

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective November 7, 2013, between the Idaho Water Resource Board ("**Board**"), and

Lessor: J R SIMPLOT CO
C/O VIC CONRAD
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707
(208) 336-2110

RECEIVED
APR 23 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>Acre Limit</u>	<u>Total Leased Acres</u>
24-4017	0.90 CFS	158.6 AF	NA	45.3 AC
Combined Lease Totals:	0.90 CFS	158.6 AF	NA	45.3 AC

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

Authorized Period of Use under Lease: 4/15 to 10/31

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, 2014.
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.

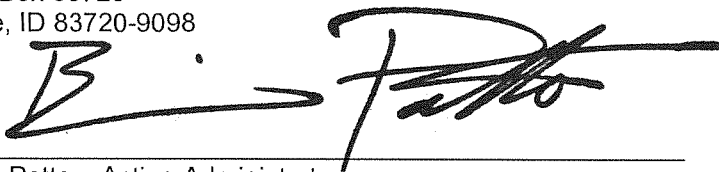
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

J R SIMPLOT CO
C/O VIC CONRAD
999 MAIN ST STE 1300 PO BOX 27
BOISE ID 83707

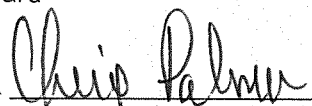
By 
Printed Name David Spurling

Date 16 April 2014
Title Sr. Vice President

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

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date April 24th, 2014

Lease approved by IDWR 

Date April 24th, 2014

ATTACHMENT A
WATER RIGHT NO. 24-4017
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: J R SIMPLOT CO
C/O VIC CONRAD
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707
(208) 336-2110

Priority Date: 09/18/1890

Source: SAGE CREEK **Tributary to:** CROW CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	0.90 CFS	158.6 AF
	Total:			0.90 CFS
				158.6 AF

LOCATION OF POINT(S) OF DIVERSION:

SAGE CREEK NE¼SE¼SW¼ Sec. 20 Twp 09S Rge 46E CARIBOU County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	46E	21			6.0	16				1.9	2.1				0.3	12			38.3
09S	46E	22					1.2	5.8											7.0

Total Acres: 45.3 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.

7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

RECEIVED

NOV 07 2013

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 24-4017 Telephone No: 208-336-2110

Name(s) of Lessor(s): J.R. SIMPLOT COMPANY

Mailing Address: P.O. BOX 27

City: BOISE State: ID Zip: 83707

Current Expiration Date: DECEMBER 31, 2013

Requested Expiration Date: DECEMBER 31, 2014

Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form. *HP*

The lessor requests that the above water right remain in the Bank through the date referenced above.

DLC
Signature of Lessor

Vic Conrad, Director
Land, Water & Asset Recovery
Printed Name and Title*

November 5, 2013
Date

Signature of Lessor

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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

FOR OFFICE USE ONLY

Filing fee received by: *HP* Date: 11-7-13 Receipt No: 1097946



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 30, 2014

J R SIMPLOT CO
PO BOX 27
BOISE, ID 83702-0027

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION FOR WATER
RIGHT(S): 2-10472, 24-4017, 35-2553A, 35-2713, 35-7169, 35-7373, 35-10422, 35-
14258, and 35-14262**

Dear Lessor:

The Idaho Department of Water Resources (Department) records show that all or a portion of the above referenced water right, currently leased to the Water Supply Bank (Bank), will expire December 31, 2014. This letter is notice that the right will be considered released from the Bank at that time.

If you would like the right to remain leased to the Bank, please complete the enclosed Application to Lease a Water Right to the Water Supply Bank.

Please consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the Bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

If you have questions regarding this matter, you may contact the Department at any time.

Sincerely,

A handwritten signature in black ink that reads "Cherie Palmer". The signature is written in a cursive, flowing style.

Cherie Palmer
Water Rights Supervisor
Water Allocation Bureau

Enclosure: Application to Lease a Water Right

c: IDWR Regional Office
Charles L Honsinger – Honsinger Law PLLC (Atty for 2-10472)
PO Box 517
Boise ID 83701



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 25, 2014

VIC CONRAD
J R SIMPLOT CO
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHT 24-4017

Dear Lessor:

Water Right 24-4017 was leased into the Water Supply Bank on November 7, 2013 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 right will automatically be released from the Bank on **December 31, 2014**, unless the right is 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 287-4879.

Sincerely,


Sandra Thiel

Water Resource Planner

Enclosure: Executed Lease Contract

c: James Cefalo – IDWR Eastern Regional Office
Lyle Swank – State Water District No. 01



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 11, 2014

VIC CONRAD
J R SIMPLOT CO
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 24-4017 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.

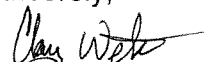
The rights will automatically be released from the Bank on **December 31, 2014**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 287-4879.

Sincerely,

for 

Sandra Thiel
Water Resource Planner

Enclosure: Proposed Lease Contracts



J.R. SIMPLOT COMPANY ONE CAPITAL CENTER 999 MAIN STREET SUITE 1300
P.O. BOX 27 BOISE, IDAHO 83707 (208) 336-2110 FAX (208) 389-7515

CORPORATE HEADQUARTERS

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NOV 07 2013

DEPARTMENT OF
WATER RESOURCES

November 3, 2013

State of Idaho
Department of Water Resources
Attn: Nick Van Dyke
P. O. Box 83720
Boise, ID 83720-0098

RE: Request to Extend Lease Term
To the Water Supply Bank
Water Right No. 24-4017

Mr. Van Dyke,

Enclosed please find an executed Request to Extend Lease Term, copy of the Application to Rent Water from the Water Supply Bank, and a check in the amount of \$250.00 for the applicable filing fee payable to IDWR referencing the above Water Right.

Please let me know if you have any questions, and please send the final executed copies to my attention for our records. I can be reached at (208) 389-7258 or diana.gastanaga@simplot.com.

Thank you for your assistance.

Sincerely,

Diana Gastanaga
Property Coordinator