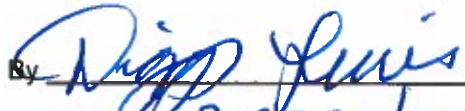


WATER SUPPLY BANK LEASE CONTRACT

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

LEWIS BROTHERS INC
C/O DIGGS LEWIS
PO BOX 3301
ALPINE WY 83128

By 
Printed Name DIGGS LEWIS

Date 11/9/2015
Title _____

IDAHO WATER RESOURCE BOARD
322 EAST FRONT ST
PO BOX 83720
BOISE ID 83720-0098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 1/5/2016

Lease approved by IDWR 

Date 1-5-2015

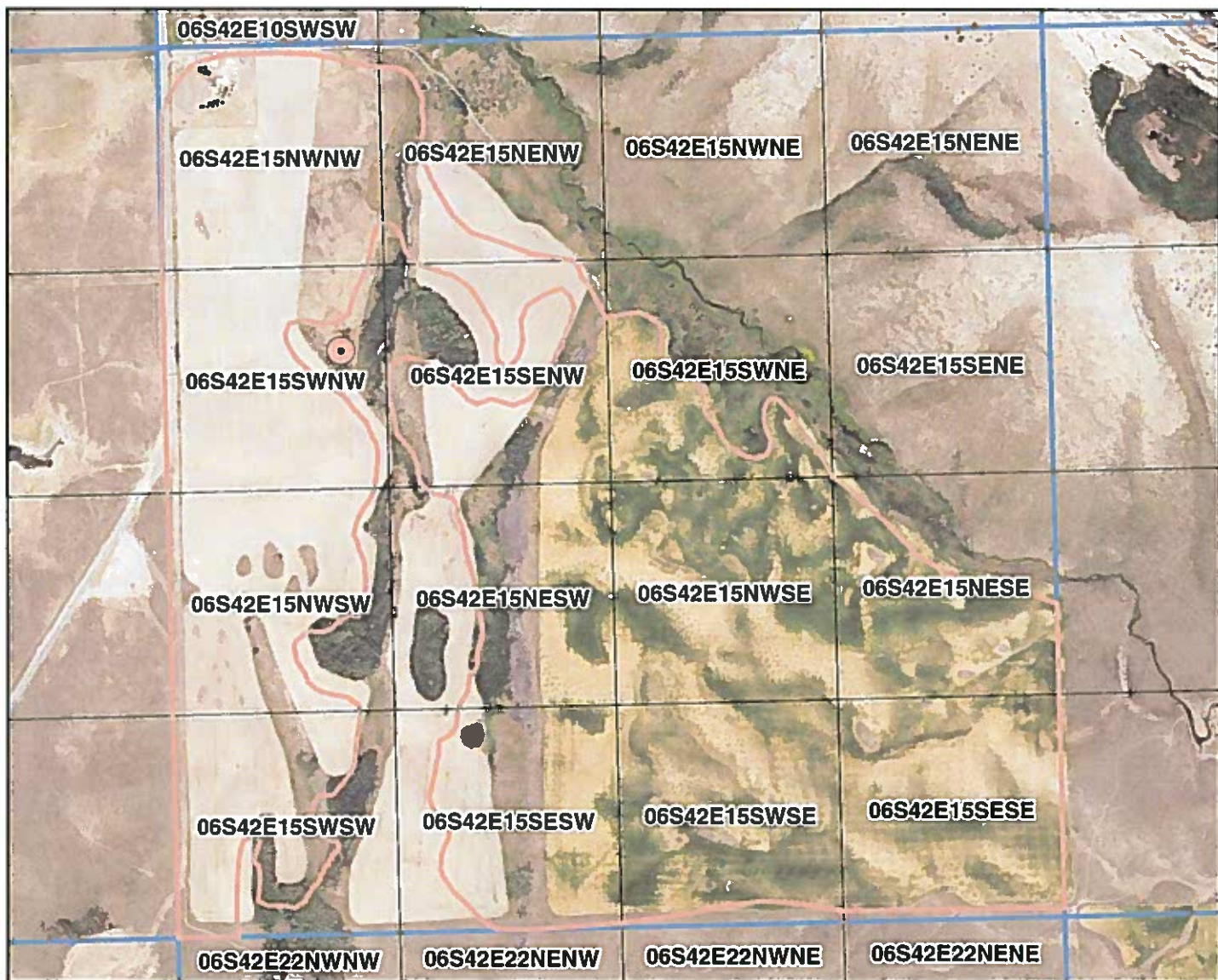
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into 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 after the following rental season.
11. The water right leased to the bank is subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

Idaho Water Resource Board Water Supply Bank Lease






27-7073

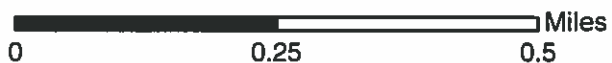
Effective until December 31, 2020

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



2013 USDA-FSA Aerial Photography

-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



SEP 21 2015

DEPARTMENT OF WATER RESOURCES

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

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. 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. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant LEWIS BROS INC.
 (Select one owner - see item 1A on the application)

Water Right No. 27-1073
 (One water right per application)

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- 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.

Attachment N/A YES

- 1A Contact information for *all owners* of the water right that is being leased or sold on this application.
- 1B An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D Written consent from irrigation district or water delivery company.
- 1E 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.
- 3E Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 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.

Department Use Only

Fee Amount \$ <u>250⁰⁰</u>	Received By: <u>di</u>	Date Received: <u>9-21-15</u>	Receipt # <u>C101024</u>
W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9: <u>Lewis Bros Inc</u>	

3808 E 66 S
Idaho Falls ID 83406

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

1. CONTACT INFORMATION

A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, 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 LEWIS BROS INC. Email Address DRYGSDR1@SILVERSTAR.C
Mailing Address P.O. BOX 3301 ALPINE, WY 83128 Phone Number 307-652-7654

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 completed an IRS Form W-9 (Attachment 1B)? Yes No

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 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 1D).

E. 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 1E).

Name of Representative _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

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

Water Right Number 27-7073 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 a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

A. Please provide a description of the current water diversion system.

GROUND WATER NE 1/4 SW 1/4 NW 1/4 SEC 15 TWP 06 S
RGE 42E CANNON COUNTY

B. 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.

C. Are any of the water rights identified in question 3B stacked with the water right proposed for lease? Yes No

Stacked water rights are water rights that are utilized 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.

D. Will the present place of use continue to receive water from any other source? Yes No

If yes, describe. _____

E. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes No

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to [Section 42-222\(2\), Idaho Code](#). _____

F. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes No

If yes, describe. _____

4. MAP

Plat map, survey map, or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.

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: 2016 to 2020 (maximum lease period 5 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.

CURRENT RENTAL RATE

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Lewis Hays
[Signature]
Signature of Designated Applicant

V.P. Diggs Hays
Printed Name

9/14/2015
Date

Signature of Authorized Representative

Printed Name

Date

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

STATE OF IDAHO
WATER RESOURCE BOARD

ATTACHMENT 2

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

1. Water Right Number Amount (cfs/ac-ft) Nature of Use Period of Use
21-7073 3.79 CFS IRRIGATION 04/01 to 11/01
 _____ to _____
 _____ to _____
 _____ to _____
 _____ to _____

Total Amount: 3.79 CFS

2. Source of water GROUNDWATER tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
<u>6S</u>	<u>ARE</u>	<u>15</u>		<u>SW</u>	<u>of</u>	<u>NW</u>	<u>CAMROU</u>

4. Acres to be idled within the place of use:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
<u>6S</u>	<u>ARE</u>	<u>15</u>									<u>15</u>								<u>15</u>
			<u>9.0</u>																<u>9</u>
							<u>36</u>												<u>36</u>
											<u>91</u>								<u>91</u>
					<u>76</u>										<u>15</u>				<u>25 + 76</u>
																			<u>31</u>
													<u>25</u>						<u>25</u>
																	<u>31</u>		<u>31</u>
					<u>15</u>														<u>25</u>
																			<u>39</u>
																			<u>37</u>
													<u>37</u>						<u>37</u>
																			<u>38</u>

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres 369

State of Idaho
Department of Water Resources

CONFORMED COPY

WATER RIGHT LICENSE

WATER RIGHT NO. 27-7073

Priority: February 11, 1977 Amount: 3.79 CFS 1107.0 AFA

This is to certify, that LEWIS BROS., INC.
275 N. HOOPER

SODA SPRINGS, ID 83276 has complied with the terms and conditions of the permit issued pursuant to Application for Permit dated February 11, 1977, and has submitted proof to the Department of Water Resources on February 12, 1982, that water has been applied to a beneficial use; an examination by the Department indicates that the works have a diversion capacity of 3.79 cfs of water from a GROUNDWATER source and that a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>VOLUME</u>
Irrigation	04/01 to 11/01	3.79 cfs	1107.0 afa

LOCATION OF POINT OF DIVERSION(S): SWNW , Sec. 15, Township 6S, Range 42E
Caribou County

PLACE OF USE: Irrigation

<u>TWN</u>	<u>RGE</u>	<u>SEC</u>	<u>ACRES</u>	<u>ACRES</u>	<u>ACRES</u>	<u>ACRES</u>	<u>TOTAL</u>
6S	42E	15	SWNE 15	NENW 9	NWNW 36	SWNW 32	369
			SENE 25	NESW 26	NWSW 31	SWSW 25	
			SESE 31	NESE 25	NWSE 39	SWSE 37	
			SESE 38				

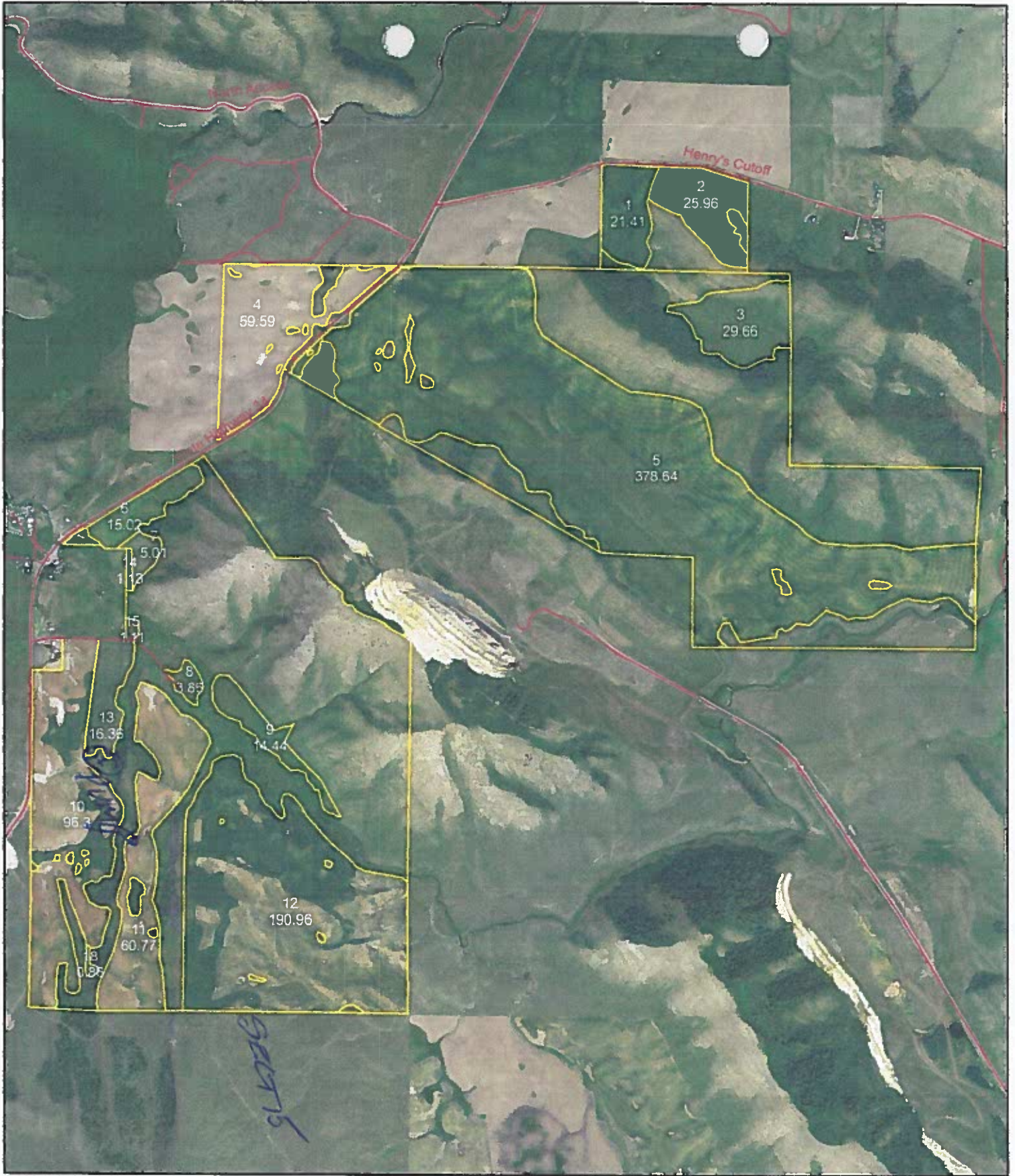
Total number of acres irrigated: 369

CONDITIONS/REMARKS:

1. The right to the use of the water hereby confirmed is limited to the amount which can actually be beneficially used and is restricted and appurtenant to the lands or place of use and to the purpose herein described, as provided by the laws of Idaho.
2. This right is subject to all prior water rights and may be forfeited by five years of non-use.
3. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. Witness the seal and signature of the Director, affixed at Boise, this 2nd day of April, 1987.

Acting for the Norman C Young
Director



USDA United States Department of Agriculture
 Farm Service Agency
Caribou County, ID
 1 inch equals 1,784 feet

Farm: 2678
 Tract: 2887



Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS. This map is for FSA purposes only. No warranties implied.

July 26, 2013



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

January 6, 2016

GARY SPACKMAN

Director

LEWIS BROTHERS INC
C/O DIGGS LEWIS
PO BOX 3301
ALPINE WY 83128

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 27-7073

Dear Lessor:

Water right 27-7073 was leased into the Water Supply Bank (Bank) as of September 21, 2015, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2020**, unless the right is released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

Clay Webster

Water Resource Agent

WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: James Cefalo - IDWR Eastern Region



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

November 3, 2015

LEWIS BROTHERS INC
C/O DIGGS LEWIS
PO BOX 3301
ALPINE WY 83128

RE: APPLICATION TO LEASE WATER RIGHT 27-7073 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on December 31, 2020, unless the rights are 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 me at 287-4910.

Sincerely,

Handwritten signature of Clay Webster

for

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosures: Proposed Lease Contracts
Receipt # C101024

WATER SUPPLY BANK

Agent Lease Review Checklist

Applicant(s) Name: Lewis Bros Inc

Memo Date: 11/2/2015

Water Right Number: 27-7073

Reviewers Name: Clay Webster

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2009	2015
2010	2016
2011	2017
2012	2018
2013	2019

		Check box		COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases	x		
2	Reason for lease of water rights (Brief description of lease proposal in narrative)			
	Portion of right			
	All of right	x		
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	x		NA
		Yes	No	
4	Rentable? If no explain in comments	x		
5	Authority to file			
	Current owner or designated applicant	x		
	SOS Web site checked for business entity	x		Diggs Lewis (Director)
	Other (explain in comments)		x	
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			4/3/2007
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			see below
	Has this right previously been leased to the bank or in CREP?	x		Leased 2010-2015
7	Injury to other water rights			
	If the POD is through a delivery entity, was consent provided?		x	na
	If the POD is through a delivery entity, was holdback required? (percentage in comments)		x	na
8	Enlargement concerns	Check box		
	Complete a POU comparison overlap analysis	x		
	Complete a combined limits review	x		
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x		
		Yes	No	
	Are there overlapping rights that need to be placed in the bank also?		x	
	Will the place of use continue to receive water?		x	
9	Local Public Interest			
	Does the processor know of any problems this action will cause for the local public?		x	
10	Have you contacted regional office and watermaster for comment/concerns?			
	Send the watermaster comment request form or e-mail request	x		Region contacted via e-mail
11	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x	

12 Narrative
 This application was received to place the entire right back in the bank through 2020. The right has been in the bank since July 2010 and the lease is expiring at the end of 2015. *W.R. provides ~ 1/2 inch per acre.*

No. C 45822	Due no later than Jul 31, 2015 Annual Report Form		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	1. Mailing Address: Correct in this box if needed.		SANDRA LEWIS 3808 E 65 S IDAHO FALLS ID 83406			
	LEWIS BROS., INC. SANDRA LEWIS 3808 E 65 S IDAHO FALLS ID 83406 USA		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
TREASURER	YVONNE B LEWIS	P.O. BOX 3301	ALPINE	WY	USA	83128
DIRECTOR	DIGGS W LEWIS	P.O. BOX 3301	ALPINE,	WY	USA	83128
SECRETARY	SANDRA J LEWIS	3808 E 65 S	IDAHO FALLS	ID	USA	83406
PRESIDENT	LARRY C LEWIS	3808 E 65 S	IDAHO FALLS,	ID	USA	83406
5. Organized Under the Laws of: ID C 45822		6. Annual Report must be signed.* Signature: Sandra J Lewis Name (type or print): Sandra J Lewis Date: 07/01/2015 Title: Secretary				
Processed 07/01/2015		* Electronically provided signatures are accepted as original signatures.				

Webster, Clay

From: Cefalo, James
Sent: Monday, November 02, 2015 12:18 PM
To: Webster, Clay
Subject: RE: Regional Comments on WSB Lease Application for Lewis Bros Inc 27-7073

Clay,

I don't have any concerns with the proposed lease. The location of this water right makes it very unique.

James

From: Webster, Clay
Sent: Monday, November 02, 2015 12:00 PM
To: Cefalo, James
Subject: Regional Comments on WSB Lease Application for Lewis Bros Inc 27-7073

James,

We are currently processing an application to lease all of this water right back into the bank for the next 5 years. The current lease expires at the end of this year. Do you have any concerns?

Sincerely,

Clay Webster

Water Resource Agent

clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov