

WATER SUPPLY BANK LEASE CONTRACT

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DEC 08 2015
DEPARTMENT OF
WATER RESOURCES

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

LESSOR: CLOUD BERRY LLC
6401 W FLOATING FEATHER RD
EAGLE ID 83616
208-890-0451

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. On December 16, 2015, the Lessor filed an application to lease the water right(s) described below into the Water Supply Bank.
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 the 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	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
63-5094	01/01/1962	GROUND WATER		1.0 cfs	360.0 af	80.0 ac
63-32958	01/01/1900	WASTE WATER	BOISE RIVER	5.83 cfs	152.1 af	338.0 ac
63-32960	10/06/1973	GROUND WATER		3.7 cfs	1822.6 af	444.0 ac
Total Annual Combined Limits of these water rights				8.88 cfs	1998.0 af	444.0 ac

63-10700	09/12/1988	GROUND WATER		2.09cfs	1019.7 af	262.0 ac
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Lease Total IN FILE # 63-5094 2.09cfs 1019.7 af 262.0 ac

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

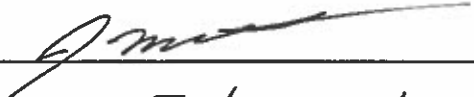
3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2017.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

WATER SUPPLY BANK LEASE CONTRACT

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

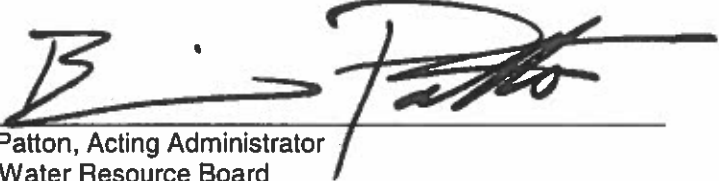
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

CLOUD BERRY LLC
6401 W FLOATING FEATHER RD
EAGLE ID 83616

By 
Printed Name Justin Martin

Date 11-16-2015
Title Mgr

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 12/8/2015

Lease approved by IDWR 

Date 12-8-2015

ATTACHMENT A

WATER RIGHT NO(S). 63-5094, 63-32958, 63-32960 and 63-10700 WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: CLOUD BERRY LLC
6401 W FLOATING FEATHER RD
EAGLE ID 83616
208-890-0451

Location of Point(s) of Diversion for Water Right 63-5094.

GROUND WATER	SESW	Sec. 03, Twp 04N, Rge 01W, ADA County
GROUND WATER	NENW	Sec. 10, Twp 04N, Rge 01W, ADA County

Location of Point(s) of Diversion for Water Right 63-32958

WASTE WATER	SWSE	Sec. 02, Twp 04N, Rge 01W, ADA County
WASTE WATER	NWNE	Sec. 11, Twp 04N, Rge 01W, ADA County

Location of Point(s) of Diversion for Water Right 63-32960

GROUND WATER	SESW	Sec. 03, Twp 04N, Rge 01W, ADA County
GROUND WATER	NWNE	Sec. 10, Twp 04N, Rge 01W, ADA County
GROUND WATER	NWNW	Sec. 11, Twp 04N, Rge 01W, ADA County
GROUND WATER	SESW	Sec. 02, Twp 04N, Rge 01W, ADA County

Location of Point(s) of Diversion for Water Right 63-10700

GROUND WATER	NENE	Sec. 10, Twp 04N, Rge 01W, ADA County
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<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
63-5094	IRRIGATION	03/01 to 11/15		1.0 cfs	360.0 af
63-5094	STOCKWATER	01/01 to 12/31		0.22 cfs	Not Stated
63-32958	IRRIGATION	03/01 to 11/15		5.83 cfs	152.1 af
63-32960	IRRIGATION	03/15 to 11/15		3.7 cfs	1822.6 af
63-32960	STOCKWATER	01/01 to 12/31		0.43 cfs	26.2 af
	Combined Annual Total:			8.88 cfs	1998.0 af
63-10700	IRRIGATION	03/15 to 11/15		2.09 cfs	1019.7 af
	Total:			2.09 cfs	1019.7 af

Place of Use to be Idled Under This Lease for Water Right 63-5094: IRRIGATION AND STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Total s
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	01W	3											5.5	8.5					14.0
04N	01W	10					10.0	33.0											66.0

Total Acres: 80.0

Place of Use to be Idled Under This Lease for Water Right 63-32958: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Total s
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	01W	2											9.5	4.0					13.5
04N	01W	3															1.5		1.5
04N	01W	10	36.0	36.0	35.0	39.0													146.0
04N	01W	11		31.0			33.0	35.0	39.0	39.0									177.0

Total Acres: 338.0

Place of Use to be Idled Under This Lease for Water Right 63-32960: IRRIGATION AND STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Total s
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	01W	2											9.5	4.0					13.5
04N	01W	3											5.5	8.5			1.5		15.5
04N	01W	9	18.0																18.0
04N	01W	10	36.0	36.0	35.0	39.0	37.0	37.0											220.0
04N	01W	11		31.0			33.0	35.0	39.0	39.0									177.0

Total Acres: 444.0

Conditions Applicable to All Leased Water Rights

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, nor does it improve the status of the right or accomplish the resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
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 rights leased to the bank are 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. Water right 63-10700 may only be rented for use as a supplemental right in conjunction with a primary surface water right.
13. Use of water under water right 63-32958 is regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 63.
14. When combined, water rights 63-10700, 63-32959 and 63-32960 shall provide not more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
15. Water Rights 63-5094, 63-32958 and 63-32960, when combined are limited to a total combined annual diversion volume of 1998.0 af, a total combined annual diversion rate of 8.88 cfs and a combined total of 444.0 acres in a single irrigation season.
16. The quantity of water under water right 63-5094 for stockwater shall not exceed 13,000 gallons per day