STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 650

RECEIVED
SEP 01 2022
DEPARTMENT OF
WATER RESOURCES

This is to certify that:

MICHAEL C SWEITZER
509 CARIBOU DR APT A
MOUNTAIN HOME, ID 83647-4354

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
61-2162	1/22/1964	GROUND WATER	1.21	562.5	125	0.01	4.5
Combined Rental Totals			**1.21**	**562.5**	**125**	**0.01**	**4.5**

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2025. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2022, whichever occurs last.

Annual Rental Fee:

2022: $11,250.00 annually
2023 - 2025: $12,937.50 annually

The full fee for the rental of the above-described right(s) is $11,250.00 per year for years 2022 - 2022 and $12,937.50 per year for years 2023 - 2025. The rental fee includes an administrative fee of $1,125.00 per year for years 2022 - 2022 and $1,293.75 per year for years 2023 - 2025.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	1.21	368	92	0.013	4.0
Combined Total	1.21	**368**	**92**	0.013	4.0

**** The authorized water usage reflects a reduction from the water right elements rented, to account for a headgate standard of 4.0 afa/ac and the existing diversion rate of 0.013 cfs/acre***

Detailed water right conditions are attached.

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SEP 01 2022

STATE OF IDAHO
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The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Michael C Sweitzer — Signature of Renter
8-30-22 — Date

Michael C Sweitzer — Printed Name
owner — Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By _____ Date 9/6/22
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR _____ Date 9/6/22

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 650

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NWNW Sec. 25, Twp 04S, Rge 05E, ELMORE County

BENEFICIAL USE	DIVERSION RATE	VOLUME
IRRIGATION	1.21 CFS	368 AF

SEASON OF USE

From	To
3/15	11/15

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	05E	26	31	31	30														92

Total Acres: 92

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
10. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 161.

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WATER SUPPLY BANK RENTAL AGREEMENT No. 650

11. Prior to the diversion and use of water under this rental agreement, the renter shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
12. The use of water for irrigation under this right may begin as early as March 15 and may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water before April 1 and after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
13. This rental agreement does not authorize the construction of a well.

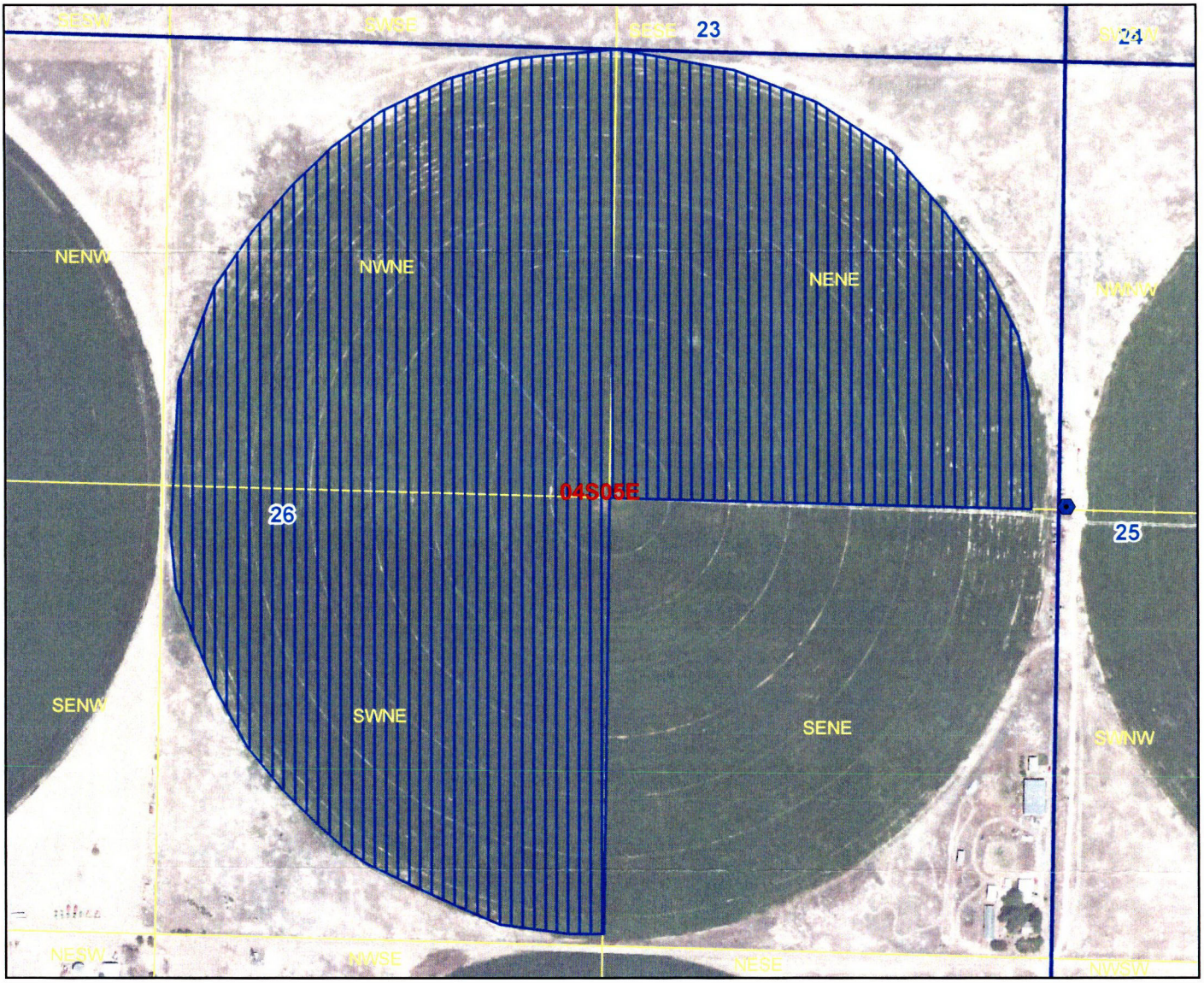
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Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 650

Effective until December 31, 2025

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



Water Supply Bank Rental POD
Water Supply Bank Rental POU
Township/Range
Sections
QQ

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N

0 0.05 0.1 0.2 Miles

Form 42-1761-2 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO RENT WATER FROM THE BOARD'S WATER SUPPLY BANK

Applicant Name: Michael Curtis Sweitzer

Is this application being submitted with a lease application as a lease/rental package? Yes ☐ No ☑
If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

		Yes	
		☑	Completed *Application to Rent Water from the Board's Water Supply Bank*
		☑	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank
Attachment	**N/A**	**Yes**	
2		☑	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	☐	☑	Detailed information on a proposed use of rental water
3F	☐	☑	Authorization from the owner/operator of the rental point(s) of diversion
3H	☑	☐	Water modeling to account for the impacts of the rental request
3J	☑	☐	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	☐	☑	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☐	☑	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☑	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

SCANNED SEP 07 2022

2332

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Michael Curtis Sweitzer

Mailing Address 509 Caribou Drive Apt.A Mountain Home, Idaho 83647
Street City State Zip Code

Email Address sweitzermichaelc@gmail.com Phone Number 208-989-0787

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☐ No ☑
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative _____ Professional Title _____

Organization _____ Relationship to Applicant _____

Mailing Address _____

Email Address _____ Phone Number _____

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Rental rights be utilized to irrigate 92 acres of alfalfa under an existing irrigation system.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
1.84 CFS	414 AF	1.21 CFS	368 AF	92 AC

* ***Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.***

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
		☐ 1	☐ 2	☐ 3	☐ 4	☑ 5	☑ Process application as soon as possible	☐ Return application to applicant
4-1-22	4-1-22							

* ***The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.***

** ***Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.***

SCANNED SEP 07 2022

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Property has existing irrigation system serviced by a deep well, turbine pump, attached mainline, and pivots.

E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
Sec 25 Twp 04S Rge05E	Groundwater	61-12148

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☑
If yes, include documented consent as **Attachment 3F**.

G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☑
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

H. Has water modeling been provided with your rental request? Yes ☐ N/A ☑
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

☑ Irrigation 92 (number of acres) Duration: Subject to IDWR standard seasons of use

☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)

☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)

☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)

☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☑
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

N/a

K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☑
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

N/a

SCANNED
SEP 07 2022

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights? Yes ☐ No ☑

If yes, specify below the elements of the water rights you are requesting to rent. **If no,** continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via IDWR's website.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request**. For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL			
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

Rental proposal will be sufficient for planned irrigation purposes.

C. Does your rental request propose to change the nature of use for any water right(s) being rented? Yes ☐ No ☑

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

N/a

SCANNED SEP 07 2022

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☑

If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

This is my third year conducting agricultural operations on the property, which does not have suffient water rights to cover all the farmable acres. If feasable waster rights become available. I will consider acquiring them for future use.

B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☑

If yes, describe:

C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☑

If yes, describe the date and location of the NOV.

D. Additional Information

N/a

DECLARATION

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. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant	Printed Name of Applicant	Date
Michael Curtis Sweitzer	Michael Curtis Sweitzer	1-7-2022
Signature of Representative	Printed Name of Representative	Date

Mail to:

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

SCANNED SEP 07 2022

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit https://idwr.maps.arcgis.com/home/ to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

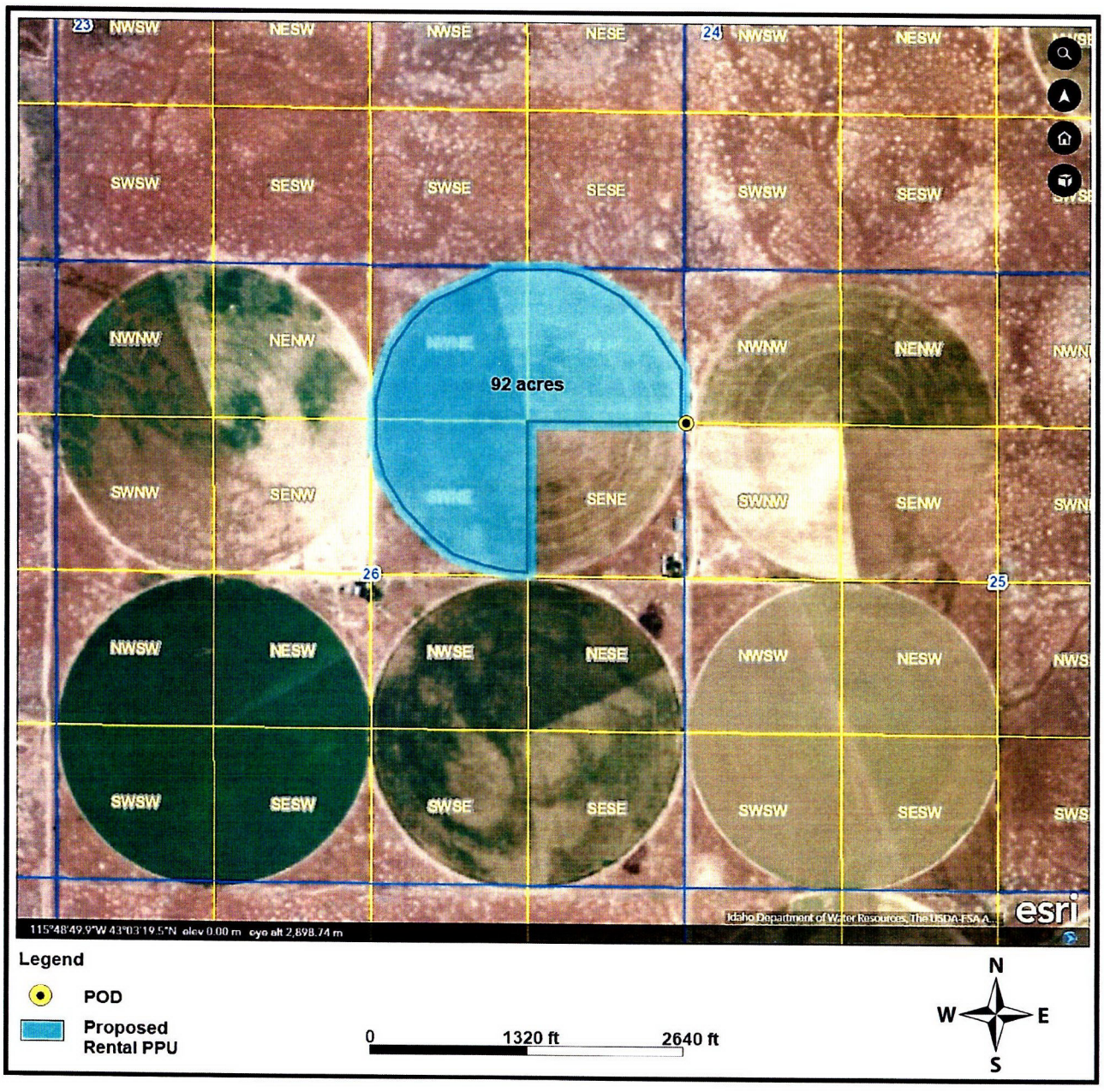
Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.

SCANNED
SEP 07 2022

ATTACHMENT 2 – MAP

S26 T4S R5E



2017 USDA FSA National Agriculture Imagery Program

SCANNED SEP 07 2022

OPTION AGREEMENT
FOR PURCHASE AND SALE OF REAL PROPERTY

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (the "**Agreement**") is made, entered into, and effective as of the latest date contained within the signature page below (the "**Effective Date**"), by and between **IDAHO WATER COMPANY LLC**, an Idaho limited liability company, whose address is 1135 Valley Rd. Eden, Idaho 83325 (collectively the "**Seller**"), and **MICHAEL C. SWEITZER,** an individual, whose address is 1720 Peregrine Drive, Mountain Home, ID 83647 (the "**Buyer**").

AGREEMENTS:

In consideration of the payment(s) to be made by Buyer to Seller, and the additional terms and conditions contained herein, the parties agree as follows:

1. Grant of Exclusive Option. Seller hereby grants to Buyer the exclusive option to purchase all of Seller's right, title and interest in and to the following-described real property (the "**Option**");

> That certain 120 acres of real property located in the N½ of the NE¼, and the SW¼ of the NE¼, of Section 26 Township 4 South Range 5 East Boise Meridian, State of Idaho. Recorded as Elmore County Parcel No. RP04S05E260095 (the "**Property**").
>
> Including all irrigation fixtures and trade fixtures, irrigation equipment, and inventory used for the production of water on the Property or for drainage thereof; consisting of two 1300ft TL center pivots, their attached hydraulic pumps, panels, and underground mainline. The Parties acknowledge that one of Seller's pivots is

SCANNED SEP 07 2022

located on an adjacent parcel owned by another, is utilized under a license granted by Seller, and that the underground mainline associated with that pivot is not included in the Option. There are no water rights on the Property. Annual irrigation has historically been authorized by lease agreement through the Idaho Water Supply Bank.

2. Purchase Price: The total Purchase Price for the Property is One Hundred Forty-Six Thousand Dollars ($146,000.00) to be paid pursuant to a Land Sale Agreement as defined in Section 5 of this Agreement.

3. Consideration for the Option: Upon execution of this Agreement, Buyer will pay Seller One Thousand Dollars ($1,000.00) (the "**Option Payment**") as consideration for the Option. The Option Payment will be non-refundable to Buyer following the expiration of the Option Period, except in the event the purchase and sale fail to close as a result of Seller's default in the performance of Seller's obligations under this Agreement.

4. Option Period. The option period will run from January 1st, 2022 until April 1st, 2022 (the "**Option Period**"). Buyer may exercise the Option at any time during the Option Period by providing Seller written notice of his intent to do so.

5. Land Sale Agreement. Within thirty (30) days of the date of Buyer's written notice to Seller of his intent to exercise the Option. Buyer and Seller will execute a Land Sale Agreement, under which terms, among other things, include semi-annual payments of Nineteen Thousand Six Hundred Twenty Six Dollars ($19,626.98), a 6% annual percentage rate, and conveyance of good and marketable title to the Property and the Personal Property free and clear of all liens, claims, and encumbrances of record, upon completion of all payments toward the Purchase Price and accumulated interest. Legal Title in the Property will remain in the Seller until the balance of the Purchase Price has been paid under the terms and conditions of the Land Sale Agreement. On the effective date of the Land Sale Agreement, Buyer will deliver to Seller a down payment of $19,626.98.

6. Zoning: Elmore County Idaho zones the subject land agriculture.

7. Possession of the Property: Buyer will hold equitable title and possession of the Property upon the effective date of the Land Sale Agreement. Legal Title will remain with the Seller until fulfillment of the terms and conditions under the Land Sale Agreement.

SCANNED SEP 07 2022

8. Seller's Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date of this Agreement, as follows:

A. Seller has good and marketable title to the Property.

B. The execution, delivery and performance by Seller of this Agreement and such other instruments and documents to be executed and delivered in connection herewith by Seller does not, and will not, result in any violation of, or conflict with or constitute a default under any provision of any agreement of Seller or any mortgage, deed of trust, indenture, lease, security agreement, or other instrument or agreement to which Seller is a party, or any judgment, writ, decree, order, injunction, rule or governmental regulation to which it is subject.

C. Seller has no knowledge of any existing, pending, anticipated or threatened litigation, condemnation or similar proceedings against or involving the Property, or any other claim, action, suit or other proceeding threatened or pending which would materially or adverse) affect Buyer's right, title or interest in and to, or enjoyment or use of the Property.

D. There are no outstanding and enforceable leases, tenancies, options, rights of first refusal, licenses, or operating or other agreements applicable to or affecting the Property to which Seller is a party or as to which Seller has knowledge; no third party has any right to utilize or possess the Property; and other than this Agreement, there are no contracts or agreements relating to the sale, exchange or transfer of the Property or any part thereof.

E. Seller has no knowledge that hazardous substances or wastes have ever been located on or deposited upon the Property. Seller has not received any notice of any proceeding or any inquiry by any governmental agency with respect to hazardous substances or wastes on the Property. Seller has received no notice of any violations of any local, state or federal statutes or laws governing the generation, treatment, storage, disposal, or clean-up of hazardous substances or wastes.

9. Buyer's Representation and Warranty. Buyer represents and warrants that Buyer has the legal power, right and authority to enter into this Agreement and to perform Buyer's obligations hereunder. Buyer further represents, that upon exercising the Option, he has inspected the Property and hereby waives, and represents as fully satisfied, any inspection contingencies to this Agreement and purchase of the Property.

10. No Broker or Agent. There is no broker or agent for either party under this Agreement. To the extent any broker or agent fees are owed by the Buyer, Buyer agrees to

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indemnify Seller therefrom. Del Kohtz, a member of Seller is a licensed real estate agent acting herein as principal for his own account.

11. Attorney Fees: In the event any action is brought to interpret or enforce any provision of this Agreement, the prevailing party in such action will be entitled to its reasonable attorney fees, in addition to costs of suit.

12. Binding Effect. This Agreement will inure to and be binding upon the parties, and their respective heirs, personal representatives, successors and assigns.

13. Tax and Legal Consequences. It is understood and agreed that each party hereto has relied upon his own legal and/or tax consultant or representative and not upon any representations of the other party as to the legal and or tax consequences of this Agreement.

14. Notices. Any notice under this Agreement will be in writing and be delivered in person, by facsimile, by electronic mail or regular mail by public or independent private courier service (so long as such service provides written confirmation of delivery), or certified mail, return-receipt requested. All notices will be addressed to the parties at the addresses set forth above or at such other addresses as the parties may from time to time direct in writing. Any notice will be deemed to have been given on (a) actual delivery or refusal, (b) three days after mailing by registered or certified mail or (c) the day facsimile or electronic mail delivery is verified as completed by the transmitting system.

15. Counterparts. This Agreement may be executed in counterparts, each of which will constitute an original, but all together will constitute one and the same Agreement. Delivery of an executed counterpart of a signature page to this Agreement via facsimile or electronic mail will be as effective as delivery of an original signed copy.

16. Memorandum to be Recorded. The parties agree that a Memorandum of Option may be recorded by either party in the real property records of Elmore County, Idaho. Upon termination of this Option, or at the request of Seller upon the expiration of the Option by its terms, Buyer will execute and deliver to Seller a recordable Notice of Termination of Option.

17. Merger and Construction. The four corners of this Agreement contain the entire understanding between the Parties related to Buyer's Option to purchase the Property. Neither Buyer or Seller will be obligated to any agreement, understanding, promises, or representations not included in this Agreement. The Parties acknowledge that each and their attorneys have reviewed this Agreement and that the normal rule of construction to the effect that any

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ambiguities are to be resolved against the drafting Party will not be employed in the interpretation of this Agreement or any amendments or exhibits hereto, and this Agreement shall be construed according to its fair meaning and not strictly for or against either Party.

18. Time. Time is of the essence under this Agreement.

19. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Idaho.

[*end of text, signature page follows*]

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IN WITNESS WHEREOF the parties have executed this Agreement effective as of the day and year last written below.

DATE: 1-17-20

SELLER:

IDAHO WATER COMPANY LLC
By Delbert G. Kohtz, Member

DATE 1-17-20

BUYER:

Michael C. Sweitzer

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SEP 07 2022

BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

AFFIDAVIT OF DELBERT G. KOHTZ

STATE OF IDAHO)
) ss.
COUNTY OF Twin Falls)

COMES NOW Delbert G. Kohtz, Member of Idaho Water Company, LLC. being first duly sworn, deposes and says:

1. I am over the age of 18, and state the following is true to the best of my knowledge and belief.

2. I am the owner of the 120 acres of that certain real property located in the N½ of the NE¼, and the SW¼ of the NE¼, of Section 26 Township 4 South Range 5 East Boise Meridian, State of Idaho (herein after the "Property"). Further, I am the Lessee of the adjacent 180 acres of real property located in Elmore County, State of Idaho owned by Dan and Kimberly Jo West, and more particularly described as the SE ¼ of the NE 1/4 Sec. 26 T4S R5E and the NW ¼ of Sec. 25 T4S R5E, Boise Meridian, State of Idaho (hereinafter the "Leased Property").

3. As owner of the Property and Lessee of the Leased Property, I have exclusive access and control of the well and pump that serves the point of diversion for Water Right 61-12148 that is appurtenant to the Leased Property. *See* "Farm Lease Agreement" attached hereto as **Exhibit 1**.

4. I have sub-leased the property and the Leased Property to Michael C. Sweitzer. This lease is renewable beyond 2026. Additionally, Michael C. Sweitzer is exercising an exclusive Option to Purchase the Property. *See* "Farm Lease and Option Agreement" attached hereto as **Exhibit 2**.

5. As Lessee of the Property and Sub-Lessee of the Leased Property, I acknowledge that Michael C. Sweitzer has access to and right to use the POD for Idaho Water Right 61-12148 for use on the Property and the adjacent Leased Property. Further, I understand that Michael C. Sweitzer may from time to time rent water from the Idaho Water Supply bank for diversion from the Point of Diversion located on my Leased Property.

Idaho Water Company
Idaho Water Company, LLC.
Delbert G. Kohtz - Member
Eden, ID

Delbert G. Kohtz

SUBSCRIBED AND SWORN to before me this 10th day of June, 2022 at Twin Falls, Idaho.

KEH

Notary Public for Idaho
Residing at: Twin Falls, ID
My Commission expires: 3/13/2027

KURT EDWIN HOLCOMB NOTARY PUBLIC COMM NO. 27472 STATE OF IDAHO

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WSB Mailing Checklist for Rentals

(use on all new rental applications)

Key: Who Completes What?
CLERICAL STAFF: ~~MC~~ MK
REVIEWER:

Received Date: 03/08/2022
Latest Start Date:
Renter: **Michael Sweitzer**
Rental Expiration Date
Lease/Rental Package Y (N)

Application # 2332 Agreement # 050

Water Right	Lease Contract ID
#_ 61-12084 /	
#_ 61-12140 /	
#_ 61-12145 /	
#_ 61-12230 /	
#_ 61-12232 /	
#_ 61-12241	
#_ 61-12310 /	
#	
#	
#	
#	
#	
#	
#	

Applicant Authorized?	(Y) / N
Map of POU and POD	(Y) / N
POD consent?	(Y) / N
ESPA Modeling?	Y / N (NA)
Application Complete?	(Y) / N
Minimum Checklist in database?	☑
Request for additional information letter sent:	Y (NA)
WSB Action Request for deficiencies	☐

Comments:

Mailings (per application)		Original	CC	Email or Address
Renter:	Michael Sweitzer	☒	☐	
Attorney:		☐	☐	
Consultants Name:		☐	☐	
Conveyence Entity: (Ex. Irrigation Dist. of Canal Co.)		(final only)	☐	
(Ground) Water Dist:	WD 161	(final only)	☐	
Other:	Mtn Home GWMA (WD Snake 01, Boise, Payette, and Bear River)	(final only)	☐	
Region:	Western	(final only)	☐	
Watermaster:		(final only)	☐	
Compliance:		(final only)	☐	

Resolving NOV? Y / N
#

Call up Date:_____

DO NOT SCAN

IDAHO DEPARTMENT
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

September 7, 2022

MICHAEL C SWEITZER
509 CARIBOU DR APT A
MOUNTAIN HOME, ID 83647-4354

RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 61-2162 AGREEMENT 650

Dear Renter:

Please find enclosed a receipt in the amount of **$11,250.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 562.5 acre-feet of water for irrigation of 92 acres during 2022. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or $10,125.00 of the rental fee will be paid to the lessor(s) and 10% or $10.60 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C113883
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Western Regional Office
Water District 161

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Governor Brad Little

Director Gary Spackman

August 8, 2022

MICHAEL C SWEITZER
509 CARIBOU DR APT A
MOUNTAIN HOME, ID 83647-4354

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK WATER RIGHT NO(S). 61-2162 AGREEMENT 650

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of $11,250.00 per year was calculated based on the current rental rate of $20.00 per acre-foot times a diversion volume of 562.5 acre-feet.

Please send a check for $11,250.00 for 2022 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement**, **within 14 days** so I can complete processing. An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Pursuant to the Water Supply Bank Rules, 90% or $10,125.00 of the rental fee will be paid to the lessor(s) and 10% or $1,125.00 will be retained by the Department to offset administrative costs for **2022**.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure

c: IDWR Front Desk

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SEP 07 2022

Memorandum

TO: Water right 61-2162 file

FROM: Cody Parker

RE: Evaluation of WSB rental application 2332

DATE: August 4, 2022

Purpose

The applicant proposes to rent 1.84 cfs and 414 afa from groundwater to irrigate 92 acres of land. The new acres are added to an existing system consisting of two pivots. Water right 61-12148 currently authorizes the irrigation of 160 acres within a 200-acre PPU at 0.013 cfs/acre. The two pivots together cover a combined 252 acres. The rental will bring the total authorized irrigation up to the 252 acres.

92 acres will be rented from water right 61-2162 (contract 1343) under this rental.

Authority to File

The applicant is listed as Michael Curtis Sweitzer. The land to be irrigated is owned by Idaho Water Company LLC. Documents submitted with the application demonstrate that Idaho Water Company LLC is currently leasing the property to Michael Sweitzer. No concerns.

Water Right Validity

The validity of water right 61-2162 was assessed as part of the evaluation for WSB lease contract 1343. No concerns.

Injury to Other Water Rights

Admin Area	Lease POD(s)	Rental POD(s)
Trust Water area	x	x
Mountain Home GWMA	x	x
Season 3/15 to 11/15		x

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Admin Area	Lease POD(s)	Rental POD(s)
Season 3/1 to 11/15	x	
Consumptive use 3.0 afa/ac	x	x
Headgate 4.0 afa/ac	x	x

The rental application proposes to move water within the Trust Water area and the Mountain Home GWMA. Since an equivalent amount of use is idled in these areas through lease contract 1343, the impact to these areas of concern is offset. No injury is anticipated.

Enlargement of Use

The applicant is requesting 0.013 cfs/acre to match the existing water right on the property. Water right 61-2162 is used to fulfill this rental and authorizes irrigation at 0.01 cfs per acre. The applicant will rent 125 acres, 1.21 cfs, and 562.5 afa and will consolidate that beneficial use over just 92 acres. The usable amounts resulting from this rental will be 92 acres, 1.21 cfs, and 368 afa. Matching the rental rate per acre to the existing system will avoid enlargement of the rented right and the existing rights by preventing water spreading from either water right over the full acreage.

Local Public Interest

I am not aware of any information to suggest that this rental proposal conflicts with the local public interest.

Beneficial Use/Conservation of Water Resources

The applicant proposes a recognized beneficial use of water (irrigation) which is within the acceptable standards for the area. No concerns

Department Staff or Watermaster Comments

Comments were requested from the IDWR western region and the watermaster for Water District 161. Correspondence is included in the file.

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Parker, Cody

From: Parker, Cody
Sent: Thursday, August 4, 2022 10:09 AM
To: Miller, Nick
Subject: WSB Rental Application 2332
Attachments: RA2332_Agreement.docx; RA2332_Map.pdf; RA2332_Memo.docx; RA2332 _MoveMap.pdf

Nick,

Michael Sweitzer applied to add 92 acres of irrigation from groundwater to his existing pivot system. Documents are attached. Please let me know if you have any concerns.

Thanks

Cody Parker

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Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Thursday, June 16, 2022 8:48 AM
To: Kevin G. Kohtz, J.D.
Cc: sweitzermichaelc@gmail.com
Subject: RE: Sweitzer Mt. Home WSB rental

Hi Kevin,

Sorry we couldn't connect over the phone, but this should be all we need at this time to move forward with Mr. Sweitzer's Water Supply Bank Rental Application #2332. I will add the documents to his file.

Thank you!

Mackenzie Kienholz
Water Supply Bank Specialist

IDAHO DEPARTMENT OF WATER RESOURCES

Planning & Projects
mackenzie.kienholz@idwr.idaho.gov
Phone: (208) 287-4822

From: Kevin G. Kohtz, J.D. <kevin@myidaho.law>
Sent: Tuesday, June 14, 2022 8:49 AM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Cc: del idahowatercompany.com; sweitzermichaelc@gmail.com
Subject: Sweitzer Mt. Home WSB rental

Mackenzie,

Mr. Sweitzer requested we send verification of his current rental in Mountain Home, ID for Water Bank Rental purposes.

Please see the attached affidavit of Delbert G. Kohtz, Farm Rental agreement between Del and Dan West (current and renewable), and a rental agreement between Mr. Sweitzer and Delbert Kohtz.

As always, if you've any questions or concerns, please don't hesitate to reach out.

Best,

Kevin G. Kohtz, J.D.
IDAHO WATER CO. LLC.
WATER RIGHTS & TRANSFERS
P.O. Box 5563
Twin Falls, ID 83303
Tel: +1.208.391.4700
Mobile:+1.208.559.0974

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Email: kevin@idahowatercompany.com

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Governor Brad Little

Director Gary Spackman

May 9, 2022

MICHAEL SWEITZER
529 CARIBOU DR APT A
MOUNTAIN HOME ID 83647

RE: APPLICATION 2332 TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of your application(s) to rent water from the Idaho Water Resource Board's Water Supply Bank (Bank) for the irrigation of 92 acres. Filing a Bank rental application does not automatically result in approval.

Before a rental application can be approved, the rental request must be reviewed, a rental agreement must be prepared, the agreement must be approved by the applicant and the Department, and the rental fee must be paid. To maximize the number of rental applications processed while managing competing priorities, the Department begins accepting rental applications on November 1 for use in the next calendar year, and it processes as many applications as it can before the start of the irrigation season in March or April. Once the irrigation season begins, Department staff members are reassigned to address field work and other duties. Consequently, few rental applications are processed after May 1.

Because your application was received near the beginning of the irrigation season, which is now underway, the Department will not be able to process your application prior to the latest possible start date on your application. Your application will remain in the order it was received for review, unless you request it be returned, or request it be amended to begin next season in 2023.

In future years, we encourage you to file your rental applications as soon as possible after November 1 to improve the chances that they will be processed.

Water Supply Bank Processing for application status may be found on the Department's website at https://idwr.idaho.gov/iwrb/programs/water-supply-bank/reports/

If you have questions regarding this matter, please contact me at 287-4936.

Sincerely,

Mary Condon
Water Supply Bank Coordinator

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