

RECEIVED
JUN 15 2011
DEPARTMENT OF
WATER RESOURCES

Water Supply Bank No. _____
(For Department Use Only)

STATE OF IDAHO
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

Name of Seller/Lessor Murphy Flats Water Company Phone _____

Mailing address PO Box 310 American Falls, Idaho 83211 Email _____

A. DESCRIPTION OF WATER RIGHT, OR PORTION THEREOF, OFFERED TO THE BANK

If the entire right is for sale or lease, show "ALL" below and skip the remainder of part A. Attach a copy of the water right report.

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>2-10020</u>	<u>/5.4</u>	<u>Irrigation</u>	<u>3/01</u> to <u>11/15</u>
	<u>/5.4</u>		<u>3/01</u> to <u>11/15</u>
			to _____
Total Amount:	<u>/5.4</u>		

2. Source of water Snake River tributary to Columbia River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
03S	01E	6			NW	NW	Owhyee

4. Lands 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	
See	Exhibit	E																	

If the right is for irrigation, show total number of acres offered to the bank. **Total Acres** 337.1

B. OWNERSHIP

- Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☐ No ☒
If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.
- Is the water right appurtenant to land subject to any liens, deeds of trust, mortgages, or contracts? Yes ☐ No ☒
If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes and list name of entity: _____

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.
Existing booster pumps from surface water sources, ponds, mainlines, and new pivots
2. Describe any other water rights used for the same purpose or at the same place of use as described above.
57-179, 57-180B, 57-181, 57-7152, 57-7385, 2-2361, 2-2370, 2-7001, 2-10020
3. Will the present place of use continue to receive water from any source? Yes ☐ No ☒
If yes, describe. _____
4. 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 right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____
5. Is this water right involved in any other Department process such as an application for transfer or a mitigation plan? Yes ☐ No ☒
If yes, describe. _____

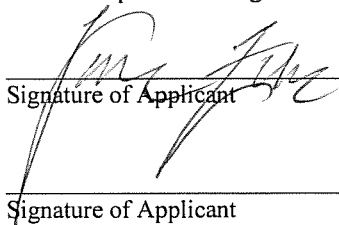
D. SALE/LEASE AGREEMENT

1. Is the water right, or portion thereof, described above offered to the Idaho Water Resource Board for sale ☐ or lease ☒?
If Lease, for a period from 5/1/2011 to 5/1/2016 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)
2. Show the minimum payment acceptable to the Seller/Lessor. The minimum payment may be shown as the "current rental rate" as established by the Idaho Water Resource Board. 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 right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner/lessor of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it or the lease term expires.
4. While a right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.



Signature of Applicant

LANCE FUNK

Printed Name and Title*

5-5-11

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

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



CERTIFICATE OF ORGANIZATION LIMITED LIABILITY COMPANY

(Instructions on back of application)

FILED EFFECTIVE

10 DEC 10 PM 2:42

SECRETARY OF STATE
STATE OF IDAHO

1. The name of the limited liability company is:

Murphy Land Company, LLC

2. The complete street and mailing addresses of the initial designated/principal office:

2765 Fairgrounds Road, American Falls, ID, 83211

(Street Address)

P. O. Box 310, American Falls, ID, 83211

(Mailing Address, if different than street address)

3. The name and complete street address of the registered agent:

Richard F. Goodson

(Name)

877 Main Street, Suite 1000, Boise, ID, 83702

(Street Address)

4. The name and address of at least one member or manager of the limited liability company:

Name

Address

Lance D. Funk

2765 Fairgrounds Road, American Falls, ID, 83211

5. Mailing address for future correspondence (annual report notices):

P. O. Box 310, American Falls, ID, 83211

6. Future effective date of filing (optional): _____

Signature of a manager, member or authorized person.

Signature Richard F. Goodson

Typed Name: Richard F. Goodson, Attorney for Co.

Signature _____

Typed Name: _____

Secretary of State use only

IDAHO SECRETARY OF STATE
12/10/2010 05:00
CK: 123703 CT: 1177 BH: 1250464
1 @ 100.00 = 100.00 ORGAN LLC # 2
1 @ 20.00 = 20.00 EXPEDITE C # 3

W98607

CONSENT OF THE SOLE STOCKHOLDER AND DIRECTOR
OF
MURPHY FLATS WATER COMPANY

Dated Effective May 24, 2011

The undersigned, Murphy Land Company, LLC, an Idaho limited liability company ("Murphy Land"), the sole stockholder of Murphy Flats Water Company, a nonprofit corporation organized and existing under the laws of the State of Idaho ("Company"), does hereby adopt the following resolutions and take the following actions by this written consent dated effective as set forth above, pursuant to Idaho Code Section 30-3-49;

WHEREAS, Murphy Land has recently acquired (i) all real property which is provided irrigation water through the irrigation system owned by the Company and (ii) all issued and outstanding stock of the Company;

WHEREAS, Murphy Land, the sole stockholder of the Company, pursuant to Idaho Code Section 30-3-51 waives any notice required in the Idaho Nonprofit Corporation Act and in the Company's Articles of Incorporation and By-Laws.

NOW THEREFORE, IT IS RESOLVED, that:

- A. Section 1 of Article III of the By-Laws of the Company shall be amended by deleting the second sentence thereof and replacing it with the following:

The corporate powers, business and property of this corporation shall be exercised, conducted and controlled by a Board of Directors consisting of at least one (1) but not more than three (3) Directors.

- B. Section 2 of Article III of the By-Laws of the Company shall be amended by deleting the second sentence thereof and replacing it with the following:

Thereafter, the Directors of this corporation shall hold office until he or she resigns or is replaced;

- C. Section 2 of Article III of the By-Laws of the Company shall be further amended by deleting the third sentence thereof; and further

RESOLVED, that Mike Ihli, Janice Rudeen and Donald Hartley, the current Directors of the Company shall be removed as Directors of the Company and Lance D. Funk, a member of

Murphy Land, shall be elected and is elected as a Director of the Company to serve in such capacity as long as he owns a 50% or greater membership interest in Murphy Land; and further

RESOLVED, that Lance D. Funk shall be appointed as president of the Company, Frank S. Tiegs shall be appointed as vice-president of the Company and Tim M. Tippet shall be appointed as secretary-treasurer of the Company.

Miscellaneous Authority

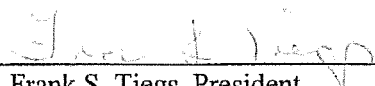
RESOLVED, that the appropriate officers of the Company, in the name and on behalf of the Company, are authorized to carry out the foregoing resolutions, and to execute, accept, and deliver all such certificates, instruments and other documents, and to do and perform all such other acts and things as such officers may deem necessary, appropriate or convenient, as conclusively evidenced by such action by such officers, in order to carry into effect the foregoing resolutions and each document as delivered pursuant thereto, all such action heretofore taken being hereby ratified, confirmed and approved.

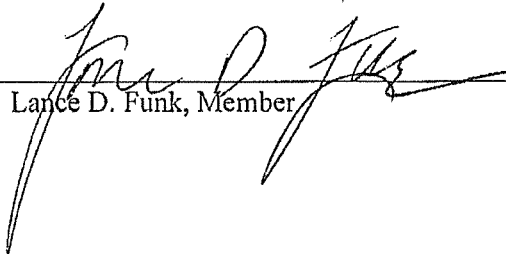
The sole stockholder of the Company has executed this Consent effective this 24th day of May, 2011.

STOCKHOLDER:

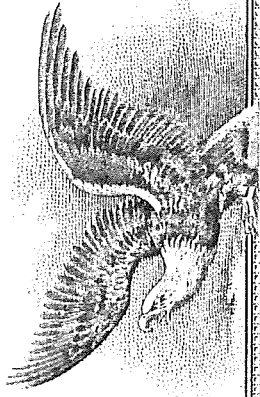
MURPHY LAND COMPANY, LLC, an Idaho
limited liability company

By: PASCO FARMING, INC., member

By: 
Frank S. Tiegs, President

By: 
Lance D. Funk, Member

A NON-PROFIT IDAHO CORPORATION

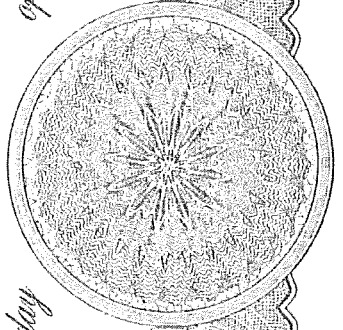


MURPHY FLATS WATER COMPANY

NON-PROFIT CORPORATION

This certifies that MURPHY LAND COMPANY, LLC is the
registered holder of FOUR-THOUSAND, ONE HUNDRED & NINETEEN Shares
membership in
MURPHY FLATS WATER COMPANY
transferable only on the books of the Corporation, by the holder hereof in
person, or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 28TH day
of DECEMBER A.D. 2010



Mike Boldt

SECRETARY

Janice Rudeen

PRESIDENT

ABC STAMP CO. OF BOISE