

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 1, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: FRANKLIN CUB RIVER PUMPING CO
PO BOX 311
PRESTON ID 83263
(435) 258-2529

RECEIVED

APR 14 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>
13-2092	0.58 CFS	NA	NA	29.0 AC
13-2179	0.01 CFS	NA	NA	29.0 AC
Combined Lease Totals:	0.59 CFS	NA	NA	29.0 AC

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

Authorized Period of Use under Lease: 04/01 to 11/01

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.

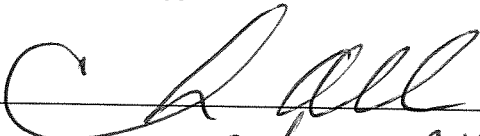
Minimum Payment Acceptable: Negotiated Rental Rate

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.

FRANKLIN CUB RIVER PUMPING CO
PO BOX 311
PRESTON ID 83263

By 
Printed Name Chris Allen

Date April 10 2014
Title 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 04-14-2014

Lease approved by IDWR 

Date 04-14-2014

**ATTACHMENT A
WATER RIGHT NO. 13-2092
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**

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

Lessor: FRANKLIN CUB RIVER PUMPING CO
PO BOX 311
PRESTON ID 83263
(435) 258-2529

Priority Date: 11/28/1919

Source: CUB RIVER **Tributary to:** BEAR RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	.58 CFS	NA
	Total:		.58 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

CUB RIVER SENE Sec. 30, Twp 16S, Rge 40E, FRANKLIN County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

			NE				NW				SW				SE				
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
16S	40E	29														40.0	40.0		80.0

Total Acres: 80.0

Limited to acres within place of use described above: 29.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
13-2092 and 13-2179	0.59 CFS	NA	NA	29.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter.
2. 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.
3. 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.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
6. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

7. 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.
8. 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.
9. 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.
10. 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.



7. 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.
8. 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.
9. 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.
10. 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.





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 1, 2014

FRANKLIN CUB RIVER PUMPING CO
PO BOX 311
PRESTON ID 83263

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 13-2092 AND 13-2179 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 287-4910.

Sincerely,

Clay Webster

Technical Records Specialist

Enclosure: Proposed Lease Contracts

c. Steven R Fuller – Fuller & Fuller PLLC

No. C 12446	Due no later than Jul 31, 2013 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. FRANKLIN CUB RIVER PUMPING COMPANY MAXINE WADDOUPS PO BOX 311 PRESTON ID 83263		LARRELL G. HOBBS 3384 SOUTH PARKINSON ROAD FRANKLIN ID 83237			
			3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
SECRETARY	MAXINE WADDOUPS	P.O. BOX 311	PRESTON	ID	USA	83263
DIRECTOR	SHERMAN OLSON	5935 SOUTH 2100 WEST	ROY	UT	USA	84067
DIRECTOR	CLETUS HAMILTON	P.O. BOX 461196	LEEDS	UT	USA	84746
DIRECTOR	LARRELL HOBBS	3384 SOUTH PARKINSON ROAD	FRANKLIN	ID	USA	83237
PRESIDENT	CHRIS ALLEN	12616 NORTH 1200 EAST	COVE	UT	USA	84320
DIRECTOR	TROY HOBBS	3384 SOUTH PARKINSON RD	FRANKLIN	ID	USA	83237
5. Organized Under the Laws of: ID C 12446		6. Annual Report must be signed.* Signature: Maxine Waddoups Name (type or print): Maxine Waddoups Date: 08/28/2013 Title: Secretary				
Processed 08/28/2013		* Electronically provided signatures are accepted as original signatures.				

FULLER & FULLER, PLLC
Attorneys and Counselors at Law
24 North State ♦ P.O. Box 191 ♦ Preston, Idaho 83263

www.fullerlawonline.com

STEVEN R. FULLER*
LYLE J. FULLER*

*Also Member of Utah Bar

Steven R. Fuller
sfuller@fullerlawonline.com

RECEIVED

JAN 30 2014

DEPARTMENT OF
WATER RESOURCES

Telephone: (208) 852-2680
Fax: (208) 852-2683

Lyle J. Fuller
LFuller@fullerlawonline.com

January 28, 2014

TO:

Please Note:

ATTN: Remington Buyer
Idaho Dept. of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

This form letter is used to expedite communications. You need direct your attention **only** to the items marked.

RE: Franklin Cub River Pumping Co./Water Supply Bank

Enclosed is information/pleadings relating to the above matter.

For your information.

Please review and file in your records.

Please record in the county records and return.

Please file in the court record of the above case.

Please review and call us to discuss over the telephone.

Please sign and return.

Enclosed are documents for your records

Enclosures:

1. Water Supply Bank Request to Extend Lease Term for Water Right No. 13-2092
2. Water Supply Bank Request to Extend Lease Term for Water Right No. 13-2179
3. For W-9 for Franklin Cub River Pumping Co.
4. Check in the amount of \$500.00 payable to IDWR

Message: Please let me know if you need any additional information.

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: 13-2092 Telephone No: (435) 258-2529

Name(s) of Lessor(s): Franklin Cub River Pumping Company

Mailing Address: P.O. Box 311

City: Preston State: ID Zip: 83263


Current Expiration Date: December 31, 2013

Requested Expiration Date: December 31, 2018
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.

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

	<u>CHRIS ALLEN, President</u>	<u>1-28-14</u>
Signature of Lessor	Printed Name and Title*	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: CS Date: 1/30/14 Receipt No: C098253

City of Franklin

189866
190084
232515
235666
243158
257825
108 AC

#3021

Laurel B. Hobbs
195781

#3019, 01

Franklin

050864

Cemetery

OLSEN FAMILY FARM, LLC
% OLSEN, SHERMAN F.

220655
#3027.00
30.97 AC

30 29

oil sheds 140634

#388900

NFS Holdings LLC

246720 281 AC

Like Holdings
159764
180477
180477

Legacy Ranch Subdivision
#355804

29

#388903

Travell Enterprises Inc.

246720
252739

38-173
39-171
47-267
187584-87
227205
232233
232234
233382
233383

Easement 232234
Water rights 232237
232238

ROS 233136

16701 AC

29 28

UTAH

Area to be
idled

#2995

W. Douglas C
195696

TN 20

#2994 197865
Remmick Myraie

#2993

Robert Anne
Anne
54-233

#299103 G. Washburn 195779	#299104 G. Washburn 195779	#299105 G. Washburn 195779	#299106 G. Washburn 195779
#299107 G. Washburn 195779	#299108 G. Washburn 195779	#299109 G. Washburn 195779	#299110 G. Washburn 195779
#299111 G. Washburn 195779	#299112 G. Washburn 195779	#299113 G. Washburn 195779	#299114 G. Washburn 195779

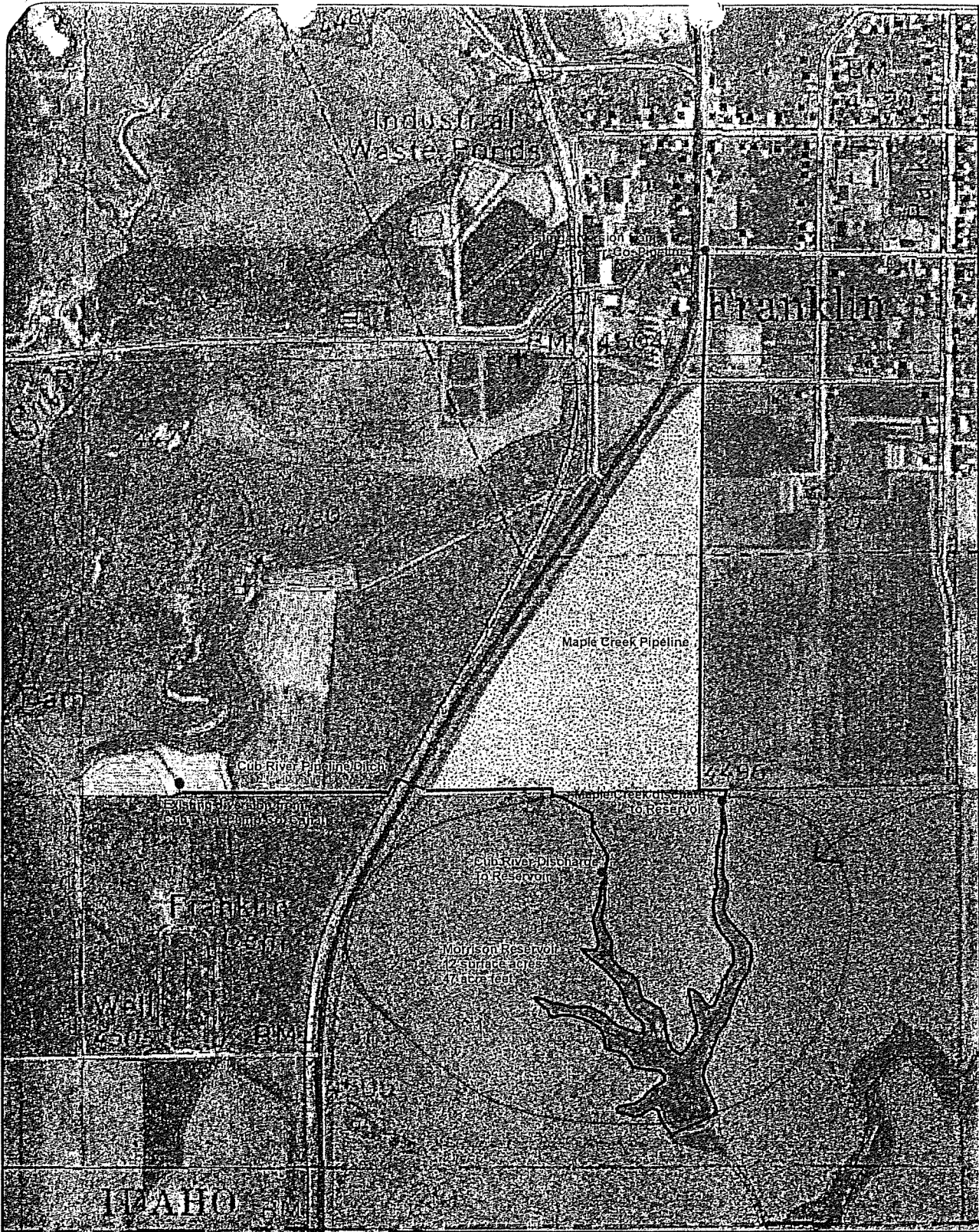
#300001 G. Lowe	#300002 G. Lowe	#300003 G. Lowe	#300004 G. Lowe
#300005 G. Lowe	#300006 G. Lowe	#300007 G. Lowe	#300008 G. Lowe
#300009 G. Lowe	#300010 G. Lowe	#300011 G. Lowe	#300012 G. Lowe

#300013 G. Lowe	#300014 G. Lowe	#300015 G. Lowe	#300016 G. Lowe
#300017 G. Lowe	#300018 G. Lowe	#300019 G. Lowe	#300020 G. Lowe
#300021 G. Lowe	#300022 G. Lowe	#300023 G. Lowe	#300024 G. Lowe

#300025 G. Lowe	#300026 G. Lowe	#300027 G. Lowe	#300028 G. Lowe
#300029 G. Lowe	#300030 G. Lowe	#300031 G. Lowe	#300032 G. Lowe
#300033 G. Lowe	#300034 G. Lowe	#300035 G. Lowe	#300036 G. Lowe

#300037 G. Lowe	#300038 G. Lowe	#300039 G. Lowe	#300040 G. Lowe
#300041 G. Lowe	#300042 G. Lowe	#300043 G. Lowe	#300044 G. Lowe
#300045 G. Lowe	#300046 G. Lowe	#300047 G. Lowe	#300048 G. Lowe

#300049 G. Lowe	#300050 G. Lowe	#300051 G. Lowe	#300052 G. Lowe
#300053 G. Lowe	#300054 G. Lowe	#300055 G. Lowe	#300056 G. Lowe
#300057 G. Lowe	#300058 G. Lowe	#300059 G. Lowe	#300060 G. Lowe



Area to be idled.

Legend	
	Pipeline/Ditch
	Irrigation Source
	Lake
	Pipeline

Figure 1
Legacy Ranch Development
Existing Conditions

