

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 842

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

LESSOR: WESTERN RIVERS CONSERVANCY
71 SW OAK ST STE 100
PORTLAND, OR 97204-3419

RECEIVED

DEC 03 2018

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 September 10, 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)
77-4207	7/12/1922	KNAPP CREEK, tributary to MARSH CREEK	7.450	Not Stated	159.00
Combined Lease Totals			7.450	Not Stated	159.00

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 Lessor has requested and the Board has approved for these water rights to be indefinitely leased into the Water Supply Bank. Therefore, the term of this lease shall be January 1, 2018 to an indefinite period of time. However, the term of lease for this contract shall be subject to review and reaffirmation every 100 years, with the first review possible after December 31, 2117. 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.

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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

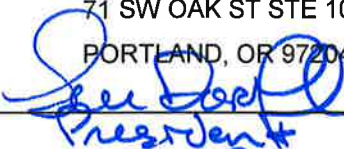
WATER SUPPLY BANK LEASE CONTRACT No. 842

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

LESSOR: WESTERN RIVERS CONSERVANCY

71 SW OAK ST STE 100

PORTLAND, OR 97204-3419

By 

Title President

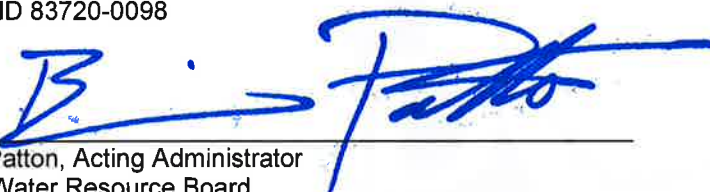
Date 11-29-18

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 12/17/2018

Lease approved by IDWR 

Date 12-17-2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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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): 77-4207

KNAPP CREEK NWNWNE Sec. 18 Twp 12N Rge 12E CUSTER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
77-4207	IRRIGATION	05/01	to	10/31	7.450 cfs	Not Stated
	STOCKWATER	04/15	to	10/15	0.020 cfs	Not Stated
Totals:					7.450 cfs	Not Stated

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION AND STOCKWATER

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
12N	11E	13			18.0				12.0	35.0	40.0	14.0		13.0		27.0			159.0

Total Acres: 159.0

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.

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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. Property is known as Homestead Entry Survey No. 575.
13. The quantity of water under this right for stockwater use shall not exceed 13,000 gallons per day.
14. The term of lease for this lease contract shall be indefinite, however the lease may be reviewed every 100 years, with the first review commencing after December 31, 2117.
15. This Lease is subject to the terms and conditions of a Purchase and Sale Agreement for a Water Right (the "Purchase Agreement") between Lessor and the State of Idaho through the Idaho Water Resource Board. If the purchase and sale transaction contemplated by the Purchase Agreement is not closed by December 31, 2019, or if the State of Idaho through the Idaho Water Resource Board fails to perform any of its obligations under the Purchase Agreement, Lessor may terminate this Lease.

PURCHASE AND SALE AGREEMENT FOR A WATER RIGHT

This PURCHASE AND SALE AGREEMENT FOR A WATER RIGHT ("Agreement") is made this 28th day of November, 2018 between WESTERN RIVERS CONSERVANCY, a nonprofit Oregon public benefit corporation, 71 SW Oak Street, Suite 100, Portland, OR 97204 ("Seller"), and the STATE OF IDAHO through the Idaho Water Resource Board, 322 East Front Street, Boise, Idaho 83720-0098 ("Buyer").

RECITALS:

A. Seller is the owner of a water right designated as no.77-4207, which allows for the diversion of 7.45 cubic feet per second ("cfs") from Knapp Creek (the "Water Right"). The legal place of use for the Water Right is located in Custer County. The Water Right is more particularly described in **Exhibit A** attached and incorporated by this reference.

B. Buyer desires to permanently maintain flows in Knapp Creek to facilitate the migration, spawning, and rearing of Chinook salmon and steelhead.

C. Buyer promotes water right agreements and water projects that provide flows necessary for the recovery of ESA-listed fish species.

D. Seller desires to sell the Water Right to the Buyer to permanently achieve and protect the flows to facilitate the recovery of ESA-listed fish species.

E. Seller and Buyer have agreed to the sale and purchase of the Water Right subject to the completion of an Idaho Department of Water Resources Water Supply Bank permanent rental agreement of the Water Right.

F. Buyer shall make one deposit of funds with the Escrow Agent for the benefit of Seller for the purchase of the Water Right. The deposit shall be made prior to Closing of the sale of the Water Right.

AGREEMENTS:

NOW, THEREFORE, in consideration of the promises, covenants, representations, and warranties set forth in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as set forth below.

1. DEFINITIONS. The following terms have the following meanings when used in this Agreement:

"Agreement." This Purchase and Sale Agreement for a Water Right, including all Exhibits appended to this Agreement, as amended, modified or supplemented.

"Business Day." A day other than a Saturday, Sunday, or day on which banking institutions in Idaho are authorized or required by law or executive order to be closed.

"Cash." United States currency represented by cash in hand, certified or cashier's check, wire transfer, or other readily available funds.

"Closing." The consummation of the Purchase and Sale Transaction, as evidenced by the delivery of all required funds and documents to Escrow Agent, the disbursement or delivery of such funds and documents by Escrow Agent in accordance with this Agreement and any other consistent instructions, and the recordation of the Water Right Deed described in Paragraph 5.2.1.

"Closing Date." The date Closing occurs, which date shall be no later than October 31, 2019.

"Effective Date." The date of this Agreement.

"Escrow." The escrow to be created in accordance with this Agreement.

"Escrow Agent." First American Title & Escrow Company, 3540 E. Longwing Lane, Suite 230, Meridian, ID 83646, Attn: Tami DeJournett-Albert.

"Full Payment." The Cash to be deposited by Buyer with the Escrow Agent for the benefit of Seller in accordance with Paragraph 4.1 of this Agreement.

"IDWR." Idaho Department of Water Resources.

"Purchase and Sale Transaction." The purchase and sale of the Water Right pursuant to this Agreement.

"Purchase Price." The total purchase price to be paid by Buyer to Seller for the Water Right as set forth in Paragraph 4 of this Agreement.

"Water Right." Idaho Water Right No. 77-4207.

"Water Supply Bank Rental." The deposit by Seller of the Water Right into the IDWR Water Supply Bank rental program.

2. DEFINITIVE AGREEMENT FOR PURCHASE AND SALE OF THE WATER RIGHT; NO ASSUMPTION OF LIABILITIES.

2.1 Seller hereby agrees to sell, and Buyer hereby agrees to buy, the Water Right on the terms and conditions as set forth in this Agreement.

2.2 Upon full execution, this Agreement will be a binding agreement between Buyer and Seller for the purchase and sale of the Water Right on the terms, conditions and provisions set forth in this Agreement. This Agreement supersedes all other written or oral agreements between Buyer and Seller concerning the Purchase and Sale Transaction. If Buyer and Seller execute any separate escrow instructions with respect to the Purchase and Sale Transaction (on Escrow Agent's form or any other form, as may be modified by Buyer and/or Seller in the sole discretion of each) and if there is any conflict or inconsistency between any provision of such escrow instructions and any provision of this Agreement or any other instrument or document executed or delivered under this Agreement, the provisions of this Agreement will control.

2.3 Buyer does not assume, and shall not be liable or responsible for, any of Seller's liabilities, debts or obligations of any kind or nature related to Seller's ownership or use of the Water Right. Seller further represents there are no outstanding liabilities, debts, or obligations of any kind or nature that could be imposed on the Water Right that are not disclosed in the agreements being assigned to Buyer.

3. WATER SUPPLY BANK RENTAL. In order for Buyer to obtain the funds for the Purchase Price, the Water Right must be placed in the IDWR Water Supply Bank with a permanent rental so the water associated with the Water Right will remain instream and be delivered in perpetuity to Minimum Stream Flow water right 77-14210. Seller agrees to take all actions reasonably requested by Buyer to finalize and close the Water Supply Bank Rental.

4. PURCHASE PRICE. The purchase price for the Water Right shall be Seven Hundred Seventy-Five Thousand, Three Hundred Twenty-Two Dollars and Zero Cents. (\$775,322.00) (the "Purchase Price"), to be paid in full by Buyer with the Escrow Agent as follows:

4.1 Within sixty (60) Days of the Buyer invoicing Office of Species Conservation, Buyer shall deposit with the Escrow Agent for Seller's benefit, in Cash, Seven Hundred Seventy-Five Thousand, Three Hundred Twenty-Two Dollars and Zero Cents. (\$775,322.00) (the "Full Payment") representing the Purchase Price.

4.2 At Closing, the Escrow Agent shall deliver the Cash held by the Escrow Agent from the Full Payment constituting the Purchase Price to Seller.

5. CLOSING

5.1 Time and Place. Immediately upon execution of this Agreement the parties shall open Escrow with the Escrow Agent for the purpose of Closing. Closing will take place in the offices of the Escrow Agent by 5 p.m., on the Closing Date. Closing shall occur no later than October 31, 2019, unless the parties agree in writing otherwise.

5.2 Seller's Closing Deliveries. At Closing, Seller shall deliver to Escrow Agent:

5.2.1 A Water Right Grant Deed, in the form attached hereto as Exhibit B, fully executed and properly acknowledged by Seller, conveying the Water Right to Buyer;

5.2.2 Written evidence that Seller is authorized to enter into this Agreement and the Purchase and Sale Transaction; and

5.2.3 Any other documents that may be reasonably requested by Buyer or Escrow Agent, or reasonably necessary to effect, or carry out, the purposes of this Agreement (which documents are subject to Seller's prior approval, which approval may not be unreasonably withheld, conditioned or delayed).

5.3 Buyer's Closing Deliveries. At Closing, Buyer shall deliver to Escrow Agent:

5.3.1 The Full Payment required by Paragraph 4.1 of this Agreement;

5.3.2 Confirmation that the Water Right is permanently rented for instream use in the IDWR Water Supply Bank; and

5.3.3 Any other funds, instruments or documents as may be reasonably requested by Seller or Escrow Agent or reasonably necessary, to effect or carry out the purposes of this Agreement (which funds, instruments or documents are subject to Buyer's prior approval, which approval may not be unreasonably withheld, conditioned or delayed).

5.4 Closing Costs. Escrow fees shall be divided equally between Buyer and Seller. Each party must bear its own costs (including attorney fees) in connection with its negotiation, investigation and conduct of this Agreement and the Purchase and Sale Transaction.

5.5 Title. Title to the Water Right shall pass to Buyer at Closing.

5.6 Closing Deadline. If Closing has not occurred by October 31, 2019, either party may terminate this Agreement upon written notice to the other party. Upon any such termination, the Full Payment shall be returned to the Buyer without interest and any documents,

including the Water Right Grant Deed, deposited by Seller with Escrow shall be returned to Seller.

6. SELLER'S REPRESENTATIONS AND WARRANTIES. Buyer is acquiring the Assets AS IS/WHERE IS WITHOUT ANY REPRESENTATION OR WARRANTY EXCEPT AS EXPRESSLY SET FORTH HEREIN.

6.1 Authority. Seller has full power and authority to enter into this Agreement and complete the Purchase and Sale Transaction.

6.2 Title. Seller has title to the Water Right. There are no unrecorded agreements, leases, liens or encumbrances which may affect title to the Water Right, except for any limitations imposed by the Water Supply Bank Rental.

6.3 Binding Agreement. Upon Seller's execution of this Agreement, this Agreement shall be binding and enforceable against Seller in accordance with its terms.

6.4 No Litigation. To Seller's knowledge, there are no suits, claims, proceedings or investigations, pending or threatened, with respect to the Water Right, or which will adversely affect Seller's ability to meet its obligations with respect to the Purchase and Sale Transaction. Seller has no knowledge of, or reason to suspect, any proposed public improvements that could result in any taking of all, or a portion of, the Water Right.

6.5 No Bankruptcy Proceedings. Seller has not: (a) made a general assignment for the benefit of creditors; (b) filed any voluntary petition in bankruptcy, or received notice of the filing of any involuntary petition in bankruptcy against Seller; (c) received notice of the appointment of a receiver to take possession of all or substantially all of Seller's Assets; (d) received notice of the attachment or other judicial seizure of all or substantially all of Seller's Assets; (e) within 12 months preceding the Effective Date, admitted in writing its inability to pay its debts as they come due; or (f) made an offer of settlement, extension or composition to its creditors generally.

6.6 No Default. Seller is not in default under the terms of any written agreement by Seller pertaining to the Water Right; nor does Seller have knowledge that any event has occurred which, with notice or passage of time, or both, would constitute a default by Seller under any such agreement; nor has Seller received notice of any default under any agreement or encumbrance to which the Water Right, or any portion of the Water Right, is subject.

6.7 Consents. Neither the execution and the delivery of this Agreement, nor the consummation of the Purchase and Sale Transaction, shall be subject to any requirement that Seller obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority, or third party, which has not been obtained, or which, in any single case, or in the aggregate, if not obtained or made, would render the execution, delivery or consummation illegal or invalid, or would constitute a default under this Agreement, or result in the creation of any lien, charge or encumbrance upon the Water Right.

6.8 No Obligations or Claims. Except as disclosed to Buyer, Seller further represents there are no outstanding liabilities, debts, or obligations of any kind or nature that could be imposed on the Water Right that are not disclosed in the agreements being assigned to Buyer. Seller further represents there are no outstanding claims related to any personnel contracts related to use of the Water Right.

The foregoing representations must be true, correct and complete on, and as of the Effective Date, and on, and as of, the Closing Date. All representations by Seller, set forth in this Agreement, shall survive the consummation of this Agreement and the delivery and Water Rights Grant Deed described in Paragraph 5.2.1 for a period of one year from the Closing Date. Where the terms "to Seller's knowledge" or "Seller has no knowledge", or a derivative thereof, appears in this Agreement, it shall mean to the present actual knowledge of Sue Doroff and Dieter Erdmann, without further investigation or inquiry required.

7. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants to Seller that:

7.1 Authority. Buyer has full power and authority to enter into this Agreement, and to complete the Purchase and Sale Transaction.

7.2 Binding Agreement. Upon Buyer's execution of this Agreement, this Agreement shall be binding and enforceable against Buyer in accordance with its terms.

7.3 Consents. Neither the execution and the delivery of this Agreement, nor the consummation of the Purchase and Sale Transaction, shall be subject to any requirement that Buyer obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority, or third party, which has not been obtained, or which, in any single case, or in the aggregate, if not obtained or made, would render the execution, delivery or consummation illegal or invalid, or would constitute a default under this Agreement, or result in the creation of any lien, charge or encumbrance upon the Water Right.

7.4 No Litigation. To Buyer's knowledge, there are no suits, claims, proceedings or investigations, pending or threatened, which will adversely affect Buyer's ability to meet its obligations with respect to the Purchase and Sale Transaction.

7.5 Availability of Funds. Buyer will acquire the funds necessary through the Office of Species Conservation, Pacific Coast Salmon Recovery Fund ("PCSRF"), to facilitate the payment of the entire Purchase Price.

The foregoing representations and warranties must be true, correct and complete on, and as of, the Effective Date, and on, and as of, the Closing Date. All representations and warranties by Buyer set forth in this Agreement, shall survive the consummation of this Agreement, and the delivery the Water Right Grant Deed described in Paragraph 5.2.1.

8. DEFAULT AND REMEDIES. Time is of the essence of this Agreement. Upon the failure of either party to perform their obligations hereunder, such party shall be deemed to be in default if such failure continues for thirty (30) calendar days after the defaulting party's receipt of written notice from the non-defaulting party. Upon a default occurring, the non-defaulting party is entitled to the following remedies:

8.1 IF SELLER FAILS TO PERFORM ANY OF SELLER'S OBLIGATIONS UNDER THIS AGREEMENT, THEN BUYER'S SOLE AND EXCLUSIVE REMEDY SHALL BE TO EITHER (A) TERMINATE THIS AGREEMENT AND RECEIVE A REFUND OF THE FULL PAYMENT, WITHOUT INTEREST; OR (B) BRING AN ACTION FOR SPECIFIC PERFORMANCE OF THIS AGREEMENT, THE PARTIES ACKNOWLEDGING HEREBY THAT IT IS THEIR INTENTION THAT THIS AGREEMENT BE SUBJECT TO SPECIFIC PERFORMANCE.

8.2 IF BUYER FAILS TO PERFORM ANY OF BUYER'S OBLIGATIONS UNDER THIS AGREEMENT, SELLER'S SOLE REMEDY FOR BUYER'S FAILURE SHALL BE TO TERMINATE THIS AGREEMENT AND TERMINATE ANY WATER SUPPLY BANK RENTAL OR ANY OTHER AGREEMENT OR ARRANGEMENT WITH THE BUYER OR IDWR AFFECTING THE WATER RIGHT. Upon termination of this Agreement by Seller due to a default by Buyer, Buyer will take all actions reasonably requested by Seller to terminate any Water Supply Bank Rental or any other agreement or arrangement with the Buyer or IDWR affecting the Water Right.

If either party terminates this Agreement as provided in Paragraphs 5.6, 8.1 or 8.2, then the terminating party shall give written notice of the termination to the other party and to the Escrow Agent. Upon termination of this Agreement by a party, Escrow Agent shall return all documents deposited in the Escrow to the party who supplied the documents, the Full Payment, without interest, shall be returned to Buyer, the Escrow shall be deemed canceled and terminated, the Water Right will continue to be owned and controlled by Seller and Buyer will have no rights in the Water Right, and, except as provided in this Agreement, neither party shall have any further liability or obligation under this Agreement.

9. ATTORNEY FEES. If there is any litigation or other action taken by any party to enforce or interpret any provisions of, or rights arising under, this Agreement, the defaulting party shall pay to the other party, all costs and expenses, including, but not limited to, reasonable attorney fees and costs, which the other party may incur in enforcing this Agreement, or in pursuing any remedy allowed by law, whether such is incurred by the filing of suit or otherwise.

10. NOTICES. Any notice given in connection with the Purchase and Sale Transaction must be in writing, and must be given by personal delivery, overnight delivery, email, confirmed facsimile, or United States certified or registered mail, with postage prepaid, and return receipt requested, addressed to Seller or to Buyer at the following addresses (or at such other address as Seller or Buyer, or the person receiving copies, may designate in writing):

SELLER: Western Rivers Conservancy
71 SW Oak Street, Suite 100
Portland, OR 97204
Attn: Sue Doroff
503.241.0151
sdoroff@westernrivers.org

WITH A COPY TO: Western Rivers Conservancy
71 SW Oak Street, Suite 100
Portland, OR 97204
Attn: Clifton Molatore
503.241.0151
cmolatore@westernrivers.org

BUYER: Idaho Water Resource Board
c/o Brian Patton
322 E. Front St.
P.O. Box 83270
Boise, Idaho 83720-0098
Facsimile: (208) 287-6700
brian.patton@idwr.idaho.gov

WITH A COPY TO: Meghan Carter
Deputy Attorney General
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098
Facsimile: (208) 287-6700
Meghan.Carter@idwr.idaho.gov

ESCROW AGENT: First American Title & Escrow Company
3540 E. Longwing Lane, Suite 230
Meridian, ID 83646
Attn: Tami DeJounett-Albert
Facsimile: (866) 395-5704
tdalbert@firstam.com

Notice shall be deemed to have been given on the date the notice is delivered by personal delivery, email or confirmed facsimile, or on the date the notice is deposited with an overnight delivery service or in the United States mail. Notice shall be deemed to have been received on the date the notice is actually received, or delivery is refused. Copies of all notices given to Seller or Buyer must be given to Escrow Agent.

11. ESCROW CANCELLATION CHARGES. If the Escrow fails to close for any reason other than Buyer's default or Buyer's failure to obtain the funds for the Purchase Price by October 31, 2019, Seller shall be liable for any escrow and title commitment cancellation charges by Escrow Agent. If the Escrow fails to close because of Buyer's default or Buyer's failure to obtain the funds for the Purchase Price by October 31, 2019, Buyer will be liable for any such cancellation charges by Escrow Agent.

12. ADDITIONAL ACTS. The parties agree to execute promptly all other documents, and perform all other acts, as may be reasonably necessary to carry out the purpose and intent of this Agreement.

13. GOVERNING LAW. This Agreement shall be governed by, and construed, and enforced, in accordance with the laws of the State of Idaho.

14. BUSINESS DAYS. If this Agreement requires any act to be done, or action to be taken, on a date which is not a Business Day, that act or action shall be deemed to have been validly done, or taken, if done or taken on the next succeeding Business Day.

15. WAIVER. The waiver by any party to this Agreement of any right granted to it under this Agreement, shall not constitute a waiver of any other right granted under this Agreement; nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

16. SURVIVAL. All of the covenants, agreements, representations and warranties, set forth in this Agreement shall survive Closing, and shall not merge into any deed, assignment, or other instrument, executed or delivered under this Agreement.

17. COUNTERPARTS/FACSIMILE. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument. The signature pages may be detached from each counterpart and combined into one instrument. This Agreement may be signed and delivered by facsimile which shall be effective as an original.

18. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon, and inures to the benefit of, the parties to this Agreement and their respective successors and assigns. Buyer may freely assign its rights under this Agreement, provided however, that Buyer shall remain solely responsible for the payment of the Purchase Price and any other obligations under this Agreement and such assignment shall in no way affect, modify or limit any Water Supply Bank Rental.

19. ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the parties with respect to the matters set forth in this Agreement as of the Effective Date; it supersedes all prior oral or written agreements of the parties as to the matters set forth in this

Agreement; and it cannot be altered or amended except by an instrument in writing, signed by Buyer and Seller.

20. CONSTRUCTION. This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions of this Agreement must be construed in accordance with their usual and customary meanings. Seller and Buyer hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney), prepared the executed Agreement or any earlier draft of this Agreement.

21. HEADINGS. The headings in this Agreement are for reference only, and do not limit or define the meaning of any provision of this Agreement.

22. NO THIRD PARTY BENEFICIARY. Subject to the terms and provisions of any Water Supply Bank Rental, no other term or provision of this Agreement, or the exhibits to this Agreement, is intended to be, nor may any term or provision be construed to be, for the benefit of any person, firm, corporation or other entity not a party to this Agreement (including, without limitation, any broker), and no other person, firm, corporation, or entity, has any right or cause of action under this Agreement.

23. SEVERABILITY. If any provision of this Agreement or any portion of any provision of this Agreement is determined to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability may not alter the remaining portion of such provision, or any other provision of this Agreement, as each provision of this Agreement is deemed severable from all other provisions of this Agreement.

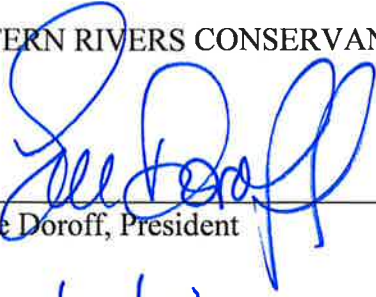
24. TIME OF ESSENCE. Time is of the essence in the performance of this Agreement.

25. INCORPORATION BY REFERENCE. All Exhibits to this Agreement are fully incorporated into this Agreement as though set forth in full.

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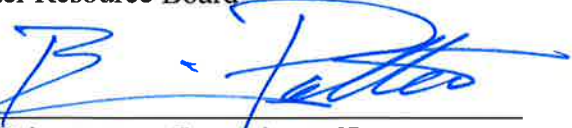
IN WITNESS WHEREOF the parties executed this contract on the date following their respective signatures.

WESTERN RIVERS CONSERVANCY

By: 
Sue Doroff, President

Date: 11/28/18

STATE OF IDAHO through the Idaho
Water Resource Board

By: 
Brian Patton, Executive Officer

Date: 11/19/2018

EXHIBIT A

Water Right

WATER RIGHT No. 77-4207

Owner Type

Current Owner

Name and Address

WESTERN RIVERS CONSERVANCY
71 SW OAK ST STE 100
PORTLAND, OR 97204-3419

Priority Date: 07/12/1922

Basis: Decreed

Status: Active

Source

KNAPP CREEK

Tributary

MARSH CREEK

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate Volume</u>
IRRIGATION	05/01	10/31	7.45 CFS
STOCKWATER	04/15	10/15	0.02 CFS
Total Diversion			7.45 CFS

Location of Point(s) of Diversion:

KNAPP CREEK NWNWNE Sec. 18 Township 12N Range 12E CUSTER County

Place(s) of use:

Place of Use Legal Description: IRRIGATION CUSTER County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
12N	11E	13		SWNE	18									
				SWNW	12		SENE	35						
				NESW	40		NWSW	14		SESW	13			
				NWSE	27									

PURCHASE AND SALE AGREEMENT FOR A WATER RIGHT

Place of Use Legal Description: STOCKWATER CUSTER County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
12N	11E	13		SWNE										
				SWNW			SEnw							
				NESW			NWSW			SESW				
				NWSE										

Total Acres: 159

Conditions of Approval:

- This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
1. C18
 2. J02 Property is known as Homestead Entry Survey No. 575.
 3. N08 The quantity of water decreed for this water right for stockwater use is not a determination of historical beneficial use.
 4. N05 The quantity of water under this right for stockwater use shall not exceed 13,000 gallons per day.

EXHIBIT B

Form of Grant Deed

WATER RIGHTS GRANT DEED

WESTERN RIVERS CONSERVANCY, whose address is 71 SW Oak Street, Suite 100, Portland, OR 97204 ("Grantor"), does hereby grant, bargain, sell, assign, and convey to the State of Idaho through the Idaho Water Resource Board, whose address is 322 East Front Street, Boise, Idaho 83720-0098 ("Grantee") and assigns forever all of Grantor's right, title, and interest in Water Right No. 77-4207 (the "Water Right").

Grantor covenants and warrants to Grantee as follows:

- A. Grantor is the owner of the Water Right;
- B. Except for any Idaho Department of Water Resources Supply Bank rental agreement affecting the Water Right, Grantor has not conveyed the Water Right to anyone other than the Grantee;
- C. Except for any Idaho Department of Water Resources Supply Bank rental agreement affecting the Water Right, the Water Right is being conveyed free from all liens, claims, or encumbrances; and
- D. Grantor has the authority to convey the Water Right to Grantee.

Grantor makes no other covenants, representations or warranties as to the Water Right.

No land is included in or conveyed by this grant.

IN WITNESS WHEREOF, the undersigned Grantor has caused his name to be hereunto subscribed this ____ day of _____, 20__.

WESTERN RIVERS CONSERVANCY

By: _____
Sue Doroff, President

On this _____ day of _____, 20____, before me, a Notary Public in and for the said State, personally appeared Sue Doroff, President of Western Rivers Conservancy, known to me.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last written above.

NOTARY PUBLIC for Oregon

Residing at _____

My Commission expires: _____

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

SEP 10 2018

DEPARTMENT OF
WATER RESOURCES

Designated Applicant Western Rivers Conservancy

(Select one owner – see item 1A on the application)

Water Right No. 77-4207

(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 <i>all owners</i> 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 \$ 250

Received By: AW

Date Received: 9/10/18

Receipt # C105626

W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

1169

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 Western Rivers Conservancy

Mailing Address 71 SW Oak Street, Suite 100 Portland Oregon 97204
Street City State Zip Code

Email Address sdoroff@westernrivers.org Phone Number 503-241-0151

☒ 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 Sue Doroff Organization Western Rivers Conservancy

Professional Title President Email Address sdoroff@westernrivers.org

Mailing Address 71 SW Oak Street, Suite 100, Portland, OR 97204 Phone Number 503-241-0151

☒ 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.

Water Right No. 77-4207 is diverted at a head gate structure, conveyed to a fish screen, and then continues via an open ditch to the place of use.

- 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

- 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 No. 77-4207 is currently in the water supply bank under lease contract No. 704. This lease application is submitted to amend the lease term from 5 years to indefinite.

- 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: 2018 to indefinite (maximum lease period 5 calendar years).
(Year) (Year)

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. Commencing in 2018, the IWRB will hold title to Water Right No. 77-4207 and thus it will not charge itself to rent the water.

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

Signature of Authorized Representative

Sue Doroff

9/5/18

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). _____

	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			

	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			

STATE OF IDAHO
WATER RESOURCE BOARD

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1.	<u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
		Total Amounts:			

2. Source of water _____ tributary to _____

3. Point(s) of diversion:

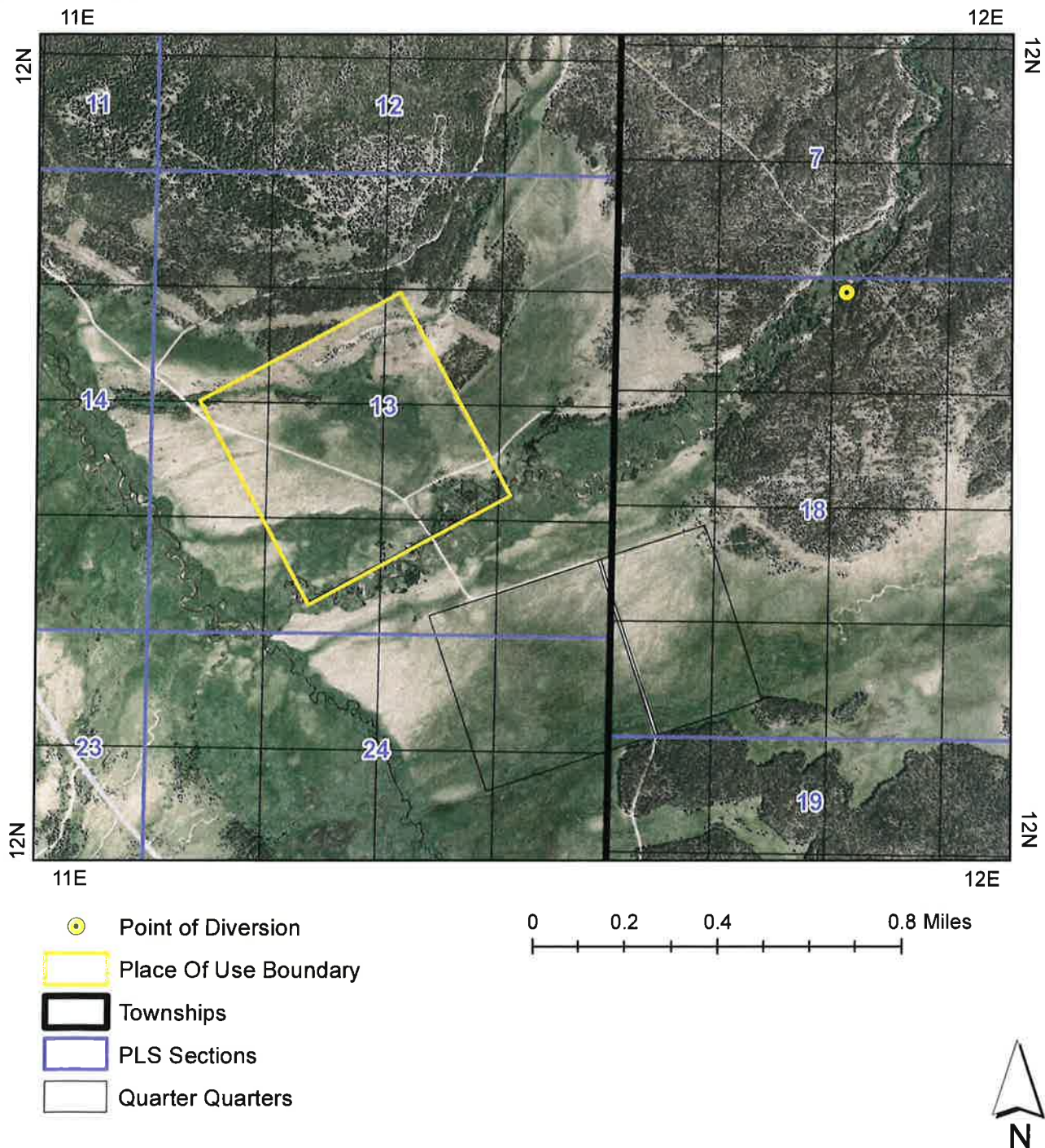
Twp	Rge	Sec	Lot	¼	¼	¼	County

State of Idaho
Department of Water Resources

Water Right 77-4207

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.

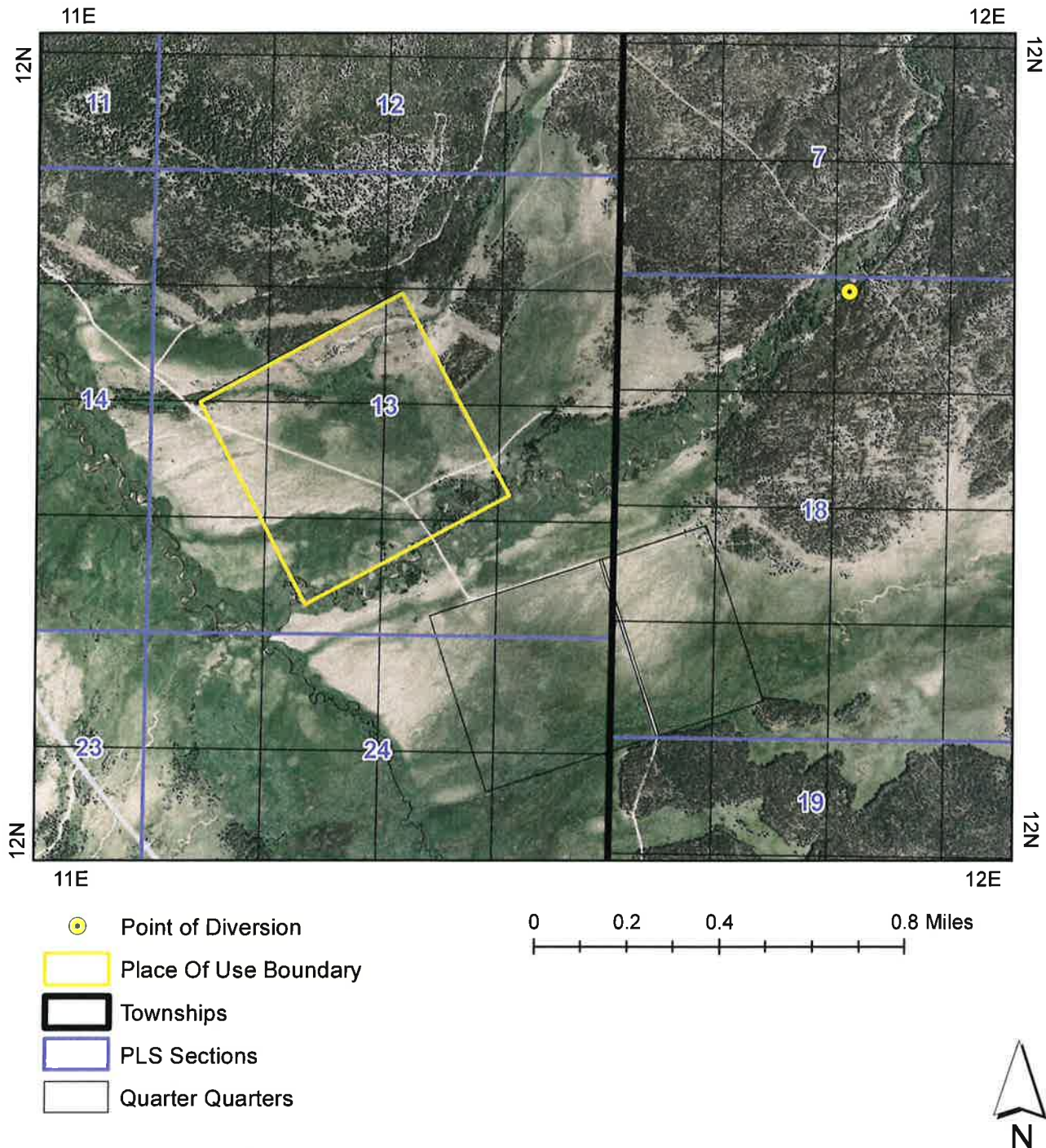


State of Idaho
Department of Water Resources

Water Right 77-4207

STOCKWATER

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.



BYLAWS OF THE WESTERN RIVERS CONSERVANCY

A NONPROFIT PUBLIC BENEFIT CORPORATION (THE "CORPORATION"), ORGANIZED PURSUANT TO THE OREGON NONPROFIT CORPORATION ACT, ORS CHAPTER 65, AS AMENDED FROM TIME TO TIME (THE "ACT")

SECTION 1. PURPOSES, POWERS AND RESTRICTIONS

1.1 Purposes and Powers.

1.1.1. Purposes.

The Corporation is organized exclusively for charitable and educational purposes within the meaning of Sections 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), including without limitation, acquiring and conveying title to lands, or interests in land, along rivers for the purpose of conserving the natural, scenic and recreational features of those lands for the benefit of the general public.

1.1.2. Powers.

The Corporation shall have the power to engage in any lawful activity for which corporations may be organized under the Act, provided that such activities are consistent with the purposes of the corporation set forth in Section 1.1.1 and the restrictions and limitations on the Corporation set forth in Section 1.2 of these Bylaws.

1.2 Restrictions.

1.2.1 Nonprofit Status.

The Corporation shall not have or issue shares of stock. The Corporation is not organized for profit, and no part of its net earnings shall inure to the benefit of any Director or Officer of the Corporation nor to any private individual, except that the Corporation shall be authorized and empowered to reimburse the expenses of its Directors, Officers, and employees in accordance with the Bylaws of the Corporation and to make payments and distributions in furtherance of the purposes of the Corporation, subject to the limitations of this Section 1. 1.

1.2.2 Distributions; Dissolution.

No Director or Officer of the Corporation, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation or the winding up of its affairs. Upon such dissolution or winding up, after paying or making adequate provision for the payment of all of the liabilities of the Corporation, all remaining assets of the Corporation shall be distributed by the Board of Directors (the "Board"), for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or shall be distributed to an organization that then qualifies for exemption under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or to the federal government or a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Circuit Court of Multnomah County, Oregon, exclusively for such purposes or to such an exempt organization or organizations as such Court shall determine.

1.2.3 Prohibited Activity.

(a) No substantial part of the activities of the Corporation shall be devoted to attempting to influence legislation by propaganda or otherwise except as may be permitted to organizations qualified for exemption under Section 501(c)(3) of the Code or the corresponding section of any future federal tax code. The Corporation shall not, directly or indirectly, participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The Corporation shall not have objectives or engage in activities which characterize it as an "action" organization within the meaning of the Code.

(b) Notwithstanding any other provisions of these Bylaws, the Corporation shall not conduct or carry on activities not permitted to be conducted or carried on (i) by an organization exempt from federal income tax under Section 501(c)(3) of the Code or the corresponding section of any future federal tax code, or (ii) by an organization, contributions to which are deductible under Section 170(c)(2) of the Code or the corresponding section of any future federal tax code, or (iii) by a corporation exempt from the Oregon Corporation Excise Tax under ORS 317.080, as amended, or the corresponding section of any future Oregon tax code.

SECTION 2. OFFICES

2.1 Principal Office.

The principal office of the Corporation shall be located at the principal place of business or such other place as the Board may designate. The Corporation may have such other offices, either within or without the State of Oregon, as the Board may designate or as the business of the Corporation may require from time to time.

2.2 Registered Office.

The registered office of the Corporation shall be located within the State of Oregon and may be, but need not be, identical with the principal office (if located within the State of Oregon).

SECTION 3. BOARD OF DIRECTORS

3.1 General Powers.

The business and affairs of the Corporation shall be managed by the Board.

3.2 Number, Tenure and Qualification.

The Board shall consist of no less than three (3) and no more than twenty-five (25) Directors with the specific number of Directors set by resolution of the Board from time to time. The number of Directors may be changed from time to time by amendment to these Bylaws, but no decrease in the number of Directors shall shorten the term of any incumbent Director, nor shall the number of Directors be changed to a number less than three. All Directors shall serve for a term of three years. Except as specifically provided in these Bylaws, no Director may serve more than three (3) consecutive terms and then shall be ineligible to serve as a Director for one (1) year following. Provided, however, that the President of the Corporation shall serve as a non-voting member of the Board of Directors ex-officio without regard to limits on terms set forth herein.

3.3 Chair and Vice Chair.

There shall be a Chair of the Board ("Chair") and a Vice Chair ("Vice Chair"). The Chair shall be elected by the Board and shall preside over Board meetings. The Vice Chair shall be elected by the Board and shall assist the Chair, shall preside over meetings of the Board in the absence of the Chair, and otherwise shall perform such duties as shall be assigned by the Board.

3.4 Resignation.

Any Director may resign at any time by delivering written notice to the Chair of the Board or to the registered office of the Corporation. Such resignation shall take effect at the time specified in the notice or, if no time is specified, upon delivery. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.5 Removal.

One or more Directors may be removed at a meeting of the Board called expressly for that purpose or at a regularly scheduled meeting of the Board, provided that the notice of any such meeting states that the purpose, or one of the purposes, of the meeting is such removal. A Director may be removed with or without cause.

3.6 Vacancies.

Any vacancy on the Board of Directors shall be filled by a majority vote of the remaining Directors.

3.7 Compensation.

By Board resolution, Directors and committee members may be paid their actual expenses, if any, of attendance at each Board or committee meeting. Directors shall not receive any other compensation for personal services as a Director.

SECTION 4. MEETINGS AND ACTIONS OF THE BOARD

4.1 Regular Meetings.

4.1.1 Regular Meetings.

By resolution and without notice other than such resolution, the Board may specify the time and place (either in or out of the State of Oregon) for holding regular meetings.

4.1.2 Annual Meetings.

An annual Board meeting is a regular meeting that shall be held each year in September at the principal office of the Corporation or such other place as fixed by the Board, for the purpose of electing Directors, appointing officers and transacting such other business as may properly come before the meeting. If the annual meeting is not held at the designated time, the President or the Chair may call the annual meeting for a time in October or November fixed by them by proper notice (pursuant to Section 3.7), designating the meeting as the annual meeting.

4.2 Special Meetings.

Special meetings of the Board may be called by or at the request of the Chair, the President, or any two Directors. The person or persons authorized to call special meetings may fix any place, in or out of the State of Oregon, as the place for holding any special Board meeting called by them.

4.3 Meetings by Telecommunications.

Members of the Board may participate in a meeting by use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation by such means shall be deemed presence in person at the meeting.

4.4 Notice of Meetings.

Except as provided in Section 3.7.7 below, notice of a Board meeting, stating the date, time, and place of the meeting, shall be given to each Director at his or her address shown on the records of the Corporation. Notice by U.S. mail, personal delivery, oral notice, facsimile notice, e-mail or private courier will be deemed effective methods of delivery. Such notice shall be delivered at least two (2) days prior to a meeting.

If notice is delivered by mail, the notice shall be deemed effective if deposited in the official government mail at least seven (7) days before the meeting, properly addressed to a Director at his or her address shown on the records of the Corporation, with postage prepaid.

Unless specifically required by the Act or by these Bylaws, neither the business to be transacted at nor the purpose of any special meeting need be specified in the notice of such meeting. In case of emergency, the person or persons calling the meeting may prescribe a shorter notice, to be given personally or by telephoning each Director.

4.5 Waiver of Notice.

4.5.1 Written Waiver.

Whenever any notice is required to be given to any Director under the provisions of these Bylaws, the Articles of Incorporation or the Act, a waiver thereof in writing, executed at any time, specifying the meeting for which notice is waived, signed by the person or persons entitled to such notice, and filed with the minutes or corporate records, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

4.5.2 Waiver by Attendance.

The attendance of a Director at a Board meeting shall constitute a waiver of notice of such meeting unless the Director, at the beginning of the meeting or promptly upon such Director's arrival, objects to holding the meeting or transacting any business thereat and does not thereafter vote for or assent to action taken at the meeting.

4.6 Quorum.

A majority of the Directors in office shall constitute a quorum for the transaction of business at any Board meeting. If fewer than a majority are present at a meeting, a majority of the Directors present may adjourn the meeting without further notice.

4.7 Manner of Action.

The act of the majority of the Directors present at a Board meeting at which there is a quorum shall be the act of the Board.

4.8 Presumption of Assent.

A Director present at a Board meeting at which action on any corporate matter is taken, shall be deemed to have assented to the action taken unless (1) such Director's dissent is entered in the minutes of the meeting or (2) such Director delivers a written notice of dissent or abstention to such action with the presiding Officer of the meeting before the adjournment thereof, or (3) such Director forwards such notice by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. A Director who voted in favor of such action may not thereafter dissent or abstain.

4.9 Action by Board or Committees, Without a Meeting.

Any action that could be taken at a meeting of the Board may be taken without a meeting if a written consent describing the action taken is either signed or consented to via e-mail by all Directors entitled to vote on the action. Such written consent has the effect of a meeting and shall be inserted in the minute book as if it were the minutes of a Board meeting.

4.10 Minutes.

The Board shall keep minutes of its meetings and shall cause them to be recorded in books kept for that purpose.

4.11 Committees.

4.11.1 Standing or Temporary Committees.

The Board by resolution may appoint standing or temporary committees, each committee to consist of two or more Directors, and, except as provided by Section 4.11.2, may invest such committee(s) with such powers as it may see fit, subject to such conditions as may be prescribed by the Board and by applicable law. The Board may designate one or more Directors as alternate members of any committee. These alternate members may replace any absent or disqualified member at any meeting of that committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

4.11.2 Powers of Committee.

Notwithstanding any other provisions contained herein, no committee may: (a) authorize distributions; (b) approve or recommend to members dissolution, mergers, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; (c) elect, appoint, or remove Directors or fill vacancies on the Board or any of its committees; or (d) adopt, amend, or repeal these Bylaws or the Articles of Incorporation.

4.11.3 Minutes of Meetings.

All committees so appointed shall keep regular minutes of their meetings and shall cause them to be recorded in books kept for that purpose.

4.11.4 Resignation.

Any member of any committee may resign at any time by delivering written notice thereof to the Chair of the Board, the President, the Secretary, the Board, or the Chair of such committee. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon delivery thereof. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.11.5 Removal.

The Board may remove from office any member of any committee elected or appointed by it but only by the affirmative vote of a majority of the Board.

SECTION 5. STANDARDS OF CONDUCT

5.1 Director Conflict of Interest.

A “conflict of interest transaction” is a transaction with the Corporation in which a Director has a direct or indirect interest, including, without limitation, a proposed donation of services, materials, funds, or other goods to, or a proposed contract or agreement or transaction with, an agency or organization of which a Director is a director, officer or agent. In the event that a conflict of interest transaction is proposed or contemplated by the Board of Directors, any interested Director shall disclose to the Board all material facts known to such Director and such Director’s interest in the transaction. The transaction may then be approved by a majority of the Directors on the Board who have no direct or indirect interest in the transaction.

SECTION 6. OFFICERS

6.1 Number.

The Officers of the Corporation shall be the Chair of the Board, the Vice-Chair of the Board, the President, the Secretary, and the Treasurer. In addition, other Officers and assistant Officers may be elected or appointed by the Board; such Officers and assistant Officers are to hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as may be provided by resolution of the Board. Any Officer may be assigned by the Board any additional title that the Board deems appropriate. The Board may delegate to any Officer or agent the power to appoint any such assistant Officers or agents and to prescribe their respective terms of office, authority and duties.

6.2 Election and Term of Office.

The Officers of the Corporation shall be elected every year by the Board, at the annual Board meeting. If the election of Officers is not held at such meeting, such election shall be held as soon thereafter as a Board meeting conveniently may be held. Unless an Officer dies, resigns, or is removed from office, he or she shall hold office until the earlier of (i) the next annual meeting of the Board or (ii) his or her successor’s election.

6.3 Resignation.

Any Officer may resign at any time by delivering written notice to the Corporation. Any such resignation shall take effect at the time specified in the notice or, if no time is specified, upon delivery. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.4 Removal.

Any Officer or agent elected or appointed by the Board may be removed by the Board whenever, in the Board's judgment, the best interests of the Corporation would be served thereby.

6.5 Vacancies.

A vacancy in any office, because of death, resignation, removal, disqualification, creation of a new office, or any other cause, may be filled by the Board for the unexpired portion of the term or for a new term established by the Board.

6.6 Chair of the Board.

The Chair of the Board shall be elected to a one-year term. The Chair shall perform such duties as shall be assigned to him or her by the Board from time to time and shall preside over meetings of the Board unless another Officer is appointed or designated by the Board as Acting Chair of such meeting. Provided further that any Chair may serve out his or her entire term following election as Chair, even though such service may exceed the limit on terms set forth in Section 3.2 above.

6.7 Vice Chair of the Board.

The Vice Chair of the Board may be elected to a one-year term. The Vice Chair shall perform the duties of the Chair in the absence or the incapacity of the Chair, and otherwise he or she shall perform such duties as shall be assigned by the Board.

6.8 President.

The President shall be the Chief Executive Officer of the Corporation and shall serve at the pleasure of the Board. Subject to the Board's control, he or she shall supervise the business and affairs of the Corporation. The President shall have authority to sign deeds, mortgages, bonds, contracts, or other instruments, except when the signing and execution thereof have been expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Corporation or are required by law to be otherwise signed or executed by some other Officer or in some other manner. In general, the President shall perform all duties incident to the office of President and such other duties as are prescribed by the Board from time to time.

6.9 Secretary.

The Secretary shall: (a) keep or arrange for the keeping of the minutes of meetings of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be responsible for custody of the corporate records and seal of the Corporation; and (d) keep records of the contact information of each Director. The Secretary shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board. In the absence of the Secretary, an Assistant Secretary, if one is appointed, may perform the duties of the Secretary.

6.10 Treasurer.

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever and deposit all such moneys in the name of the Corporation in banks, trust companies, or other depositories selected in accordance with the provisions of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board shall determine. In the absence of the Treasurer, an Assistant Treasurer, if one is appointed, may perform the duties of the Treasurer.

SECTION 7. CONTRACTS, LOANS, CHECKS AND DEPOSITS

7.1 Contracts.

The Board may authorize any Officer or Officers or agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

7.2 No Loans to Directors or Officers.

The Corporation shall not lend money to nor guarantee the obligation of a Director or an Officer.

7.3 Checks, Drafts, Etc.

All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers or agent or agents of the Corporation and in such manner as is determined by resolution of the Board.

7.4 Deposits.

All funds of the Corporation not otherwise employed shall be to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

SECTION 8. INDEMNIFICATION

8.1 Directors and Officers.

The Corporation shall indemnify its Directors and Officers to the fullest extent allowed by law.

8.2 Employees and Other Agents.

The Corporation may indemnify its employees and other agents to the fullest extent allowed by law.

8.3 Advances of Expenses.

The expenses incurred by a Director or Officer in any proceeding shall be paid by the Corporation in advance, at the written request of the Director or Officer, if the Director or Officer (1) furnishes the Corporation a written affirmation of such person's good faith belief that such person is entitled to be indemnified by the Corporation; and (2) furnishes the Corporation a

written undertaking to repay such advance to the extent that it is ultimately determined by a court that such person is not entitled to be indemnified by the Corporation. Such advances shall be made without regard to the person's ability to repay such expenses and without regard to the person's ultimate entitlement to indemnification under this Bylaw or otherwise.

8.4 Enforcement.

Without the necessity of entering into an express contract, all rights to indemnification and advances under this Bylaw shall be deemed to be contractual rights and to be effective to the same extent as and as if provided for in a contract between the Corporation and the Director or Officer who serves in such capacity at any time while this Bylaw and any other applicable laws, if any, are in effect. Any right to indemnification or advances granted by this Bylaw to a Director or Officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (a) the claim for indemnification or advances is denied, in whole or in part, or (b) no disposition of such claim is made within ninety (90) days of request thereof. The claimant in such enforcement action, if successful in whole or in part, shall also be entitled to be paid the expense of prosecuting the claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any proceeding, in advance of its final disposition, when the required affirmation and undertaking have been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the law for the Corporation to indemnify the claimant, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

8.5 Notice to the Oregon Attorney General.

To the extent required by law, the Attorney General of the State of Oregon shall be notified prior to the payment of any indemnification.

8.6 No Exclusivity of Rights.

The rights conferred on any person by this Bylaw shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of Articles of Incorporation, Bylaws, agreement, vote of disinterested Directors, or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its Directors, Officers, employees, or agents respecting indemnification and advances, to the fullest extent allowed by law.

8.7 Survival of Rights.

The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a Director, Officer, employee, or other agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

8.8 Insurance.

To the fullest extent allowed by law, the Corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

8.9 Amendments.

Any repeal of this Bylaw shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the Corporation.

8.10 Savings Clause.

If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, the Corporation shall indemnify each Director or uncompensated Officer, and may indemnify an employee or other agent, to the fullest extent permitted (1) by any applicable portion of this Bylaw that shall not have been invalidated or (2) by any other applicable law.

8.11 Definitions.

For the purposes of this Bylaw, the following definitions shall apply:

8.11.1 "Proceeding"

The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, and appeal of any threatened, pending, or completed action, suit, arbitration, or other dispute resolution proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

8.11.2 "Expenses"

The term "expenses" shall be broadly construed and shall include, without limitation, expenses of investigations, judicial or administrative proceedings or appeals, attorneys' fees and disbursements, and any expenses of establishing a right to indemnification under Section 8.1 or 8.2 but shall not include amounts paid in settlement, judgments, or fines.

8.11.3 "Corporation"

The term "Corporation" shall include, in addition to the resulting or surviving Corporation, any constituent corporation absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its Directors, officers, employees, or agents, so that any person who is or was a Director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this Bylaw with respect to such constituent corporation, as if its separate existence had continued.

8.11.4 Titles

Reference to a "Director," "Officer," "employee," or "agent" of the Corporation shall include, without limitation, situations where such person is serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise.

8.11.5 Miscellaneous Definitions

References to "other enterprises" shall include employee benefit plans. References to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan. References to "serving at the request of the Corporation" shall include any service as a Director, Officer, employee, or agent of the Corporation, which service imposes duties on or involves services by such Director, Officer, employee, or agent with respect to an employee benefit plan, its participants, or its beneficiaries. A person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Bylaw.

SECTION 9. BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account, minutes of the proceedings of its Board, and such other records as may be necessary or advisable.

SECTION 10. FISCAL YEAR

The fiscal year of the Corporation shall be October 1st through September 30th.

SECTION 11. AMENDMENTS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a two-thirds majority of the Board at any regular or special meeting of the Board for which notice has been given to the Board that the purpose of the meeting includes bylaw revisions.

The foregoing Bylaws were adopted by the Board on the 12th day of May 2005.

I, Juliette Harding, certify that I am the duly elected Secretary of Western Rivers Conservancy, a nonprofit corporation organized under the laws of the State of Oregon. I further certify that the foregoing Bylaws of Western Rivers Conservancy were adopted by the Board of Directors of Western Rivers Conservancy at a duly noticed regular meeting on September 17, 2014 and that said Bylaws have not been modified nor rescinded.

Executed at Portland, Oregon this 2nd day of December, 2014.



Juliette Harding
Secretary

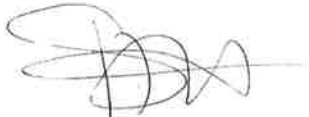
**WESTERN RIVERS CONSERVANCY
BOARD RESOLUTIONS**

The Board of Directors of Western Rivers Conservancy hereby authorizes the purchase and sale of approximately 158.52 acres, more or less, located in Custer County, Idaho and borrowing funds for the purchase from the David and Lucile Packard Foundation on terms and conditions satisfactory to its President, Sue Doroff.

FURTHER, that the President of Western Rivers Conservancy, Sue Doroff, or its Conservation Director, Josh Kling, is each hereby authorized to execute any and all documents necessary or convenient to the completion of these transactions, including, without limitation, purchase and sale agreements, letters exercising option rights, grant agreements, deeds, mortgages, deeds of trust, promissory notes, credit agreements and customary loan and closing documents.

I, Juliette Harding, certify that I am the duly elected Secretary and Treasurer of Western Rivers Conservancy, a nonprofit corporation organized under the laws of the State of Oregon. I further certify that the resolutions set forth above were adopted in accordance with the Bylaws of Western Rivers Conservancy on May 23, 2018, and that said resolutions have not been modified nor rescinded.

Executed at Portland, Oregon this 10th day of July, 2018.



Juliette Harding
Secretary and Treasurer



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

December 18, 2018

WESTERN RIVERS CONSERVANCY
71 SW OAK ST STE 100
PORTLAND OR 97204-3419

RE: WATER SUPPLY BANK LEASE CONTRACT 842 FOR WATER RIGHT 77-4207

Dear Lessor:

Water right **77-4207** was leased into the Water Supply Bank (Bank) as of September 10, 2018, 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 remain in the Bank for an "indefinite" lease term, 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 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: Angie Grimm - IDWR Western Region



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

October 24, 2018

WESTERN STATES CONSERVANCY
71 SW OAK ST STE 100
PORTLAND OR 97204-3419

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS 842
FOR WATER RIGHT 77-4207**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on September 28, 2018. The signed contracts have not been returned to the Department.

Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application will be returned, and the application fee will not be refunded. You can reapply to lease the water right in the future by submitting new application form along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

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

Sincerely,


Water Supply Bank



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 28, 2018

WESTERN RIVERS CONSERVANCY
71 SW OAK ST STE 100
PORTLAND OR 97204-3419

**RE: APPLICATION TO LEASE WATER RIGHT 77-4207 TO THE WATER SUPPLY BANK
CONTRACT 842**

******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 remain in the Bank for an "indefinite" lease term, 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 rights may not be available for immediate release if they have 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 # C105626

Buyer, Remington

From: Buyer, Remington
Sent: Friday, September 21, 2018 3:16 PM
To: Miller, Nick
Subject: WSB Indefinite Lease / Rental
Attachments: Rental Review Memo.docx; NOTICE OF PROPOSED RENTAL FROM WATER SUPPLY BANK.docx; Rental Agreement.docx; Rental Map.pdf; Lease Contract.docx; Lease Review Memo.docx; Idled Acres.pdf

Nick,

The Bank received a proposal to lease water right 77-4207 into the Bank for an indefinite period of time, so that it can be permanently rented by the IWRB to their minimum streamflow water right on Marsh Creek, 77-14210. There is no water district in this area, however being it basin 77, the rights remain subject to review by IDWR Western Regional Office staff.

You already reviewed the rental; the purpose of this email is to document our request for comments on the lease, however I am including information on the rental for your convenience. Could you please review the attached documents and advise on whether you have any questions, comments or concerns about this indefinite lease/rental?

Thanks,

Remington

Memorandum

To: Water Rights 77-4207

From: Remington Buyer

Date: September 21, 2018

Re: Water Supply Bank Lease Application 1169 for Contract 842

Purpose/Narrative: On September 10, 2019 IDWR received applications to lease water right 77-4207 into the Water Supply Bank for an indefinite period of time, to facilitate a permanent rental of the water right to the Idaho Water Resource Board's minimum stream flow water right 77-14210. This memo summarizes a review of the lease application.

Authority to File: The currently recognized water right holder is Western Rivers Conservancy (Western Rivers). Western Rivers is also the owner of the lands to which the water rights are appurtenant. The lease applications have been completed by Sue Doroff, President of Western Rivers Conservancy. No concerns about authority to file.

Water Right Validity/Forfeiture Evaluation: The water rights were decreed in 2006, before being leased to the Bank earlier this year. The lease from earlier this year (application 938, contract 704) featured documented evidence of irrigation and established the validity of the water right. The documentation provided was acceptable evidence that the water right was not forfeited and that it is valid.

Injury Evaluation: No injury is evident through the lease of the water right into the Bank.

Enlargement of Use: The full extent of all elements of the water right are being deposited into the Bank and the property will no longer be irrigated. No enlargement concerns.

Local Public Interest: No public interest concerns are apparent pertaining to the lease of the water rights.

Beneficial Use/Conservation of Water Resources: No concerns about beneficial use or conservation of water resources.

Department/Watermaster Comments: There is no water district in this area, however the area is subject to oversight by IDWR's Western Regional Office, from which comments will be sought.

Water Supply Bank Evaluation: The Idaho Water Resource Board has by resolution approved for these water rights to be leased into the Bank indefinitely. The lease is acceptable and it is proposed that these water rights should be permanently leased into the Bank, with a review period every 100 years, to accommodate periodic review of this perpetual lease.



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER
Governor

July 31, 2018

GARY SPACKMAN
Director

WESTERN RIVERS CONSERVANCY
71 SW OAK ST STE 100
PORTLAND OR 97204

Re: Change of Ownership for Water Right No: 77-4207

Dear Water Right Holder:

The Department acknowledges the receipt of correspondence changing ownership of the above referenced water right to you. The Department has modified its records to reflect this change in ownership and has enclosed a computer-generated report for your records.

Please note water right 77-4207 was leased to the Water Supply Bank (Bank) on December 20, 2017. In accordance with the bank lease acceptance, the lessor or current right holder may not use the right while it is in the Bank, even if the right is not rented from the Bank. The right will remain in the Bank until **December 31, 2022**, unless released earlier by the Water Resource Board or upon request by the right holder. **To reduce the term of the lease, the right holder must submit a written request to the department.** The department will verify if the right is rented or available for release, and notify the right holder of the release date.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing an ownership change notice the department does not review the history of water use to determine if the right has been forfeited through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

Also note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owner of a water right to the Department. Notice of the change must be provided to the Department within 120 days of the change. Change reporting forms are available from any office of the Department, or at www.idwr.idaho.gov.

Thank you for your patience. If you have any questions concerning the enclosed information, please feel free to contact me at (208) 287-4920.

Sincerely,

Debbi Judd
Technical Records Specialist

Enclosures

SCANNED
JUL 31 2018