

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective June 19, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: MARK E HOLMES
PO BOX 30
MEDINA WA 98039-0030
(425)351-4000
mholmes@ix.netcom.com

RECEIVED

NOV 03 2014

**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 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>Total Leased Acres</u>
34-4017	0.17 CFS	Not Stated	11.5 AC
Combined Lease Totals:	0.17 CFS	Not Stated	11.5 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 05/01 to 10/15

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, 2018.
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.

MARK E HOLMES
PO BOX 30
MEDINA WA 98039-0030

By [Signature]
Printed Name Mark Holmes

Date 10/31/2014
Title Owner

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

By [Signature]
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date November 3, 2014

Lease approved by IDWR [Signature]

Date 11/3/2014

ATTACHMENT A
WATER RIGHT NO. 34-4017
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MARK E HOLMES
 PO BOX 30
 MEDINA WA 98039-0030
 (425)351-4000

Priority Date: 6/1/1934

Source: SPRING

Tributary to: BIG LOST RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	5/01	10/15	0.17 CFS	Not Stated
	Total:		0.17 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

SPRING L4(SSEWSW) Sec. 7, Twp 07N, Rge 24E, CUSTER County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	24E	7											1.4	4.3					5.7
													1.4						
07N	24E	18					5.8												5.8

Total Acres: 11.5

ADDITIONAL CONDITIONS OF ACCEPTANCE

- The water rights referenced above will be rented from the bank at the current rental rate.
- 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.
- 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.
- 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.
- While a water right is in the bank, forfeiture provisions are stayed.
- Rental of water under this right is subject to the limitations and conditions of approval of the water right.
- Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

[Handwritten Signature]
 10/30/2014

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.
12. The period of use for irrigation described above may be extended in seasons of unusual characteristics to a beginning date of 04-20 and an ending date of 10-31 at the discretion of the Director of the Idaho Department of Water Resources.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No 34.

[Handwritten signature]
10/31/2004

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JUN 19 2014

DEPARTMENT OF
WATER RESOURCESWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

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 Mark E. & Jennifer A. HolmesWater Right No. 34-4017

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. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☒ ☐ Contact information for *all owners* of the water right that is being leased or sold on this application.
- 1B ☒ ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☒ ☐ Written consent from irrigation district or water delivery company.
- 1E ☒ ☐ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3D ☒ ☐ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☒ ☐ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ <u>250.00</u>	Received By: <u>CW</u>	Date Received: <u>6-19-14</u>	Receipt # <u>0099030</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Mark E Holmes</u>	

**STATE OF IDAHO
WATER RESOURCE BOARD**

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 Mark E. & Jennifer A. Holmes Email Address mholmes@ix.netcom.com
Mailing Address PO Box 30, Medina, WA, 98039-0030 Phone Number (425) 351-4000

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? Yes ☒ No ☐

C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☐ No ☒
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☐ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 34-4017 ☐ 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.

Ditch to pond, pump from pond to sprinklers.

- 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
None

C. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

D. 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. _____

E. 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. 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, for a period from 05/01/2014 to 12/31/2018 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year)

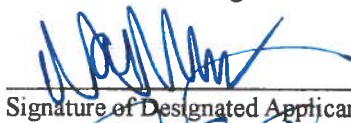
B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

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

Kathie Holmes
Printed Name

5/11/2014
Date


Signature of Authorized Representative

Jennifer Holmes
Printed Name

6/11/2014
Date

Mail to:

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

STATE OF IDAHO
WATER RESOURCE BOARD

ATTACHMENT 2

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

- | 1. <u>Water Right Number</u> | <u>Amount (cfs/ac-ft)</u> | <u>Nature of Use</u> | <u>Period of Use</u> |
|---|---------------------------|----------------------|----------------------|
| 34-4017 | 0.17 cfs | irrigation | May 1 to Oct. 15 |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| Total Amount: | 0.17 cfs | | to |
| 2. Source of water <u>spring</u> tributary to <u>Big Lost River</u> | | | |
| 3. Point(s) of Diversion: | | | |

[illegible]

4. Lands irrigated or place of use:

[illegible]

If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** 11.5

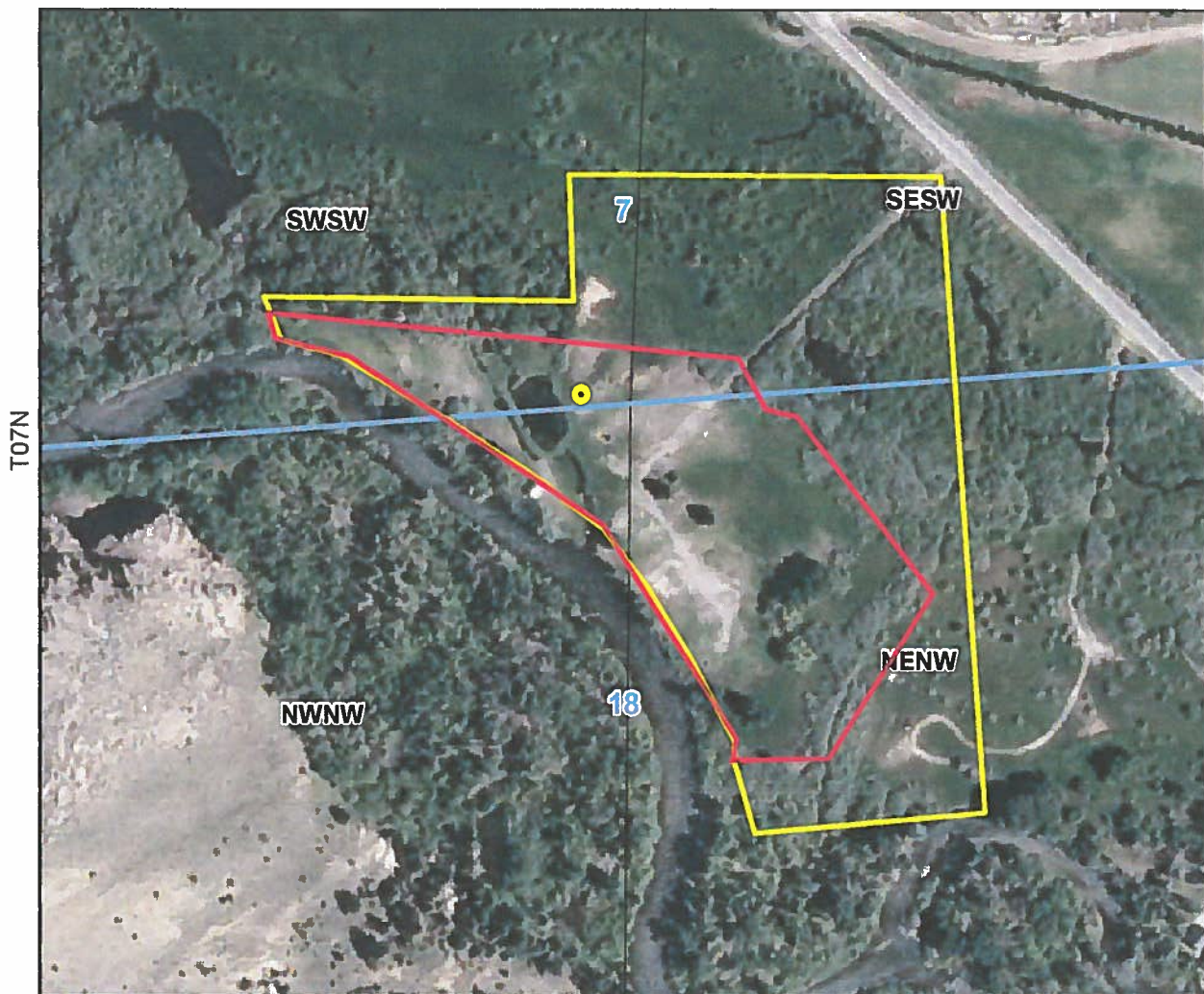
State of Idaho
Department of Water Resources

Water Right
34-4017

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

R24E



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters
- Taxlots

0 0.0375 0.075 0.15 Miles

Area irrigated





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

November 4, 2014

MARK E HOLMES
PO BOX 30
MEDINA, WA 98039-0030

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHT(S) 34-4017

Dear Lessor:

Water Right 34-4017 was leased into the Water Supply Bank on June 19, 2014 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.**

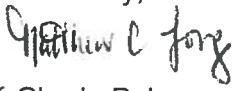
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the 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 287-4944.

Sincerely,


for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: James Speck – Speck & Aanestad
James Cefalo – IDWR Eastern Region
M Todd Perkes – Water District #34



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

October 23, 2014

MARK E HOLMES
PO BOX 30
MEDINA, WA 98039-0030

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 34-4017 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH 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, 2018**, 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 287-4944.

Sincerely,

for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. James Speck – Speck & Aanestad

Webster, Clay

From: Cefalo, James
Sent: Monday, October 20, 2014 9:33 AM
To: Webster, Clay
Subject: RE: Region and Watermaster Comments for Holmes Lease of 34-4017

Clay,

I have no concerns with the proposed WSB lease.

James

From: Webster, Clay
Sent: Monday, October 20, 2014 8:54 AM
To: Cefalo, James; Todd Perkes
Subject: FW: Region and Watermaster Comments for Holmes Lease of 34-4017

James and Todd,

Let me try that again with the attachments

Clay

From: Webster, Clay
Sent: Monday, October 20, 2014 8:50 AM
To: Cefalo, James; 'Todd Perkes'
Subject: Region and Watermaster Comments for Holmes Lease of 34-4017

James and Todd,

I am currently processing a lease for 11.5 Acres of this right. Do you have any concerns?

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

Webster, Clay

From: Todd Perkes [watermaster34@atcnet.net]
Sent: Monday, October 20, 2014 10:45 AM
To: Webster, Clay
Subject: RE: Region and Watermaster Comments for Holmes Lease of 34-4017

I have no concern.

M. Todd Perkes
Water District #34, Watermaster
P.O. Box 86
Mackay, ID 83251
Office (208)588-3137
Fax (208)588-3130

From: Webster, Clay [<mailto:Clay.Webster@idwr.idaho.gov>]
Sent: Monday, October 20, 2014 8:54 AM
To: Cefalo, James; Todd Perkes
Subject: FW: Region and Watermaster Comments for Holmes Lease of 34-4017

James and Todd,

Let me try that again with the attachments

Clay

From: Webster, Clay
Sent: Monday, October 20, 2014 8:50 AM
To: Cefalo, James; 'Todd Perkes'
Subject: Region and Watermaster Comments for Holmes Lease of 34-4017

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I am currently processing a lease for 11.5 Acres of this right. Do you have any concerns?

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)
322 E. Front Street
P.O. Box 83720
Boise, ID 83720-0098
208-287-4800
www.idwr.idaho.gov

MEMORANDUM

To: Water Right No(s). 34-4017
From: Clay Webster
Date: October 20, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The department received an application to lease a portion (11.5 acres) of this water right into the Water Supply Bank on June 19, 2014. These portions are outside of the area developed in accordance with transfer 76234. I contacted the Big Lost River Irrigation District on 8/5/2014 to see if the Holmes' had any storage through them on this water right. They do not. I found a discrepancy between the water right shape and the tax lots between the Holmes', Scott McAfee and the Thomas Little Family tax lots. I sent a letter to the applicants for clarification on ownership of the property where the acres are being offered to the bank.

This right was originally decreed to the Jane Hemingway Mason Revocable Trust in 1997. An ownership change was completed in March of 2006 by the Department of Water Resources (Department). However while reviewing this lease I found a discrepancy in the tax-lot data. The deed provided to the Department did not convey the entire water right. I received a Quit Claim Deed for the entire right on October 17, 2014.

AUTHORITY TO FILE: This application is signed by Marc and Jennifer Holmes current water right owners.

WATER RIGHT VALIDITY: This water right was decreed in December 1997. Satellite imagery indicates that the acres proposed to be leased may have been irrigated as recently as 2013. (See attached)

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

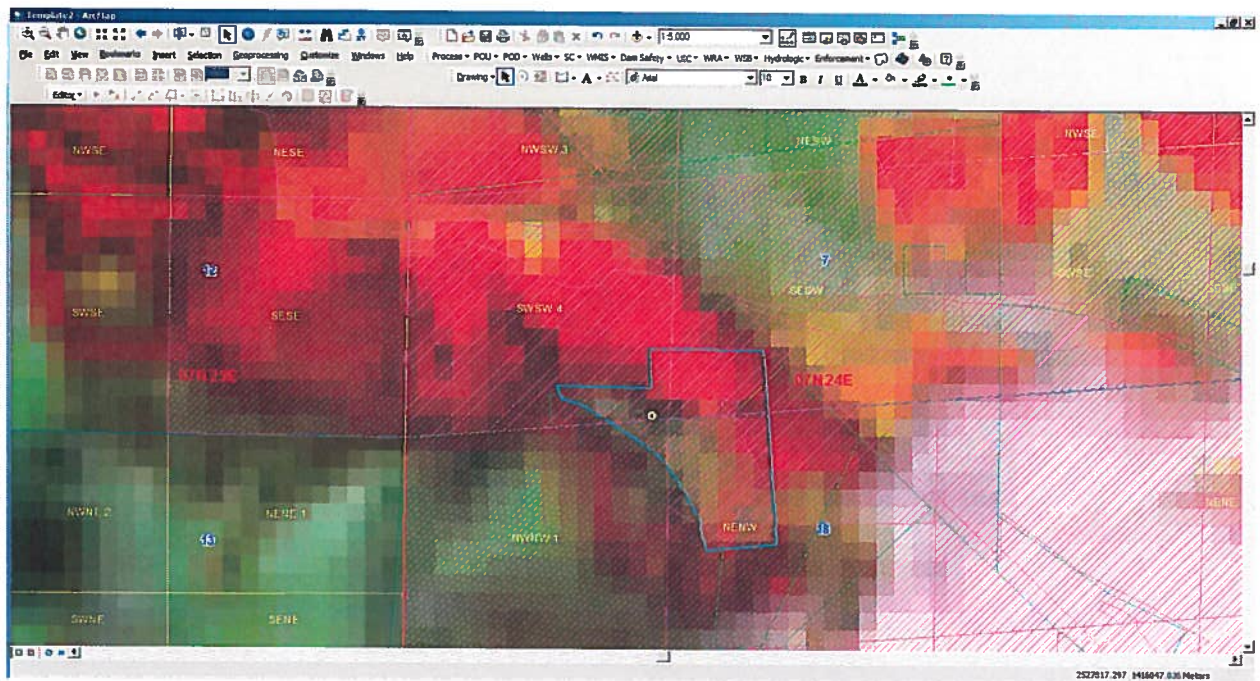
ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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

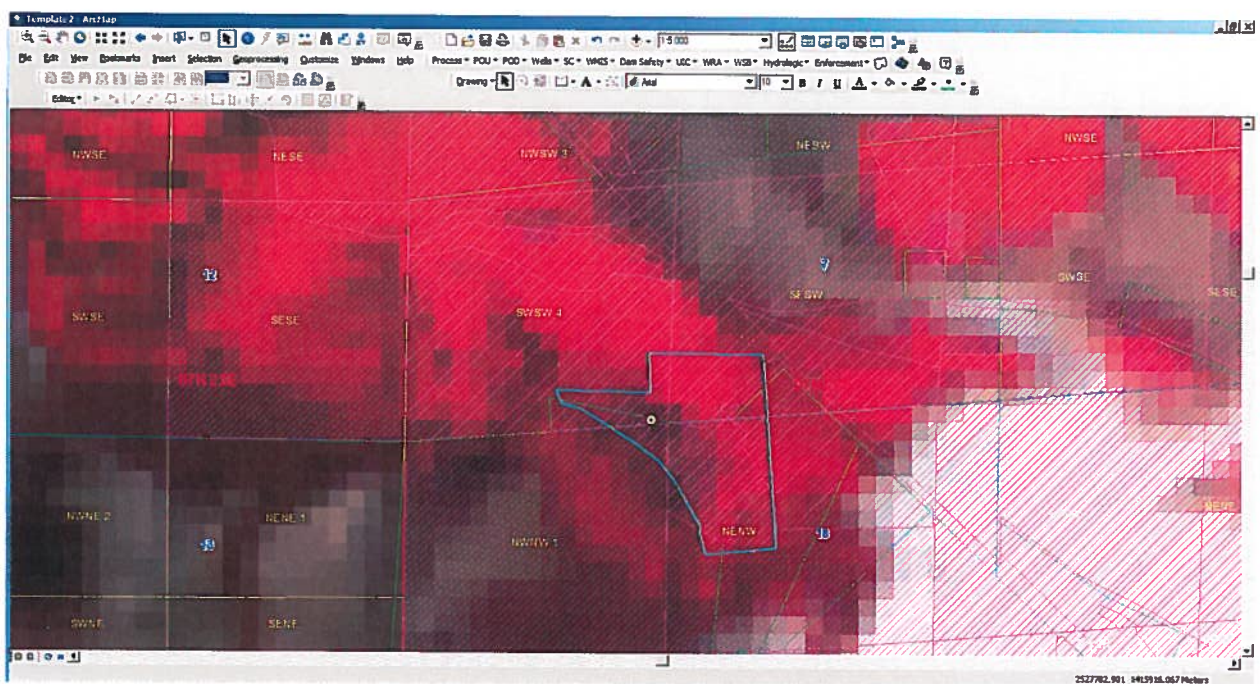
BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 34.

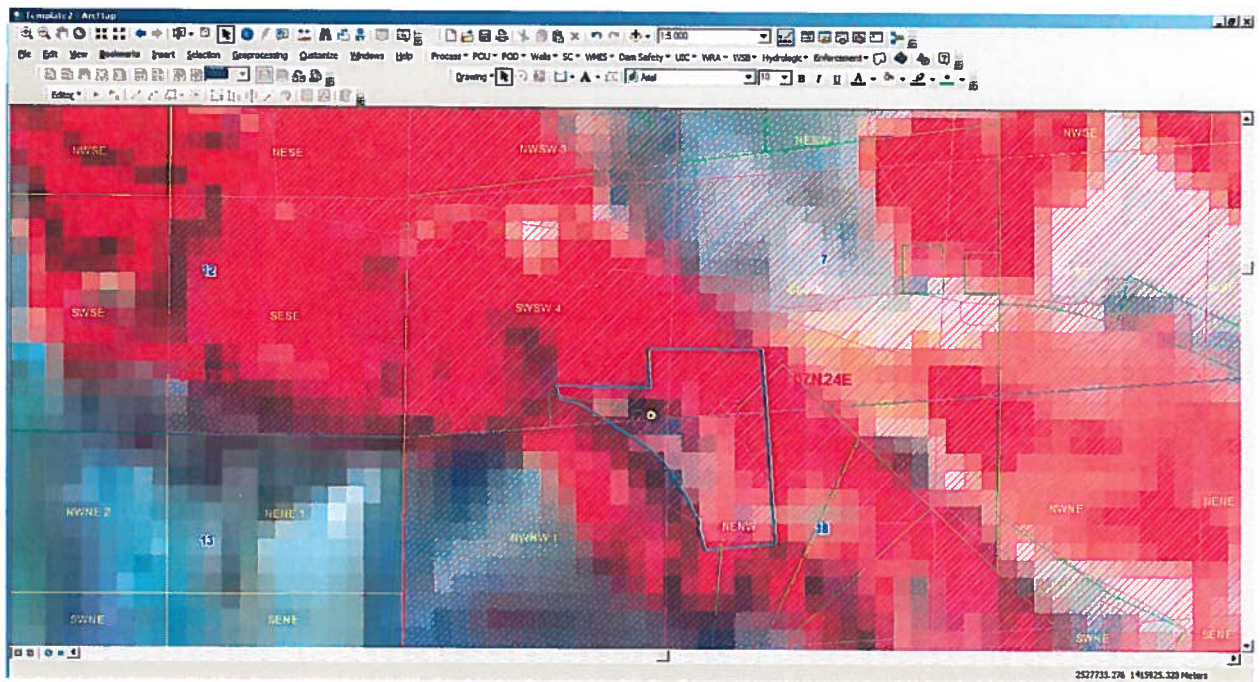
Aug 26, 2013 Satellite imagery for 34-04017



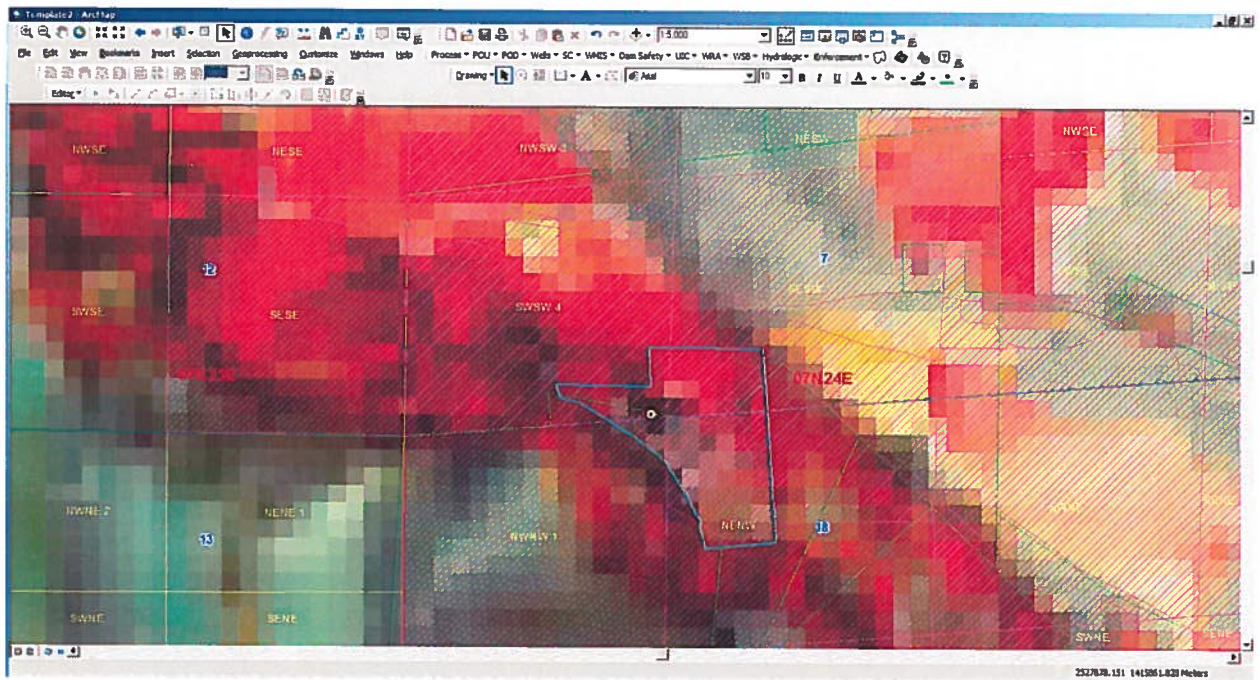
Aug 10, 2013 Satellite imagery for 34-04017



July 9, 2013 Satellite imagery for 34-04017



June 7, 2013 Satellite imagery for 34-04017



Webster, Clay

From: Webster, Clay
Sent: Monday, October 20, 2014 7:46 AM
To: 'Jim Speck'
Cc: mholmes@ix.netcom.com; Homan, John
Subject: RE: RE: Water Supply Bank Lease -- Mark Holmes

Jim,

I received it and will proceed with processing this lease. Thank you.

Clay

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]
Sent: Friday, October 17, 2014 4:25 PM
To: Webster, Clay
Cc: mholmes@ix.netcom.com; Homan, John
Subject: RE: RE: Water Supply Bank Lease -- Mark Holmes

Clay,

Attached is a copy of the Quitclaim Deed to both water rights signed by the former owner and decreed owner. Please confirm you will now continue to process the WSB Lease Application for 34-4017. Thank you.

Jim

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]
Sent: Monday, October 13, 2014 4:58 PM
To: 'Webster, Clay'
Cc: 'mholmes@ix.netcom.com'; 'Homan, John'
Subject: RE: RE: Water Supply Bank Lease -- Mark Holmes

Clay,

The attorney for the prior owner is arranging for her to sign the quitclaim deed. I will send you a copy as soon as I receive it. Thanks for your help on this one.

Jim

-----Original Message-----

From: Webster, Clay
Sent: Thursday, October 09, 2014 9:38 AM
To: Jim Speck
Cc: mholmes@ix.netcom.com; Homan, John

Jim,

I spoke with John and this looks good to both of us. This should clean up this issue for our needs. Thanks.

Clay

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]
Sent: Thursday, October 09, 2014 9:12 AM
To: Webster, Clay; Homan, John
Cc: mholmes@ix.netcom.com
Subject: RE: Water Supply Bank Lease -- Mark Holmes

John & Clay,

Will the attached be sufficient? If so, I will work on getting it signed. Thanks.

Jim

-----Original Message-----

From: Homan, John
Sent: Wednesday, October 08, 2014 9:37 AM
To: Webster, Clay
Cc: jim@speckandaanestad.com

Clay,

I visited with Jim Speck this morning about the Holmes water bank lease application. I suggested to Jim that he might consider pursuing a deed from the previous owner (Jane Hemingway Mason Revocable Trust) to convey that portion of WR 34-4017 (10.6 acres of water) that did not pass with the 2004 warranty deed. I also discussed Holmes obtaining a quitclaim deed from the neighbor owning the adjacent land where the 10.6 acres of water remains appurtenant. Upon further reflection I am not sure the quitclaim deed from the neighbor is the best approach. The cleanest route forward for the Department to process the lease application is for the previous owner to simply deed any remaining interest in WR 34-4017 to Holmes.

John

RECEIVED

OCT 17 2014

DEPARTMENT OF
WATER RESOURCES

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

James P. Speck, Esq.
SPECK & AANESTAD
A Professional Corporation
P. O. Box 987
Ketchum, Idaho 83340

(space above line for Recorder's use)

QUITCLAIM DEED

FOR VALUE RECEIVED, Jane H. Mason, Trustee of the Jane H. Mason Revocable Trust Dated February 3, 1978 And Amendment Dated December 9, 1994, also shown of record as Jane Hemingway Mason, Trustee of the Jane Hemingway Mason Revocable Trust, ("Grantor"), does hereby convey, release, remise and forever quitclaim to Mark E. Holmes and Jennifer A. Holmes, husband and wife ("Grantees"), of P.O. Box 30, Medina, Washington 98039-0030, all right, title and interest in and to Water Rights Nos. 34-4017 and 34-7113.

DATED this 15 day of October, 2014

GRANTOR:

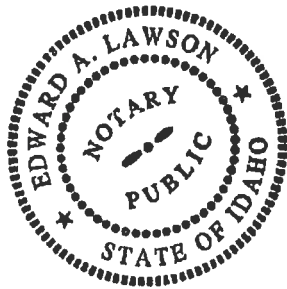


JANE H. MASON, Trustee of the Jane H. Mason Revocable Trust Dated February 3, 1978 And Amendment Dated December 9, 1994, also shown of record as Jane Hemingway Mason, Trustee of the Jane Hemingway Mason Revocable Trust

STATE OF IDAHO)
 : ss.
County of Blaine)

On this 15th day of October, 2014, before me the undersigned notary public in and for said state, personally appeared **JANE H. MASON**, known or identified to me to be the trustees of The Jane H. Mason Revocable Trust Dated February 3, 1978 And Amendment Dated December 9, 1994, also shown of record as Jane Hemingway Mason, Trustee of the Jane Hemingway Mason Revocable Trust, and the persons who executed the foregoing instrument on behalf of said trust and acknowledged to me that said trust executed the same.

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



EA Lawson
Notary Public for Idaho
Residing at : Blaine County
Comm. Expires: 5-30-18