

RECEIVED
JUN 06 2012
DEPARTMENT OF
WATER RESOURCES

Water Supply Bank No. _____
(for Department use only)

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

Name of Renter Lance and/or Lisa Funk Phone 208-226-5551

Mailing address 2960 Cedar Ln American Falls, Idaho 83211 Email _____

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) Maximum Volume (ac-ft) Nature of Use Period of Use
2.6 520.4 Irrigation 5/01 to 10/31

Total: 2.6 520.4

2. Source of water Ground Water tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
04S	31E	16		SE	NE	SW	Power County

4. Lands to be irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	31E	16									32.1	30.9	34.4	33.7					130.1

If the use is for irrigation, show total number of acres proposed through rental. **Total Acres** 130.1

B. OWNERSHIP

- Do you own the land at the proposed point of diversion?
Yes _____ No X **If no**, list owner, contact information, and provide documentation of the authority to use the proposed point of diversion. Reed Stewart 3100 W 1000 S Aberdeen, Id 83210 208-220-8000
- Do you own the land at the proposed place of use?
Yes _____ No X **If no**, list owner, contact information, and provide documentation of the authority to use the proposed place of use. _____

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system. Existing well, pump, main lines, and delivery system
2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above. These water rights are currently leased to the Idaho water supply bank
35-13609, 35-7246M, 35-7632A
3. Will the proposed place of use receive water from any other source?
No X Yes _____ If yes, describe. _____
4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. N/A
5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental?
No X Yes _____ If yes, describe. _____
6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation?
No _____ Yes X If yes, describe. May 4, 2012 letter to Reed Stewart from Robert Whitney.

E. RENTAL TERM

1. Do you wish to rent water from the Board's bank for more than one (1) year?

No X Yes _____

If yes, please specify the number of years desired through proposed rental. _____

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.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. 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.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant

Printed Name and Title*

Date

Signature of Applicant

Printed Name and Title*

Date

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



**FUNK - STEWART FARM 2
WATER BANK RENTAL 2012
NAIP 2011 AERIAL**



- Legend**
- Point of Diversion
 - Stewart_2_WB_Rental
 - township
 - Sections
 - ladasc



Real Estate Lease

This Lease agreement (this "Lease") is dated October 21, 2008 by and between Superior LLC ("Landlord"), and Lance Funk Farms ("Tenant"). The parties agree as follows:

Premises: Landlord in consideration of the lease payments provided in this Lease leases to Tenant 305 acres of farmland (the "Premises") The Premises is located in Bingham County.

Legal Description: The legal description for the Premises is:

T4S R31E S1/2 S16

Term: The lease term will begin on October 1, 2008 and will terminate November 15, 2019.

Lease Payments: The grand total for the lease is [REDACTED] If Lance Funk Farms uses the pump and motor Lance Funk Farms agrees to pay Superior LLC an additional [REDACTED] per acre per year on the 264 irrigated acres. Lance Funk Farms will rent any additional water for [REDACTED] per acre per year. This total is to be paid in installments as described in Schedule A.

Possession: Tenant shall be entitled to possession on the first day of the term of the lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed to by both parties in writing. At expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

Use of Premises: Tenant may use the Premises only for the production of wheat, peas, corn, potatoes, sugar beets and barley. The Premises may be used for any other purpose only with prior written consent of Landlord which may not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises no later than the first day of the extended absence.

Property Insurance: Landlord and Tenant shall each maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. Landlord shall be named as and additional insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from insurer prior to any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on its own property.

Liability Insurance: Tenant shall maintain liability insurance on the Premises in total aggregate sum of at least [REDACTED] Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from insurer prior to any termination of such insurance policies.

LF RLS
L.F. R.S.

Maintenance:

Landlord's obligations for maintenance shall include:

- Landlord is responsible for pump, bowls, panel, and motor repairs under this lease

Tenant's obligations for maintenance shall include:

- the Tenant will repair or replace equipment or property that is damaged or destroyed by himself, his employees, invitees, guests, or agents
- the repair and upkeep of the sprinkler system
- all items of maintenance not specifically delegated to the Landlord under this lease
- Monitor and maintain the dripper oil on the irrigation system

Utilities and Services: Lessee shall be responsible for all utilities and services incurred in connection with the Premises.

Taxes: Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes: Landlord shall pay all real estate taxes and assessments for the Premises.

Defaults: Tenant shall be in default of this lease if Tenant fails to fulfill any obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may immediately take possession of the Premises without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or no such sums or charges are designated as "additional rent." The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

Late Payments: Payments not paid within 3 days of its due date shall bear interest at 18% per annum until paid beginning with the day after the due date.

Cumulative Rights: The rights of the parties under this lease are cumulative, and shall not be constructed as exclusive unless otherwise required by law.

Non-sufficient Funds: Tenant shall be charged [REDACTED] for each check that is returned to Landlord for lack of sufficient funds.

Access by Landlord to Premises: Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the Premises to prospective buyers, mortgagees, tenant, or workers. However, Landlord does not assume any liability for the care or supervision of Premises. As provided by law, in case of an emergency, Landlord may enter the Premises without Tenant's

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L.F. R.S.

consent. During the last three months of the Lease, or any extension of the Lease, Landlord shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants.

Indemnity Regarding Use of Premises: To the extent permitted by law, Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses' claims, liabilities, and expenses, including reasonable attorney fees if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.

Compliance with Regulations: Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters.

Arbitration: Any controversy or claim relating to this Lease, including the construction or application of this Lease, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

Notice: Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

Landlord:

Tenants:

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

Governing Law: This Lease shall be construed in accordance with the laws of the State of Idaho.

Entire Agreement/Amendment: This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

Severability: If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provisions, it

L.F. R.S.
L.F. R.S.

would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

Waiver: The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limited of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

Binding Effect: The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

Landlord:

Robert D Walker

Date 3-16-09

Tenant:

Reid

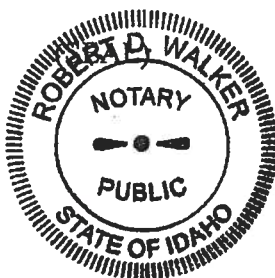
Date 3-16-09

Reid will continue to collect the CRP amount on the 41 acres of the corners throughout the lease.

STATE OF IDAHO)
) ss.
County of Power)

On this 16th day of March, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared, known to me to be the person whose name is subscribed to the within and foregoing instrument and acknowledged to me that he executed the same.

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



Robert D Walker

Notary Public for Idaho

Residing at: IDAHO FALLS ID

Commission expires: 10-29-2011

L.F. R.S.
L.F. R.S.

Schedule A

3 years up front
10 year lease

264 wet
41.1 corners

Month/Day	Year	Amount Due	Crop Year
November 15	2008		2009, 2010, 2011
October 15	2009		2012
October 15	2010		2013
October 15	2011		2014
October 15	2012		2015
October 15	2013		2016
October 15	2014		2017
October 15	2015		2018
October 15	2016	No payment - Prepaid November 2008	
October 15	2017	No payment - Prepaid November 2008	
October 15	2018	No payment - Prepaid November 2008	
Total			

+ \$200 For pump.

If Lance uses the pump and motor he agrees to pay Reid an additional [redacted] per acre per year on the 264 irrigated acres. Lance will rent any additional water for [redacted] per acre per year. If due the additional payment will be paid October 15 of the year it was used.

+ assessments LF
If property taxes increase, Funk Farms agrees to pay the difference between the current rate and the new rate.

LF
L.F. R.S.

Real Estate Lease

This Lease agreement (this "Lease") is dated July 15, 2008 by and between Superior LLC ("Landlord"), and Lance Funk Farms ("Tenant"). The parties agree as follows:

Premises: Landlord in consideration of the lease payments provided in this Lease leases to Tenant 468 acres of farmland (the "Premises") and 264 acres of water permits. The Premises and water permits are located in Bingham County.

Legal Description: The legal description for the Premises is:

A portion of T4S R30E Sec 23 & Sec 26 as described in Schedule B

Water Permit Nos: 35-7246M (205 acres); 35-7632A (2 acres); 35-13609 (57 acres)

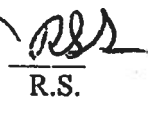
Term: The lease term will begin on October 1, 2008 and will terminate November 1, 2019.

Lease Payments: The grand total for the lease is [REDACTED] The land portion is [REDACTED] and the water portion is [REDACTED] This total is to be paid in installments as described in Schedule A.

Possession: Tenant shall be entitled to possession on the first day of the term of the lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed to by both parties in writing. At expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

Tenant responsible for return of water rights. RSL
Use of Premises: Tenant may use the Premises only for the production of wheat, peas, corn, potatoes, sugar beets and barley. The Premises may be used for any other purpose only with prior written consent of Landlord which may not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises no later than the first day of the extended absence.

Property Insurance: Landlord and Tenant shall each maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. Landlord shall be named as and additional insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from insurer prior to any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on its own property.

 
L.F. R.S.

Liability Insurance: Tenant shall maintain liability insurance on the Premises in total aggregate sum of at least [REDACTED] Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from insurer prior to any termination of such insurance policies.

Maintenance:

Landlord's obligations for maintenance shall include:

- Landlord is responsible for pump, bowls, panel, and motor repairs under this lease

Tenant's obligations for maintenance shall include:

- the Tenant will repair or replace equipment or property that is damaged or destroyed by himself, his employees, invitees, guests, or agents
- the repair and upkeep of all minor items up to [REDACTED] per item of the sprinkler system
- all items of maintenance not specifically delegated to the Landlord under this lease
- Monitor and maintain the dripper oil on the irrigation system

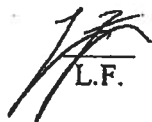
Utilities and Services: Lessee shall be responsible for all utilities and services incurred in connection with the Premises. Landlord shall only pay AF -Aberdeen groundwater user association up to [REDACTED] per acre. Tenant shall be responsible for fees exceeding the [REDACTED] per acre.

Taxes: Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes: Landlord shall pay all real estate taxes and assessments for the Premises.

Defaults: Tenant shall be in default of this lease if Tenant fails to fulfill any obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may immediately take possession of the Premises without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or no such sums or charges are designated as "additional rent." The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

Late Payments: Payments not paid within 3 days of its due date shall bear interest at 18% per annum until paid beginning with the day after the due date.

 
L.F. R.S.

Cumulative Rights: The rights of the parties under this lease are cumulative, and shall not be constructed as exclusive unless otherwise required by law.

Non-sufficient Funds: Tenant shall be charged [REDACTED] for each check that is returned to Landlord for lack of sufficient funds.

Access by Landlord to Premises: Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the Premises to prospective buyers, mortgagees, tenant, or workers. However, Landlord does not assume any liability for the care or supervision of Premises. As provided by law, in case of an emergency, Landlord may enter the Premises without Tenant's consent. During the last three months of the Lease, or any extension of the Lease, Landlord shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants.

Indemnity Regarding Use of Premises: To the extent permitted by law, Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses' claims, liabilities, and expenses, including reasonable attorney fees if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.

Compliance with Regulations: Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters.

Arbitration: Any controversy or claim relating to this Lease, including the construction or application of this Lease, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

Notice: Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

Landlord:

Superior LTL LLC
3100 W 1000 S
Abbeville, TX 783210

Tenants:

[Signature]

[Signature] R.S.
L.F. R.S.

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

Governing Law: This Lease shall be construed in accordance with the laws of the State of Idaho.

Entire Agreement/Amendment: This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

Severability: If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provisions, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

Waiver: The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limited of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

Binding Effect: The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

Other: If more irrigated and dryland acres are added on tract 3779 and tract 3780, the acres will be paid at the dry and irrigated rate listed in this lease which is [redacted] per irrigated acre and [redacted] per dryland acre as listed in Schedule B.

Landlord:

Superior L/L LLC Date 7-23-8
by Reed S. Stone msn

Tenant:

[Signature] Date _____

[Signature] L.F. [Signature] R.S.

Schedule A

Leasee to pay 1/3 in fall by Sept 1 and 2/3 in spring by March 15.

Total Irrigated [REDACTED]
Total Dry Farm [REDACTED]
Grand Total [REDACTED]

Year	Payment Date	Land Rent Portion	Water Payment Portion *Leasee to pay the X Amount	For Crop Year
2008	07/17	[REDACTED]	over paid 2017	2009
2008	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/09	2009
2009	03/15	[REDACTED]	idaho wa [REDACTED] ank \$6,720	2009
2009	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/10	2010
2010	03/15	[REDACTED]		2010
2010	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/11	2011
2011	03/15	[REDACTED]		2011
2011	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/12	2012
2012	03/15	[REDACTED]		2012
2012	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/13	2013
2013	03/15	[REDACTED]		2013
2013	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/14	2014
2014	03/15	[REDACTED]		2014
2014	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/15	2015
2015	03/15	[REDACTED]		2015
2015	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/16	2016
2016	03/15	[REDACTED]		2016
2016	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/17	2017
2017	03/15	[REDACTED]		2017
2017	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/18	2018
2018	03/15	[REDACTED]		2018
2018	09/01	[REDACTED]	Water Bank + X = [REDACTED] due by 01/31/19	2019
2019	03/15	[REDACTED]		2019

 L.F.  R.S.

check # 24623 was for 2008 water for 19,177⁴⁷ and overage of 2017⁴⁷ will be credited later.

* On the 264 ac permit no 35-7246M, 35-7632A, 35-13609 leasee will pay [REDACTED] per acre per year
[REDACTED] Superior LLC will be paid through the Idaho Water Bank and Lance Funk
Farms will pay the difference

Schedule B

Irrigated Fields and Acres

Field	Acres
2	92.3
3,7	41.3
4	34.4
5	121.6
9	44.8
Total	334.4

335 Irrigated acres x [REDACTED]

Dryland Fields and Acres

Field	Acres
1	42.6
6	84.0
10	30.8
1	51.3
4	9.3
7	8.3
8	7.3
Total	233.6

233.6 less 100ac of 6 & 10 = 133 acres

133 Dryland Acres x [REDACTED]

 
L.F. R.S.