

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

WATER SUPPLY BANK RENTAL AGREEMENT NO. 4

JAN 17 2017

This is to certify that:

DEPARTMENT OF
WATER RESOURCES

TETON RAINBOW RANCH INC
C/O LARRY KUNZ 7215 S 4500 W
VICTOR, ID 83455

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
22-13923	7/18/1978	GROUND WATER	0.39	138.0	46.0	0.008	3.00
Rental Totals			0.39	138.0	46.0	0.008	3.00

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2019

Annual Rental Fee:

2017	\$2,346.00
2018	\$2,760.00
2019	\$2,760.00

The full fee for the rental of the above-described right is \$2,346.00 for 2017 and \$2,760.00 per year for years 2018 - 2019. The rental fee includes an administrative fee of \$234.60 for 2017 and \$276.00 per year for years 2018 - 2019.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
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DEPARTMENT OF
WATER RESOURCES

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

[Signature]
Signature of Renter

Jan 13 - 2017
Date

LARRY KANZ
Printed Name

Pres Teton Rental Bankes LLC
Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By [Signature]
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 1/17/2017

Rental approved by IDWR [Signature]

Date 1-17-2017

WATER SUPPLY BANK RENTAL AGREEMENT NO. 4

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER SENW Sec. 25, Twp 05n, Rge 44e, TETON County

Beneficial Use
IRRIGATION

Diversion Rate
0.39 CFS

Volume
138.00 AF

BENEFICIAL USE & SEASON OF USE

Water Right No. **From** **To** **Diversion Rate**
22-13923 4/15 10/15 0.390 CFS

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	44E	25						29.0	17.0										46.0

Total Acres: 46.0

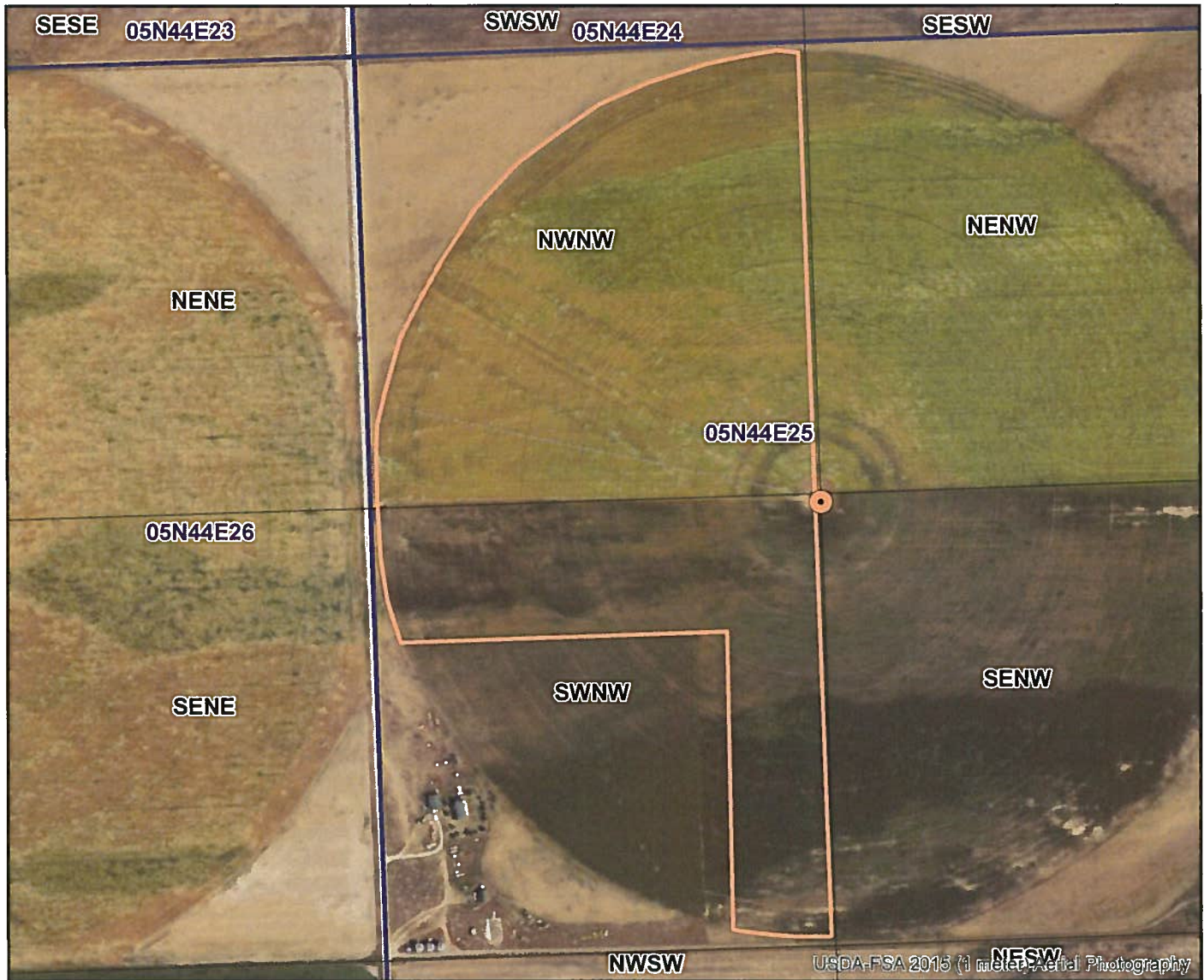
RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
6. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date. This rental for mitigation by non-use may be ineffective if the mitigating water right is not in priority.
7. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
8. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
9. This rental agreement does not authorize the construction of a well.
10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
11. The following rights are diverted through point(s) of diversion described above: 22-13923, 22-13842 and 22-13843.

Idaho Water Resource Board Water Supply Bank Rental Agreement No. 4

Effective until December 31, 2019

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



- Authorized Rental Point of Diversion
- ▭ Authorized Rental Place of Use
- ▭ Townships
- ▭ PLS Sections
- ▭ Quarter Quarters



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK

MAY 20 2016

DEPARTMENT OF
WATER RESOURCES

Applicant Name: Teton Rainbow Ranches Inc.

Is this application being submitted with a lease application as a lease/rental package? Yes No
If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST			
Check All Items as Either Attached (Yes) or Not Applicable (N/A)			
	Yes		
	<input checked="" type="checkbox"/>	Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>	
	<input type="checkbox"/>	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank	
Attachment	N/A	Yes	
2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	<input type="checkbox"/>	<input type="checkbox"/>	Detailed information on a proposed use of rental water
3F	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Authorization from the owner/operator of the rental point(s) of diversion
3H	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water modeling to account for the impacts of the rental request
3J	<input type="checkbox"/>	<input type="checkbox"/>	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Teton Rainbow Ranches Inc.
 Mailing Address 7215 South 4500 West
Street City State Zip Code
 Email Address _____ Phone Number 208-604-4661

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes No
 If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Harvey Walker Professional Title _____
 Organization _____ Relationship to Applicant _____
 Mailing Address 2338 N 2930 W Arco ID
 Email Address why@ATC.net.net Phone Number 520 1880

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it Attachment 2.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them Attachment 3A:

to irrigate with pivot barley crops

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
<u>1,390</u> CFS	<u>138.6</u> AF	CFS	AF	AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
<u>04-15</u>	<u>Soon as possible</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Process application as soon as possible	<input type="checkbox"/> Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.
 ** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

well pipeline pivot

E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
NW 1/4 NW Sec 25	Groung	22-13843
T 5N R. 4E		

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

F. Has documented consent from all relevant water delivery entities been obtained? Yes N/A
If yes, include documented consent as **Attachment 3F**.

G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes No
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

H. Has water modeling been provided with your rental request? Yes N/A
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- Irrigation 46 (number of acres) Duration: Subject to IDWR standard seasons of use
- Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A Yes No
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

K. Do you own the land at the proposed rental place of use (POU)? Yes No
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights? Yes No
 If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via IDWR's website.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
22-13923	Irrigation	.390	138.0	46	.390	138.0	46	
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL			
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented? Yes No
 If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes No
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes No
If yes, describe:

C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes No
If yes, describe the date and location of the NOV.

D. Additional Information

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

 Pres.
Signature of Applicant

LARRY KUNZ Pres.
Printed Name of Applicant

5-18-2016
Date

Signature of Representative

Printed Name of Representative

Date

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

FARM LEASE

THIS LEASE made by and between MCCORD FAMILY LLC, a Maryland limited liability company, whose mailing address c/o Tom McCord and is situated at 902 Malvern Avenue, Baltimore, MD 21204, SPUDCO MARYLAND LLC, a Virginia limited liability company, whose mailing address is c/o Bliss Rainey McCord who is situated at 902 Malvern Avenue, Baltimore, MD 21204, and SPUDCO VIRGINIA LLC, a Virginia limited liability company, whose mailing address is c/o Gordon F. Rainey, Jr., Hunton & Williams LLP, and is situated at 951 East Byrd Street, Richmond, VA, hereinafter collectively termed "Landlord" and Teton Rainbow Ranch, an Idaho corporation, whose mailing address is 6677 South 4500 West, Victor, Idaho, hereinafter termed "Tenant."

WITNESSETH:

1. LEASED PREMISES: In consideration of the covenants of Tenant herein contained, Landlord hereby leases unto Tenant those certain Premises known and described as follows:

TOWNSHIP 5 NORTH, RANGE 44 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO

SECTION 25: N ¼,

LESS AND EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY: A PORTION OF THE NW ¼, SECTION 25, TOWNSHIP 5 NORTH, RANGE 44 EAST, BOISE MERIDIAN, TETON COUNTY, IDAHO, DESCRIBED AS METES AND BOUNDS AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID NW ¼, SECTION 25, THENCE EASTERLY FOLLOWING THE SOUTH LINE OF SAID NW1/4 933.38 FEET TO A POINT, THENCE NORTHERLY 933.38 FEET TO A POINT; THENCE WESTERLY 933.38 FEET TO A POINT ON THE WEST LINE OF SAID NW ¼; THENCE SOUTHERLY, FOLLOWING THE WEST LINE OF SAID NW1/4 933.38 FEET TO THE POINT OF BEGINNING.

Commonly Known as: 50 North 600 West, Driggs, ID 83422

Less and excepting the residential home and curtilage in the Southeast corner of the Leased Premises.

2. TERM OF LEASE: This lease shall run for three (3) crop years, commencing May 1, 2016 and continuing to November 1, 2019. Either party may cancel the lease with 30-day notice to the other party by December 1st for the upcoming year.

3. RENTAL: Tenant shall pay Landlord as cash rent for the Lease the sum of \$65.00 per irrigable acre according to the ASCS crop map and \$10 per nonirrigable acre according to the ASCS crop map. There are 113 irrigable acres and 15 nonirrigable acres that are tillable for a

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1

total rental of \$7,495.00. One half of the rental is payable on or before June 1st and the remaining one half on or before the 1st day of November with the same payment schedule if this lease is extended for the following crop years.

4. COVENANTS OF TENANT: Tenant does hereby covenant and agree with Landlord as follows:

(a) Tenant has inspected the leased premises included in this Lease, including but not limited to the condition of the soil, productivity of the farm, condition of improvements, and condition, and Tenant accepts the same on an "as is" basis. ANY WARRANTY AS TO CONDITION OF ANY PROPERTY IS EXPRESSLY DISCLAIMED and accepts the same in the condition they are now in. Tenant acknowledges that Landlord makes no representation or warranties; either expressed or implied, as to the condition of the leased premises or their suitability for any purposes and the leased premises are being leased to Tenant and accepted by Tenant "As Is."

(b) That it will pay said rent at the time and in the manner aforesaid.

(c) The improvements on the premises shall be kept in good order, condition, or repair at the expense of Tenant, except as otherwise expressly agreed to by Landlord, during the duration of the lease.

(d) That it will use and occupy said premises solely for farming in a careful and proper manner, and that, except as otherwise provided in this lease, Tenant shall, as its expense and consistent with good farming practices, furnish all machinery and equipment, provide all work and labor, supply all seeds, sprays, chemicals, fertilizers and other farming materials, and perform all work and expend all monies necessary to prepare the soil and preserve it against erosion, and to plant, grow and harvest all crops on the leased premises.

(e) That it will not commit any waste on the premises.

(f) That it will not use or occupy said premises for any unlawful purpose, and will conform to, and obey, all present and future laws and ordinances, and all rules, regulations, requirements and orders of all governmental authorities and agencies, respecting the use and occupation of the demised premises.

(g) That it will leave the premises at the expiration of this lease in as good a condition as received, or in which it may be put, excepting reasonable wear and tear.

(h) That it will permit Landlord to enter upon said premises at all reasonable times to examine the condition of the same.

(i) That it will indemnify and save harmless Landlord from and against any loss, damage and liability, including reasonable attorney's fees and costs, occasioned by, growing out

of, arising or resulting from the use or possession of said premises by Tenant or from any default hereunder or any tortious or negligent act on the part of Tenant, its agents or employees.

(j) That it will hold Landlord harmless from any claim of any party by reason of any act or agreement of Tenant with regard to said leased property.

(k) Tenant shall not do any act which shall result in a lien of any nature being incurred against the real property above described or the personal property above described which belongs to Landlord; however, it is agreed that Tenant may place lien or mortgage on its personal property or its crops growing on the premises.

(l) Tenant shall work with the previous tenant to reroute the power to the irrigation pivot so that the power line does not cross the previous tenant's property and Tenant will install pivot stops on the Leased Premises as necessary to prevent the pivot from crossing onto the previous tenant's property. Tenant will bear the cost of rerouting the power to the irrigation pivot, leasing water from the Idaho Water Supply Bank, installing a separate meter and the fee of an electrician, if necessary. If Landlord cancels the lease any time within the term of the lease, Landlord will reimburse the prorated amount of the expenses up to \$6,000.00. For instance, if Landlord terminates the 2017 and 2018 lease, and Tenant has spent \$6,000.00, Landlord will reimburse Tenant up to \$4,000.00.

5. COVENANTS OF LANDLORD: Landlord, on its part, covenants and agrees with Tenant that subject to Tenant's compliance with this lease, possession of the premises has been delivered to Tenant and that it will guarantee Tenant's peaceful possession of the property.

6. REAL PROPERTY TAXES AND ASSESSMENTS: Landlord shall bear the cost of all real property taxes and assessments.

7. MUTUAL COVENANTS: Landlord and Tenant hereby mutually covenant and agree as follows:

(a) If Tenant shall pay the rent as herein provided, and shall keep, observe and perform all of the other covenants of this lease by it to be kept, performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the said premises for the term aforesaid.

(b) Tenant shall be in default if at any time it fails to pay rent herein reserved, or to perform any of the covenants, terms, conditions or provisions of this lease, and Tenant shall fail to remedy such default within thirty (30) days after written notice thereof from Landlord, or if Tenant shall be adjudged bankrupt, or shall make an assignment for the benefit of creditors, or if a receiver of any property of Tenant be appointed in any action, suit or proceedings by or against Tenant, or if the interest of Tenant in said premises shall be sold under execution or other legal process.

If Tenant shall default in the performance of the terms of this lease, Landlord may cause notice in writing to be given to Tenant specifying the matters in which such default occurred. The notice shall be served upon Tenant by depositing the same in any United States Post Office, addressed to Tenant at 7215 South 4500 West, Victor, Idaho 83455, certified mail, postage prepaid. Such notice shall be deemed served upon its deposit in the post office as aforesaid.

8. LANDLORD'S REMEDIES ON DEFAULT BY TENANT: Tenant agrees that if Tenant should be in default of the performance of any of the terms, covenants, or conditions of this lease, or should otherwise breach this lease, Landlord may in addition to every remedy now or hereafter available at law or in equity have the rights and remedies set forth in this lease, which shall be deemed cumulative and not exclusive of those available at law or in equity, including the following:

(a) Landlord shall have the right to reenter the demised premises without effecting thereby the termination of this lease, by giving Tenant written notice of such intention. Landlord, either before or after reentry, may notify Tenant that Landlord elects to terminate this lease, or, that Landlord elects to relet the demised premises on Tenant's account under terms and conditions provided below.

(b) Landlord shall have the right to own and possess at Landlord's election all crops both harvested and un-harvested; the right to remove all property and persons from the demised premises; and the right to store in a public warehouse at Tenant's expense all property so removed. At Landlord's election, Landlord may terminate this lease, or, without terminating it, relet the demised premises or any part of the demised premises, upon such terms and conditions, and at such rental as Landlord may deem advisable, from time to time. The term of such reletting may be for a term shorter or longer than the term of this lease.

(c) Landlord shall have the right to, at Tenant's expense, alter the demised premises or any part of the demised premises, to put the demised premises in good condition and repair.

(d) Upon such reletting, Landlord may elect: (A) to hold Tenant immediately liable for (i) the expense of reletting, altering and repairing the demised premises; (ii) the amount by which the rent reserved in this lease for the period of reletting (not exceeding the term of this lease, however) exceeds the amount agreed to by the new lessee, or lessees, to be paid as rent for the relet premises; and (iii) all indebtedness due under this lease; or (B) to apply the periodic rent received by Landlord (i) first, to any indebtedness (other than rent) due from Tenant to Landlord; (ii) second, to the payment of expenses incurred by Landlord for repairing and altering the demised premises, and in reletting the demised premises; and (iii) third, to the payment of rent due under this lease as it shall become due and payable.

(e) If the rent payments due from the reletting of the demised premises and not paid at the time they become due and payable by the new lessee or lessees holding under the reletting, or are, for any reason, insufficient to pay the rent due under this lease, Tenant shall immediately pay to Landlord the total deficiency ascertained to be due under the terms of

provision (d)(A) above; or pay to Landlord the deficiency for the period in which they occur under the terms of provision (d)(B) above.

9. ATTORNEY FEES UPON DEFAULT: In the event of default, the defaulting party agrees to pay all attorneys' fees and other expenses incurred by the non-defaulting party in enforcing any of the obligations of this lease.

10. SUCCESSORS AND ASSIGNS: This lease and all covenants, provisions and conditions herein contained shall inure to the benefit of, and be binding upon all of the successors and assigns of the parties hereto.

11. EXPENSES: All expenses incurred in conducting a farm operation on the premises, caring for the premises and growing crops on the above described premises shall be borne by Tenant. All debts shall be paid promptly and as same become due so as not to become a lien on the property being leased hereunder by Landlord.

12. SUBLEASING OF THE PREMISES AND ASSIGNMENT OF LEASE: Tenant may not sublease the premises to any other individual, corporation, partnership, firm or business without the consent of Landlord which consent shall not be unreasonable refused. In no event shall any sublease, assignment of lease, or other relinquishment of possession of the real property, or any of its rights hereunder, cause Tenants obligations under this Lease to be discharged or diminished to any extent.

13. LIENS: Tenant shall have no authority and expressly agrees not to create nor place any liens or encumbrances of any kind whatsoever upon or which in any manner will bind the interest of landlord in the leased property. Nothing herein shall be constructed to prevent Tenant from placing lien or mortgage on its personal property or its crops growing on the premises.

14. GOVERNMENT PROGRAMS: The farm will be operated in compliance with Government programs after consultation between Landlord and Tenant. All government payments collected as a result of this crop or cropping practice shall remain the property of Tenant during the term of this lease.

15. MISCELLANEOUS:

a. All the provisions of this lease shall be binding upon the successors, heirs, administrators and assigns of the parties hereto.

b. Landlord shall have the right to enter upon the premises at any reasonable time to inspect and examine any and all parts thereof, and the right to inspect crops in storage in which Landlord has an interest.

c. Upon termination of the lease, Tenant shall surrender possession of the leased premises, with all leased property, in good condition and repair, ordinary wear and tear excepted.

Tenant agrees that the fall work was done on the premises when it took possession thereof, and therefore the fall work will be done upon the premises when Tenant leaves the premises.

d. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement via facsimile transmission or electronic mail shall be as effective as delivery of an executed original.

IN WITNESS WHEREOF, the parties have executed this lease the day and year their signatures and notarized.

TENANT

TETON RAINBOW RANCH, INC. a

By: *Larry Kunz*
Name: LARRY KUNZ
Title: President
Pres

LANDLORD

MCCORD FAMILY, LLC, a Maryland limited liability company

By: *Thomas B. McCord*
Name: THOMAS B. MCCORD
Title: ~~Self~~ Member and Manager
Thom

SPUDCO MARYLAND LLC, a Virginia limited liability company

(Authorized to sign for)
By: *Gordon F. Rainey, Jr. by Bliss R. McCord*
GORDON F. RAINEY, JR., Manager

SPUDCO VIRGINIA LLC, a Virginia limited liability company

By: *Bliss Rainey McCord*
BLISS RAINEY MCCORD, Manager

**IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report**

5/18/2016

Water Right 22-13843

<u>Owner Type</u>	<u>Name and Address</u>
Attorney	HUNTON & WILLIAMS LLP 951 EAST BYRD ST RICHMOND, VA 23219 (804)788-8275
Current Owner	MC CORD FAMILY LLC 902 MALVERN AVE BALTIMORE, MD 21204 (403)321-6491
Current Owner	SPUDCO CALIFORNIA LLC 902 MALVERN AVE BALTIMORE, MD 21204 (410)321-6491
Current Owner	SPUDCO GEORGIA LLC 902 MALVERN AVE BALTIMORE, MD 21204 (410)321-6491
Current Owner	SPUDCO MARYLAND LLC 902 MALVERN AVE BALTIMORE, MD 21204 (410)321-6491
Current Owner	SPUDCO VIRGINIA LLC 902 MALVERN AVE BALTIMORE, MD 21204 (410)321-6491
Directors Report Owner	GUIOMAR W HUFSMITH PO BOX 388 DRIGGS, ID 83422 (208)354-8337

Priority Date: 7/18/1978

Basis: Decreed

Status: Active

Source
GROUND WATER

Tributary

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/15	0.510 CFS	180.0 AF
	<u>Total Diversion</u>		0.510 CFS	180.0 AF

Source and Point(s) of Diversion

**IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report**

5/18/2016

GROUND WATER

NWSENW

Sec. 25, Twp 05N, Rge 44E, TETON County

Place Of Use

IRRIGATION within TETON County

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	44E	25					30.0				30.0								60.0

POU Total Acres: 60.0

Conditions of Approval:

1. This right is a split from former right 22-7282 .
2. C18 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.

Comments:

Dates and Other Information

Decreed Date: 11/28/2008

Civil Case Number: 39576

Judicial District: FIFTH

State or Federal: S

Mitigation Plan: False

Combined Use Limits

N/A

Element Reviewed/Verified Dates:

<u>Element</u>	<u>Last Reviewed Date</u>	<u>Reviewer</u>	<u>Last Verified Date</u>	<u>Verifier</u>	<u>Status</u>
Summary	4/3/2008	jbarg	4/3/2008	jbarg	Closed

Verification Log

<u>Element</u>	<u>Date</u>	<u>User</u>	<u>Log Text</u>
Summary	4/3/2008	jbarg	(Yes) 1. Is the basis of this claim a Decree, License, Permit, Application or Posted Notice? (No) 2. Does any evidence indicate a five year period of continuous nonuse occurred that could result in recommending forfeiture or partial forfeiture? (Yes) 5. Does this right have any combined use limits with other rights? (No) 6. Is an additional remark and/or condition required? (Yes) 7. Would you like to view the recommended right? (Yes) 8. Is this a split or combined right? (No) 9. Do you have documents you would like to attach or link to the file? (Yes) 10. Would you like to set the verification date?
POD	4/4/2008	dcarlson	Updated Shape
POD	4/4/2008	dcarlson	Deleted Shape
POU	4/4/2008	dcarlson	Updated Shape

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

5/18/2016

POU 4/7/2008 DCarlson Updated Shape

SubCase:

N/A

Water Supply Bank:

N/A

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

5/18/2016

Updated Shape

3. scox 10/1/2009 Transferred Right

This is now an approved transfer, transfer number = 74125

4. kmathews 11/24/2015 Updated Shape

Updated POUShape

5. lmcfarland 1/8/2016 Transferred Right

This is now an approved transfer. Transfer Number = 80535

Dates and Other Information

Decreed Date: 11/28/2008

State or Federal: S

Generic Max Rate Per Acre: 0.020

Generic Max Volume Per Acre: 3.5

Mitigation Plan: False

Combined Use Limits

N/A

Verification Log

SubCase:

N/A

Water Supply Bank:

Lessor Name: GUIOMAR W HUFSMITH

Lease Status: Active

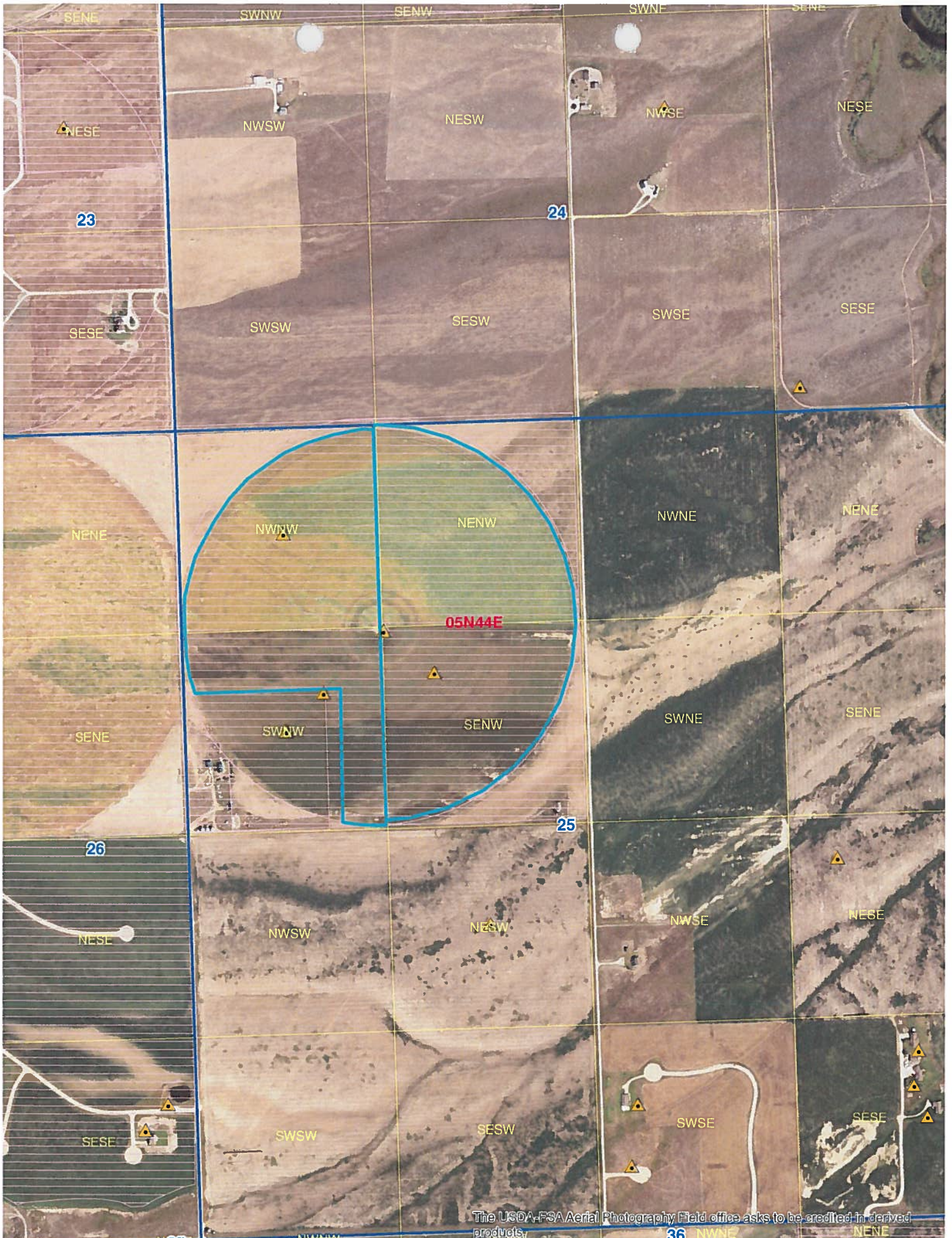
Lease Amount: 138af

Rental Availability: 138af

Date Received: 11/16/2015

Lease Begin Date: 1/1/2016

Expiration Date: 12/31/2020



23

24

26

25

05N44E



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

January 18, 2017

TETON RAINBOW RANCH INC
C/O LARRY KUNZ
7215 S 4500 W
VICTOR ID 83455

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 22-13923**

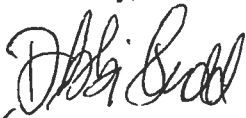
Dear Renter:

Please find enclosed a receipt in the amount of **\$2,346.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 138.0 acre-feet of water for irrigation of 46.0 acres during 2017. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$2,111.40 of the rental fee will be paid to the lessor(s) and 10% or \$234.60 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


Water Supply Bank

Enclosures: Receipt No. C102904
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office
Kristin Moore – Rocky Mountain Environmental



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 29, 2016

TETON RAINBOW RANCH INC
C/O LARRY KUNZ
7215 S 4500 W
VICTOR ID 83455

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 22-13923**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$2,346.00 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 138.0 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$2,346.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$2,111.40 of the rental fee will be paid to the lessor(s) and 10% or \$234.60 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

for Water Supply Bank

Enclosure

c: IDWR Front Desk
Kristin Moore – Rocky Mountain Environmental

MEMORANDUM

To: Right(s) 22-13923

From: Sandra Thiel

Date: December 13, 2016

Re: Review & Analysis of Teton Rainbow Ranch Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: On May 20, 2016, the Teton Rainbow Ranches Inc. submitted an application to rent water from the Bank. The rental application specified three years for the rental duration with the desired start date of 4/15. The Department did not process the rental for the 2016 season. On October 20, 2016 Harvey Walker discussed the rental of right 22-13923 (see attached memo). They decided that the rental would be for 2017 through 2019.

There are two water right leases for the Hufsmith Farm Trust (Trust), rights 22-13923 and 22-13828. The lease for 22-13828 is for years 2015 through 2019; 22-13923 for year 2016 through 2020. According to the taxlot records the land where these rights are appurtenant do not belong to the Hufsmith Farm Trust. The land covered by right 22-13828 has been subdivided since at least 2012. None of the land remains under the Trust. In 2012 and 2014 the property under right 22-13923 belonged to the McCord Family LLC. In 2016 this land belonged to Spudco Virginia LLC.

According to Kristin Moore (see attached email 11/21/2016) at one time the Hufsmith Farm Trust owned all of the place of use for right 22-13923. Most of the land was sold to the McCord Family LLC, excepting a 20 acre parcel in the SWNW of Section 25 (owned by Derrick Hufsmith). The sale of the land only included 60 acres of the water right. The remaining portions of the water right were reserved by Hufsmith Farm Trust at the time of the sale. For several years, Hufsmith continued to farm the entire property for McCord, and therefore continued to use the water right on the pivot. However, their arrangement changed and the Hufsmith's were no longer allowed to farm the land. The Hufsmiths put the water right in the Bank to protect it until they could find another property on which to use it. They informed the McCords, that if they wanted to use the water right, they needed to rent it from the WSB. Which I believe is where the rental application comes in.

The Teton Rainbow Ranches Inc. submitted a rental application on May 20, 2016. Because of the lateness of the application, the Department did not process it for the 2016 season. The rental application identifies the 46 acres leased into the Bank under 22-13923 as the rental place of use. Harvey Walker met with Clay Webster on October 19, 2016 to discuss the Teton Rainbow Ranches rental. Mr. Walker requested that the rental application be processed for 2017 through 2019.

The rental application included a farm lease agreement that identified the McCord Family LLC (previous land owners), Spudco Maryland LLC and are Spudco Virginia LLC (the current land owners) as the landlords. The farm lease agreement identified Teton Rainbow Ranches as the tenant. The term of the agreement is May 1, 2016 through November 1, 2019. A review of the 2016 Landsat imagery shows the place of use for leased right 22-13923 as clearly irrigated. Technically this would be a violation since the right was leased to the bank and the rental had not been approved.

AUTHORITY TO FILE: Larry Kunz signed the application. According to the Secretary of State, he is the president of Teton Rainbow Ranches.

WATER RIGHT VALIDITY: Right 22-13923 was decreed in November 2008. Aerial imagery suggests the place of use was irrigated in the 2015 season.

INJURY TO OTHER WATER RIGHTS: This water right will be used at the lease place of use, using the lease point of diversion. The lease and the rental are within the Non-Trust Water area.

ENLARGEMENT OF USE: No enlargement is anticipated. The entire right is proposed to be rented. The lease and the rental place of use and point of diversion locations are same

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The regional office didn't have concerns.

Thiel, Sandra

From: Cefalo, James
Sent: Monday, November 28, 2016 8:59 AM
To: Thiel, Sandra
Subject: RE: Teton Rainbow Ranches rental of 22-13923

I don't have any concerns with the proposed rental. If I understand the memo correctly, there may have technically been a water right violation in 2016 (because the WSB Rental was not approved). However, there were sufficient water right acres to cover all of the 2016 irrigation, if the WSB rental had been approved.

James

From: Thiel, Sandra
Sent: Monday, November 28, 2016 8:50 AM
To: Cefalo, James
Subject: Teton Rainbow Ranches rental of 22-13923

Good morning, The attached documents provide the back ground for a rental application. Please let me know if you have any questions or concerns.

Sandra Beer Thiel

Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

<p>No. C 57832</p>	<p align="center">Due no later than Mar 31, 2016 Annual Report Form</p>		<p>2. Registered Agent and Address (NO PO BOX)</p>			
<p>Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080</p> <p align="center">NO FILING FEE IF RECEIVED BY DUE DATE</p>	<p>1. Mailing Address: Correct in this box if needed. TETON RAINBOW RANCHES, INC. JERRY KUNZ 6677 S 4500 W VICTOR ID 83455</p>		<p>LARRY KUNZ 7215 S 4500 W VICTOR ID 83455</p>			
			<p>3. <u>New</u> Registered Agent Signature:*</p>			
<p>4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).</p>						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
SECRETARY	TERRIE KUNZ	6677 S 4500 W	VICTOR	ID	USA	83455
DIRECTOR	JERRY KUNZ	6677 S 4500 W	VICTOR	ID	USA	83455
PRESIDENT	LARRY KUNZ	7215 S 4500 W	VICTOR	ID	USA	83455
5. Organized Under the Laws of:		6. Annual Report must be signed.*				
<p align="center">ID C 57832</p>		Signature: Terrie Kunz		Date: 03/02/2016		
		Name (type or print): Terrie Kunz		Title: Secretary		
Processed 03/02/2016		* Electronically provided signatures are accepted as original signatures.				

Thiel, Sandra

From: Kristin Moore [kristin.rmea@gmail.com]
Sent: Monday, November 21, 2016 10:50 AM
To: Thiel, Sandra
Subject: RE: Hufsmith Farm Trust lease

Sorry, Sandra, I did receive your email and ran out of time to respond last week.

Hufsmith Farm Trust at one time owned all of the land under water right 22-13923. Most of the land was sold to the McCord Family LLC, excepting a 20 acre parcel in the SWNW of Section 25 (owned by Derrick Hufsmith). The sale of the land only included 60 acres of the water right. The remaining portions of the water right were reserved by Hufsmith Farm Trust at the time of the sale. And for several years, Hufsmith continued to farm the entire property for McCord, and therefore continued to use the water right on the pivot. However, their arrangement changed and the Hufsmith's were no longer allowed to farm the land. Therefore, we put the water right in the Bank to protect it until Hufsmith finds another property on which to use it. They informed the McCords, or whoever the newest owner is, that if they wanted to use the water right, they needed to rent it from the WSB. Which is where the rental application comes in, I believe.

Kristin Moore

Senior Water Rights Analyst
482 Constitution Way, Ste 303, Idaho Falls, ID 83402
E-Mail: kristin.rmea@gmail.com
VOICE: 208-524-2353 ||| FAX: 208-524-1795



CONFIDENTIALITY NOTICE: This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination or distribution of this communication to other than the intended recipient is strictly prohibited. If you have received this communication in error, please notify us immediately by reply email to the sender or collect telephone call to (208) 524-2353. *Thank you.*

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Monday, November 21, 2016 10:25 AM
To: Kristin Moore <kristin.rmea@gmail.com>
Subject: FW: Hufsmith Farm Trust lease

Good morning, I wondered if you received my email below:

Hello, I am processing the Hufsmith Farm Trust lease? A review of the 2016 Landsat imagery shows the place of use for leased right 22-13923 as clearly irrigated. Since these rights were leased into the bank the land should not have been irrigated for the 2016 season.

Here is what I understand so far.

There are two water right leases for the Hufsmith Farm Trust (Trust), rights 22-13923 and 22-13828. The lease for 22-13828 is for years 2015 through 2019; 22-13923 for year 2016 through 2020. According to the taxlot records the land where these rights are appurtenant do not belong to the Hufsmith Farm Trust. The land covered by right 22-13828 has

been subdivided at least since 2012. None of the land remains under the Trust. In 2012 and 2014 the property under right 22-13923 belonged to the McCord Family LLC. In 2016 this land belonged to Spudco Virginia LLC.

On May 20, 2016, Harvey Walker submitted a rental application on behalf of Teton Rainbow Ranches Inc. Because of the lateness of the application, the Department did not process the application for the 2016 season. The rental application identifies the 46 acres leased into the Bank under 22-13923 as the rental place of use. The rental application included a farm lease agreement that identified the McCord Family LLC (previous land owners), Spudco Maryland LLC and are Spudco Virginia LLC (the current land owners) as the landlords. The farm lease agreement identified Teton Rainbow Ranches as the tenant. The term of the agreement is May 1, 2016 through November 1, 2019.

One thing I'm not clear about is why these rights are still in Hufsmith's name.

Sandra Beer Thiel

Idaho Department of Water Resources

322 East Front Street

Boise, Idaho 83720-0098

(208)287-4881

sandra.thiel@idwr.idaho.gov

MEMORANDUM

DATE: October 20, 2016
TO: Water Right file 22-13923
FROM: Clay Webster

RE: Rental Application for 22-13923 Teton Rainbow Ranches

I met with Harvey Walker on October 19, 2016 to discuss this rental application being held for processing for the 2017 season. He contacted Larry Kunz of Teton Rainbow Ranches via telephone and discussed the duration of the Rental. He decided that he wanted the rental for 2017-2019. I verified that the Farm Lease that was provided with this application was good through November 1, 2019. Since the Irrigation Season ends on October 31 this application can be processed through 2019.



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

October 18, 2016

TETON RAINBOW RANCHES INC
6677 S 4500 W
VICTOR ID 83455

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

On May 23, 2016 the Idaho Department of Water Resources (Department) received your application to rent water from the Water Supply Bank (Bank) for irrigation during 2016-2018. A letter was sent on May 25, 2016 informing you it was unlikely the application would be processed.

Since the Department was not able to process your application prior to the latest possible start date of the proposed rental period, your application will be retained by the Department to process for the 2017 season.

If you have any questions regarding this matter, please contact me at (208) 287-4910.

Sincerely,

A handwritten signature in black ink that reads "Clay Webster".

Handwritten initials "CW" in black ink, positioned to the left of the typed name.
Clay Webster
Water Resource Agent
WSB Process Point of Contact

Webster, Clay

From: Webster, Clay
Sent: Thursday, September 29, 2016 4:18 PM
To: 'why@atcnet.net'
Subject: Teton Rainbow Ranches Inc Rental Application

Mr. Walker,

We are in the process of prioritizing our rental application queue. Teton Rainbow Ranch Rental application is located in the middle of the 2016 rental queue. Per the letter sent on July 1, 2016, this rental will not be processed prior to the end of the 2016 irrigation season. The water supply bank will be moving this rental to the 2017 processing list. Thank you.

Sincerely,
Clay Webster
Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)



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

July 1, 2016

TETON RAINBOW RANCHES INC
JERRY KUNZ
6677 S 4500 W
VICTOR ID 83455

RE: APPLICATION(S) TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of your application(s) to rent water from the Idaho Water Resource Board's Water Supply Bank (Bank) for irrigation. Filing a Bank rental application does not automatically result in approval. Before a rental application can be approved, the rental request must be reviewed, a rental agreement must be prepared, the agreement must be approved by the applicant and the Department, and the rental fee must be paid. To maximize the number of rental applications processed while managing competing priorities, the Department begins accepting rental applications on November 1 for use in the next calendar year, and it processes as many applications as it can before the start of the irrigation season in March or April. Once the irrigation season begins, Department staff members are reassigned to address field work and other duties. Consequently, few rental applications are processed after May 1.

Because your application was received near the beginning of the irrigation season, which is now well underway, it is unlikely the Department will be able to process your application in time for approval in 2016 unless you have proposed a start date late in the year. If your application was for 2016 only and the latest possible start date on your application has passed, the application may be returned to you. If your application requests a rental for more than one year, the rental application may be retained by the Department and evaluated for 2017.

In future years, we encourage you to file your rental applications as soon as possible after November 1 to improve the chances that they will be processed.

Additional information about the Bank may be found on the Department's website at <http://idwr.idaho.gov/water-supply-bank/>.

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

Sincerely,

A handwritten signature in cursive script that reads "Christine Field".

Water Supply Bank

No. C 57832		Due no later than Mar 31, 2016		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		Annual Report Form		LARRY KUNZ 7215 S 4500 W VICTOR ID 83455			
		1. Mailing Address: Correct in this box if needed. TETON RAINBOW RANCHES, INC. JERRY KUNZ 6677 S 4500 W VICTOR ID 83455		3. New Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).							
Office Held	Name	Street or PO Address	City	State	Country	Postal Code	
SECRETARY	TERRIE KUNZ	6677 S 4500 W	VICTOR	ID	USA	83455	
DIRECTOR	JERRY KUNZ	6677 S 4500 W	VICTOR	ID	USA	83455	
PRESIDENT	LARRY KUNZ	7215 S 4500 W	VICTOR	ID	USA	83455	
5. Organized Under the Laws of: ID C 57832		6. Annual Report must be signed.* Signature: Terrie Kunz Name (type or print): Terrie Kunz		Date: 03/02/2016 Title: Secretary			
Processed 03/02/2016		* Electronically provided signatures are accepted as original signatures.					

*Christine,
Please resend letter
to M.S. address.
Thanks,
Larry*

*Letter
Re-Sent
to Corr
Address
7-1-16
Done*

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
322 East Front Street, P.O. Box 83720
Boise, Idaho 83720-0098

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DEPARTMENT OF
WATER RESOURCES

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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

May 25, 2016

TETON RAINBOW RANCHES INC
721 SOUTH 450 WEST
VICTOR ID 83455

RE: APPLICATION(S) TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of your application(s) to rent water from the Idaho Water Resource Board's Water Supply Bank (Bank) for irrigation. Filing a Bank rental application does not automatically result in approval. Before a rental application can be approved, the rental request must be reviewed, a rental agreement must be prepared, the agreement must be approved by the applicant and the Department, and the rental fee must be paid. To maximize the number of rental applications processed while managing competing priorities, the Department begins accepting rental applications on November 1 for use in the next calendar year, and it processes as many applications as it can before the start of the irrigation season in March or April. Once the irrigation season begins, Department staff members are reassigned to address field work and other duties. Consequently, few rental applications are processed after May 1.

Because your application was received near the beginning of the irrigation season, which is now well underway, it is unlikely the Department will be able to process your application in time for approval in 2016 unless you have proposed a start date late in the year. If your application was for 2016 only and the latest possible start date on your application has passed, the application may be returned to you. If your application requests a rental for more than one year, the rental application may be retained by the Department and evaluated for 2017.

In future years, we encourage you to file your rental applications as soon as possible after November 1 to improve the chances that they will be processed.

Additional information about the Bank may be found on the Department's website at <http://idwr.idaho.gov/water-supply-bank/>.

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

Sincerely,

A handwritten signature in cursive script that reads "Christine Field".

Water Supply Bank