WATER SUPPLY BANK LEASE CONTRACT No. 1101

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

LESSOR: AWALT PARTNERSHIP

PO BOX 392

SAN MIGUEL, CA 93451-0392

RECEIVED

JAN 0 9 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 December 20, 2019.
- 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:

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
37-4191	4/15/1934	UNNAMED STREAM, tributary to CHIMNEY CREEK	1.68	261.0	95.0
Lease Totals	5		1.68	261.0	95.0

Summary of Water Rights or Portions Leased to the Bank

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. 1101

- 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.

WATER SUPPLY BANK LEASE CONTRACT No. 1101

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

LESSOR: AWALT PARTNERSHIP PO BOX 392 SAN MIGUEL, CA 93451-0392 By Title n Date 1-A-0 **IDAHO WATER RESOURCE BOARD** 322 East Front Street P.O. Box 83720 Boise, ID 83720-0098 Date 01/24/20 By Brian Patton, Acting Administrator Idaho Water Resource Board Lease approved by IDWR

WATER SUPPLY BANK LEASE CONTRACT No. 1101

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 Dive	ersion for Wat	ter Right No(s	s): 37-4191	
UNNAMED STREAM	NENESE	Sec. 33	Twp 01N		CAMAS County

		Seas	ion of	Use	Diversion	Valuma	
Water Right	Beneficial Use	From	From		Rate (CFS)	Volume (AF)	
37-4191	IRRIGATION	04/15	to	10/31	1.68 cfs	261.0 AF	
				Totals:	1.68 cfs	261.0 AF	

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec		N	E			N۱	N			S	N			S	E		-
	1 ang	000	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
01N	12E	34									37.0	7.0		3.0		26.0	22.0		95,0

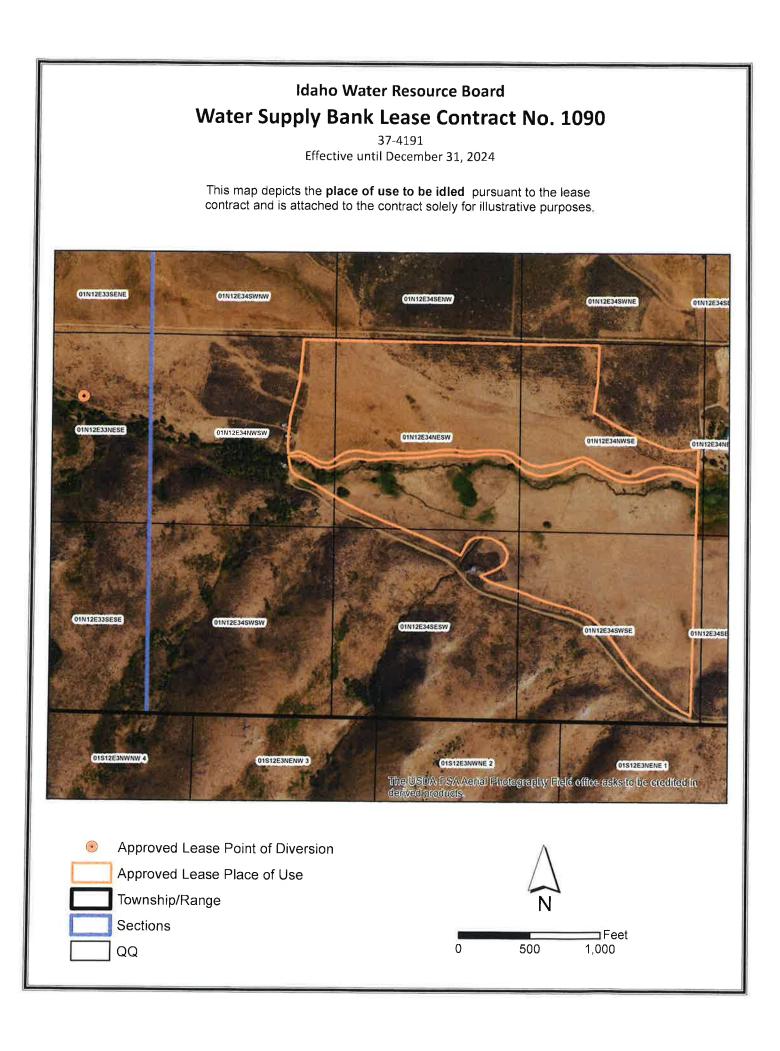
Total Acres: 95.0

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 <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.
- 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.
- 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. 1101

- 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. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37B.



Form 42-1761-1 10/15 RECEIVE	D	STATE OF IDAHO WATER RESOURCE BOAR	Ð	
DEC 2 0 2019		TO SELL OR LEASE		IT
DEPARTMENT OF		THE WATER SUPPLY	BANK	
WATER RESOURCE	SA NO	1 1 1		
Designated Applicant	Awalt fa Select one owner - see item 1/	A on the application)	Water Right No.	(One water right per application)
Is this application being	submitted with a renta	al 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.

		All ite	MIMUMUM REQUI		
		Yes			
		5	Completed Application to Sell or	Lease a Water Righ	ht to the Water Supply Bank.
>			application and the water rights h rate or volume, the total fee for a must be used to irrigate the same	have an overlapping all water rights is \$ a lands in order to s that share a com	The formation of the submitting more than one lease and the submitting more than one lease and the submitting more than one lease and the submitting submitting the submitting the submitting and the submitting submitting the submitting submitting the submitting and submitting
			Confirmation this form has been	printed single sided	I, per requirement of the Water Supply Bank.
Attachment	N/A •	Yes			
1A			Signatures and contact informati application.	on for <i>all owners</i>	of the water right to be leased or sold on this
1B			An Internal Revenue Service (IRS	5) Form W-9 for the	e Designated Applicant.
1C			Notice of Change in Water Right	<i>Ownership</i> form (a	ccessible from <u>www.idwr.idaho.gov</u>).
1D		Ţ	represent the Designated Application	ant on this applicat nization or associa	e and documentary proof they are authorized to tion. If the Designated Applicant is a business, ation, include documents identifying officers
2		\square	Description of a water right portion	on offered to the Wa	ater Supply Bank.
3			beneficial use of water will be su	spended. You have	here irrigated acres will be dried up, or where a the option of printing a map using the map tool
		A	on IDWR's website at: <u>www.idw</u>		
4A			Written consent from irrigation d	strict or water deliv	very company.
4G		Q'			n forfeited pursuant to Section 42-222(2), Idaho 3 + 3 + 5 - 20 + 5
Department U	se Only				
Fee Amount \$	250	1	Received By:	Date Received:	12-20-19 Receipt # CI08134 Robert Jones
W-9 received?	Yes 🗹	No] (Route W-9 to Fiscal)	Name on W-9:	Robert Jones

RECEIVED

JAN 0 2 2020

APPLICATION TO SELL OR LEASE A WATER RIGHT (Continued)

DEPARTMENT OF WATER RESOURCES

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.

	-		6 6		0
	Designated Applicant	AWALT PROPERTIES			
	Mailing Address	PO BOX 39 2	SAN MIGUEL	C A	93451
	Street		City	State	Zip Code
	Email Address	bob@rjrealty.com	Phone Nu	1. 208-'	733-0404
	The Designated Ap	plicant is the sole owner of the	e water right being sold or l	eased to the Water	Supply Bank.
	The Designated Ap	plicant is representing addition	nal water right holders who	have completed A	ttachment 1A.
B.		plicant submitted an IRS Form nd attach to this application (Atta		thin the last 2 year	s? Yes 🚺 No
C.		is form listed in IDWR's recor hange in Water Right Ownership			Yes 🗹 No e (Attachment 1C).
D.	If yes, representatives (in	completed by an authorized r ludes employees of Designated A ent the Designated Applicant (Att	pplicant companies) must com		Yes 📝 No d submit documentary pro
	Name of Representative	Robert Jones	Organization	Robert	ones Realty, INC
		BROKER			
		Addison Ave E. Twin Falls,			
		lence for this application to the			olicant.
	Send original corre	spondence to the Designated A	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.
- 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

OR

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.

APPLICATION TO SELL OR LEASE A WATER RIGHT

(Continued)

4. GENERAL INFORMATION

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 <u>Section 42-108, Idaho Code</u> and <u>IDAPA WSB Rule 37.02.03.25.02e</u>.

- B. Please provide a description of the current water diversion and delivery system.
 <u>Concrete diversion</u>, no measurement device required yet by the state in this water district.
- 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. <u>LIVE STREAM NO METER AND WATER HAS NOT BEEN DIVERTED</u>

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.

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 🗹

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 (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 ner nature of Authorized Representative

Printed Name

Robert Jones

Printed Name

Date

2-6-19

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

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant. If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 37-4191

	Designated Applicant	Applicant #2	Applicant #3
Name	Awalt Properties Co-Bob Jones		
Mailing Address	PO BOX 392 San Miguel CA,		
Phone Number	(205)733.0404 bobo nsreatly.com		
Email Address	boba rsreatty. Com		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature	Raffone		

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That CHRISTY AWALT, AWALT FAMILY PARTNERSHIP AND AWALT FAMILY REVOCABLE TRUST, does hereby constitute and appoint Robert Jones, of ROBERT JONES REALTY, INC. of Twin Falls, Idaho, to act as my true and lawful attorney-in-fact in my name and in my powers, to do any and all things with respect to the execution of farm management and all transactions involving Idaho Department of Water Resources, Twin Falls Canal Company and State and Federal Farm Agencies. This power of attorney does not allow attorney-in-fact to buy or sell real estate on my behalf.

I HEREBY GIVE AND GRANT to my attorney-in-fact all other powers necessary or reasonable to carry out the powers above granted and do hereby ratify all actions or actions taken by my attorney-in-fact under this instrument.

THIS SPECIAL POWER OF ATTORNEY shall continue in full force and effect until revoked by me, and all persons unto whom these presents shall be entitled to rely on the powers herein granted until such persons may have received written notice that said Special of Attorney and designator of Special Power of Attorney has been revoked or until written notice of said revocation may be recorded.

IN WITNESS WHEREOF, the undersigned has set his hand and seal this day of 2015.

Signature: Print:

State of County of

On this <u>7</u> day of <u>Apr.</u>, 2015, before me, the undersigned, a Notary Public in and for said County and State, personally appeared <u>christyles Aut</u>, known to me to be such person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he/she executed the same.

In Witness Whereof, I have hereunto set my hand and seal, the day and year in this certificate first above written.



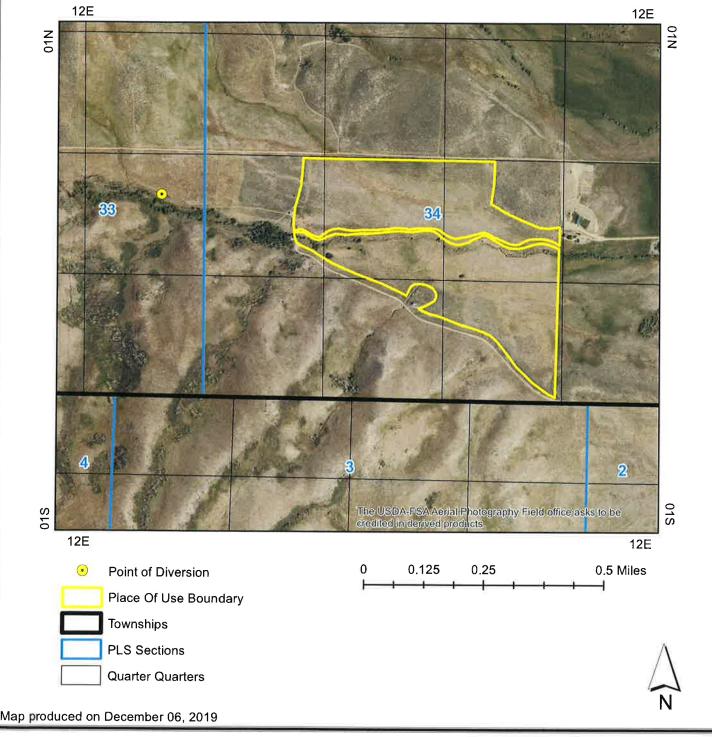
ary Public siding at: Commission Expires:

State of Idaho Department of Water Resources

Water Right 37-4191

IRRIGATION

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.





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 January 27, 2020

GARY SPACKMAN Director

AWALT PARTNERSHIP PO BOX 392 SAN MIGUEL, CA 93451-0392

RE: WATER SUPPLY BANK LEASE CONTRACT 1101 FOR WATER RIGHTS 37-4191

Dear Lessor:

Water rights **37-4191** 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 <u>unused</u> 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, 2024**, 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 <u>www.idwr.idaho.gov</u>. 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 <u>bank@idwr.idaho.gov</u> or 208-287-4800.

Singerely,

Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region Rusty Kramer – Water District 37B Robert Jones – Robert Jones Realty Inc.



State of Maho DEPAR 1 MENT 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 January 3, 2020 GARY SPACKMAN Director

AWALT PARTNERSHIP PO BOX 392 SAN MIGUEL CA 93451

RE: APPLICATION TO LEASE WATER RIGHT 37-4191 TO THE WATER SUPPLY BANK CONTRACT 1101

****TIME SENSITIVE RESPONSE REQUIRED***

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the abovementioned 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 <u>Request to Release a Water Right from the Bank</u> form. To propose a new lease period, submit a new <u>Application to Sell or Lease a Water Right to the Water Supply Bank</u> form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <u>http://www.idwr.idaho.gov</u>. 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 287-4800.

Sincerely,

Water Supply Bank

Enclosures: Proposed Lease Contracts Receipt # C108136

c: Robert Jones



Hersley, Jean

From: Sent: To: Subject: Rusty Krame <waterdistrict37b@outlook.com> Friday, January 03, 2020 4:47 PM Hersley, Jean Re: WSB Lease for 37-4191 Awalt Partnership

No comments or concerns with this application.

Thanks Rusty

From: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Sent: Friday, January 3, 2020 7:31 AM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>; Rusty Kramer <waterdistrict37b@outlook.com>
Subject: WSB Lease for 37-4191 Awalt Partnership

Please let me know within 7 days if you have any comments or concerns with the lease. This is a renewal. The water right has been in the Bank since 2015. Thank you.

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





Hersley, Jean

From:Hersley, JeanSent:Friday, January 03, 2020 8:31 AMTo:Skinner, Corey; Rusty KramerSubject:WSB Lease for 37-4191 Awalt PartnershipAttachments:Idled Acres.pdf; Lease Application Review.xls; Report - Lease Contract - 1090.docx

Please let me know within 7 days if you have any comments or concerns with the lease. This is a renewal. The water right has been in the Bank since 2015. Thank you.

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

Realtv 1766 Addison Avenue East Twin Falls, Idaho 83301 (208) 733-0404 to: Whom it may DATE: 12/18/19 Concern, Please let us know if We are missing anything! RECEIVED DEC 2 0 2019 hank you, DEPARTMENT OF WATER RESOURCES ROBERT JONES REALTY, INC. EQUAL HOUSING Homes · Ranchettes · Farms · Ranches