

01/03

Before the Idaho Water Resource Board

RECEIVED

MAR 18 2009

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

Applicant: Sheri Eagle Stevens & W. Grant Stevens, H&W Phone:
310-827-2653

Address: 4644 Lincoln Blvd, Ste 552

City: Marine del Rey State: CA Zip: 90292

A. DESCRIPTION OF WATER SOUGHT TO RENT

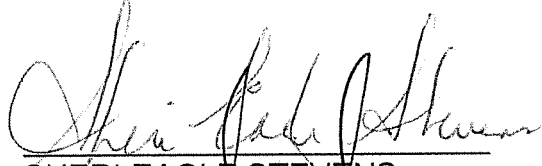
1. Source of water Big Wood River
Tributary to Malad River
2. Maximum volume of water AF
3. Maximum rate of diversion 1.28 cfs

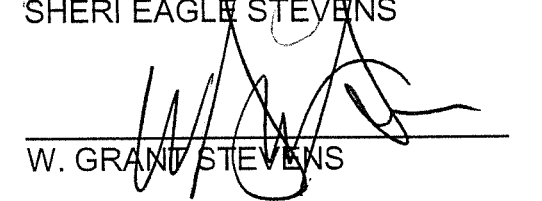
B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Irrigation
2. Location of point of diversion SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ section 16,
township 2N, range 18E, B.M. Blaine County
3. Season of use: from 4/15 to 10/31
4. Description of diverting works: HEADGATE
Pump HP Lift Pump type
Canal name, if appropriate
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be
irrigated by 40-acre tract, section, township and range.
Township 2 North, Range 18 E., B.M.
Section 16: NE SE - 33 acres
SE SE - 6 acres
SW SE - .8 acres
 - b. If water is not for irrigation, describe the nature of the intended
use and the place of use.

6. Describe any other water rights used for the same purposes as rental water sought under this application.
NONE
7. Who owns the property at the point of diversion?
APPLICANT
8. Who owns the property at the place of use?
APPLICANT
9. Are you seeking rental for more than one (1) year? Yes
10. Remarks: See attached Water Rights Lease Agreement between Eagle Nest Investment Group, LLC, as Lessor and Applicants as Lessee

3-6-09
Date


SHERI EAGLE STEVENS


W. GRANT STEVENS

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____

Published in _____ Pub. Dated _____

Protests filed by _____

Hearing held by _____

Action recommended _____

WATER RIGHTS LEASE AGREEMENT

Lease Agreement made and entered into between EAGLE NEST INVESTMENT GROUP, LLC., in care of Randall C. Budge, P.O. Box 1391, Pocatello, Idaho 83204-1391 ("Lessor") and SHERI EAGLE STEVENS and W. GRANT STEVENS, wife and husband, whose address is 4644 Lincoln Boulevard, Suite 552, Marina Del Ray, California 90292 ("Lessee")

1. **Leased Property.** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor certain water rights identified by the records of the Idaho Department of Water Resource ("IDWR") as follows:

IDWR Water Right No.	Priority	Quantity CFS/AF
37-22249	04/12/1883	1.28 cfs

The foregoing water rights will hereafter be referred to as the "leased water".

2. **Term.** The term of this Lease shall be for a term of one (1) year, commencing April 1, 2009, and terminating on March 31, 2010. Thereafter, this Lease will be automatically renewed and extended for successive additional one (1) year terms, unless and until terminated by either party upon written notice provided on or before April 1.

3. **Rent.** For the use of the leased water rights Lessee shall pay to Lessor rent annually in the amount of \$500. The rent shall be paid on or before April 1.

4. **Non-Use by Lessor.** Lessor covenants that it will not divert or utilize the leased water right during the term of this Lease.

5. **Use by Lessee.** During the term of this Lease, Lessee will divert and utilize the leased water right for irrigation purposes upon the following described property located in Blaine County, Idaho, to-wit:

Township 2 North, Range 18 E., B.M.,
Section 16: NE SE - 33 acres
SE SE - 6 acres

SW SE - .8 acres
Total: 39.8 acres

6. **Representations by Lessor.** Lessor covenants and represents that it is the true and lawful owner of the water rights and the land to which they are appurtenant, that these water rights have not lapsed, been abandoned, or forfeited, either in whole or in part and that nothing restricts or precludes Lessor from entering into this Lease and Lessee utilizing the described water rights.

7. **Indemnification of Lessor.** Lessee agrees to indemnify and hold harmless Lessor, its officers, agent and employees, from and against any and all claims, demands, losses, damages, causes of action, suits, and liabilities of every kind for injury to or death of a person, or for loss of or damage to any property resulting from any act or omission of Lessee, its employees, agents or contractors, relating to or arising out of this Lease Agreement.

8. **Breach.** In the event either party breaches this Lease and such defaults are not cured within thirty (30) days after receipt of written notice thereof, the non-breaching party, at their option, may elect any or all of the following cumulative remedies:

- (a) To terminate this Lease Agreement;
- (b) To seek specific performance of this Lease Agreement;
- (c) To recover any damages arising out of the breach;
- (d) To pursue any and all other remedies under Idaho law by reason of such breach.

9. **Assignment.** This Agreement may not be assigned by Lessee without the express written consent of Lessor.

10. **Choice of Law.** The terms and provisions of this Agreement shall be construed in accordance with the laws of the State of Idaho. Any required mediation and arbitration shall occur in Blaine County, Idaho. Jurisdiction and venue for any litigation shall be in the District Court of the State of Idaho in Blaine County.

11. **Dispute Resolution.** Any substantial dispute between the parties shall be resolved in accordance with the following provisions.

- 11.1 **Mediation.** The parties shall designate a single mediator and appear before the mediator and attempt to mediate a settlement of the dispute. In the event the parties cannot agree to a mediator, then each party shall designate a representative and they will appoint a single mediator who shall serve as the mediator for the parties.

11.2 Arbitration. In the event the dispute between the parties cannot be settled as a result of mediation as described in paragraph 13.1 above, the dispute shall be arbitrated in accordance with the Uniform Arbitration Act, Title 7, Chapter 9, Idaho Code. The parties shall select a mutually agreeable arbitrator and the dispute shall be submitted to that arbitrator for decision. The arbitrator shall be authorized to enter a decision to resolve the dispute that is binding on the parties. The arbitrator's decision shall be non-appealable.

11.3 Litigation. Litigation is allowed between the parties only for the purpose of enforcing a settlement agreement entered into between the parties as a result of mediation, or an arbitrator's tor.

12. Attorney Fees. In the event of any arbitration or litigation over this Lease the prevailing party shall be entitled to recover reasonable attorney fees and costs.

13. Binding Effect. This Agreement shall be binding upon the respective heirs, successors and assigns of the parties.

DATED this 6 day of March, 2009.

LESSEE:


SHERI EAGLE STEVENS


W. GRANT STEVENS

LESSOR:

EAGLE NEST INVESTMENT, LLC

By: Randall C. Buden

Title: Attorney and Agent in Fact