

WATER SUPPLY BANK LEASE CONTRACT

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

Lessor: EDWARD RAY MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686
(208) 463-8163

RECEIVED

JUL 20 2015

DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application on February 17, 2015 to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
63-32685	0.17 CFS	39.0 AF	8.7 AC	26.0 AC
Combined Lease Totals:	0.17 CFS	39.0 AF	8.7 AC	26.0 AC

The water rights described herein shall be available for rental from the Bank as follows:

Authorized Period of Use under Lease: March 1 to November 15

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, 2019.
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.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

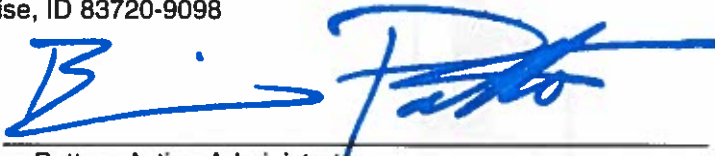
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

EDWARD RAY MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686

By 
Printed Name Edward Ray Montierth

Date 7/11/15
Title owner

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date July 21, 2015

Lease approved by IDWR 

Date 7/21/2015

ATTACHMENT A
WATER RIGHT NO. 63-32685
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: EDWARD RAY MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686
(208) 463-8163

Priority Date: 04/17/1961

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	11/15	0.17 CFS	39.0 AF
	Total:		0.17 CFS	39.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 14, Twp 02N, Rge 03W, CANYON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
02N	03W	14	26.0																26.0

Total Acres: 26.0

Limit to acres within the place of use described above: 8.7

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

RECEIVED

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

FEB 17 2015

DEPARTMENT OF
WATER RESOURCES

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

Water Right No. 63-32685
(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 <i>all owners</i> of the water right that is being leased or sold on this application. |
| 1B | | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov). |
| 1D | ☒ | ☐ | 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 <u>Section 42-222(2), Idaho Code</u> . |
| 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>250.00</u>	Received By: <u>LSH</u>	Date Received: <u>2-17-15</u>	Receipt # <u>C099926</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Ray Montierth</u>	

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 Edward Ray Montierth Email Address _____
Mailing Address 825 Heartland Dr., Nampa, ID 83686 Phone Number (208) 463-8163

☐ 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 Roxanne Brown Organization SPF Water Engineering, LLC
Professional Title Sr. Water Rights Specialist Email Address rbrown@spfwater.com
Mailing Address 300 E. Mallard Dr., Ste. 350, Boise, ID 83706 Phone Number (208) 383-4140

☐ 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 63-32685 ☒ 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.

The water right was reserved at the time of land sale to Barron Development LLC as described in the attached
Warranty Deed and Option Contract. There is no water diversion system at this time.

- 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.
63-32685, 63-32687, 63-32689, 63-32691, 63-32693

- 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. A Partial Decree for this right was issued in the SRBA on March 9, 2010.

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: 2015 to 2019 (maximum lease period 5 years).
(Year) (Year)

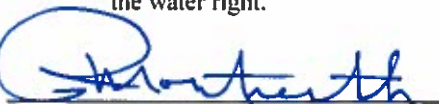
B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

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.


Signature of Designated Applicant

Ray Montierth

Printed Name

2/6/15
Date


Signature of Authorized Representative


Printed Name

2/6/15
Date

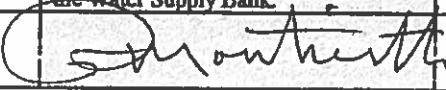
Mail to:
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

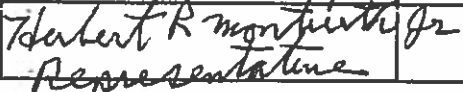
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

LESSOR DESIGNATION FORM

When multiple individuals or business entities jointly own property to which a water right is appurtenant, the parties can use this form to nominate a designated lessor to represent their common interests on a Water Supply Bank lease contract. The signatures of all water right holders are required on this form to elect a designated lessor. The designated lessor is required to provide a completed IRS Form W-9 to receive any payment associated with the rental of a water right under a Water Supply Bank lease contract. All correspondence and any financial payments associated with the rental of this water right will be directed to the designated lessor. If additional space is needed to list any other water right holders, attach a second copy of this Lessor Designation Form.

Water Right No(s). 63-32685, 63-32687, 63-32689, 63-32691, 63-32693

	Designated Lessor	Water Right Co-owner	Water Right Co-owner
Name	Edward Ray Montierth (also known as Ray Montierth)	Susan Montierth	Herbert R. Montierth, Jr.
Mailing Address	825 Heartland Dr. Nampa, ID 83686	825 Heartland Dr. Nampa, ID 83686	6312 S. Zither Ave. Boise, ID 83709
Phone Number	(208) 463-8163	(208) 463-8163	(208) 407-2243
Email Address			
Water Right Owner Declaration	As designated lessor, I will represent the interest of all other water right owners on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.
Signature			

	Water Right Co-owner	Water Right Co-owner	Water Right Co-owner
Name	Estate of Golda D. Montierth (Herbert R. Montierth, Jr., Representative)		
Mailing Address	6312 S. Zither Ave. Boise, ID 83709		
Phone Number			
Email Address			
Water Right Owner Declaration	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.
Signature			

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA)

Case No. 39576)

PARTIAL DECREE PURSUANT TO
I.R.C.P. 54(b) FOR

Water Right 63-32685

NAME AND ADDRESS:

HERBERT R. MONTIERTH JR
6312 S ZITHER AVE
BOISE, ID 83709

EDWARD RAY MONTIERTH
ESTATE OF GOLDA D MONTIERTH
SUSAN L MONTIERTH
825 HEARTLAND DR
NAMPA, ID 83686

SOURCE:

GROUND WATER

QUANTITY:

0.17 CFS
39.00 AFY

PRIORITY DATE:

04/17/1961

POINT OF DIVERSION:

T02N R03W S14 NENE Within Canyon County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE	PERIOD OF USE	QUANTITY
Irrigation	03-01 TO 11-15	0.17 CFS
		39.00 AFY

PLACE OF USE:

Irrigation Within Canyon County
T02N R03W S14 NENE 26.0
26.0 Acres Total

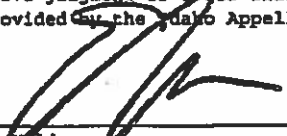
This right is limited to the irrigation of 8.7 acres within the
place of use described above in a single irrigation season.

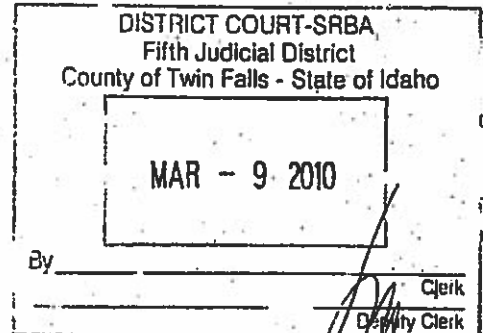
OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

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. I.C. SECTION 42-1412(6).

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance
with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a
final judgment and that the court has and does hereby direct that the above judgment or order shall be a final
judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.


Eric J. Goldman
Presiding Judge of the
Snake River Basin Adjudication





8151 W. Ridgeman Ave. / Boise
Idaho 83704 / (208) 377-2700

WEST
PIONEER-CALDWELL
FEE 92

7:02 JUN 15 PM 4 36
CANYON 3111 PAGES
BY M. J. REORDER

RECORDED

200647419

PC607066

WARRANTY DEED

For Value Received

HERBERT R. MONTIERTH, A MARRIED MAN AS HIS SOLE
AND SEPARATE PROPERTY, HERBERT R. MONTIERTH AS PERSONAL REPRESENTATIVE OF
THE ESTATE OF GOLDA DARLENE M. MONTIERTH, DECEASED, AND EDWARD RAY
MONTIERTH AND SUSAN MONTIERTH, HUSBAND AND WIFE

hereinafter referred to as Grantor, does hereby grant, bargain, sell, warrant and convey unto

BARRON DEVELOPMENT, LLC

hereinafter referred to as Grantee, whose current address is P.O. BOX 691872, WEST HOLLYWOOD,
CA 90069

the following described premises, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

TOGETHER WITH THOSE CERTAIN WATER RIGHTS AS MENTIONED IN THE OPTION CONTRACT
DATED June 13, 2005, UNDER PARAGRAPH #15.

To HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, his
heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that
Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances
except current years taxes, levies, and assessments, and except U.S. Forest reservations, restrictions,
easements of record, and easements visible upon the premises, and that Grantor will warrant and defend
the same from all claims whatsoever.

Dated: June 12, 2006

HR Montierth
HERBERT R. MONTIERTH

HR Montierth
HERBERT R. MONTIERTH

Edward Ray Montierth
EDWARD RAY MONTIERTH

Susan Montierth
SUSAN MONTIERTH

READ AND APPROVED

STATE OF ID, County of ADA, ss.

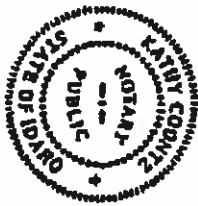
On this 14th day of JUNE, in the year of 2006, before me THE UNDERSIGNED, notary public personally appeared HERBERT R. MONTIERKH, EDWARD RAY MONTIERKH AND SUSAN MONTIERKH known or identified to me to be the person/persons whose name is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.



RESIDING AT: BOISE, IDAHO
COMMISSION EXPIRES: 8-15-2009

STATE OF ID, County of ADA, ss.

On this 14th day of JUNE, in the year 2006, before me THE UNDERSIGNED, a notary public personally appeared HERBERT R. MONTIERKH known or identified to me to be the person whose name is subscribed to the within instrument as Personal Representative of the Estate of GOLDA DARLENE MONTIERKH, and acknowledged to me that HE executed the same as said Personal Representative



KATHY COONTZ
Notary Public of ID
Residing at BOISE
Commission expires August 15, 2009

File No.: 200607066

EXHIBIT A

Parcel I:

The Northwest Quarter of the Northwest Quarter of Section 13, Township 2 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

Parcel II:

The Northeast Quarter of Section 14, Township 2 North, Range 3 West, Boise Meridian, Canyon County, Idaho.

Parcel III:

The East Half of the Northwest Quarter of Section 14, Township 2 North, Range 3 West of the Boise Meridian, Canyon County, Idaho.

EXCEPT:

A part of the Northwest Quarter of Section 14, Township 2 North, Range 3 West of the Boise Meridian, Canyon County, Idaho, more particularly described as:

COMMENCING at the Northeast corner of said Section 14 (section corner) monumented with a rebar, 5/8 inches diameter; thence

South 62° 48' 15" West 4,482.39 feet to the POINT OF BEGINNING; said point bears South 63° 05' 00" East 1,480.17 feet from a found 3/8 inch pipe at the Northwest corner of the Southwest Quarter of the Northwest Quarter, Section 14 (North one-sixteenth corner); thence

North 89° 54' 30" East 295.32 feet; thence

South 0° 05' 30" East 295.00 feet; thence

South 89° 54' 30" West 295.32 feet; thence

North 0° 05' 30" West 295.00 feet to the POINT OF BEGINNING.

Parcel IV:

The Southwest Quarter of the Northwest Quarter of Section 14, Township 2 North, Range 3 West of the Boise Meridian, Canyon County, Idaho.

OPTION CONTRACT

This Option granted this 13th day of JUNE 2005 by Herbert R. Montierth, a married man as his sole and separate property; Edward Ray Montierth and Susan L. Montierth, husband and wife, as to Parcels I, II, and II; Herbert R. Montierth; Herbert R. Montierth, as personal representative of the Estate of Golda Darlene Montierth; and Edward Ray Montierth and Susan L. Montierth, husband and wife, as to Parcel IV (herein collectively referred to as Seller); and Sallie Bradshaw Palleria or assignee (hereinafter referred to as "Buyer").

1. Option. In consideration of the Buyer closing on the purchase of approximately forty (40) acres of real property located in Canyon County, Idaho, owned in whole or in part by certain or all of the Sellers, pursuant to the terms and conditions set forth in a Vacant Land Real Estate Purchase and Sale Agreement and Receipt for Earnest Money (the "Sales Agreement"), a copy of which is attached hereto, marked as Exhibit 1.1, and made a part hereof, and for other good and valuable consideration, including but not limited to, the Additional Consideration set forth in paragraph 4 herein, receipt and sufficiency of which is acknowledged by the Seller, the Seller grants and gives to Buyer the exclusive and irrevocable option to purchase certain additional parcels of land in Canyon County, Idaho (the "Parcels") described in Exhibit 1.2 attached hereto and made a part hereof.

2. Exercise of Option—Purchase Price(s).

a. The option granted herein may be exercised either in whole or in part by Buyer or from time to time by Buyer at the dates as more specifically set forth below. Whether the exercise of the Option is in whole or in part, the maximum and total purchase price for all of the Parcels shall be the lesser of ~~the lesser of the purchase price for all of the Parcels or the purchase price for all of the Parcels~~

reduced by the ~~_____~~ to be paid by Buyer to the Seller pursuant to the terms and conditions of the Sales Agreement or ~~_____~~ for each acre of land purchased by the Buyer under this Option Contract and under the Sales Agreement (the "Total Option Price"). The period in which the Buyer may exercise each of the parcels set forth below, the Option Price and the date of notice, subject to each Option, are as follows:

Parcel No.	Option Price	Date of Notice of Exercise of Option
South 1/2 of R3012200000	~~_____~~	40 ac June 3, 2006
All of R3012201100	~~_____~~	80 ac June 3, 2007
North 1/2 of R3011800000	~~_____~~	40 ac June 3, 2008
South 1/2 of R3011800000	~~_____~~	40 ac June 3, 2008
All of R3011900000, R301200000 R3011600000	The lesser of ~~_____~~ or the balance of the Total Purchase Price	120 ac June 3, 2008

A description of each of the Parcels is set forth in Exhibit 2.1 attached hereto and made a part hereof and a plat of said Parcels is attached hereto, marked as Exhibit 2.2, and made a part hereof.

b. Buyer shall notify Seller by written notice mailed by ordinary mail of its exercise of an Option at any date on or before the dates set forth above and delineated as Date of Notice of Exercise of Option.

3. Purchase Price Credits. Whensoever the Option is exercised for a Parcel, the purchase price shall be credited toward the Total Option Price.

4. Additional Consideration. In addition to the Consideration set forth in paragraph 2 herein, Buyer shall pay to Seller on the 10th day of September, December, March, and June during the term of this Option a sum equal to 1.875 percent of the remaining balance of the Total Option Price after all credits are provided Buyer for any and all payments made by Buyer to Seller under this Option Contract ("Additional Consideration"). Such payments shall be made to Pioneer Title (Lath) or as directed by all of the Sellers.

5. Failure to Exercise Option. If Buyer shall fail to exercise any Option granted in paragraph 2a. herein through no fault or breach by Seller, then the Buyer shall forfeit Buyer's right to exercise all remaining Options, if any, under this Option Contract after fourteen (14) business days written notice from Seller to Buyer during which time Buyer shall have the right to exercise the Option.

6. Closing Date. This transaction shall be closed as to each Parcel within Sixty (60) days next following mailing of notice given to Seller by Buyer setting forth the Buyer's intent to exercise an Option.

7. Title Commitment. Seller has delivered to Buyer a copy of a Commitment of Title Insurance issued by the Pioneer Title Company of Boise, Idaho (the "Title Company") on or about the 19th day of April 2005 under its commitment number PC 64477. Such commitment reflects the condition of the title of the Parcels as of that date. With the exception of the Exceptions listed in 1 through 13 of Schedule B of the Commitment of Title Insurance which Exceptions the Seller agrees to release at each Closing Date as each Parcel is purchased by the Buyer, the Title Commitment of Insurance is acceptable to Buyer. At the closing of the exercise of an Option described in paragraph 2a. herein, Seller shall convey title to the applicable parcel to Buyer by good and sufficient General Warranty Deed (the "Deed"), a facsimile of said deed is

attached hereto and marked as Exhibit 7.0 This Deed shall warrant that the title to the Parcel is free and clear of all liens, charges and encumbrances, and clouds and defects for each Parcel conveyed except for those exceptions delineated as numbers 13 through 24 in title commitment PC64477 as they apply to the Parcel. Sellers warrant and represent that the real property is subject only to those defects and encumbrances, etc., set forth in the above title commitment and no other. SELLERS WARRANT, AGREE, AND REPRESENT THAT SELLERS WILL NOT FURTHER ENCUMBER THE REAL PROPERTY IN ANY MANNER WHATSOEVER WHILE THIS OPTION REMAINS IN EFFECT. IN THE EVENT THE SELLER HAS OR OBTAINS KNOWLEDGE OF ANY ADDITIONAL ENCUMBRANCE, THEN AND IN THAT EVENT, THE SELLER WILL NOTIFY THE BUYER FORTHWITH AND SELLER SHALL CAUSE SUCH ENCUMBRANCE TO BE REMOVED.

8. Possession. Buyer shall deliver possession of each Parcel as of the date of the transfer provided, however, the Seller may continue to farm the property at Seller's expense including, but not limited to, the timely payment of all ~~real estate taxes and~~ ^{7/10/01 [Signature]} utility bills, until such time as Buyer notifies the Seller that Buyer has commenced development of the Parcel and/or Buyer has entered into a contract to transfer the Parcel to an unrelated third party.

9. Closing Documents. On each Closing Date, the Title Company shall file for record the Deed and such other required instruments and shall deliver to both parties the funds and documents to which they are respectively entitled.

10. Liens and/or Encumbrances. Any liens, encumbrances, or defects on any Parcel transferred to Buyer pursuant to the Option Contract except those specifically accepted by Seller pursuant to this Option Contract, as more specifically set forth in paragraph 7 herein, shall be satisfied and released out of the purchase money paid by the Seller to the Buyer on the date of a

Closing. In the event that the cost of removal or satisfaction of such liens, encumbrances, or defects exceed the purchase price for such Parcel, the Buyer may, at its option, satisfy such lien, encumbrance, or defect, in which event, the Option Price for the remaining Parcels shall be reduced by the excess payment with such excess applied first to reduce the purchase price of the next option.

11. Rights of Seller. So long as Seller holds title to the Parcels, the Buyer agrees as follows:

- a. Seller shall retain the FSA base on the Parcel, so long as such retention does not interfere with the Buyer's intended use of the Parcel. *SELLER SHALL HAVE THE OPTION TO LEASE ANY PARCEL FROM BUYER AFTER CLOSING*
- b. Shops may be removed by Seller at no cost to Buyer, so long as the Parcel is not damaged during such removal and/or if there be such damage, the damage shall be repaired by Seller. *PROVIDED DOES NOT INTERFERE W/BUYER'S DEVELOPMENT PLANS*
- c. Seller shall retain the personal property on such Parcel including irrigation wheel lines. *OR NOT LATER THAN 30 DAYS AFTER EACH CLOSING*

12. Obligations of Seller. Prior to the closing of each Parcel, any and all wood, machinery, vehicles, refuse and debris will be removed from the Parcel by the Seller at the cost of the Seller. The Parcel shall be left by Seller in a clean and orderly condition. Provided, however, Seller may leave the modular home on the Parcel. Seller further agrees with respect to Parcels R3012200000, R3012201100, R3011800000, R3011900000, R3012000000, and R3011600000 that Seller herein grants Buyer the authorization to proceed with the development application in regards to the conditional use permit and subdivision process applicable to the Parcels listed above.

13. Inspection. Buyer may, at any time upon reasonable notice to Seller, enter onto the Parcels to conduct such testing and inspection of each of the Parcels as Buyer may deem necessary. Provided, Buyer shall return the Parcels in their present condition at the conclusion of such testing and inspections.

14. Two-Acre Lot. Buyer agrees to transfer to Seller, by warranty deed, ~~2 lots~~ ^{SA 7/1/01} ~~2 TWO ACRE HOMES~~ ^{DM A 2 LOTS} free of encumbrances, with the exception of the easements and those other exceptions accepted by the Buyer as set forth in the current title commitment, development plan, and any covenants and conditions which are customary for projects of this type. The transfer shall occur after Buyer has obtained final plat approval and completed improvements for sale of lots to the public. Such election of lots may be made by Sellers from any property within the 360 acres. Buyer shall provide Seller copies of proposed plats as the development progresses to afford Seller an opportunity to make such election known to Buyer as early as possible.

✓ 15. Water Rights. The Seller shall convey to Buyer free and clear of any and all liens and encumbrances of every kind and nature the water rights associated with Two Hundred Forty (240) acres to be divided proportionately among the acreage, i.e., if the number of acres conveyed is Three Hundred Sixty (360) acres, then two-thirds of the water rights shall be conveyed with each such acre.

16. Easements. Seller shall convey to Buyer any and all rights and easements to a certain well located on real property not subject to the Option. A description of such easement is attached hereto and marked as Exhibit 15.0 and made a part hereof.

17. Sales Conditions and Closing Practices. At such time as Buyer exercises any Option granted herein, Seller and Buyer agree that each of them shall perform each of those respective obligations as are contained in the Sales Agreement. Each of the terms and conditions of the

Sales Agreement are incorporated herein and made a part of this Agreement as if fully set forth herein. However, to the extent there is a discrepancy between the Sales Agreement and the Option Contract, the terms of this Option Contract shall govern.

18. Assignment. The Seller agrees that the Option Contract may be assigned in its entirety by the Buyer.

19. Notices. All notices hereunder shall be delivered or sent by registered mail, return receipt requested, to Buyer at 2511 Dorman, Caldwell, Idaho, and to Seller at 825 Hemlock Dr. Nampa, ID 83686

20. Recording. This Option Contract shall be executed in recordable form and may be recorded at Buyer's expense with the Canyon County Recorder of Deeds. Provided, however, a memorandum of this Option Contract acceptable to counsel for Buyer may be recorded in lieu of the Option Contract.

21. Binding Effect. This Option Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, and assigns.

22. Headings. Headings in this Option Contract are for convenience only and shall not be used to interpret or construe its provisions.

23. Governing Law. This Option Contract shall be governed by and construed in accordance with the laws of the state of Idaho.

24. Remedies and Specific Performance. Seller and Buyer acknowledge and agree that a remedy at law will not be adequate in the event of a breach by either Buyer or Seller of the terms and conditions of this Option Contract. Therefore, the parties agree, in addition to any other remedies available at law or in equity, that the Seller or Buyer, as the case may be, may pursue the remedy of specific performance to enforce this Option Contract.

25. Counterparts. This Option Contract may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

26. Time of Essence. Time is of the essence of this Option Contract.

27. Entire Agreement. This Option Contract supersedes all previous agreements between the parties with regard to the subject matter hereof and there are no other understandings or agreements between them.

28. Future Acts of Parties. Each of the parties to this Option Contract agree to execute any and all documents and instruments and to perform such acts as may be required to effectuate the terms and conditions of this Option Contract whether such act or action is required prior to or after the Closing of any Option.

The parties hereto have signed this Option Contract as of the date first above written.

SELLER:

Herbert R. Montierth
HERBERT R. MONTIERTH

DATED: 6-13-05

SELLER:

Herbert R. Montierth
HERBERT R. MONTIERTH, as PR
Personal Representative of the Estate of
Golda Darlene Montierth

DATED: 6-13-05

Edward Ray Montierth

Susan L. Montierth
SUSAN L. MONTIERTH

BUYER:
Sallie Bradshaw Palleria
SALLIE BRADSHAW PALLERIA

9

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year first above written.



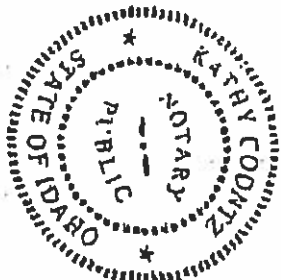
Kathy Coontz
Notary Public for Idaho
Residing at: Boise, Idaho
Commission Expires: 8-15-09

STATE OF IDAHO)

County of Ada)

On this 13th day of JUNE, in the year 2005, before me,
~~the undersigned~~ a Notary Public in and for said State, personally appeared
HERBERT R. MONTERTH, known or identified to me to be the Personal Representative of the
Estate of Golda Darlene Montierth, the person whose name is subscribed to the within
instrument, and acknowledged to me that he executed the same as such Personal Representative.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year first above written.



Kathy Coontz
Notary Public for Idaho
Residing at: Boise, Idaho
Commission Expires: 8-15-09

STATE OF IDAHO)

County of Ada)

On this 13th day of JUNE, in the year 2005, before me,
~~the undersigned~~, a Notary Public in and for said State, personally appeared
EDWARD RAY MONTERTH, known or identified to me to be the person whose name is
subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year first above written.

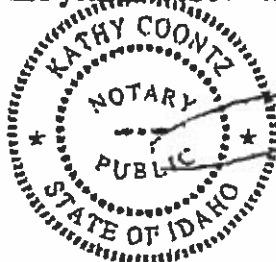


Kathy Coontz
Notary Public for Idaho
Residing at: Boise, Idaho
Commission Expires: 8-15-09

STATE OF IDAHO)
) ss
County of Ada)

On this 13 day of JUNE, in the year 2005, before me,
Kathy Coontz a Notary Public in and for said State, personally appeared SUSAN
L. MONTIERTH, known or identified to me to be the person whose name is subscribed to the
within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in
said County the day and year first above written.

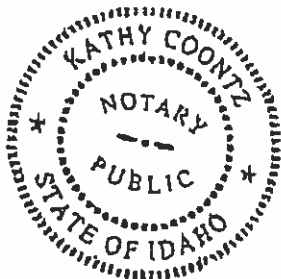


Kathy Coontz
Notary Public for Idaho
Residing at: Boise, Idaho
Commission Expires: 8-15-09

STATE OF IDAHO)
) ss
County of Ada)

On this 13th day of JUNE, in the year 2005, before me,
Kathy Coontz, a Notary Public in and for said State, personally appeared SALLIE
BRADSHAW PALLERIA, known or identified to me to be the person whose name is subscribed
to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in
said County the day and year first above written.



Kathy Coontz
Notary Public for Idaho
Residing at: Boise, Idaho
Commission Expires: 8-15-09



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

July 22, 2015

EDWARD RAY MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 63-32685, 63-32687, 63-32689, 63-32691 and 63-32693

Dear Lessor:

Water Rights 63-32685, 63-32687, 63-32689, 63-32691 and 63-32693 were leased into the Water Supply Bank on February 17, 2015 in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

The rights will automatically be released from the Bank on **December 31, 2019**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** 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. This form is available from our public website at www.idwr.idaho.gov.

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,

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: SPF Water Engineering LLC
IDWR Western 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

July 8, 2015

GARY SPACKMAN
Director

EDWARD RAY MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 63-32685, 63-32687, 63-32689, 63-32691
and 63-32693 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(s) to the Water Supply Bank. I have enclosed two original Water Supply Bank Lease Contracts for each water right 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, 2019**, 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,

Jean Webster
Water Resource Agent
SB Process Point of Contact

Enclosure: Proposed Lease Contracts
Receipt # C099926

PF Water Engineering LLC

Hersley, Jean

From: Roxanne Brown [RBrown@spfwater.com]
Sent: Thursday, June 25, 2015 11:51 AM
To: Hersley, Jean
Subject: RE: Montierth WSB Lease Applications

Jean –

Montierth withheld these water rights at the time of land sale to Barron Development. The documentation is located in the Department's file for the Change in Ownership filed by Barron. The water rights have not been used on this land since the date the decree was issued.

Let me know if you have any other questions.

Roxanne

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Thursday, June 25, 2015 11:36 AM
To: Roxanne Brown
Subject: Montierth WSB Lease Applications

Roxanne,

I am in the process of reviewing the WSB Lease Applications for water rights 63-32685, 63-32687, 63-32689, 63-32691 and 63-32693. Has any irrigation taken place since these water rights were decreed in 2010?

The land appurtenant to water rights 63-32685, 63-32689, 63-32691 and 63-32693 is owned by Frank Tiegs LLC, so I assume the irrigation happening on the lands are from his water rights.

Land appurtenant to water right 63-32687 is now Wild Prairie Estates with houses that were built in 2008. Is this water right providing the irrigation water for this subdivision? The Montierth's own one parcel which is 3 acres in this subdivision.

Please respond within 7 days so the Department can continue reviewing these applications. Thank you.

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



SPF WATER
ENGINEERING

RECEIVED

FEB 17 2015

DEPARTMENT OF
WATER RESOURCES

February 13, 2015

Remington Buyer
Idaho Department of Water Resources
State Office
322 E. Front St.
P.O. Box 83720
Boise, ID 83720-0098

*Re: Application for Lease to the Idaho Water Supply Bank
Water Right Nos. 63-32685, 63-32687, 63-32689, 63-32691, 63-32693*

Dear Remington,

We have enclosed five applications to place water rights in the Idaho Water Supply Bank. The rights are owned by Ray and Susan Montierth, Herbert Montierth, and the Estate of Golda Montierth. The parties have designated Edward (Ray) Montierth to act on behalf of the lessors.

We have also enclosed a check for \$1,250.00 for the filing fees.

Please contact me if you have any questions.

Sincerely,

Roxanne Brown

cc: Ray Montierth

SPF Job No.: 1058.0040