1, 2020 to December 31, 2024. This Lease shall bind the parties and take effect when both parties have signed it.

4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**: The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

WATER SUPPLY BANK LEASE CONTRACT No. 1128

5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.

6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.

7. **DUPLICATE ORIGINAL**: This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1128

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: LAFFERTY INVESTMENTS LLC
PO BOX 16
WENDELL, ID 83355

By _____
Title Owner
Date 1/24/2020

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By _____ Date 02/21/20
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 02/21/20

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1128

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 47-7462

UNNAMED STREAM NWNESW Sec. 12 Twp 09S Rge 14E TWIN FALLS County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
47-7462	FISH PROPAGATION	1/01	to	12/31	10.0 cfs	Not Stated
				Totals:	10.0 cfs	Not Stated

PLACES OF USE TO BE IDLED UNDER THIS LEASE: FISH PROPAGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	14E	12									X								0.0

Total Acres: 0.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into 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.

WATER SUPPLY BANK LEASE CONTRACT No. 1128

9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
    a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
    b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Source is an unnamed stream tributary to an unnamed stream also known as Silo Cr that is tributary to Mud Cr.
13. The source of this water right is waste water. The wasting of water may be discontinued at any time.
14. Facility volume = 39,375 cubic feet.
15. This right remains subject to the right of the original appropriator, in good faith and in compliance with state laws governing changes in use and/or expansion of water rights, to cease wasting water, to change the place or manner of wasting it, or to recapture it.

Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1128

47-7462
Effective until December 31, 2024

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.

- Approved Lease Point of Diversion
- Approved Lease Place of Use
- Township/Range
- Sections
- QQ

N

0 100 200 Feet

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
JAN 06 2020
DEPARTMENT OF WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

Designated Applicant Lafferty Investments, LLC
(Select one owner – see item 1A on the application)

Water Right No. 47-7462
(One water right per application)

Is this application being submitted with a rental application as a lease/rental package? Yes ☐ No ☑

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Applications that do not meet the minimum requirements will not be processed and may be returned or denied.**

MIMUMUM REQUIREMENT CHECKLIST
All items must be checked as either *Attached* (Yes) or *Not Applicable* (N/A)

		Yes	
		☑	Completed *Application to Sell or Lease a Water Right to the Water Supply Bank.*
		☑	Application filing fee of $250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is $500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
		☑	Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.
Attachment	**N/A**	**Yes**	
1A	☐	☑	Signatures and contact information for ***all owners*** of the water right to be leased or sold on this application.
1B	☐	☑	An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
1C	☑	☐	*Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
1D	☑	☐	Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
2	☑	☐	Description of a water right portion offered to the Water Supply Bank.
3	☐	☑	A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
4A	☐	☑	Written consent from irrigation district or water delivery company.
4G	☑	☐	Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount $ 500.00	Received By: KM	Date Received: 1-6-2020	Receipt # C108197
W-9 received? Yes ☑ No ☐	(Route W-9 to Fiscal)	Name on W-9: Lafferty Investments LLC	

1605

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Lafferty Investments LLC

Mailing Address PO Box 16, (Street) Wendell, (City) ID (State) 83355 (Zip Code)

Email Address dynodan634@gmail.com Phone Number 208-536-6547

☑ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☑
If no, complete the form and attach to this application (Attachment 1B).

C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☑ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☑ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Lori Graves Organization SPF Water Engineering

Professional Title Water Rights Specialist Email Address lgraves@spfwater.com

Mailing Address 300 E. Mallard Dr., Ste 350, Boise, ID 83706 Phone Number 208-383-4140

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☑ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☑ The full water right is being offered to the Bank.

OR

☐ A part of the water right is being offered to the Bank.
If a portion of the water right is being offered, **complete Attachment 2.**

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled 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 idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3.**

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☑ No ☐
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

B. Please provide a description of the current water diversion and delivery system.
Dams, ditches

C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. None

D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☑
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of $500.

E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☑
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased.

F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. Water right has been leased to the bank the last 5 years under Contract No. 39 set to expire 12/31/2019.

G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☑
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. Water right has been leased to the bank the last 5 years under Contract No. 39 set to expire 12/31/2019.

H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☑

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☑?

If lease, specify the years when the use of water will be suspended: 2020 (Year) to 2025 (Year) (maximum lease period 5 calendar years).

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current rental rate

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Signature of Designated Applicant	Printed Name	Date
	Dan Lafferty	12/30/19
Signature of Authorized Representative	Printed Name	Date
	LOKI GRAVES	1/3/20

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

State of Idaho
Department of Water Resources

Water Right
47-7462

FISH PROPAGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

14E

S6O

Point of Diversion
Place Of Use Boundary
Townships
PLS Sections
Quarter Quarters

0 0.035 0.07 0.14 Miles

N

FISH PROPAGATION AGREEMENT

THIS AGREEMENT, entered into this 27 day of JANUARY, 2015; by and between the Twin Falls Canal Company ("TFCC" or "Company"), an Idaho non-profit corporation, and Lafferty Investments LLC, an Idaho limited liability company ("Water User"):

RECITALS

WHEREAS, the Water User desires to make non-consumptive use of waters within TFCC's irrigation system in constructed ponds and/or raceways for fish propagation use pursuant to water right nos. 47-7462 and 47-7463; and

WHEREAS, TFCC has a first and prior right to the use of said waters, but agrees to allow the use thereof if Water User executes and complies with this Agreement which acknowledges Water User's responsibilities.

COVENANTS

NOW, THEREFORE, in consideration of the mutual and independent covenants hereinafter stated, the parties agree as follows:

1. All construction plans shall be subject to the prior approval of the Company. Facility construction and operation shall:

(a) Not interfere or affect the Company's delivery of water to its shareholders at any time;
(b) Not block existing rights of way or traditional accesses of TFCC;
(c) Not cause any erosion to Water User's system;
(d) Not cause excessive evaporation;
(e) Not cause water pollution;
(f) Not block existing drainage or seepage flows or cause drainage and seepage problems on TFCC or adjacent properties;
(g) Not impair the easement and right of way of TFCC for the full flow of water for irrigation and drainage;
(h) Not impair operation, maintenance, construction and reconstruction of TFCC facilities;
(i) Not be the basis of or claim any flood damages against TFCC.

2. Water User agrees to implement any mitigation measures required by TFCC in the event the construction or operation causes any problems identified in Paragraph 1(a) above, including specifically causing any water pollution, drainage, seepage, or erosion issues.

3. It is understood and agreed that the Water User has no right to demand any water from TFCC even though Water User may hold water rights issued by IDWR (including

water right nos. 47-7462 and 47-7463), and TFCC shall have no responsibility for cessation or reduction of any flows for any reason. It is understood and agreed that the water in question is in fact water which TFCC has a prior right to use and that TFCC may change the manner in its use or delivery which may reduce or cease flows available to Water User at any time.

4. It is further understood and agreed that any construction, operation or maintenance work, including, but not limited to, additional mossing work or costs related to the water quality of Water User's discharges, which may be required by TFCC after the date hereof by reason of Water User's activities, necessitating the expenditure of work or funds by TFCC, will be billed to the Water User as such expenses are incurred and Water User agrees to reimburse TFCC for said expenses within thirty (30) days thereafter, including any attorneys' fees incurred by TFCC in regard thereto. TFCC may turn off Water User's diversion at any time any said bill is thirty (30) days delinquent.

5. Water User's facilities shall at all times be maintained, repaired, renewed and operated at the sole expense of Water User.

6. Water User shall be liable for reimbursement of TFCC for all damages or expenses incurred in the replacement of said canals, ditches and rights of way if Water User abandons such facilities.

7. Water User hereby waives any claim or claims against TFCC and releases TFCC for any losses which may occur to fish by reason of lack of water quantity or quality or TFCC's use of aquatic herbicides, pesticides, mossing chemicals, or any other chemical or for any other reason whatsoever, whether or not due to the negligence of TFCC.

8. It is further agreed that the Water User will indemnify and hold harmless TFCC for and against all claims, suits, damages, costs, losses, and expenses in any manner resulting from or arising out of the construction, operation, maintenance, renewal, repair, use or existence of the Water User's facilities whether heretofore or hereafter made, including TFCC's attorneys' fees and including damage to crops of other shareholders resulting from interference with the delivery of water from TFCC.

9. Water User's failure to comply with any provision of this Agreement shall be deemed a default, and Water User's failure to remedy such default within thirty (30) days after mailed notice specifying such default to Water User shall result in termination hereof, at which time Water User agrees that Company may cease all water deliveries to Water User's facilities and Water User shall have no further rights hereunder. Water User also agrees to pay TFCC's attorneys' fees in any action brought to terminate this Agreement or in subsequent actions to collect amounts owing to TFCC by Water User prior to said termination.

10. The parties hereby bind themselves, their heirs, proper assigns, successors, and legal representatives.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this 27 day of JANUARY, 2015.

TWIN FALLS CANAL COMPANY

By: Dan Shewmaker
Dan Shewmaker, Chairman

ATTEST:

Kay Puschal
Kay Puschal, Secretary

LAFFERTY INVESMENTS LLC

By: _____, Member

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

February 21, 2020

LAFFERTY INVESTMENTS LLC
PO BOX 16
WENDELL, ID 83355

COPY

RE: WATER SUPPLY BANK LEASE CONTRACT 1128, 1129
FOR WATER RIGHTS 47-7462, 47-7463

Dear Lessor:

Water rights **47-7462, 47-7463** were leased into the Water Supply Bank (Bank) as of January 1, 2020, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank**. More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2023,** unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

If you have questions regarding this matter, please contact this office at 287-4800.

Sincerely,

Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Lori Graves – SPF Water Engineering

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

January 15, 2020

LAFFERTY INVESTMENTS LLC
PO BOX 16
WENDELL ID 83355

RE: APPLICATION TO LEASE WATER RIGHT 47-7462 CONTRACT 1128 & WATER RIGHT 47-7463 CONTRACT 1129 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature**. **Please sign and return ALL Lease Contracts within 14 days**. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2024,** unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at http://www.idwr.idaho.gov. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

> "While a right is in the bank, **the lessor may <u>not</u> use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 287-4800.

Sincerely,

Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C108197

c. SPF Water Engineering LLC- Lori Graves

Hersley, Jean

From: Skinner, Corey
Sent: Wednesday, January 15, 2020 8:26 AM
To: Hersley, Jean
Subject: RE: WSB Leases for 47-7462 & 47-7463 in the name of Lafferty Investments LLC

No concerns from me.

From: Hersley, Jean
Sent: Wednesday, January 15, 2020 8:21 AM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: WSB Leases for 47-7462 & 47-7463 in the name of Lafferty Investments LLC

Please let me know within 7 days if you have any comments for concerns with the attached leases. These leases are "renewals" as these rights have been in the Bank since 2015. Thank you.

Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942

0003668177

STATE OF IDAHO
Office of the secretary of state, Lawerence 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 #: 0003668177
Date Filed: 11/5/2019 11:41:43 AM

Entity Name and Mailing Address:
LAFFERTY INVESTMENTS LLC

The file number of this entity on the records of the Idaho Secretary of State is:	0000039067
Address	PO BOX 16 WENDELL, ID 83355-0016

Entity Details:

Entity Status	Active-Existing
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:	W7683

The registered agent on record is:

Registered Agent	DANNY J LAFFERTY Registered Agent Physical Address 160 W AVE D PO BOX 16 WENDELL, ID 83355 Mailing Address

Limited Liability Company Managers and Members

Name	Title	Business Address
DAN J LAFFERTY	Manager	18480 US HIGHWAY 30 HAGERMAN, ID 83332

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

Kayla Marshall — Sign Here
11/05/2019 — Date

Signer's Title: Office Manager

B0397-1532 11/05/2019 11:41 AM Received by ID Secretary of State Lawerence Denney

SPF WATER ENGINEERING

RECEIVED
JAN 06 2020
DEPARTMENT OF WATER RESOURCES

January 3, 2020

Justin Ferguson
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: ***Water Supply Bank Lease Applications***
Water Rights 47-7462 & 47-7463

Dear Justin,

Enclosed on behalf of Lafferty Investments, LLC, are two lease applications for water rights 47-7462 and 47-7463 that authorize diversion from an unnamed stream for fish propagation uses that have been previously banked under Contract Nos. 39 and 385 that expired 12/31/2019. An updated W-9 form is also enclosed.

Check No. 1043 is enclosed for the $500 filing fee.

Please let me know if there are any questions. Thanks Justin.

Sincerely,

Lori Graves
Water Rights Specialist

Cc: Dan Lafferty

Enclosures

SPF file number: 1138.0010

300 E. Mallard Drive, Suite 350, Boise, Idaho 83706 Tel: 208-383-4140 Fax: 208-383-4156