

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 915

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

LESSOR: CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15
STE #202
SPOKANE, WA 99216

RECEIVED
MAR 28 2019
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 October 18, 2018.
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)
2-10181	4/9/1970	SNAKE RIVER, tributary to COLUMBIA RIVER	3.20	640.0	160.0
Lease Totals			3.2	640.0	160.0

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. 915

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. 915

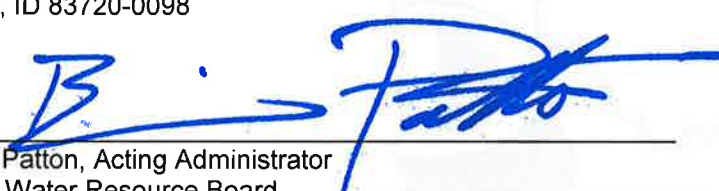
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15
STE #202
SPOKANE, WA 99216

By  OLIVER LAWRENCE
Title ASSET MANAGER
Date MARCH 26, 2019

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 3/29/2019

Lease approved by IDWR



Date 3-29-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 915

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 915**

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): 2-10181

SNAKE RIVER L9 SWSESW Sec. 34 Twp 05S Rge 04E OWYHEE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-10181	IRRIGATION	03/15	to	11/15	3.20 cfs	640.0 AF
Totals:					3.20 cfs	640.0 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	
06S	02E	12	40.0	40.0		40.0									40.0				160.0

Total Acres: 160.0

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

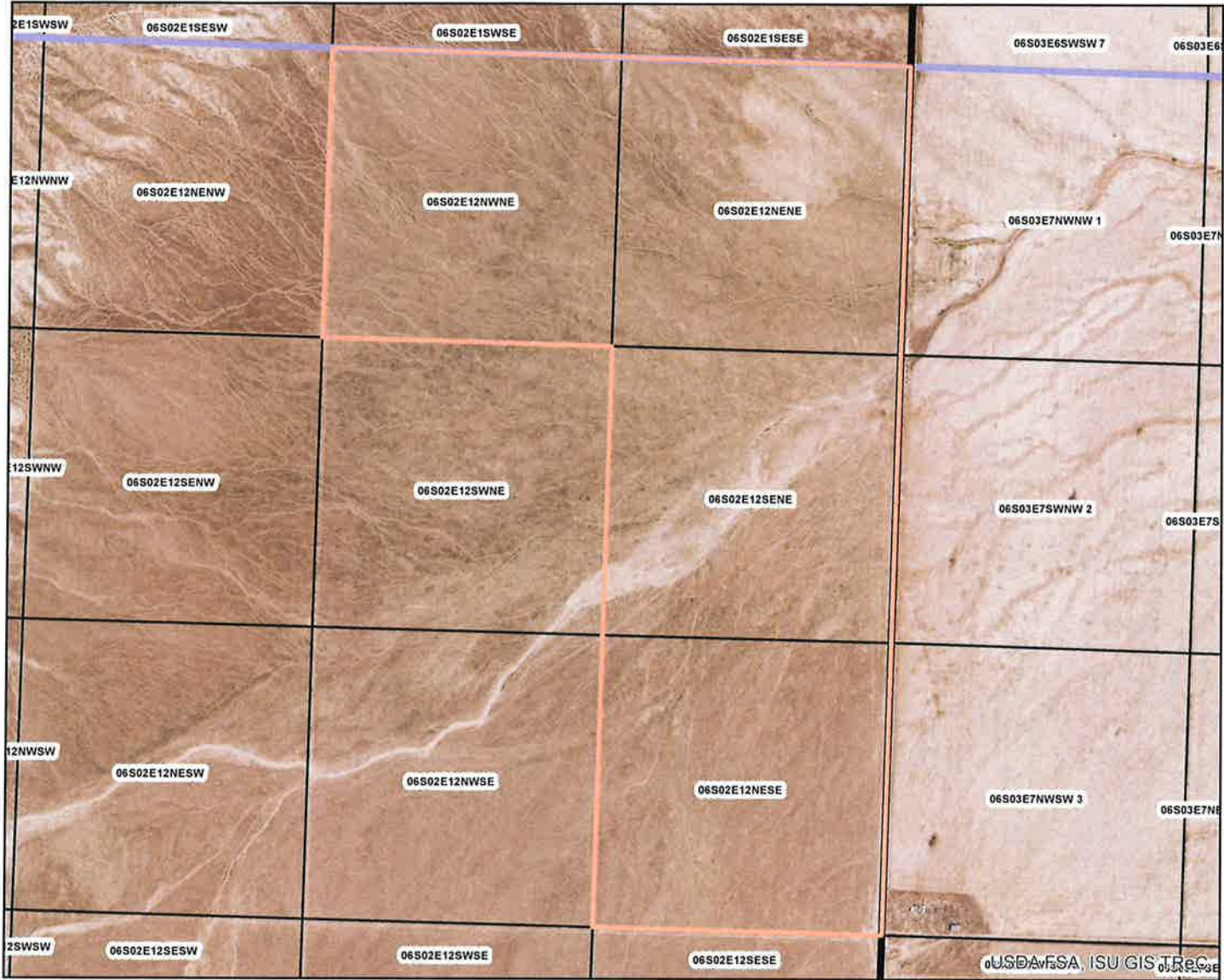
WATER SUPPLY BANK LEASE CONTRACT No. 915

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. The following rights are diverted through point of diversion described above: 02-7059, 02-7060B, 02-7061, 02-7062, 02-7064, 02-7168A, 02-7168B, 02-7168C, 02-7237A, 02-7275, 02-7279A, 02-10180, & 02-10181.
13. The use of water for irrigation under this right may begin as early as March 1 provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early irrigation use and a priority date earlier than the date a partial decree is entered for this right.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 915

2-10181
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 Place of Use
- Township/Range
- Sections
- QQ



0 1000 Feet

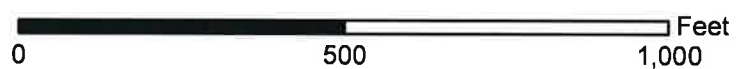
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 915

2-10181
Effective until December 31, 2019

This map depicts the **point of diversion** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

OCT 18 2018

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Crown Farm Outback, LLC c/o Crown Realty, LLC
(Select one owner – see item 1A on the application)

Water Right No. 02-10181
(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.**

MINIMUM 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 <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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 <u>Section 42-222(2), Idaho Code</u> . |

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>AW</u>	Date Received: <u>10-18-18</u>	Receipt # <u>C105786</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Petrus Farmland Investors I, LP</u>	

1202

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 Crown Farm Outback, LLC c/o Crown West Realty, LLC

Mailing Address 3808 N. Sullivan Road, Building N-15, Suite 202, Spokane Valley, WA 99216

Street City State Zip Code

Email Address olawrence@crownwest.com

Phone Number (509) 924-1720

- ☒ 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 S. Bryce Farris Organization Sawtooth Law Offices, PLLC

Professional Title Attorney for Applicant Email Address bryce@sawtoothlaw.com

Mailing Address P.O. Box 7985, Boise, ID 83707 Phone Number (208) 629-7447

- ☐ 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.

N/A. This water right is currently in the Water Supply Bank, has been in the Water Supply Bank for several years, and the Applicant is renewing the application for another year.

- 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. N/A. See above.

- 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. N/A. See above.

- 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 ☒

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: $\frac{1/1/19}{\text{(Year)}}$ to $\frac{12/31/19}{\text{(Year)}}$ (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

Oliver Lawrence, Authorized Representative

Printed Name

10/1/2018

Date



Signature of Authorized Representative

S. Bryce Farris, Attorney for Applicant

Printed Name

9/28/18

Date

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



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

April 1, 2019

CROWN FARMS OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15 STE 202
SPOKANE WA 99216

RE: **WATER SUPPLY BANK LEASE CONTRACT 909 FOR WATER RIGHT 2-7064, CONTRACT 914 FOR WATER RIGHT 2-7237A, CONTRACT 915 FOR WATER RIGHT 2-10181, and CONTRACT 913 FOR WATER RIGHT 2-10189**

Dear Lessor:

Water rights **2-7064, 2-7237A, 2-10181, and 2-10189** were leased into the Water Supply Bank (Bank) as of October 18, 2018, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, 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 contracts. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2019**, 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 contracts 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 Contracts

c: Nick Miller - IDWR Western Region
Rob Whitney - Water District 02
Jes Erling - IDWR
Bryce Farris - Sawtooth Law



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

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

BRAD LITTLE
Governor

GARY SPACKMAN
Director

March 21, 2019

CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LC
3808 N SULLIVAN RD BLDG N15
STE 202
SPOKANE WA 99216

RE: APPLICATION TO LEASE WATER RIGHT 2-10181 CONTRACT 915, WATER RIGHT 2-10189 CONTRACT 913, WATER RIGHT 2-7237A CONTRACT 914, WATER RIGHT 2-7064 CONTRACT 909 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.

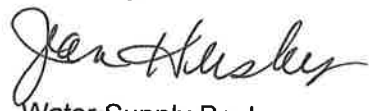
The right will automatically be released from the Bank on **December 31, 2019**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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,


for Water Supply Bank

Enclosures: Proposed Lease Contracts

c: Bryce Farris

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, March 21, 2019 3:09 PM
To: Whitney, Rob; Miller, Nick
Subject: Crown Farm Outback Leases

Please let me know within 7 days if you have any comments or concerns with the Leases. You can find the documents N:\WRDocs\WSB\WSB PROCESSING DOCUMENTS\2019 Lease-Rentals\Leases\CROWN FARMS 2-7064 2-7237A 2-10189 2-10181.

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

Storms, Scott

From: Bryce Farris <bryce@sawtoothlaw.com>
Sent: Thursday, January 17, 2019 5:11 PM
To: Storms, Scott; olawrence@crownwest.com
Subject: RE: Information Request

Scott:

I just left you a voice message to please give me a call to discuss but thought I would also send you an e-mail requesting the same. As mentioned in my voice message, I should be in the office in the morning tomorrow.

Thanks,

S. Bryce Farris

Attorney at Law

SAWTOOTH LAW OFFICES, PLLC

1101 W. River St., Ste. 110

P.O. Box 7985

Boise, ID 83707

Tel: (208) 629-7447

Fax: (208) 629-7559

bryce@sawtoothlaw.com



SAWTOOTH LAW
OFFICES, PLLC

From: Storms, Scott [mailto:Scott.Storms@idwr.idaho.gov]
Sent: Thursday, January 17, 2019 4:23 PM
To: olawrence@crownwest.com; Bryce Farris
Subject: Information Request

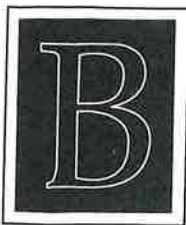
Oliver and Bryce

I am reviewing your applications to lease water rights 2-7064, 2-7237A, 2-10181 and 2-10189 to the Water Supply Bank and I need some clarification in the matter of signing authority. I recognize Oliver Lawrence as the Asset and Development Manager of Crown West Realty, LLC. However, with Crown Farms Outback, LLC listed as the owner of these rights, I need more clarification and documentation as to what the relationship is between Crown West Realty, LLC and Crown Farms Outback, LLC and how it is that Crown West Realty is authorized to transact on behalf of Crown Farms Outback LLC.

Please respond to this email or call me at 208-287-4915 in the next 7 days in order to continue a timely processing of these applications.

Thank you,

Scott Storms
Senior Water Resource Agent
Idaho Department of Water Resources



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED
OCT 18 2018
DEPARTMENT OF
WATER RESOURCES

October 16, 2018

Remington Buyer
Idaho Department of Water Resources
Water Supply Bank
P.O. Box 83720
Boise, ID 83720-0098

Re: Lease and Rental Applications

Dear Mr. Buyer:

Several applications and documents are being submitted to the Idaho Water Supply Bank at this time.

Owyhee Farming Company, LLC desires to cancel the rental agreement No. 230. The rental agreement provided water for the 2018 and 2019 irrigation season. A copy of the rental agreement is attached to this letter.

It is proposed to rent 561.5 acres of water from water rights 2-10395, 2-10398, 2-7001, 2-2361, 2-2370 and 2-10020. These water rights are owned by Murphy Land Company and Murphy Flats Water Co Inc. It is proposed to rent the 561.5 acres for the 2019 irrigation season through the 2021 irrigation season.

Owyhee Farming Company, LLC desires to rent 914.5 acres from water rights 2-7237A, 2-10181, 2-7064 and 2-10189 for the 2019 irrigation season. These water rights are owned by Crown Farm Outback LLC. The lease applications for the 914.5 acres is attached to this letter.

The lease applications for water rights 2-10395 and 2-10398 are attached to this letter. It is proposed to lease 2-10395 and 2-10398 from 2019 through 2021. The applications were prepared by S. Bryce Farris.

Owyhee Farming Company, LLC has signed a contract with Murphy Land Company and Murphy Flats Water Co Inc. regarding the rental payment. A 10% rental payment will be made to the Idaho Water Supply Bank for processing the rental of the 561.5 acres. The 90% rental payment has already been paid in full to the water right owners.

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

COPY

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OCT 18 2018

**DEPARTMENT OF
WATER RESOURCES**

Owyhee Farming Company, LLC will pay 100% of the rental payment of the rental payment to the Idaho Water Supply bank for the rental of 2-10395 and 2-10398.

Also attached to this letter is an aerial map identifying the locations of the proposed 561.5 acre rental (2019-2021), the 914.5 acre rental (2019), the Midnight Sun Rental of 486.6 acres (2017-2020) and the allowed Midnight Sun water rights for 911.0 acres. An excel spreadsheet with a water right breakdown of the proposed rentals is attached to this letter.

The irrigation POU of the permanent 911.0 acres will be updated to reflect the attached aerial map. The rental POU for the 486.6 acres will also be updated. Electronic shape files for the of the water rights and rental groups can be provided by Brockway Engineering to the Idaho Water Supply Bank upon request.

Sincerely,



Greg Sullivan, M.S., Engineer

Cc: Jim McClelland

Enc: Rental Agreement No. 230 Withdrawal, Crown Farm Outback LLC lease applications and check, Lease Applications for 2-10395 and 2-10398, Rental Applications for 914.5 acres and 561.5 acres, Contract of Agreements with Owyhee Farming Company, LLC, Attachment 1A for 2-10395 and 2-10398, Aerial Maps, Excel Spreadsheet of Water Right to be Rented, Brockway Engineering Check # 14968 for \$500.00

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