

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESTransfer No. 76670APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1Name of Applicant(s) Beco Construction Co. Inc. Phone 208-529-9891Mailing address PO Box 1768, Idaho Falls, ID 83403 Email DHBECK@gmail.com

- ☐ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☐ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☐ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☐ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☒ No Representative

Name of Representative _____ Phone _____

Mailing address _____ Email _____

- ☐ Send all correspondence for this application to the representative and not to the applicant.
- OR
- ☐ Send original correspondence to the applicant and copies to the representative.
- ☐ The representative may submit information for the applicant but is not authorized to sign for the applicant.
- OR
- ☐ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). 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.

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

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Department of Water Resources
Eastern Region

A. PURPOSE OF TRANSFER

1. ☒ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
- ☐ Change nature of use ☐ Change period of use ☐ Other

2. Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it Part 1A.2. A formal lease agreement for use of these water rights by Falls Water Company, Inc. has been entered into.

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

B. DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT, DESCRIBE PORTIONS TO BE CHANGED AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☒ ☐	25-4114	12.47 AF	Domestic	01/01 to 12/31	Ground Water
☒ ☐	25-10226	51.6 AF	Domestic	01/01 to 12/31	Ground Water
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights _____ cfs and/or 64.07 ac-ft

2. Total amount of water proposed to be transferred or changed _____ cubic feet per second and/or 64.07 acre-feet per annum.

3. Point(s) of Diversion:

- ☐ No changes to point(s) of diversion are proposed-the following chart is therefore not completed. (Proceed to #4.)
- ☐ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA. Label it Attachment #5.

New ?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #
		SE	SE	SW	10	2N	38E	Bonneville	Ground Water	

4. Place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

- ☐ No changes to place of use are proposed-the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
2N	38E	2	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
2N	38E	3	X		X	X								X	X	X	X	X	
2N	38E	10	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
2N	38E	11	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
2N	38E	13					X	X	X	X	X	X	X						
2N	38E	14	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
2N	38E	15	X	X	X	X	X	X	X	X					X	X	X	X	

2N 38E 16 X X

2N 38E 22 X X

2N 38E 23 X X X X X X X X

2N 38E 24

2N 38E 9

Total Acres (for irrigation use)

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Eastern Region

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

5. General Information:

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future: Existing well used as diversion point for water right 25-02119. Well has flowmeter. Water is pumped into a municipal water system, Falls Water Co., Inc.,

- b. Who owns the property at the point(s) of diversion? Lincoln Land Company, LLC
If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system: Beco Construction and Lincoln Land Company LLC are both owned by Doyle H Beck. Falls Water Co., Inc. is leasing the well site and water rights from Beco Construct.

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts? NO
If yes, ☐ Attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien: _____

It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.

- d. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer: None

- e. Describe the use of any other water right(s) for the same purpose or land, or the same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use: 25-2119

- f. To your knowledge, has/is any portion of the water right(s) proposed to be changed:

Yes No

- ☐ ☒ undergone a period of five or more consecutive years of non-use,
☐ ☒ currently leased to the Water Supply Bank,
☐ ☒ currently used in a mitigation plan limiting the use of water under the right, or
☐ ☒ currently enrolled in a Federal set-aside program limiting the use of water under the rights?

If yes, describe: _____

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**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2A**

Current Water Right No.: 25-4114

Current Owner: BECO CONSTRUCTION CO INC
Priority Date: 8/27/1953
Origin: Water Right
Status: Active
Basis: Decreed

Source
GROUND WATER

Tributary

Beneficial Use	From To	Diversion Rate	Annual Volume
DOMESTIC	01/01 to 12/31	0.33 CFS	12.47 AF
	Total Diversion	0.33 CFS	12.47 AF

Location of Point(s) of Diversion

GROUND WATER NW1/4NE1/4 Sec. 15, Twp 02N, Rge 38E B.M.
BONNEVILLE County

Place of Use

DOMESTIC Within BONNEVILLE County

T02N R38E S10	SWSE	T02N R38E S10	SESE
T02N R38E S15	NENE	T02N R38E S15	NWNE

Conditions of Approval:

1. F05 Right No. 25-10226 is also diverted through point of diversion described above.
2. C18 This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
3. E60 Right Nos. 25-10226 and 25-4114 are limited to a total combined diversion rate of 0.33 cfs and to a total combined annual diversion volume of 64.07 AF.

Decreed Date: 3/12/2007

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Department of Water Resources
Eastern Region

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Page 1

Transfer No. 76670Receipt No. E035969

IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2

Current Water Right No. 25-10226

Priority Date: 08/27/1953

Origin: Water Right

Basis: Decreed

Status: Active

Source: GROUND WATER**Tributary to:**

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
DOMESTIC	01/01 12/31	0.28 CFS	51.6 AFA	
Total Diversion		0.28 CFS	51.6 AFA	

Source and Point(s) of Diversion:

GROUND WATER NWNWNE 02N 38E 15 BONNEVILLE

PLACE OF USE: DOMESTIC

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
02N 38E 10												X				X	
02N 38E 15	X	X			X												

Conditions/Remarks:

1. This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
2. Domestic use is for 43 homes.

Documentation of Ownership of the Current Place of Use

Is this property subject to any liens, deeds of trust, mortgages, or contracts or other encumbrances?
 NO

Describe the affect on the current place of use for this water right if the place of use is changed pursuant to this transfer

The pou has already been incorporated into Falls Water Company service area.

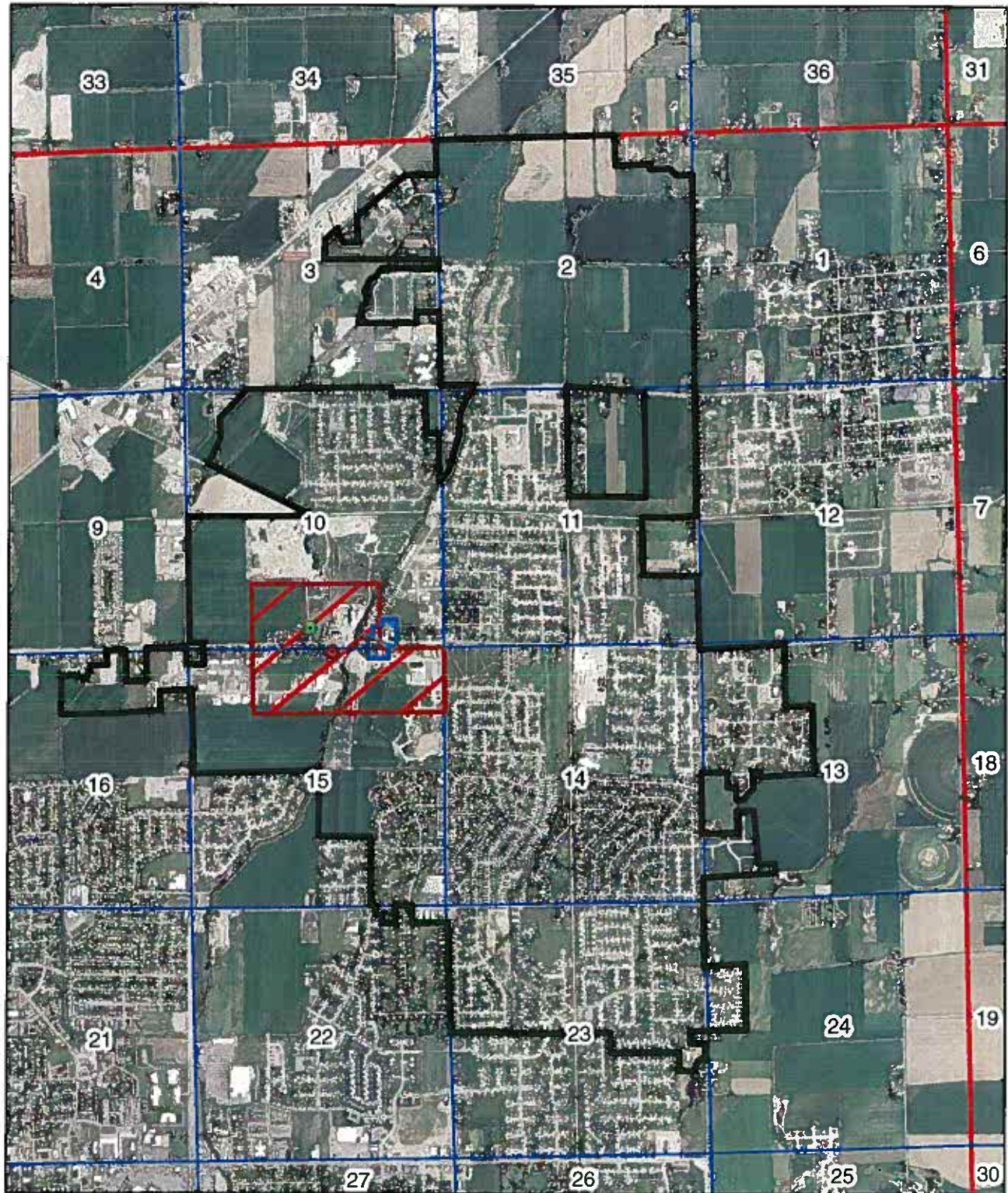
To your knowledge, has any portion of the water right undergone a period of five(5) or more consecutive years of non-use?
 NO

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76 67 0

Transfer 76670- Beco Construction 76670



Legend

- Old POD
- Proposed POD
- 25-4114
- 25-10226
- Falls Water Co. Boundary
- Township/Range
- Sections

0 0.25 0.5 1 1.5 2 Miles

Prepared by Denise Kidman
On November 10, 2010
2009 Aerial Photography



76670

LEASE AGREEMENT FOR WATER RIGHT

This agreement is made on this 7th day of June, 2010 by and between Lincoln Land Company LLC, P.O. Box 1768, Idaho Falls, ID 83403, an Idaho Limited Liability Company and BECO Construction Co., Inc., P.O. Box 1768, Idaho Falls, ID 83403, an Idaho Corporation ("Lessors"), and Falls Water Co., Inc., 2180 N. Deborah Dr., Idaho Falls, ID 83401 ("FWC"), an Idaho corporation.

Instrument # 1367806

IDAHO FALLS, BONNEVILLE, IDAHO

7-8-2010 02:46:20 No. of Pages: 4

Recorded for : SCOTT BRUCE

RONALD LONGMORE

Ex-Officio Recorder Deputy

Index to: AGREEMENT

Fee: 19.00

WITNESSETH

That for and in consideration of the mutual covenants and promises herein set forth, the parties agree as follows:

1. LESSORS are the holders of water right license no. 25-02119, a right to divert 33 acre feet annually of ground water by means of a well located in the SWSE Section 10, T2N, R38E, Bonneville County, Idaho, for domestic use at the same location, with a priority of June 10, 1955. LESSORS are the holder of water right license nos. 25-10226 and 25-4114, rights to divert a total of 64.07 acre feet annually of ground water.
2. FWC is a water service corporation organized and existing under and by virtue of the laws of the State of Idaho, with its principle place of business in Bonneville County, Idaho. FWC provides water for domestic purposes from several wells to numerous homes in the Idaho Falls area.
3. By separate agreement executed simultaneously with the execution of this agreement, FWC has leased the above referenced well of LESSORS and desires to lease the referenced water rights also. Water right license no. 25-02119 currently has its diversion point at the well leased by the separate agreement executed simultaneously with the execution of this agreement and the place of use is currently within FWC service area. The parties understand and agree that to comply with Idaho law, in order for FWC to legally use water under water right nos. 25-10226 and 25-4114 for domestic purposes within the FWC service area, the place of diversion and place of use of such water rights must be changed pursuant to the provision of Idaho Code Sections 42-108 and 42-222.
4. LESSORS make no guarantee or warranties relating to the water right which is the subject of this agreement or the use of water pursuant thereto for any purpose. FWC recognizes and accepts the inherent risk associated with the use of water pursuant to such water right and agrees to save and hold LESSORS harmless from any loss, claim or cost by reason of a liability claim brought by any person or entity including FWC allegedly suffering a personal injury or property damage in some way attributable to the water right or the use of water pursuant thereto.
5. FWC agrees to maintain a policy of liability insurance in a minimum amount of One Million Dollars (\$1,000,000) to be effective at all times while this agreement is in effect. LESSORS will be named as an additional insured on FWC's policy and receive a certificate of insurance annually indicating the policy is in effect.

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Department of Water Resources
Eastern Region

6. Immediately upon the execution of this agreement, the parties shall cooperatively cause the appropriate application for transfer of said water right to be filed pursuant to said sections of the Idaho Code with the Idaho Department of Water Resources and shall continue to cooperate to the end that formal approval of such transfer by IDWR may be obtained at the earliest possible date.
7. Upon receipt of formal approval by IDWR, the terms of this lease shall be that FWC will lease said water rights in the amount approved up to a total of 97.07 acre feet per year for a period of three years from the date of such approval, at the rate of \$34 per year per acre foot, the first of which payments has been paid upon the execution hereof, and each subsequent payment of which shall be paid on or before August 1st, the anniversary date of the lease year. This lease shall be renewable at the option of LESSORS for two additional three year periods on the same terms and conditions.
8. Upon the expiration or termination of this lease for any reason, FWC agrees to cooperate with LESSORS in any effort of LESSORS to change the point of diversion, place of use, nature of use or season of use of said water rights in accordance with the provisions of Idaho Code sections 42-108 and 42-222, and this agreement constitutes FWC's formal consent thereto. In the event the transfer of water right nos. 25-10226 and 25-4114 contemplated by this agreement is unsuccessful in whole or in part or should LESSORS not renew the water right lease during the lease term of the well lease, FWC may transfer the point of diversion for any or all of its existing water rights to the referenced well and LESSORS agrees to cooperate in such effort as provided in the lease of said well executed simultaneously herewith.
9. This lease shall not be assigned nor subleased to any other party without the prior written consent of LESSORS.
10. If LESSORS's property is sold during the term of this lease, LESSORS's rights hereunder may be assigned to the new owner of the property by LESSORS.
11. Failure to strictly comply with the provisions of this agreement shall constitute a default. Upon default, either party may pursue any lawful remedy without prior notice. In addition to any other remedies allowed by law, either party may terminate this lease upon default provided that prior to termination, the party claiming default shall give written notice specifying the grounds upon which termination will be effected and providing a ten day period upon which such default may be cured. If the default is not cured the party may proceed with termination.
12. In the event of default, the defaulting party shall pay all costs and attorney's fees incurred by the other in enforcing the provisions of this agreement, whether or not an actual lawsuit is filed. Failure to pay such fees and costs shall constitute a default.
13. This agreement supersedes all prior lease negotiations between the parties and is based upon no representation or warranties except as expressly set forth herein.

14. Any notice by either party pursuant to the provisions of this lease shall be mailed to the proper address provided above, by certified mail, return receipt requested. Notice shall be effective as of the date of the first attempted delivery by the postal service.

Dated this 7th day of June 2010.

FALLS WATER CO., INC.

K. Scott Bruce

By K. Scott Bruce Title General Mgr

Lincoln Land Company LLC

[Signature]

By DH Beck Title MGR

BECO Construction Co., Inc.

[Signature]

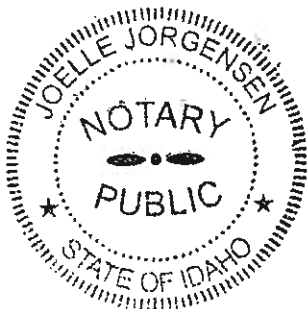
By DH Beck Title Pres

STATE OF IDAHO)
) ss
County of Bonneville)

On the 7th day of June 2010, before me the undersigned, a notary public in and for the said State, personally appeared K. Scott Bruce, known or identified to me to be one of the members of Falls Water Co., Inc. or an authorized representative of Falls Water Co., Inc., and acknowledged to me that he/she executed the same in said corporation name.

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

(Seal)



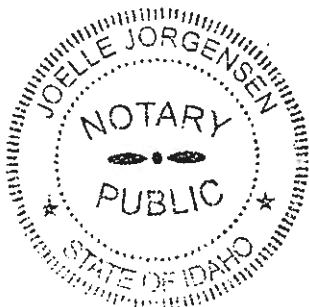
Joelle Jorgensen
Notary Public for Idaho
Residing at: Bonneville County
My commission expires: Apr. 19th 2013

STATE OF IDAHO)
) ss
County of Bonneville)

On the 7th day of June 2010, before me the undersigned, a notary public in and for the said State, personally appeared Doyle Beck, known or identified to me to be one of the members of Lincoln Land Company LLC and the president of BECO Construction Co Inc, and acknowledged to me that he/she executed the same in said limited liability company name.

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

(Seal)



Joelle Jorgensen
Notary Public for Idaho
Residing at: Bonneville County
My commission expires: Apr. 19th 2013

Page 4

QUIT CLAIM DEED

THIS DEED, made the 11th day of December, 1991, BETWEEN *Central Lincoln Domestic Water Users Association, Incorporated*, a corporation, duly created, organized and existing under, and by virtue of, the State of Idaho, and having its principle office at 2804 East Lincoln Road, City of Idaho Falls, State of Idaho, party of the first part, and *BECO Construction Company* of 4697 Haroldsen Drive, City of Idaho Falls, State of Idaho, party of the second part,

WITNESSETH, that the party of the first part, in consideration of \$2,000, lawful money of the United States, paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, the heirs, successors and assigns of the party of the second part forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being as hereinafter described:

Beginning at a point situate North 89° - 45' West 2,292.4 feet and south 131 feet from the Northeast corner of Section 15, Township 2 North, Range 38 East, Boise Meridian, and running thence South 145 feet; thence North 89° - 45' West 39 feet; thence North 145 feet; thence South 89° - 45' East 39 feet to the point of beginning.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

TO HAVE AND TO HOLD the premises herein granted unto the part of the second part, the heirs or successors and assigns of the party of the second part forever.

IN WITNESS WHEREOF, the party of the first part has caused its corporation seal to be hereunto affixed, and these presents to be signed by its duly authorized officer, the day and year first above written.

Attest:

INSTRUMENT NO.	91-16-0
DATE	12-11-91
INST. CODE	1-56
FILE NO.	159-10
SEE	5-20

[Handwritten signatures and stamps over the form]

Central Lincoln Domestic Water Users Association, Inc.

Seal

[Signature]
Secretary

[Signature]
President

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JUL 14 2010

Department of Water Resources
Eastern Region

25-10226

Pumphouse

1120 1121

Figure B-4 1984 Aerial Photograph

ECE V

JUL 1 2

Department of Water P
Eastern Region

76670

AFFIDAVIT OF KNOWLEDGE & FACTS

STATE OF IDAHO)
) : ss.
County of Bonneville)

Jack Scott, being first duly sworn, upon his oath, pursuant to Idaho code 36-105 DD(2)(d) states and alleges as follows:

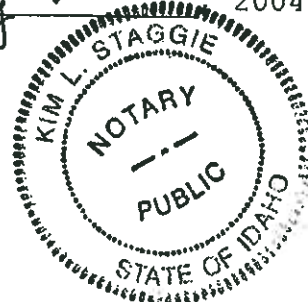
1. Affiant, is past president of the Central Lincoln Domestic Water Users.
2. Affiant, by knowledge information and belief states that the water well for Water Right #25-10226 was constructed by the Utah and Idaho Sugar Co., prior to 1953.
3. The Affiant Further sayeth that Utah and Idaho Sugar Co., transferred their interest in the well and water right to the Central Lincoln Demestic Water users on August 27, 1953.
4. The Affiant sayeth that the Central Lincoln Domestic Water Users transfered and sold their interest to BECO Construction Co., Inc. On the 11th day of December 1991.
5. Further this Affiant Sayeth not.

DATED this 4th day of May, 2004.

Jack Scott Jack B. Scott
3188 Lincoln Rd.
Idaho Falls ID 83401

SUBSCRIBED AND SWORN to me Kim L. Staggie Notary of
Public, this 4th day of May 2004.

Notary of Public: Kim L. Staggie
Residing at: Idaho Falls
My commission expires: May 02, 2007



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Department of Water Resources
Eastern Region

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Instrument # 1367807

ID. FALLS, BONNEVILLE, IDAHO

7-8-2010 02:48:01 No. of Pages: 5

Recorded for : SCOTT BRUCE

RONALD LONGMORE

Ex-Officio Recorder Deputy

Fee: 22.00

Index to: AGREEMENT

LEASE AND EASEMENT AGREEMENT

This agreement is made on this 7th day of June, 2010 by and between Lincoln Land Company LLC, P.O. Box 1768, Idaho Falls, ID 83403, an Idaho Limited Liability Company and BECO Construction Co., Inc., P.O. Box 1768, Idaho Falls, ID 83403, an Idaho Corporation ("Lessors"), and Falls Water Co., Inc., 2180 N. Deborah Dr., Idaho Falls, ID 83401 ("FWC"), an Idaho corporation.

FWC operates several wells pumping water through pipelines to service the water needs of many municipal water users in the Idaho Falls area. LESSORS owns property in Lincoln which has a well located on it that FWC desires to lease.

- 1) For and in consideration of the mutual promises and the payments specified herein, LESSORS hereby agrees to lease the well located on its property described in Exhibit "A" attached hereto to FWC. LESSORS also hereby grants to FWC in connection with the lease a temporary easement upon and across the property described in Exhibit "A" for the location and installation of a pump and other essential equipment and facilities to divert water from said well, and a buried pipeline to transport such water from said well to a point where such water will be introduced into the existing system of FWC. The easement hereby granted includes the right of access to such property for the operation, maintenance, inspection, repair, rehabilitation or replacement of the well, diversion equipment and pipeline, and for the protection of such well and property as may be required of FWC by applicable Idaho Department of Health and Welfare regulations.
- 2) The term of the lease and temporary easements will be for ten (10) years. FWC shall pay to LESSORS \$1,700 as the lease amount for the first lease year due and payable on the first day of the lease. This lease amount shall be increased by \$50 each subsequent year of the lease term. Thus, the lease amount for the last year of the 10-year term would be \$2,150. All lease payments made later than 5 days past the first day of each lease year shall incur interest at the rate of 1 ½% per month from the date it was due until paid. If the lease payment is not made within 30 days of the lease payment date this lease will be in default. This late payment penalty provision shall not limit LESSORS's right to terminate or otherwise pursue remedies upon default.
- 3) FWC shall maintain the area around the well. FWC shall be responsible for all maintenance deemed by them to be necessary to maintain the operational status of the well including the pump and all associated piping and easements. All utilities shall be paid by FWC.
- 4) LESSORS makes no guarantee or warranties relating to the operation of the well for any purpose. FWC recognizes and accepts the inherent risk associated with the land, the aged condition of the well, and the water, which will be received out of the well and agrees to save and hold harmless LESSORS against any loss, claim or cost by reason of a liability claim brought by any person or entity including FWC allegedly suffering a personal injury or property damage in some way attributable to the well, water, its equipment or operation thereof by reason of FWC's use.

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Department of Water Resources
Eastern Region

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- 5) FWC agrees to maintain a policy of liability insurance in a minimum amount of One Million Dollars (\$1,000,000) to be effective at all times while this agreement is in effect. LESSORS will be named as an additional insured on FWC's policy and receive a certificate of insurance annually indicating the policy is in effect.
- 6) This lease shall not be sub-leased or assigned to any other party without the prior written consent of LESSORS.
- 7) If LESSORS decides to sell its property which may include the well site, this lease may be assigned to the new owner of the property by LESSORS.
- 8) FWC shall use the well strictly for supplying water to domestic water users in the Falls Water service area.
- 9) FWC agrees to lease up to 97.07 acre feet of water from LESSORS each year. The water rights being leased include Water rights No 25-2119 (33 AF), No. 25-4114 (12.47 AF), No. 25-10226 (51.6 AF). The lease for the water rights will be for a 3-year term. The lease amount for the water would be \$34 per year per acre foot LESSORS is able to transfer to FWC up to the 97.07 acre feet. The water right lease will be renewable at LESSORS's option for 2 additional 3-year terms. The water right lease terms as noted above will be encompassed in a separate lease agreement. FWC agrees to cooperate with LESSORS and its attorney to effectuate the transfer of the water rights and to sign the water rights lease agreement.
- 10) Failure to strictly comply with the provisions of this agreement shall constitute default. Upon default, either party may pursue any lawful remedy without prior notice. In addition to other remedies allowed by law, either party may terminate this lease provided that prior to termination the party claiming default shall give written notice specifying the grounds upon which termination will be made and providing a ten (10) day period within which the default may be cured. If the default is not cured, the party may proceed with the termination.
- 11) In the event of default, the defaulting party shall pay all costs and attorney's fees incurred by the other in enforcing the provisions of this agreement, whether or not an actual lawsuit is filed. Failure to pay such fees and costs shall constitute a default.
- 12) This agreement supersedes all prior lease negotiations between the parties and is based upon no representation or warranties except as expressly set forth herein.
- 13) Any notice by either party pursuant to the provisions of this lease shall be mailed to the proper address provided above, by certified mail, return receipt requested. Notice shall be effective as of the date of the first attempted delivery by the postal service.

Dated this 7th day of June 2010.

FALLS WATER CO., INC.

K. Scott Bruce

By K. Scott Bruce, Title General Mgr

Lincoln Land Company LLC

DH Beck

By DH Beck, Title MGR

BECO Construction Co., Inc.

DH Beck

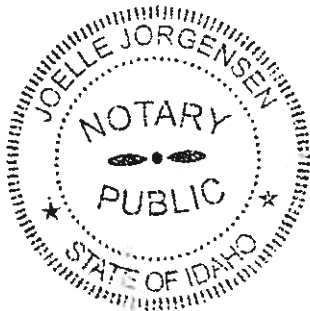
By DH Beck, Title Pres.

STATE OF IDAHO)
) ss
County of Bonneville)

On the 7th day of June 2010, before me the undersigned, a notary public in and for the said State, personally appeared K. Scott Bruce, known or identified to me to be one of the members of Falls Water Co., Inc. or an authorized representative of Falls Water Co., Inc., and acknowledged to me that he/she executed the same in said corporation name.

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

(Seal)



Joelle Tanner/Jorgensen
Notary Public for Idaho
Residing at Bannock County
My commission expires: Apr. 19th 2013

STATE OF IDAHO)
) ss
County of Bonneville)

On the 7th day of June 2010, before me the undersigned, a notary public in and for the said State, personally appeared Doyle Beck, known or identified to me to be one of the members of Lincoln Land Company LLC and the president of BECO Construction Co., Inc., and acknowledged to me that he/she executed the same in said limited liability company name.

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

(Seal)



Joelle Tanner/Jorgensen
Notary Public for Idaho
Residing at Bannock County
My commission expires: Apr. 19th 2013

Exhibit "A"

Legal Description of Lincoln Land Company LLC Land to be Leased by Falls Water Co., Inc.

Beginning at a point that is N 89° 52' 18" W 97.20 feet from the South quarter corner 1-1/4 of Section 10, Township 2 North, Range 38 East of the Boise Meridian, and running thence N 1° 53' 13" W 254.16 feet; thence N 22° 39' 18" W 84.55 feet; thence N 1° 53' 13" W 30.76 feet; thence N 88° 06' 47" E 60.67 feet; thence S 1° 53' 13" E 100.00 feet; thence S 88° 06' 42" W 7.69 feet; thence S 1° 53' 13" E 264.78 feet to the South line of said Section 10; thence N 89° 52' 18" W along said South line, 23.01 feet to the point of beginning, containing 0.26 acres more or less, all located in the County of Bonneville, State of Idaho

WELLHEAD PROTECTION EASEMENT

THIS INDENTURE, made and entered into this _____ day of July, 2000, by and between DHB INVESTMENTS COMPANY, as party of the first part, and Falls Water Co., whose current address is 2025 East First Street, Idaho Falls, Idaho, 83401 as the party of the second part,

WITNESSETH:

That for and in consideration of the sum of One Dollar and other valuable considerations, and receipt whereof is hereby acknowledged, the party of the first part does hereby grant, sell, and convey unto the party of the second part a perpetual easement and right-of-way upon, over, and across the following described land and premises, situated in Bonneville County, Idaho, to-wit:

Beginning at a point that is North 89°52'18" West, 127.20 feet along the Section line and North 1°53'13" West, 262.92 feet from the South Quarter Corner of Section 10, Township 2 North, Range 38 East of the Boise Meridian and running thence North 1°53'13" West, 69.24 feet; thence South 22°39'18" East, 74.06 feet; thence South 88°06'47" West, 26.26 feet to the point of beginning.

It is understood and agreed that first party may make any use of said premises which does not interfere with or injure the use thereof by second party for such purposes except that he shall not store or allow to be stored any chemicals, hazardous materials or any vehicles within 50 feet of well house and shall make this a requirement of protection in any instrument of conveyance to any third party.

IN WITNESS WHEREOF, the party of the first part has hereunto set its seal and executed these presents, the day and year first above written.

DHB Investments Company

By: _____

STATE OF IDAHO

COUNTY OF BONNEVILLE

) S.S.

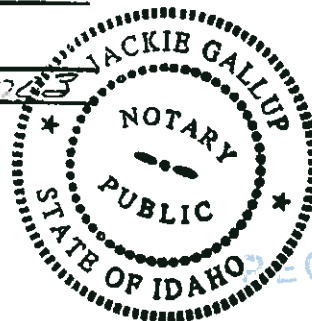
On this 13 day of September, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Dryden Bock, known to me or identified to me to be the General Partner of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

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

Jackie Gallup
Notary Public for the State of Idaho

Residing at Idaho Falls, Idaho

Commission Expiration Date: June 14, 2003



RECEIVED

FEB 05 2010

Department of Water Resources
Eastern Region

76670

Water District 120

900 N. Skyline Dr. Ste. A
Idaho Falls, ID 83402-1718

Invoice

Date	Invoice #
2/28/2009	2009-162

Bill To
FALLS WATER CO INC 2180 N DEBORAH DRIVE IDAHO FALLS ID 83401

PAID

Terms	Due Date
NET 60	5/1/2009

Description	Qty	Rate	Amount
2009 Administration Fee	2,709.1	0.04	108.36
2009 AF Measurement Fee	2,709.1	0.50	1,354.55
2009 Diversion Fee	6	75.00	450.00
		Total	\$1,912.91

Payments/Credits \$-1,912.91

Balance Due \$0.00

Customer Total Balance \$0.00

Phone #	Fax #	E-mail
208-525-7171	208-525-7177	Wendy.Murphy@idwr.idaho.gov

WATER DISTRICT 120
2009 ANNUAL ASSESSMENT NOTICE

04-Feb-10

Reporter No. 159

LINCOLN LAND CO., LLC

PO BOX 1768
IDAHO FALLS ID 83403

Record	Legal Location	Diversion Name	Site Tag No.	5 Year Average Water Use
200071	02N 38E 10 SWSE		A0008471	AF
200070	02N 38E 10 SESW	WELL #8	A0008470	33 AF

Total Acre-Feet Billing Rate: 33.0 AF

Cost factor = \$0.54 per acre-foot

(1) Assessed cost: \$17.82

Total number of diversions: 2

2) measurement fee= \$75.00 per diversion: \$150.00

Total 2009 assessment (1) + (2) : \$167.82

PLEASE REMIT PAYMENT ON OR BEFORE MAY 1, 2009

All payments for assessments not received by May 1, 2009 shall accrue penalties in the amount of 10% of the charge and interest in the amount of 1% per month, as provided pursuant to Idaho Code § 42-617.

Please note that if a diversion has multiple owners, each owner will receive a copy of this bill. However, it only needs to be paid once.

If you have any questions about this bill please contact Kenda Jones, Water District 120 Secretary, at 208-525-7171, or 900 N. Skyline Dr, Ste. A, Idaho Falls, ID 83402. Please have a copy of the bill with you for reference when you call so that we may better serve you. Also, please contact the district with any new phone, email, or operator information. This will enable our water agents to have better success contacting you before an exam.

(keep this portion for your records)

(return this portion with payment)

**PLEASE REMIT PAYMENT ON OR BEFORE
MAY 1, 2009 PAYABLE TO:**

**WATER DISTRICT 120
900 N SKYLINE DR STE A
IDAHO FALLS ID 83402-1718**

Total 2009 assessment : \$167.82

159

LINCOLN LAND CO., LLC

Address correction requested

PO BOX 1768

IDAHO FALLS ID 83403

04-Feb-10

RECEIVED
FEB 05 2010
Department of Water Resources
Eastern Region

76670