

AMENDED WATER SUPPLY BANK RENTAL AGREEMENT

DEPARTMENT OF
WATER RESOURCES

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

AMENDED WATER SUPPLY BANK RENTAL AGREEMENT

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 of Renter	<u>Ray Montierth-Owner</u> Printed Name and Title*	<u>4/24/15</u> Date
 Signature of Renter	<u>Susan Montierth-Owner</u> Printed Name and Title*	<u>4/24/15</u> Date

*Please provide title of signatory 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  Date April 27, 2015
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
AMENDED WATER SUPPLY BANK RENTAL AGREEMENT

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	SW¼NW¼	Sec. 18	Twp 01N	Rge 2E	ADA County
GROUND WATER	NW¼SW¼	Sec. 7	Twp 01N	Rge 2E	ADA County
GROUND WATER	SW¼SE¼	Sec. 7	Twp 01N	Rge 2E	ADA County
GROUND WATER	NE¼NW¼	Sec. 6	Twp 01N	Rge 2E	ADA County

BENEFICIAL USE

IRRIGATION

SEASON OF USE

63-7355: 4/1 – 10/31

All other rights: 4/1 – 11/15

RENTER'S PLACE OF USE: 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	
01N	2E	18													31	31	31	31.3	124.3

Total Acres: 124.3

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

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 does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. 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.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. This rental agreement does not authorize the construction of a well.

11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. This right when combined with all other rights shall provide no 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.
13. The following rights are diverted through point(s) of diversion described above: 63-3362, 63-7531, 63-10383 and 63-11347

Condition applicable to water right 63-7355

14. The use of water for irrigation under this right may begin as early as March 15 and may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water before April 1 and after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.



STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

FEB 03 2015

DEPARTMENT OF
WATER RESOURCESApplicant Name: Ray and Susan MontierthIs this application being submitted with a lease application as a lease/rental package? Yes ☐ No ☒

An *Application to Rent Water from the Board's Water Supply Bank* must be completed in accordance with the minimum requirement checklist below to be acceptable for processing by the Idaho Department of Water Resources (IDWR). 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.**

Applications to rent water should be submitted well in advance of the desired start date for the use of water. Rental applications may be submitted as early as November 1 of the year prior to the intended use of rental water. Rental applications submitted more than one year in advance of the proposed start date for water use will not be accepted and will be returned to applicants. Rental applications will not be processed if they are received after the end of the rental season of use.

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

For additional instructions on completing a rental application, visit the Department's website at www.idwr.idaho.gov.

Checked All Items as Either Attached (Yes) or Not Applicable (N/A)

YES

☒ Completed *Application to Rent Water from the Board's Water Supply Bank*

Attachment N/A YES

- | | | |
|----|--|--|
| 2 | ☒ | 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 | ☒ ☐ | Detailed information on a proposed use of rental water |
| 3E | ☒ ☐ | Authorization from the owner/operator of the rental point(s) of diversion |
| 3G | ☒ ☐ | Water modeling to account for the impacts of the rental request |
| 3J | ☒ ☐ | Documents justifying a need to rent water for irrigation at a rate of flow greater than 0.02 cfs/acre |
| 3K | ☒ ☐ | Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☒ ☐ | Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ ☐ | 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 Ray and Susan Montierth

Mailing Address 825 Heartland Dr., Nampa, ID 83686

Email Address _____ Phone Number (208) 989-8310

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 Roxanne Brown Professional Title Water Right Specialist

Organization SPF Water Engineering LLC Relationship to Applicant consultant

Mailing Address 300 E. Mallard Dr., Suite 350, Boise, ID 83706

Email Address rbrown@spfwater.com Phone Number (208) 383-4140

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 place of use is outlined with an obvious, bolded line. For irrigation purposes, note that the place of use outlined on your map cannot exceed the number of acres you are proposing to rent. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe the purpose of your rental request. Include any anticipated rates of water application, water use practices or number of stock (if any). If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of rental water required. Attach additional sheets if required and label it **Attachment 3A**:

Applicant seeks to irrigate an additional 160 acres on a parcel that is contiguous to his land with existing water rights. Application for Permit No. 63-33884 has been submitted to obtain a water right for this 160-acre parcel.

B. Enter the desired and/or minimum necessary 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)	Acres (if applicable) (Acre)
3.20 CFS	720 AF	2.40 CFS	640 AF	160 AC

Sometimes water rights available for rent 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. Enter the proposed start date and latest possible start date for using rental water. Also provide the number of years you would like to rent water:

Proposed Start Date (month/day/year)	Latest Possible Start (month/day/year)	* Proposed Rental Duration (Max 5 Years)	** For multi-year rentals, indicate whether you desire to rent water for remaining years if a rental request cannot be approved for the first year?	
3/1/2015	4/1/2015	5	☐ Yes, approve rental for all remaining future years.	☐ No, return rental request if first year is unapprovable.

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Subject to the availability of rentable water. A multi-year rental that cannot begin during the first year requested may be approved for some or all remaining years, depending on availability. Rental requests will be returned if no water is available to rent in the first and/or subsequent years of the rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Refer to the map you created in item 2 and specify the location of the point(s) of diversion (POD) from which rental water is proposed to be diverted:

Water Source	TWP	RGE	SEC	¼	¼	¼	County	Other water rights for the same purpose diverted from this POD
groundwater	1N	2E	18		SW	NW	Ada	63-3362,7531,10383,11347
groundwater	1N	2E	7		NW	SW	Ada	same
goundwater	1N	2E	7		SW	SE	Ada	same
groundwater	1N	2E	6		NE	NW	Ada	same

The entry in this grid must match the map from item 2 on the application.

- E. Do you own and/or possess the authority to divert water from the above POD(s)? Yes ☒ No ☐
If no, provide documentation from the owner/operator confirming your authorization to use the POD(s) and label it **Attachment 3E**.

- F. Do any POD(s) identified in Question 3D 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.

- G. Has water modeling been provided with your rental request? Yes ☐ No ☒

If yes, include as **Attachment 3G**. Otherwise please explain why modeling was not provided:

Rental applications that require modeling will be returned if modeling is not provided.

- H. Specify the proposed beneficial use: ☒ Irrigation ☐ Commercial ☐ Industrial ☐ Municipal
☐ Groundwater Recharge ☐ Mining ☐ Stockwater ☐ Other: _____

- I. Refer to the map you created in item 2 and specify below the places you propose to use water. If for irrigation, specify the number of acres to be irrigated per ¼ ¼ tract. Otherwise indicate usage by marking the ¼ ¼ tracts with the first letter of your proposed use identified above:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
1N	2E	18													40	40	40	40	160
The entry in this grid must match the map from item 2 on the application.																			Total Acres (for irrigation)
																			160

- J. For irrigation uses, do you propose a water diversion rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, explain the justification for this rate of flow and attach any supporting documents as **Attachment 3J**:

- 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. Describe your water distribution system and how water will be delivered from the POD(s) to the proposed POU(s):
Mainline will be extended from existing integrated delivery system to pivot and handlines for sprinkler irrigation.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

M. List all other water rights and sources of water at the rental place of use for the same purpose and explain why additional water is required. Include privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company, or any other water deliver entity:
None.

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights? Yes ☐ No ☒
If yes, specify below the water rights you are requesting to rent. Otherwise continue to Section 5 of this application form.

Please note: Diversion rates and volumes to be rented from a leased water right must be proportionate to the per acre diversion rates and per acre volume limits of the water right leased to the Bank. Applicants should query a water right's rental availability by reviewing active lease and rental documents, searchable via [IDWR's website](#), to ensure all elements of a water right remain available in sufficient quantity to satisfy a rental request.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany the 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 with combined limits, applicants should request to rent against the combined limit diversion rate, volume or acre limits.

Elements of Water Rights Leased to the Bank (Contract Details)								Rental Request		
Water Right Number	Nature of Use	Water Source	Rate (CFS)	Volume (AF)	Acres (AC)	Start (year)	End (year)	Rate (CFS)	Vol. (AF)	Acres (AC)
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre that have been leased to the Water Supply Bank								TOTAL		
								CFS	AF	AC

Leased totals minus water actively engaged in rental agreement equals rental availability

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**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- C. Does your rental request propose to change the nature of use for any water right(s) being requested? 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, as well as the new consumptive use amount for your proposed beneficial use. Attach a separate page if space is insufficient and label it **Attachment 4C**:

5. ADDITIONAL INFORMATION

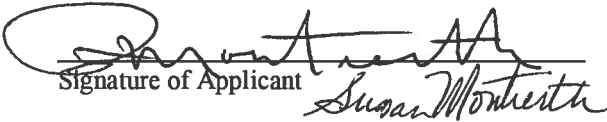
- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

- 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: Application for Permit 63-33884 was submitted in 2013 and has been amended to include the 160-acre place of use described in this rental application. IDWR is experiencing a work slow down due to staff shortage. This rental application will allow applicant to continue development while 63-33884 is being processed.

- 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.

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.


Signature of Applicant

Ray Montierth
Printed Name of Applicant
Susan Montierth

1/30/15
Date 1/30/15

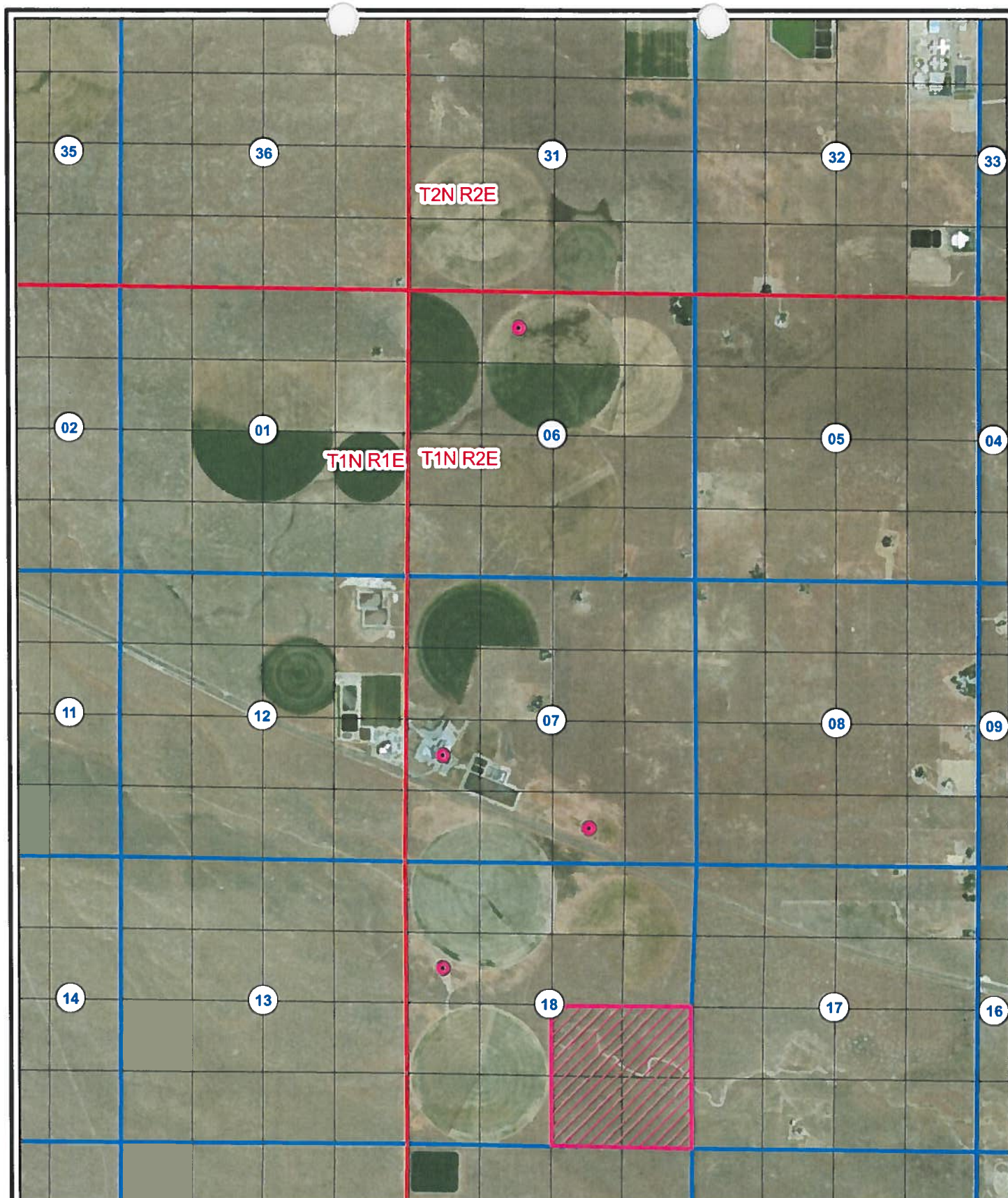
Signature of Representative

Printed Name of Representative

Date

Mail to:

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



Legend

- Proposed Well
- Proposed Place of Use

ATTACHMENT 2



0.5
Miles



563754

DEED OF TRUST

THIS DEED OF TRUST, Made this January 13, 2015, BETWEEN #242 Pioneer Exchange Accommodation Titleholder, LLC, an Idaho limited liability company, therein called GRANTOR, whose address is 1414 W. Bannock, Boise, Idaho 83702, Pioneer Title Co., herein called TRUSTEE, whose address is 8151 W. Ridgeman, Boise, Idaho 83704, and RAY MONTIERTH AND SUSAN MONTIERTH, HUSBAND AND WIFE, herein called BENEFICIARY, whose address is 825 Heartland Drive, Nampa, Idaho 83686 WITNESSETH That GRANTOR does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH POWER OF SALE that property in the County of Ada, State of Idaho, described as follows, and containing not more than eighty acres:

The Southeast Quarter of Section 18, Township 1 North, Range 2 East, Boise-Meridian, Ada County, Idaho

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing the performance of that certain Exchange Agreement dated December 18, 2014 by and between #242 PIONEER EXCHANGE ACCOMMODATION TITLEHOLDER, LLC, an Idaho limited liability company and RAY MONTIERTH AND SUSAN MONTIERTH, HUSBAND AND WIFE created by GRANTOR in the sum of Eighty Nine Thousand Four Hundred Seventy Three and NO/100 Dollars (\$89,473.00). Final payment due 180 days from the date of recordation of this deed of trust. And to secure payment of all such further sums as may hereafter be loaned or advanced by the Beneficiary to the Grantor herein, or any or either of them while record owner of present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express intention of the parties to this Deed of Trust that it shall stand as containing security until paid for all such advances together with interest thereon.

A. To protect the security of this Deed of Trust, Grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured by the Grantor shall at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure to pay shall constitute a default under this trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from the day of expenditure at legal interest rate.

6. Should Grantor fail to make any payments or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel, and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured

563784

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2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured by the Grantor shall at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure to pay shall constitute a default under this trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from the day of expenditure at legal interest rate.

6. Should Grantor fail to make any payments or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel, and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured

hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereon; or join in any extension agreement subordinating the lien or change hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held thereunder. The recitals in any conveyance executed under this deed of trust of any matters or facts shall be conclusive proof to the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of these Trusts, to collect rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall execute or cause the Trust to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part of therein is situated.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for each in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including the cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at legal rate; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed applies to, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by the Trustee.

9. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein. Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the Grantor at his address hereinbefore set forth.

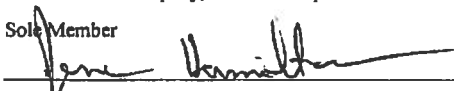
GRANTOR

#242 Pioneer Exchange Accommodation Titleholder, LLC

an Idaho limited liability company

By: Pioneer 1031 Company, an Idaho corporation

Its: Sole Member

By: 

By: Jesse Hamilton

Its: Sr. Vice President

Read and Approved by:

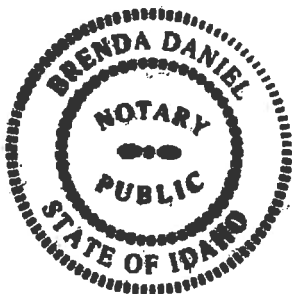
BY: RAY MONTIERTH

BY: SUSAN MONTIERTH

STATE OF IDAHO)
) ss.
County of Ada)

On the 13th day of January, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Jesse Hamilton, known to me to be the Sr. Vice President of Pioneer 1031 Company, an Idaho corporation, which corporation is the Sole Member of #242 Pioneer Exchange Accommodation Titleholder, LLC, an Idaho limited liability company, and acknowledged to me that he/she executed the within and foregoing instrument for and on behalf of said corporation as Sole Member of said limited liability company and in said corporation's name as Sole Member of said limited liability company.

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



A handwritten signature in cursive script, appearing to read "Brenda Daniel", written over a horizontal line.

Notary Public for Idaho
Residing at Meridian, Idaho
My commission expires: 3-7-17

74518

DEED OF TRUST

THIS DEED OF TRUST, Made this January 9, 2015, **BETWEEN** #242 Pioneer Exchange Accommodation Titleholder, LLC, an Idaho limited liability company, therein called GRANTOR, whose address is 1414 W. Bannock, Boise, Idaho 83702, Pioneer Title Co., herein called TRUSTEE, whose address is 8151 W. Rifieman, Boise, Idaho 83704, and RAY MONTIERTH AND SUSAN MONTIERTH, HUSBAND AND WIFE, herein called BENEFICIARY, whose address is 825 Heartland Drive, Nampa, Idaho 83686 WITNESSETH That GRANTOR does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH POWER OF SALE that property in the County of Ada, State of Idaho, described as follows, and containing not more than eighty acres:

See legal description attached hereto and made a part thereof as Exhibit "A"

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing the performance of that certain Exchange Agreement dated December 18, 2014 by and between #242 PIONEER EXCHANGE ACCOMMODATION TITLEHOLDER, LLC, an Idaho limited liability company and RAY MONTIERTH AND SUSAN MONTIERTH, HUSBAND AND WIFE executed by GRANTOR in the sum of Six Hundred Fifty One Thousand Four Hundred Forty Four and NO/100 Dollars (\$651,444.00). Final payment due 180 days from the date of recordation of this deed of trust. And to secure payment of all such further sums as may hereafter be loaned or advanced by the Beneficiary to the Grantor herein, or any or either of them while record owner of present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express intention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together with interest thereon.

A. To protect the security of this Deed of Trust, Grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay, at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured by the Grantor shall at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure to pay shall constitute a default under this trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from the day of expenditure at legal interest rate.

6. Should Grantor fail to make any payments or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel, and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured

hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereon; or join in any extension agreement subordinating the lien or change hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held thereunder. The recitals in any conveyance executed under this deed of trust of any matters or facts shall be conclusive proof to the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of these Trusts, to collect rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall execute or cause the Trust to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part of therein is situated.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for each in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including the cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at legal rate; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed applies to, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by the Trustee.

9. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein. Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the Grantor at his address hereinbefore set forth.

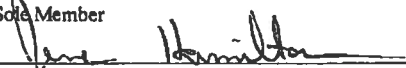
GRANTOR

#242 Pioneer Exchange Accommodation Titleholder, LLC

an Idaho limited liability company

By: Pioneer 1031 Company, an Idaho corporation

Its: Sole Member

By: 

By: Jesse Hamilton

Its: Senior Vice President

Read and Approved by:

BY: RAY MONTIERTH

BY: SUSAN MONTIERTH

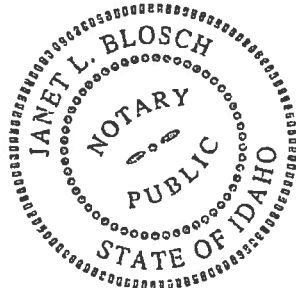
STATE OF IDAHO)

) ss.

County of Ada)

On the 9th day of January, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Jesse Hamilton, known to me to be the Sr. Vice President of Pioneer 1031 Company, an Idaho corporation, which corporation is the Sole Member of #242 Pioneer Exchange Accommodation Titleholder, LLC, an Idaho limited liability company, and acknowledged to me that he/she executed the within and foregoing instrument for and on behalf of said corporation as Sole Member of said limited liability company and in said corporation's name as Sole Member of said limited liability company.

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



Janet L. Bloch
Notary Public for Idaho
Residing at Brose, Idaho
My commission expires: 3-17-2017

EXHIBIT A

Parcel S2004211000

The West half of Section 4, the West 30 acres of the Northwest quarter of the Southeast quarter of Section 4, Township 1 North, Range 2 East, Boise Meridian, Ada County, Idaho.

EXCEPT West 40 feet for right of way, conveyed to Ada County Highway District by Instrument No. 781126

ALSO EXCEPTING THEREFROM a tract of land located in the Northeast quarter of the Northeast quarter of the Northwest quarter of Section 4, Township 1 North, Range 2 East, Boise Meridian, Ada County, Idaho, which is more particularly described as follows:

Beginning at a point from the Northeast corner of said tract located in said Northeast quarter of the Northeast quarter of the Northwest quarter of Section 4, said point being a brass cap for the North quarter corner of said Section 4;

Thence South $0^{\circ}25'12''$ West, along the East boundary of said Northeast quarter of the Northeast quarter of the Northwest quarter of Section 4, a distance of 135.0 feet;

Thence North $89^{\circ}45'$ West, a distance of 55.0 feet;

Thence North $0^{\circ}25'12''$ East, a distance of 95.0 feet;

Thence North $89^{\circ}45'$ West, a distance of 45.0 feet;

Thence North $0^{\circ}25'12''$ East, a distance of 40.0 feet to a point on the North boundary of said Section 4;

Thence South $89^{\circ}45'$ East along the North boundary of said Section 4, a distance of 100.0 feet to the POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM a tract of land located in the Northeast quarter of the Northeast quarter of the Northwest quarter of Section 4, Township 1 North, Range 2 East, Boise Meridian, Ada County, Idaho, which is more particularly described as follows:

Commencing at a point, said point being a brass cap from the North quarter corner of said Section 4;

Thence South $0^{\circ}25'12''$ West along the East boundary of said Northeast quarter of the Northeast quarter of the Northwest quarter of Section 4, a distance of 135.0 feet;

Thence North $89^{\circ}45'$ West, a distance of 55.0 feet to the TRUE POINT OF BEGINNING;

Thence North $89^{\circ}45'$ West, a distance of 45.0 feet;

Thence North $0^{\circ}25'12''$ East, a distance of 95.0 feet;

Thence South $89^{\circ}45'$ East, a distance of 45.0 feet;

Thence South $0^{\circ}25'12''$ West, a distance of 95.0 feet to the TRUE POINT OF BEGINNING.

Thence along the South boundary line of said Section 4 North $89^{\circ}24'26''$ West, 2,600.43 feet to a 5/8 inch iron pin marking on the East right of way line of S. Pleasant Valley Road;

Thence along said East right of way line North $00^{\circ}07'11''$ East, 5,318.29 feet to the REAL POINT OF BEGINNING.



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

April 28, 2015

RAY & SUSAN MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686-8156

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-7355, 63-8382, 63-7427E, 63-31882, 63-32329, 63-32618, 63-33776 AND 63-33170**

Dear Renter:

Please find enclosed a receipt in the amount of **\$9,475.80** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 557.4 acre-feet of water for irrigation of 124.3 acres during 2015. 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 \$8,528.22 of the rental fee will be paid to the lessor(s) and 10% or \$947.58 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4881.

Sincerely,

[Handwritten signature of Sandy Thiel]
For - Sandy Thiel
Senior Water Resource Agent

Enclosure(s): Receipt No. C100355
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angie Grimm – IDWR Western Regional Office
Roxanne Brown—SPF Water Engineering LLC



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

April 22, 2015

RAY & SUSAN MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686-8156

RE: **APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK**
WATER RIGHT NO(S). 63-7355, 63-8382, 63-7427E, 63-31882, 63-32329, 63-32618, 63-33776 AND 63-33170

*****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 \$9,475.80 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 557.4 acre-feet.

Please send a check for \$9,475.80 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 \$8,528.22 of the rental fee will be paid to the lessor(s) and 10% or \$947.58 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4881.

Sincerely,

for 
Sandy Thiel
Senior Water Resource Agent

Enclosure(s): Rental Agreement

c: IDWR Front Desk
Roxanne Brown -- SPF Engineering



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

April 3, 2015

RAY AND SUSAN MONTIERTH
825 HEARTLAND DR
NAMPA ID 83686

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-7355, 63-8382, 63-7427E, 63-31882, 63-32329, 63-32618, 63-
7753A, 63-33776 AND 63-33170

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 \$12,246.80 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 720.4 acre-feet.

Please send a check for \$12,246.80 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 \$11,022.12 of the rental fee will be paid to the lessor(s) and 10% or \$1,224.68 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4881.

Sincerely,

Sandra Thiel
Sandra Thiel
Water Resource Agent Senior

Enclosure(s)

c: IDWR Front Desk
Roxanne Brown – SPF Engineering

MEMORANDUM

To: Water Rights 63-7355, 63-8382, 63-7427E, 63-31882, 63-32329, 63-32400, 63-32618, 63-7753A and 63-33776

From: Sandra Thiel

Date: April 1, 2015

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

PURPOSE/NARRATIVE:

On February 3, 2015 the Idaho Department of Water Resources (Department) received an application to rent water from Roxanne Brown with SPF Engineering on behalf of Ray Montierth. Mr. Montierth owns a farm south of Boise which is covered by existing water rights. He purchased an adjacent 160 acre parcel and has submitted an application for permit 63-33884 to add additional flow rate to cover those acres. The IDWR Western region has been unable to process the application for permit because of staff shortages. Consequently Mr. Montierth applied to rent water to cover the new acres.

Originally, we received 2 applications to rent water. The Montierth family lease approximately 130 acres of water in the area south east of Lake Lowell. Mr. Montierth requested to rent that water. The rental location is within the South Ada County Ground water concern area and our western regional office recommended against moving water to within the area.

The second application requests 160 acres, to accommodate a full pivot. The applicant requested 5 years; however, given the location the Department is processing rentals for 1 year at a time.

On April 13, Ray Montierth contacted the Department. He said that he only intended to irrigate a pivot and not the entire SE quarter. He requested that we amend the rental agreement to reduce the acres from 160 to 124.3. His foreman Clint Nielsen sent a new map showing the acres on April 17, 2015.

AUTHORITY TO FILE: According to the taxlot data the Department has on record Tereco owns the property at the rental place of use. On March 24, 2015, Roxanne emailed conveyance documents showing that the property now belongs to Ray and Susan Montierth (see attached).

WATER RIGHT VALIDITY:

Right 63-31882 was decreed in 2007 and has been leased into the bank since 2011.

Rights 63-7355 AND 63-8382 were leased into the bank indefinitely in 2008. Right 63-7355 was decreed in 2007; 63-8382 was decreed in 2006.

Rights 63-7427E was decreed in 2009 and leased into the bank in 2013.

Right 63-32329 was decreed in 2007 and leased into the bank in 2012. This right was leased again into the bank in 2014.

Right 63-32400 was originally leased into the bank in 2006; the lease was extended indefinitely in 2009. It was decreed in 2008.

Right 63-32618 was decreed in 2007 but has been in the Bank since 2012

The parent right for 63-33776, 63-3122, was decreed in 2007. Resumption of irrigation was to resume in 2013 to protect against forfeiture. The right was leased into the bank in May of 2013.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: The lease and the rental share the same headgate requirement of 4.5 af/ac and the same consumptive use of 3.5 af/ac. There will be no change in the nature of use. The rental season of use is March 1 through 11/15. Each of the lease water rights either share this season of use or include a condition that allows irrigation to extend through these dates.

LOCAL PUBLIC INTEREST: The leased rights and the rental points of diversion are all within the South Ada county concern area.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: On March 17, 2015 we met with staff at the western regional office to discuss the Montierth and Simplot water supply bank rental applications. Steve Lester encouraged us to only issue one year rentals within the South Ada County concern area. Rights that fall outside the concern area are not rentable within the concern area similar to ground water management areas.

All rights are ground water and don't require water master comments.

Thiel, Sandra

From: Clint P Nielsen [swifarms@yahoo.com]
Sent: Friday, April 17, 2015 8:49 AM
To: Thiel, Sandra
Subject: Fwd: Ray Montierth
Attachments: clint neilson tyson S.PDF

Sent from my iPad

Begin forwarded message:

From: Clint P Nielsen <swifarms@yahoo.com>
Date: April 16, 2015 at 9:05:53 AM MDT
To: "sandrathiel@idwr.idaho.gov" <sandrathiel@idwr.idaho.gov>
Subject: Ray Montierth

Sandra,

The water that we need to lease is outlined on the attached map. If you have any questions please feel free to call me. It is around 125 acres and we will use 2.25 acre feet

Thank you

Clint

Farm manager

208-921-0611 cell

Sent from my iPad

Lindsay Manufacturing Co.



2707 North 108th Street
Omaha, NE 68164
800 - 829 - 5300 office

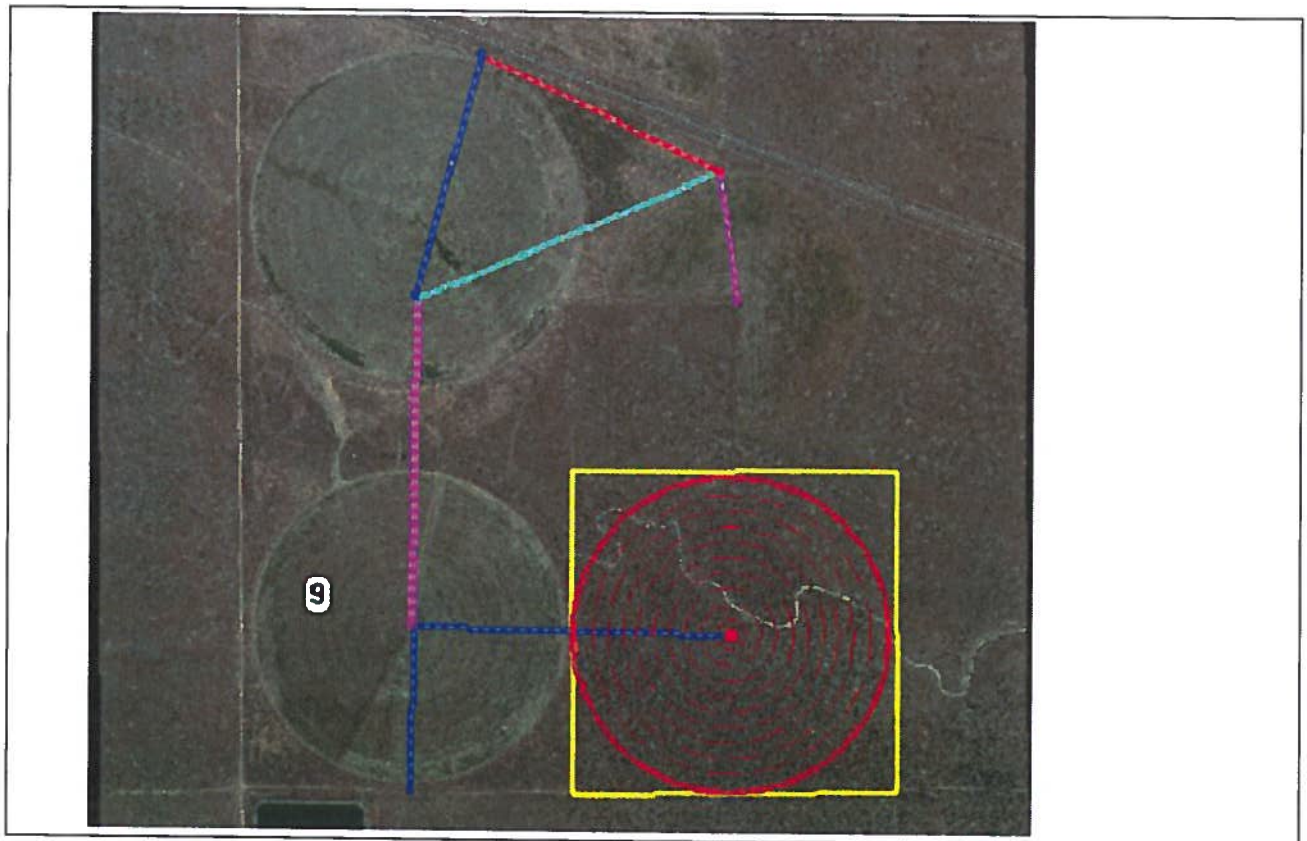
Farm: Field1

Grower:

4/15/2015

Systems:	Length	Spans	Total area including endgun
● Pivot 1	1313.00 ft	10 spans + 33.0 ft o.h.	124.33 acres

Pipe and Wire:	Length / Size	Description
● Pipe 2	3949.27 ft / ??	
● Pipe 4	2709.20 ft / 2 - 10"	
● Pipe 5	2688.90 ft / ??	
● Pipe 6	2659.28 ft / 8"	
● Pipe 7	1063.50 ft / 10"	
● Pipe 8	2172.02 ft / 16"	
● Pipe 9	2050.19 ft / 12	



Pivot 1

Pivot Area: **124.33** acres
Endgun Area: **0.00** acres
Total Area: **124.33** acres

System Length: **1313.00** ft
of Spans: **10 + overhang**
Deg. of Sweep: **360.0°**
Endgun Throw: **0.0** ft

Color on map:



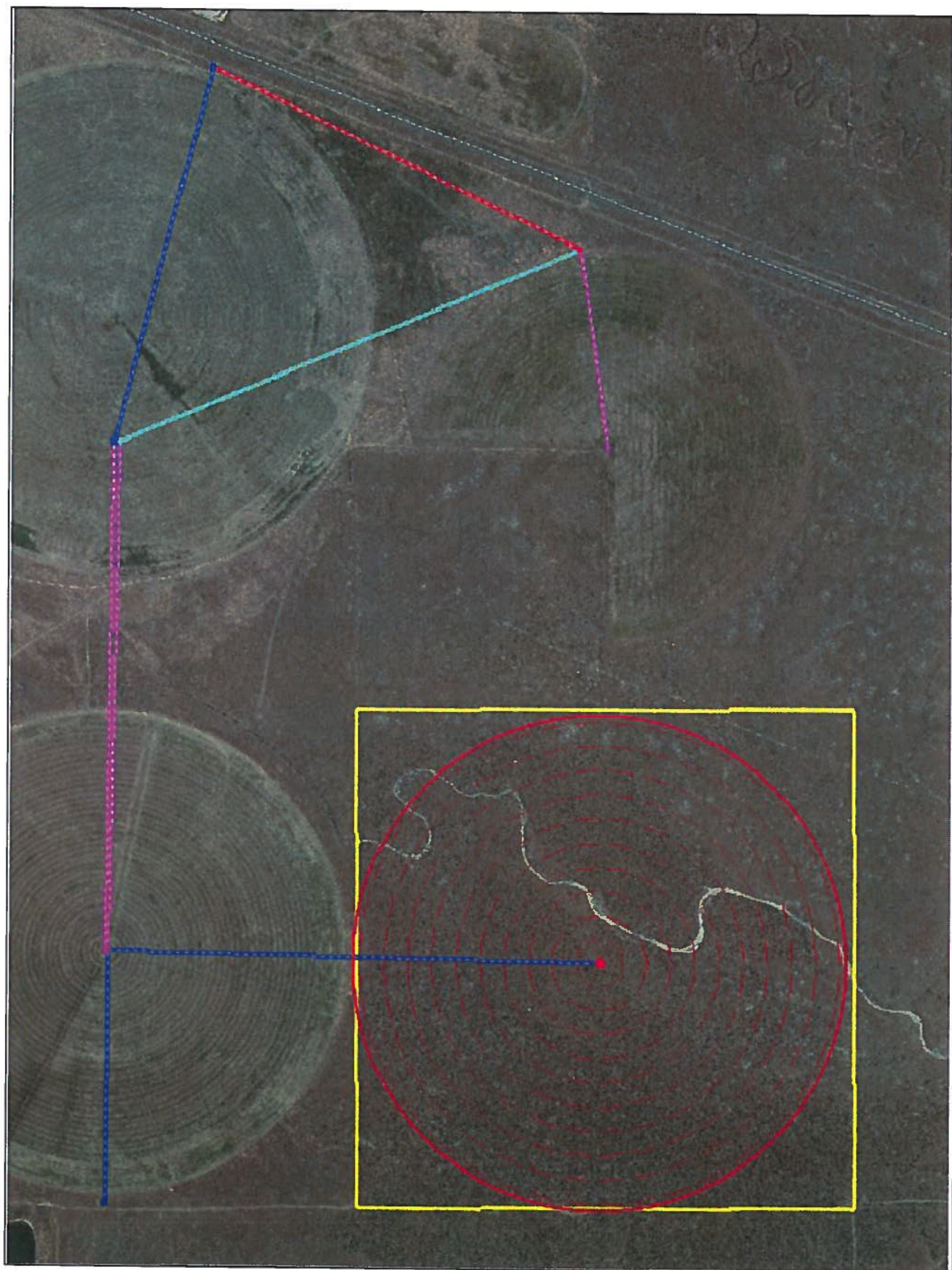
Spans

# of Spans: 10	Span 1 (128.0)	Span 2 (256.0)	Span 3 (384.0)	Span 4 (512.0)	Span 5 (640.0)	Span 6 (768.0)	Span 7 (896.0)	Span 8 (1024.0)	Span 9 (1152.0)
Length:	128.0 ft	128.0 ft	128.0 ft	128.0 ft	128.0 ft	128.0 ft	128.0 ft	128.0 ft	128.0 ft
Pipe Size:									

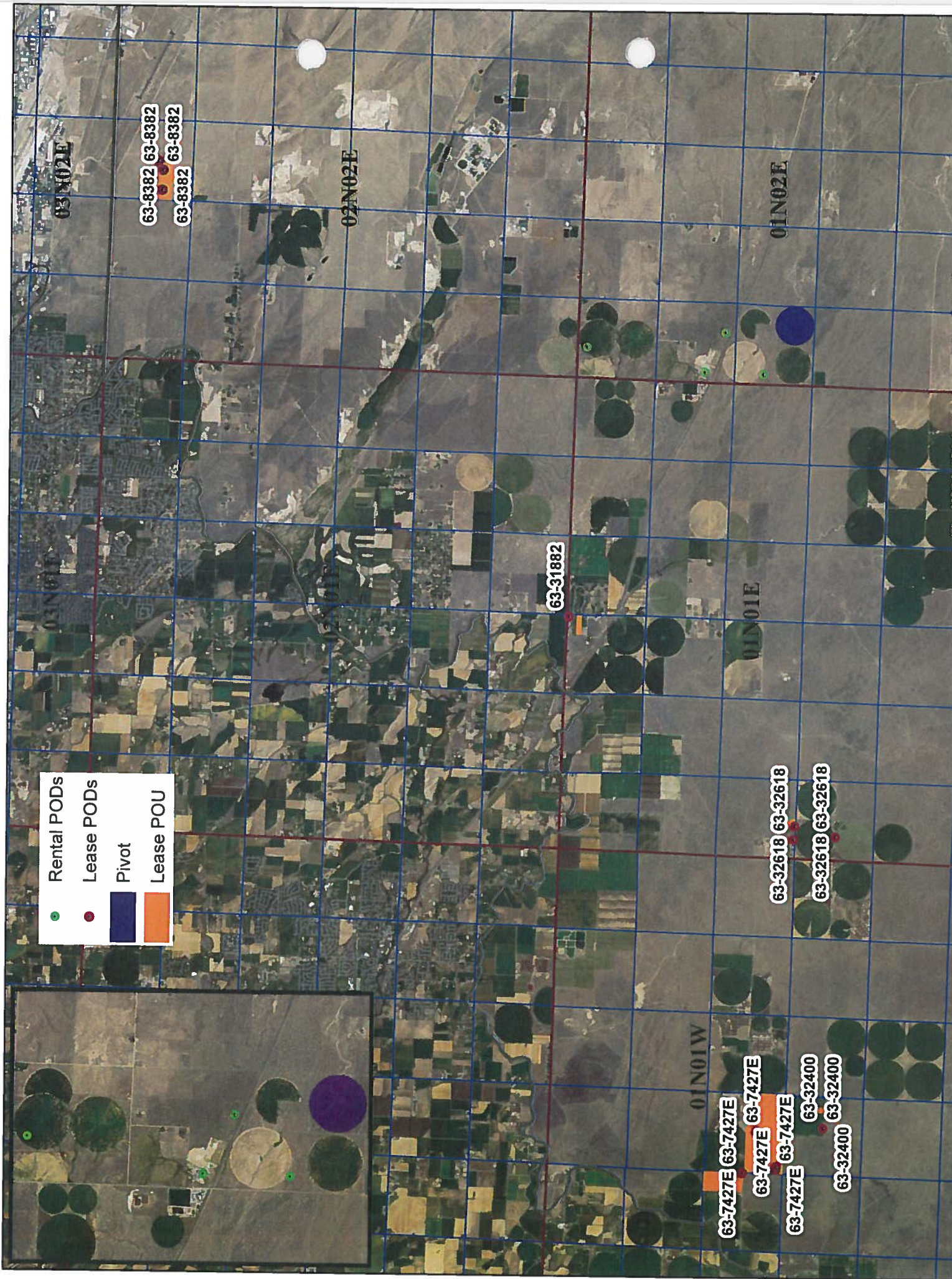
# of Spans: 10	Span 10 (1280.0)	Overhang (1313.0)
Length:	128.0 ft	33.0 ft
Pipe Size:		

Endgun Areas

This system does not have an endgun.



Lindsay Manufacturing Co. Omaha, NE 800-829-5300 office



Thiel, Sandra

From: Roxanne Brown [RBrown@spfwater.com]
Sent: Wednesday, March 18, 2015 4:48 PM
To: Thiel, Sandra
Subject: RE: water supply bank rental

Good news! Thanks for all your work on this. I'll let Ray know to expect a 1-year contract.

Roxanne

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Wednesday, March 18, 2015 4:17 PM
To: Roxanne Brown
Subject: water supply bank rental

Hello, I have rights to cover all 160 acres. We can't increase the acres from the lease. However, after finding those that will work for you through 2019, I neglected to mention that we are renting water one year at a time in that area. Thanks for working with me on this. hope we have the rental soon.

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

Thiel, Sandra

From: Roxanne Brown [RBrown@spfwater.com]
Sent: Wednesday, March 18, 2015 2:53 PM
To: Thiel, Sandra
Subject: Montierth rental applications

Sandra –

Thank you for your telephone call today. I appreciate your patience. This email is intended to summarize our discussion.

1. Ray Montierth filed an application to lease a set of water rights to the IWSB in February 2015. The water rights authorize irrigation of 118.8 acres south of Nampa.
2. Montierth also filed a rental application in February 2015 for water right(s) to irrigate 160 acres he owns south of Boise.
3. Montierth filed an additional rental application in March 2015 to be a 118.8 acre companion to his lease application. The 118.8-acre place of use on this application is within the 160-acre place of use on the first rental application.

We understand the 118.8-acre rental application will not be processed due to concerns with groundwater levels (at both locations). We anticipate the application will be either formally rejected, or simply not processed based on our conversation and this email acknowledgment.

We also understand the water bank will continue to process the Montierth lease application and the Montierth 160-acre rental application.

Thanks again for your help.

Roxanne

Roxanne Brown | Sr. Water Right Specialist

SPF Water Engineering, LLC

300 E Mallard Drive, Suite 350 | Boise, ID 83706

p. 208.383.4140 | f. 208.383.4156 | d. 208.489.2136

e. rbrown@spfwater.com | w. www.spfwater.com



Thiel, Sandra

From: Palmer, Cherie
Sent: Tuesday, March 17, 2015 5:49 PM
To: Thiel, Sandra
Subject: FW: Montierth IWSB applications - clarification

Please print this email and stick it in with the Montierth rental. Thank you.

From: Roxanne Brown [<mailto:RBrown@spfwater.com>]
Sent: Tuesday, March 17, 2015 9:59 AM
To: Palmer, Cherie
Subject: Montierth IWSB applications - clarification

Cherie –

Thank you for the phone call. I have submitted water bank applications on behalf of Ray Montierth which appear to overlap. Here is a clarification:

1. The lease application filed 2/3/2015 is for 118.8 acres south of Lake Lowell
2. The rental application filed 2/3/2015 is for any water rights available to irrigate a 160-acre parcel owned by Ray south of Boise.
3. The rental application filed 3/17/2015 requests authorization to irrigate the land south of Boise with Montierth's 118.8-acre water right leased to the bank.

Mr. Montierth would prefer to rent his own water, but it is unclear whether this is a viable alternative due to groundwater concerns at both the lease and rental locations. We request that the application filed today (3/17) be processed first. If it is unsuccessful, we request the rental application filed 2/3 be treated as "Plan B" for the requested rental.

I hope this clarifies the situation. I assume we will withdraw the 2/3 rental application, if necessary.

Roxanne

Roxanne Brown | Sr. Water Right Specialist

SPF Water Engineering, LLC
300 E Mallard Drive, Suite 350 | Boise, ID 83706
p. 208.383.4140 | f. 208.383.4156 | d. 208.489.2136
e. rbrown@spfwater.com | w. www.spfwater.com



Thiel, Sandra

From: Palmer, Cherie
Sent: Monday, March 09, 2015 9:28 AM
To: Thiel, Sandra
Subject: FW: Ray Montierth 63-33884
Attachments: Map GW area.jpg

Sandy,

Let's talk about this one and make a plan.

cp

From: Lester, Steve
Sent: Friday, March 06, 2015 4:50 PM
To: Palmer, Cherie
Cc: Grimm, Angie
Subject: RE: Ray Montierth 63-33884

Cherie:

"Long story sort of short" ----

Montierth appl 63-33884 is for lots more water in South Ada County "ground water concern area" that we have been working on for several years, resulting in a number of approvals with lots of measuring & monitoring requirements. See attached map for boundary of this "less than an administrative area hot spot." It's covers land above NY Canal generally south of the airport. Also see "ArcMap Notepad" work in progress I've developed as some type of office day etc. tool, goal was to complete for Western: X:\Spatial\IDWRRegulatoryAreas\OtherRegulatedAreas\basin63concern\ Basin 63 Areas of Concern.lyr. Should find shape & can link to doc for brief explanation.

Montierth had couple of those new permits & sold to Simplot just next door. Then filed 63-33884.

We recently met with Montierth & SPF about this application & bigger picture stuff for this area. No protests at this time. Approving more new rights remains questionable, something we are working on resolving with SO: how much more do we approve before some of recently approved new development actually occurs & we get some good data required under those approvals (minimum of 4 years data required)?

Montierth pressing to move ahead. We told them best case is we could advertise 63-33884 (not advertised yet) but not issue a decision anytime this year & perhaps for quite a bit longer than that, even if not protested. They asked about WSB option & we said maybe possible provided the rented rights come from this same area of concern ... can't import rental because it contradicts all this work. Advised them that rental would probably need to be limited to 1 year at a time since there is unknown potential for serious problems with additional pumping. So rent 1 year, we'll see if ok, maybe rent again next year?

Assuming using right originating inside the boundary, rental probably ok. Recommend including:

1) Seek comments from Simplot since they are in process of developing some new use under new approvals next door, call Vic Conrad at Simplot, 389-7359. Simplot has been drilling a big monitoring well there, maybe done now. (That can help determine if Montierth rental can be repeated for 2016 if needed.)

2) Approval should state does not authorize use of water from any low temp geothermal well. Montierth site is part of PPU that includes multi-well system with 1 LTG well, part of the reason this whole area of concern started. Rental ok as long as use stand-alone cold water well(s).

3) Rental limited to 2015 only.

Let me know how that sounds & if want to talk about it some more.

Steve

From: Palmer, Cherie
Sent: Wednesday, March 04, 2015 5:00 PM
To: Lester, Steve
Cc: Grimm, Angie
Subject: Ray Montierth 63-33884

Steve,

The Bank received a rental application for 160 acres 1N 2E Sec 18. Apparently this is the same proposal that is pending under application 63-33884. They want to get a rental approved immediately because the permit is hung up. I wondered if this is hung up because of an issue with the approvability of the application? Also, has this one been advertized yet? I just want to make sure we don't want to get too far down the road on this rental application if they need to just wait for their application for permit to be resolved.

Thanks,

Cherie



March 16, 2015

Angela Grimm
IDWR Western Region via hand-delivery
2735 Airport Way
Boise, ID 83705-5082

*Subject: Amended Application for Permit No. 63-33884,
Transfer Application No. 79803 (SPF Job No. 1058.0010)*

Dear Angie,

This letter is a response to your correspondence dated February 18, 2015 concerning Application for Permit No. 63-33884 and Application for Transfer No. 79803, both in the name of Ray and Susan Montierth. The Montierths own and farm a property with a complex water right history (also known as the "Tyson property"), and have now filed the subject applications to authorize the irrigation of additional acres with existing wells and a proposed new well. Your correspondence summarized issues with the applications identified by IDWR during its review. We will respond in the order in which the issues were presented in your letter:

1. **Name of Applicant.** Permit Application No. 63-33884 has been amended to include the name of Susan Montierth as an applicant at Item 1. See the attached amended application.
2. **Point of Diversion.** The currently authorized points of diversion for the four existing water rights proposed for change were first described in transfer #5442, which was approved April 27, 2000. The transfer authorized use of up to seven wells within eight legal locations. Three points of diversion were authorized within Lot 3 (NWSW) S07, T01N, R02E; one point of diversion was authorized in Lot 2 (NWNE), S06, T01N, R02E; one in Lot 3 (NENW), S06, T01N, R02E; and one in SWSE, S31, T02N, R02E. One additional point of diversion was proposed in either SWSE, S07, T01N, R02E, or Lot 2 (SWNW), S18, T01N, R02E. A well has not been constructed at either of the locations proposed by transfer #5442 and these locations have been removed from the permit and transfer applications and maps. The location of each of three wells in Lot 3 (NWSW), S07, T01N, R02E is now shown on the application maps. These wells are known to the landowner as the Farm, Tower, and Gate wells.
3. **Place of Use.** The permissible place of use (PPU) proposed on the permit application has been amended to remove one acre in T01N, R02E, S07, Lot 3 (NWSW), and 10 acres in T01N, R02E, S07, NWNE. These areas are not owned by the Montierths. The same PPU is shown on the amended transfer application map.

4. **Place of Use.** The Montierths recently acquired an approximate 160-acre parcel in the SE of S18, T01N, R02E from Tereco. The Montierths are in the process of obtaining the Tereco property through a tax-deferred property exchange based on federal Internal Revenue Code, Section 1031. Please see the attached Warranty Deed and Deed of Trust executed on January 12, 2015. These documents convey the property from Tereco to the #242 Pioneer Exchange Accommodation Titleholder LLC (PEAT). (PEAT was formed solely to hold title to the property during the exchange process.) PEAT then executed the Deed of Trust to convey the Tereco property to Pioneer Title Company to be held in trust on behalf of Ray and Susan Montierth (the beneficiaries of the trust). Thus the Montierths have possessory interest in the Tereco property during the exchange process as beneficiaries of the trust.
5. **Any other water rights used for the same purposes as described above.** There are four existing groundwater rights (63-3362, 63-7531, 63-10383 and 63-11347) and one groundwater permit (63-12546) for this system. Surface water delivered by Pleasant Valley Irrigation Co. (PVIC) is also used on the property, when available. PVIC's service area only covers a portion of the proposed permissible place of use and based on information on file this property only receives 495 shares (assume enough for 495 acres) worth of water for irrigation. The existing water right authorizations within the proposed permissible place of use for this groundwater system provide irrigation of up to 825 acres. The permit application proposes new irrigation of an additional 493 acres. PVIC water, when available, is delivered through the combined system and may inadvertently be applied throughout the system. The PVIC water is limited seasonally and the amount of PVIC water available will not be increased to include the new 493 acres. The new 493 acres will be irrigated solely with groundwater.
6. **Any other water rights used for the same purposes as described above.** Water right 63-26168 authorizes use of groundwater from a well in Lot 2 (NWNE) S06, T01N, R02E for domestic and stockwater use. Water right 63-26168 is diverted from a separate system than the system proposed for additional development under the permit application.
7. **Map of proposed project.** The maps included with the permit application and transfer application have been amended to incorporate the changes made by the amended applications.
8. **Fee:** A check for \$70.00 is enclosed for the balance of the transfer application fee..

Thank you for your continued consideration of Mr. Montierth's project.

Sincerely,

Roxanne Brown

cc: Ray Montierth

SPF Job No. 1058.0010



RECEIVED

FEB 03 2015

DEPARTMENT OF
WATER RESOURCES

February 2, 2015

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

Subject: IWSB Rental Application (SPF Job No. 1058.0010)

Dear Remington,

We have enclosed a water supply bank application for Mr. Ray Montierth. Mr. Montierth owns farm property south of Boise (often referred to as the "Tyson property"), which is covered by existing water rights. He recently purchased a 160-acre parcel that is contiguous with the Tyson property, and has amended an application for permit (63-33887) to add additional flow rate and area to the existing proposal in order to develop a water right on his recently purchased land. The new land will be irrigated by an extension of the existing water delivery system.

Mr. Montierth was recently informed that processing of his application for permit will be delayed due to staff shortages in the Western Region Office. Mr. Montierth respectfully requests processing of his rental application as quickly as possible. Mr. Montierth will be installing a new pivot as soon as the land is workable. The existing Tyson wells can be used to deliver the rented irrigation water to the new land.

Thank you for your consideration of Mr. Montierth's project. Please contact me with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Roxanne Brown". The signature is fluid and cursive, with the first name "Roxanne" being more prominent than the last name "Brown".

Roxanne Brown

Enclosures

cc: Ray Montierth