

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

AUG 21 2019

DEPARTMENT OF
WATER RESOURCES**WATER SUPPLY BANK LEASE CONTRACT No. 1008**

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

LESSOR: BORAH CAPITAL LTD
C/O BLAIR DANCE
433 E LAS COLINAS BLVD
STE 1290
IRVING, TX 75039

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 May 24, 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:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
35-7274	1/22/1973	GROUND WATER	1.220	372.00	93.00
Combined Lease Totals			1.220	372.00	93.00

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, 2019 to December 31, 2019. 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1008

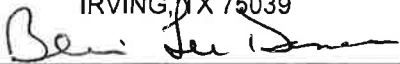
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right 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. 1008

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

LESSOR: BORAH CAPITAL LTD
C/O BLAIR DANCE
433 E LAS COLINAS BLVD
STE 1290
IRVING, TX 75039

By 
Title CEO
Date 8.8.19

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

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 8/28/2019

Lease approved by IDWR 

Date 8-28-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1008

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): 35-7274

GROUND WATER NESENW Sec. 6 Twp 03S Rge 34E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
35-7274	IRRIGATION	4/01	to	11/01	1.220 cfs	372.00 AF
Totals:					1.220 cfs	372.00 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: 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	
03S	34E	6					34.0	5.0	14.0	40.0									93.0

Total Acres: 93.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1008

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 THIS RIGHT IS COMBINED WITH WATER FROM ABERDEEN SPRINGFIELD CANAL CO.

Idaho Water Resource Board Water Supply Bank Lease Contract No. 1008

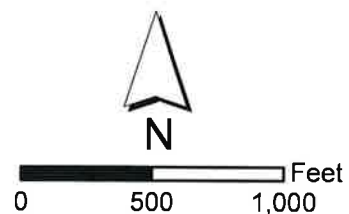
35-7274

Effective until December 31, 2019

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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAY 24 2019

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant LCSC Enterprises, LLC Water Right No. 35-7274
(Select one owner – see item 1A on the application) (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 \$ <u>250</u>	Received By: <u>[Signature]</u>	Date Received: <u>5/24/19</u>	Receipt # <u>C106896</u>
W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9: <u>LCSC Enterprises LLC</u>	

12/1

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 LCSC Enterprises, LLC

Mailing Address 433 E. Las Colinas Blvd. Irving TX 75039-5058
Street City State Zip Code

Email Address blair@dbscpa.net Phone Number (972) 989-7330

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 Michael C. Creamer Organization Givens-Pursley, LLP

Professional Title Attorney Email Address mcc@givenspursley.com

Mailing Address 601 W. Bannock St. Boise, ID 83702 Phone Number (208) 388-1200

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.

Existing well, approved measuring device, main line pipe and center pivot sprinkler system

- 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. ASCC 1-23B et al., delivery canal destroyed in the 1970's. Development of this right was properly permitted, licensed and decreed. Agreement between ASCC to deliver shares through Peoples Canal will allow the land to be converted back to surface water use.

- 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. Aberdeen-Springfield will deliver water through Peoples Canal. Well will no longer be used.

- 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 has been fully utilized to irrigate the authorized place of use.

- 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 for transfer 82434

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: 2019 to 2024 (maximum lease period 5 calendar years).
(Year) *2019 as per Michael Creamer*

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.

Blair Lee Dance, Manager
Signature of Designated Applicant

Blair Lee Dance
Printed Name

4-29-19
Date

Signature of Authorized Representative

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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). 35-7274

	Designated Applicant	Applicant #2	Applicant #3
Name			
Mailing Address			
Phone Number			
Email Address			
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	<i>Ben LeDane, Manager</i>		

	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			



0003371311



STATE OF IDAHO
Office of the secretary of state, Lawrence Denney
FOREIGN REGISTRATION STATEMENT (LIMITED LIABILITY COMPANY)

Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: \$100.00 - Make Checks Payable to Secretary of State

For Office Use Only
-FILED-
File #: 0003371311
Date Filed: 12/13/2018 2:06:49 PM

B0120-2082 12/13/2018 2:08 PM Received by ID Secretary of State Lawrence Denney

1. The name this limited liability company will use in Idaho is: LCSC ENTERPRISES LLC								
2. Home Jurisdiction The jurisdiction of formation is: TEXAS								
3. The street address of its domestic principal office (if required by the laws of the jurisdiction of formation) is: Street Address 433 E LAS COLINAS BLVD SUITE 1290 IRVING, TN 75039								
4. The mailing address of its domestic principal office (if required by the laws of the jurisdiction of formation) is: Mailing Address 433 LAS COLINAS BLVD E STE 1290 IRVING, TX 75039-5058								
5. The complete street address of the principal office is: Principal Office Address 433 E LAS COLINAS BLVD SUITE 1290 IRVING, TN 75039								
6. The mailing address of the principal office is: Mailing Address None								
7. Registered Agent Name and Address Registered Agent BUSINESS FILINGS INCORPORATED Commercial Registered Agent Physical Address 921 S ORCHARD ST STE G BOISE, ID 83705 Mailing Address 111 8TH AVE MARK WILLIAMS NEW YORK, NY 10011								
8. Governors								
<table border="1"> <thead> <tr> <th>Name of individual or organization</th> <th>Capacity</th> <th>Address</th> </tr> </thead> <tbody> <tr> <td>BORAH CAPITAL LTD</td> <td>MANAGER</td> <td>433 LAS COLINAS BLVD E STE 1290 IRVING, TN 75039-5058</td> </tr> </tbody> </table>			Name of individual or organization	Capacity	Address	BORAH CAPITAL LTD	MANAGER	433 LAS COLINAS BLVD E STE 1290 IRVING, TN 75039-5058
Name of individual or organization	Capacity	Address						
BORAH CAPITAL LTD	MANAGER	433 LAS COLINAS BLVD E STE 1290 IRVING, TN 75039-5058						
Signature of individual authorized by the entity to sign: BLAIR DANCE Sign Here Signer's Capacity: BLAIR DANCE								
		12/13/2018 Date						



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for LCSC ENTERPRISES LLC (file number 802481676), a Domestic Limited Liability Company (LLC), was filed in this office on June 16, 2016.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on December 06, 2018.



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State



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

August 28, 2019

BORAH CAPITAL LTD
C/O BLAIR DANCE
433 E LAS COLINAS BLVD
IRVING TX 75039

**RE: WATER SUPPLY BANK LEASE CONTRACT 1008
FOR WATER RIGHT 35-7274**


Dear Lessor:

Water right **35-7274** was leased into the Water Supply Bank (Bank) as of May 24, 2019, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2019**, unless the right is 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 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. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is 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: James Cefalo - IDWR Eastern Region
Blake Jordan – Water District 120
Aberdeen Springfield Canal Co
Bingham GWD
Michael Creamer – Givens Pursley

GIVENS PURSLEY LLP

Attorneys and Counselors at Law

601 W. Bannock Street
PO Box 2720
Boise, ID 83701
Telephone: 208-388-1200
Facsimile: 208-388-1300
www.givenspursley.com

Michael C. Creamer
(208) 388-1247
mccreamer@givenspursley.com

Gary G. Allen
Charlie S. Baser
Christopher J. Beeson
Jason J. Blakley
Clint R. Bolinder
Jeff W. Bower
Preston N. Carter
Jeremy C. Chou
Michael C. Creamer
Amber N. Dina
Bradley J. Dixon
Thomas E. Dvorak
Debra Kristensen Grasham
Donald Z. Gray
Brian J. Holleran
Kersti H. Kennedy

Neal A. Koskella
Michael P. Lawrence
Franklin G. Lee
David R. Lombardi
Kimberly D. Maloney
Kenneth R. McClure
Kelly Greene McConnell
Alex P. McLaughlin
Melodie A. McQuade
Christopher H. Meyer
L. Edward Miller
Judson B. Montgomery
Deborah E. Nelson
W. Hugh O'Riordan, LL.M.
Randall A. Peterman
Jack W. Relf

Michael O. Roe
Jamie Caplan Smith
Jeffrey A. Warr
Robert B. White

William C. Cole (Of Counsel)

Kenneth L. Pursley (1940-2015)
James A. McClure (1924-2011)
Raymond D. Givens (1917-2008)

RECEIVED

AUG 21 2019

DEPARTMENT OF
WATER RESOURCES

August 21, 2019

Via Hand Delivery

Debbi Judd
Idaho Department of Water Resources
The Idaho Water Center
322 E Front St
Boise ID 83702

Re: Borah Capital LTD Water Supply Bank Lease – Water Right 35-7274

Dear Debbi:

Enclosed please find two executed originals of Water Supply Bank Leases for Water Right 35-7274. Unfortunately I have been out of the office and had asked Mr. Dance to forward these to me for submittal to your office—hence the delay in returning them.

Please let me know if you have any questions concerning the leases. I would appreciate it if you will send the original lease as signed by the IWRB to Mr. Dance and provide me a copy for my files.

Sincerely,



Michael C. Creamer

MCC
14781965_1.docx



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

August 8, 2019

BORAH CAPITAL LTD
C/O BLAIR DANCE
433 E LAS COLINAS BLVD STE 1290
IRVING TX 75039

**RE: APPLICATION TO LEASE WATER RIGHT 35-7274 TO THE WATER SUPPLY BANK
CONTRACT 1008**

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

Dear Applicant:

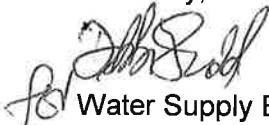
The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** 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, 2019**, 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 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."

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

Sincerely,


Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C106896

c: Michael Creamer – Givens Pursley

MEMORANDUM

To: Water Right No(s). 35-7274
From: Justin Ferguson
Date: June 3, 2019
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: This application was received on May 24, 2019. The applicant wishes to place the entirety of water right number 35-7274 into the Bank. Water will still be delivered from the Aberdeen-Springfield Canal Company but use of the well located on the property will discontinue.

AUTHORITY TO FILE: The application was submitted by Blair Dance on behalf of LCSC Enterprises, LLC. Information provided in the file shows that Blair Dance is authorized to sign for LCSC Enterprises which is managed by Borah Capital LTD. The right was decreed to Arlo Dance in 2002 and was then given to Borah Capital LTD through warranty deed in 1999.

WATER RIGHT VALIDITY: The right was decreed in 2002. Applicant indicated on question 4F that the right had been fully utilized to irrigate the authorized place of use. Review of 2017 survey data shows crop growth indicating use of the water right, there does look to be some growth in the area in 2015 as well.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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 lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: Watermaster and regional comments will be requested.

GIVENS PURSLEY LLP

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Jack W. Reif
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William C. Cole (Of Counsel)

Kenneth L. Pursley (1940-2015)
James A. McClure (1924-2011)
Raymond D. Givens (1917-2008)

May 24, 2019

Via Hand Delivery

Remington Buyer
Idaho Department of Water Resources
322 E. Front Street
Boise, ID 83702

RE: LCSC Enterprises, LLC

Dear Remington:

Enclosed please find the original and a copy of the Application to Sell or Lease a Water Right to the Water Supply Bank on behalf of our client LCSC Enterprises, LLC. Kindly file the same and provide a conformed copy to our courier. I am also include a check in the amount of \$250.00 for the necessary filing fee for said Application.

Should you have any questions or concerns, please contact me.

Sincerely,



Michael C. Creamer

MCC/lg
Enclosures
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