STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
APR 03 2023
DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 727

This is to certify that:

SUNSET FARM & RANCH LLC
1450 W HIGHWAY 24
PAUL, ID 83347-8666

HOLDEN KIDWELL HAHN & CRAPO
PO BOX 50130
IDAHO FALLS, ID 83405

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)
34-14347	9/1/1898	BIG LOST RIVER, tributary to SINKS	0.48	85.4	24.4	0.009	3.5
34-7205	8/1/1977	GROUND WATER	1.43	192	54.9	0.026	3.5
Combined Rental Totals			**1.66**	**192**	**54.9**	**0.030**	**3.5**

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2027. 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 2023, whichever occurs last.

Annual Rental Fee:

2023 - 2027: $441.60 annually

The full fee for the rental of the above-described right(s) is $441.60 per year for years 2023 - 2027. The rental fee includes an administrative fee of $441.60 per year for years 2023 - 2027. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 34-14347, 34-7205.

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	1.10	192	54.9	0.02	3.5
Combined Total	1.10	192	54.9	0.02	3.5

**** The authorized water usage reflects a reduction from the water right elements rented, to account for the duty of water, 0.02 cfs/acre and 3.5 af/acre.***

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 727

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:

Signature of Renter _____ Date 3-17-23

Printed Name MIKE TELFORD Title Managing member

*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 4/4/23
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR _____ Date 4/4/23

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 727

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

BIG LOST RIVER	NWNW	Sec. 26, Twp 04N, Rge 26E,	BUTTE County
GROUND WATER	SWSE	Sec. 3, Twp 04N, Rge 26E,	BUTTE County
GROUND WATER	NWNW	Sec. 26, Twp 04N, Rge 26E,	BUTTE County
GROUND WATER	NWNW	Sec. 26, Twp 04N, Rge 26E,	BUTTE County

BENEFICIAL USE	DIVERSION RATE	VOLUME
IRRIGATION	1.10 CFS	192 AF

SEASON OF USE

From	To
4/1	10/31

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	
03N	27E	8													32	15	3.2	4.7	54.9

Total Acres: 54.9

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 rental and rights 34-187A, 34-195D, 34-196C, 34-2277, 34-2480B, 34-2491G, 34-4002, 34-14770, 34-14771, 34-14772 and 34-14773 when combined shall not exceed a total diversion rate of 9.23 cfs, and the irrigation of 442 acres.

WATER SUPPLY BANK RENTAL AGREEMENT No. 727

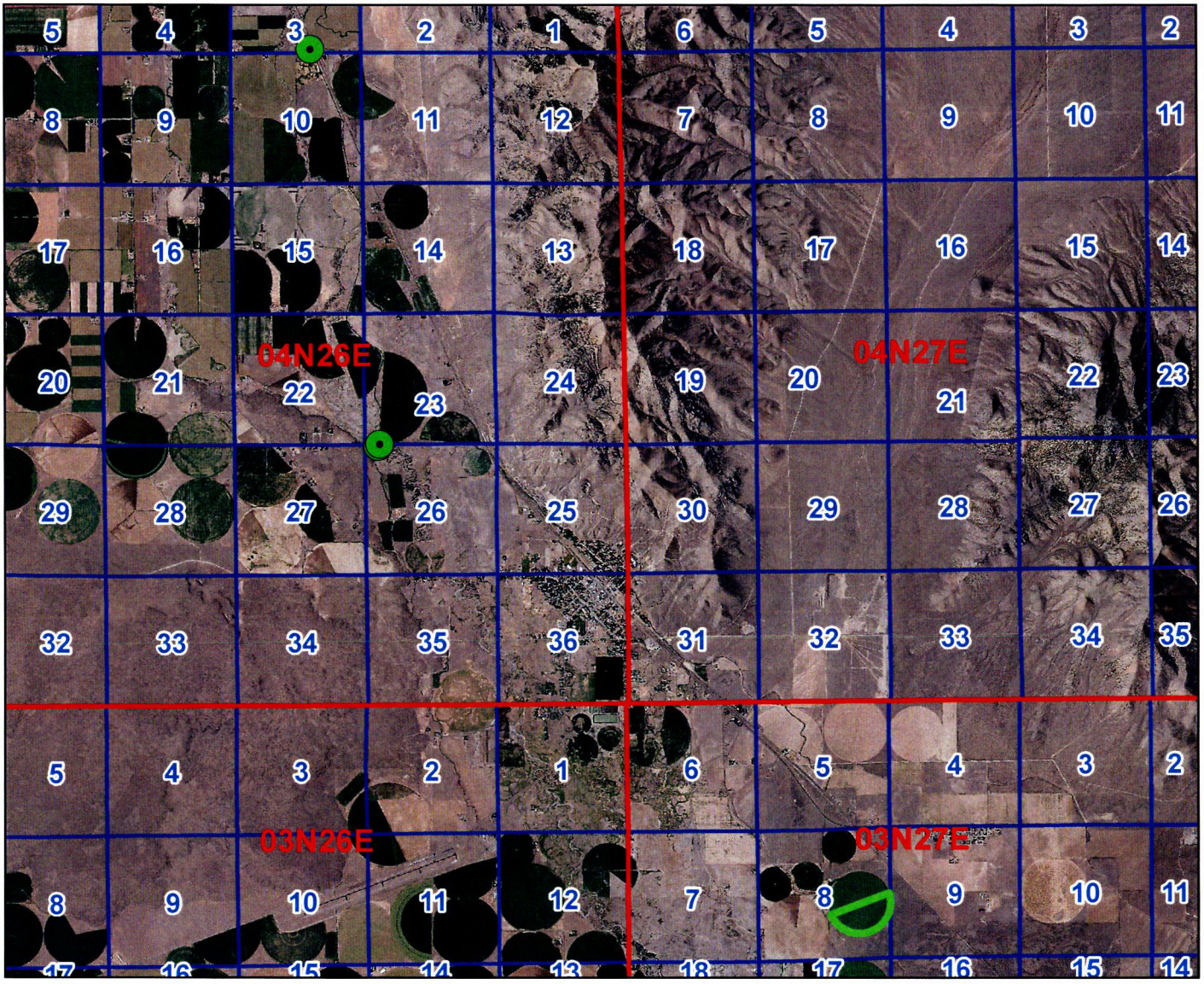
10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
11. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
12. Water is delivered through arco canal.
13. Point of injection into and point of rediversion from Big Lost River.
14. This rental agreement does not authorize the construction of a well.
15. 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. 34.

Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 727

Effective until December 31, 2027

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



Legend

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

N

Feet

0 5,000 10,000 15,000

Form 42-1761-2 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED
DEC 19 2022
DEPARTMENT OF
WATER RESC

Applicant Name: Sunset Farm & Ranch LLC

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)

Attachment	N/A	Yes	
		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)

34-7205 34-14347

2534

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Sunset Farm & Ranch LLC

Mailing Address 1450 W. Highway 24 (Street) Paul (City) Idaho (State) 83347 (Zip Code)

Email Address _____ Phone Number _____

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 Robert L. Harris Professional Title Attorney

Organization Holden Kidwell Hahn & Crapo PLLC Relationship to Applicant Attorney

Mailing Address PO Box 50130, Idaho Falls, Idaho 83402

Email Address rharris@holdenlegal.com Phone Number 208-523-0620

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**:

Applicant needs an additional 54.9 acres of water rights to cover land that is already authorized for irrigation under a permissible place of use (WR 34-14733, -14771, -14770, -14772, -2277, -4002, -187A, -195D, -196C, -2480B, -2491G). Water proposed for rent is already leased; no change to where rented water will be diverted.

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)
1.67 CFS	AF	1.67 CFS	AF	54.9 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	4/1							

* ***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.***

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):
Same as proposed rental water. Only change will be that water will continue down Arco Canal to rental POU which is very close to leased acres. No change in how water is historically diverted and delivered through Arco C.

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
SWSWSE, 3, 04N, 26E	Ground water	34-7205
NWNWNW, 26, 04N, 26E	Big Lost River	Numerous (34-14347 owned by Lost River Farms)

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 54.9 (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.
This is a lease/rental package, and the amount proposed for rental is 0.03 cfs/acre under these rights already.

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:
WR 34-14733, -14771, -14770, -14772, -2277, -4002, -187A, -195D, -196C, -2480B, -2491G.

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)
34-7205	Irrigation	1.43		54.9		1.43		54.9
		1.67 cmbd		54.9 cd		1.67 cmbd		54.9 cmbd
34-14347	Irrigation	0.49		24.4		0.49		24.4
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	1.67		54.9
						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**:

N/A

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**:

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:

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

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
Proposed rental water is on farmground leased by the applicant Sunset. Acres will be dried up on this farm, and water will cover acres on the adjacent farm owned by Sunset.

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
Robert L. Harris	Robert L. Harris, Attorney	Nov. 30, 2022
Signature of Representative	Printed Name of Representative	Date

Mail to:

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

CURRENT WATER RIGHTS

Water Right No.	Name on Water Right	Basis	Priority Date	Source	Beneficial Use	Individual Diversion Rate Limitation (cfs)	Combined Diversion Rate Limitation (cfs)	Combined Volume Limitation (AFA)	Individual Acre Limitation	Combined Acre Limitation	Point of Diversion	Notes
34-7205	Lost River Farms LLC	Decreed	08/01/1977	Ground water	Irrigation	4.62	5.37		177.0	177	SWSWSE, Sec. 3, 04N, 26E	
34-14347		Decreed	09/01/1898	Ground water	Irrigation	1.57			78.7		NWNWNW, Sec. 26, 04N, 26E	
								Number of Authorized Irrigated Acres	**177.00**			

LEASE ANALYSIS

RETAINED PORTION

Percentage (122.1/177): 0.68983051

Water Right No.	Name on Water Right	Basis	Priority Date	Source	Beneficial Use	Individual Diversion Rate Limitation (cfs)	Combined Diversion Rate Limitation (cfs)	Combined Volume Limitation (AFA)	Individual Acre Limitation	Combined Acre Limitation	Point of Diversion	Notes
34-7205	Lost River Farms LLC	Decreed	08/01/1977	Ground water	Irrigation	3.19	3.70		122.1	122.1	SWSWSE, Sec. 3, 04N, 26E	
34-14347		Decreed	09/01/1898	Ground water	Irrigation	1.08			54.3		NWNWNW, Sec. 26, 04N, 26E	
								Number of Authorized Irrigated Acres	**122.10**			

PORTION LEASED TO WSB

Percentage (54.9/177): 0.31016949

Water Right No.	Name on Water Right	Basis	Priority Date	Source	Beneficial Use	Individual Diversion Rate Limitation (cfs)	Combined Diversion Rate Limitation (cfs)	Combined Volume Limitation (AFA)	Individual Acre Limitation	Combined Acre Limitation	Point of Diversion	Notes
34-7205	Lost River Farms LLC	Decreed	08/01/1977	Ground water	Irrigation	1.43	1.67		54.9	54.9	SWSWSE, Sec. 3, 04N, 26E	
34-14347		Decreed	09/01/1898	Ground water	Irrigation	0.49			24.4		NWNWNW, Sec. 26, 04N, 26E	
								Number of Authorized Irrigated Acres	**54.90**			

0004892322

STATE OF IDAHO
Office of the secretary of state, Lawerence Denney
ANNUAL REPORT
Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: $0.00

For Office Use Only
-FILED-
File #: 0004892322
Date Filed: 9/10/2022 7:58:46 AM

Entity Name and Mailing Address:

Entity Name:	Sunset Farm & Ranch LLC
The file number of this entity on the records of the Idaho Secretary of State is:	0003619694
Address	1450 W HIGHWAY 24 PAUL, ID 83347-8666

Entity Details:

Entity Status	Active-Existing
This entity is organized under the laws of:	IDAHO
If applicable, the old file number of this entity on the records of the Idaho Secretary of State was:	

The registered agent on record is:

Registered Agent	UNITED STATES CORPORATION AGENTS INC Commercial Registered Agent Physical Address 800 W MAIN ST STE 1460 BOISE, ID 83702 Mailing Address 800 W MAIN ST STE 1460 BOISE, ID 83702

Agent or Address Change

☐ Select if you are appointing a new agent.

Limited Liability Company Managers and Members

Name	Title	Business Address
Michael S Telford	Manager	1450 W HIGHWAY 24 PAUL, ID 83347

The annual report must be signed by an authorized signer of the entity.

Job Title: Manager

Michael S Telford — Sign Here

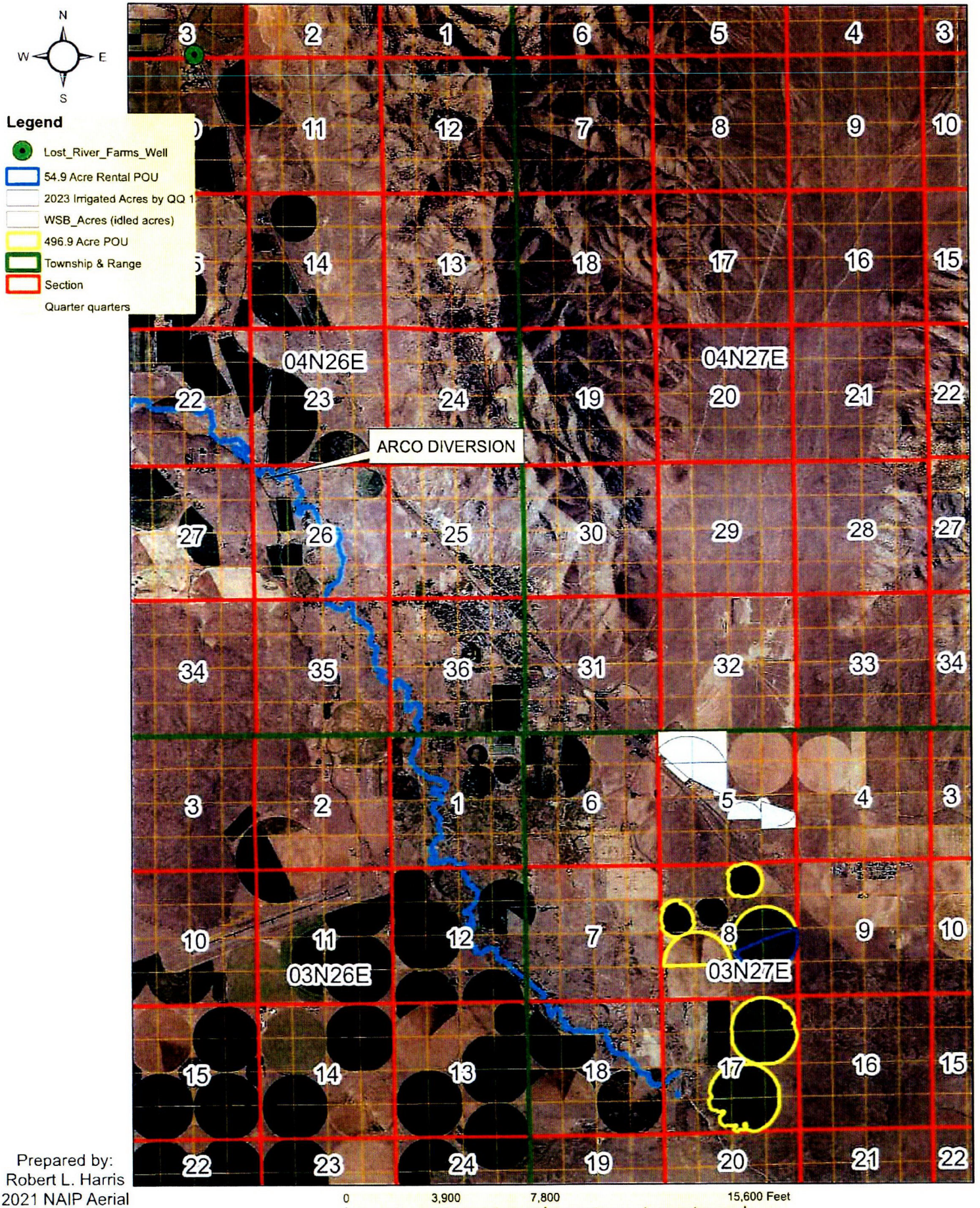
09/10/2022 — Date

BU/39-8690 09/10/2022 7:58 AM Received by Office of the Idaho Secretary of State

Page 1 of 1

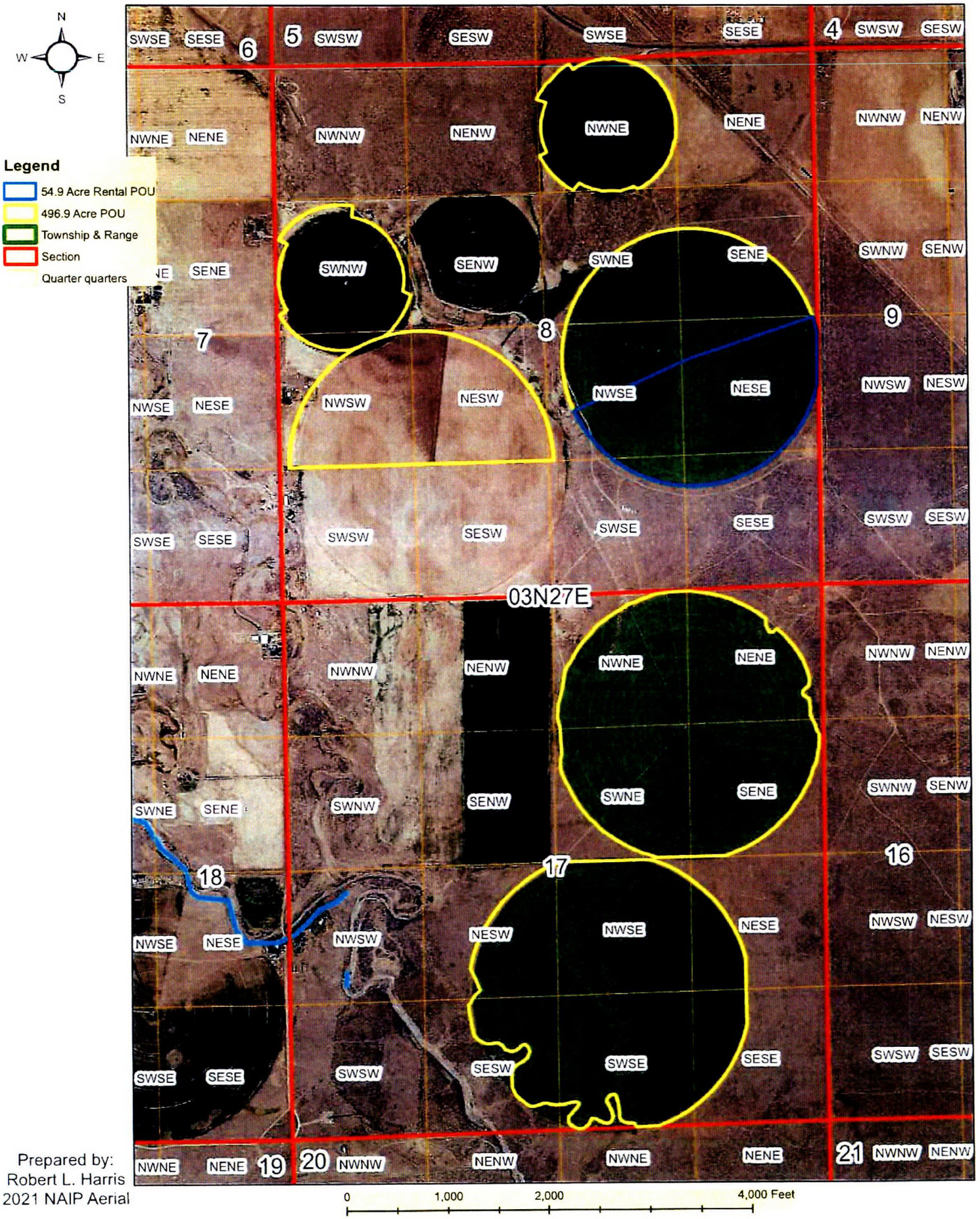
ATTACHMENT 2
GIS Map

WATER SUPPLY BANK



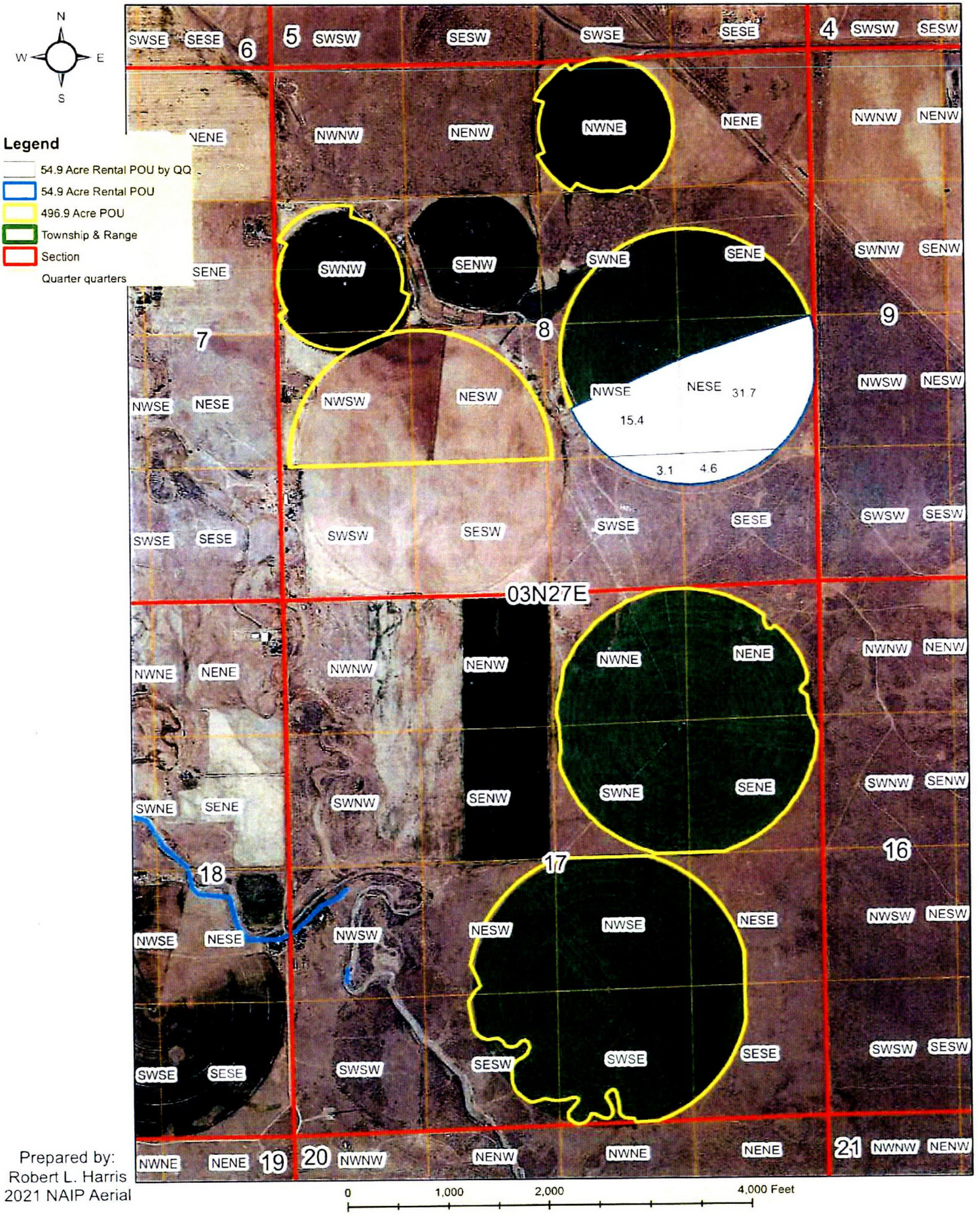
Prepared by:
Robert L. Harris
2021 NAIP Aerial

WATER SUPPLY BANK



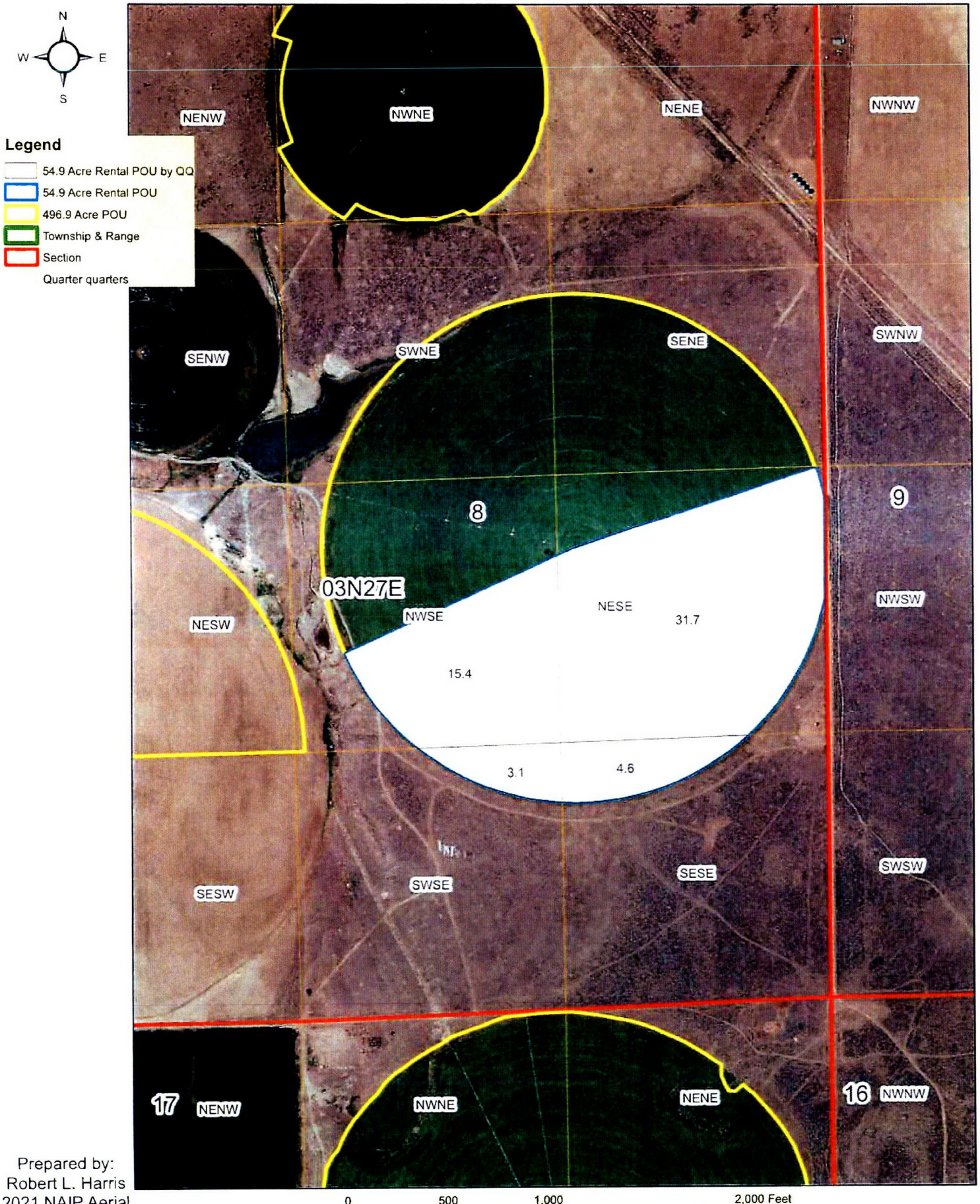
Prepared by:
Robert L. Harris
2021 NAIP Aerial

WATER SUPPLY BANK



Prepared by:
Robert L. Harris
2021 NAIP Aerial

WATER SUPPLY BANK



Prepared by:
Robert L. Harris
2021 NAIP Aerial

ATTACHMENT 3F
Authorization From The Owner-Operator of The Rental Point(s) of Diversion

LEASE AGREEMENT AND OPTION TO PURCHASE

THIS AGREEMENT made and entered into with Lost River Farms LLC 2885 Trestle Creek Rd Hope, Idaho 83836 hereinafter referred to as Lessor, and Mike Telford and Shannon Telford, husband and wife, of 1456 West Highway 24, Paul, Idaho 83347, hereinafter referred to as Lessee;

WITNESSETH:

1. The Lessor does hereby lease unto the Lessee and the Lessee does hereby agree to lease from the Lessor, upon the terms, covenants and conditions hereinafter set forth, that a certain parcel of real property located in Butte County, Idaho, and described as follows:

See Exhibit "A" attached hereto.

Said leased premises consist of approximately 138 farmable acres of farm ground, including all water and water rights appurtenant to and located on the premises.

2. The Lessor does hereby lease said real property hereinafter called the leased premises, unto the Lessee for the term beginning on April 1,2019 and ending at noon on the 31st day of December, 2023.

3. That the annual rental to be paid therefor shall be as follows:

On or before April 1, 2019 the sum of $ 13,000.00
On or before December 31, 2019 the sum of $12,000.00
On or before April 1, 2020 the sum of $ 13,000.00
On or before December 31, 2020 the sum of $12,000.00
On or before April 1, 2021 the sum of $ 13,000.00
On or before December 31, 2021 the sum of $12,000.00
On or before April 1, 2022 the sum of $ 13,000.00
On or before December 31, 2022 the sum of $12,000.00
On or before April 1, 2023 the sum of $ 13,000.00
On or before December 31, 2023 the sum of $12,000.00

4. THE LESSEE PROMISES AND AGREES:

a. To pay in addition to the annual rents stated above any and all costs, associated with the growing and harvesting of crops on the premises, including any and all water costs through the Big Lost River Irrigation District and Water District 34 together with any subsequent irrigation districts that may occur and power costs prior to any delinquency and to farm the premises in a good and farmer like manner commencing with the 2019 farm year and each year thereafter of this lease agreement.

b. To maintain the premises and fencing in a neat and orderly condition and not to allow the same to become unsightly.

c. To maintain liability or renters insurance on the premises and casualty insurance on the irrigation equipment during the term of this agreement.

d. To hold the Lessor harmless from any and all liability related to the Lessee's use of the premises, including but not limited to, environmental hazards or spills which occur during the term of the lease.

e. To pay all repairs and maintenance on the irrigation system, including pump, motor, panel well and fencing.

5. THE LESSOR PROMISES AND AGREES:

a. To furnish the leased premises and to let the Lessee into possession of said premises on or before April 1, 2019 and permit the Lessee the quiet and peaceful possession of the leased premises so long as the Lessee abides by the terms of this agreement.

b. To pay all real property taxes associated with the premises in a timely manner.

6. IT IS MUTUALLY AGREED:

a. Lessor has fully informed Lessee of all past chemical use which Lessor is able to recall utilizing on the leased premises. Lessee agrees that they are taking the premises "as is" and that Lessee has conducted whatever inspection and examination of the leased premises and irrigation system which Lessee believes to be prudent.

b. If the Lessee fails or neglects to perform any of the covenants or conditions or fails to make the rental payments when due, the Lessor may at Lessor's option terminate this Agreement and re-enter said lease premises. In the case of any such default, the rent and additional rentals shall become due thereupon and be paid up to

the time of such default and Lessor may relet the premises or any part thereof. Lessee or the legal representative of Lessee shall also pay to Lessor as liquidated damages for the failure of Lessee to observe and perform said Lessee's covenants herein contained. Any such liquidated damages shall be paid in installments by Lessee on the rent date specified in this lease and any suite brought to collect the amount of deficiency of any payment shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent payments by a similar proceeding.

c. Lessor shall have the right during the term hereof to enter said premises at reasonable times to inspect the same.

7. This agreement shall be binding on the heirs, personal representatives and assigns of the parties.

8. In the event of default by the Lessee, the Lessor shall give to Lessee thirty (30) days written notice of the default and if the default or defaults are not cured within such thirty (30) day period then this lease agreement shall be terminated and Lessor shall be entitled to re-enter the premises.

9. Lessee may sublet all or any portion of the leased premises with Lessor's prior written consent which Lessor will not unreasonably withhold. Lessee shall remain primarily obligated to perform all the terms and conditions of this Lease Agreement during any such sub-lease unless the Lessor expressly consents in writing to release the Lessee from such obligations.

10. Provided Lessee has no defaults under the Lease term, Lessor hereby grants to the Lessee an agreement to purchase the premises at the end of the lease period under the following terms and conditions:

a. The purchase price for the real and personal property shall be the total sum of $250,000.00.

b. The balance of the purchase price at Lessee's election may either be evidenced by a " Contract Of Sale " or a Promissory Note secured by a Real Estate Mortgage on the premises which shall be amortized over twenty (20) years utilizing an interest rate of four and one-half percent (4.5%) with the first annual payment due on or before April 1, 2024 and subsequent payments due on or before April 1 of each year thereafter with a final balloon payment due April 1, 2028 wherein the balance together with any accrued interest will be paid in full.

All payments shall be applied first to accrued interest with the balance applied to reduction of principal. Prepayment shall be allowed at any time without penalty. Lessor may call the note due anytime during the 5 yr. term with one year written notice.

c. The option shall be exercised on or before March 1, 2023 and shall be evidenced by a written notice signed by the Lessee and submitted to Lessor. Lessee shall exercise the option by giving to the Lessor written notice on or before January 1, 2023 of their intent to exercise the option to purchase. Lessor shall then

obtain a commitment for title insurance and provide the same to Lessee. The closing of the transaction shall be done by Title One, Arco, Idaho or such other title company as the parties may agree and said closing shall occur on or before March 1, 2023.

d. Lessor shall provide title insurance showing the premises to be free and clear of all liens at the time of Closing and Lessor shall convey the Real property by Warranty Deed and personal property conveyed by Bill of Sale; duly executed by Lessor.

e. All closing costs shall be shared equally by the Lessor and Lessee.

11. This agreement shall be binding on the successors, heirs and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

By_____
Lost River Farms LLC

BY_____
Doug Wolf/Member
LESSOR

By_____
Mike Telford

BY_____
Shannon Telford
LESSEE

PARCEL I:

Township 3 North, Range 27 East of the Boise Meridian, Butte County, Idaho

Section 5: A parcel of land generally described as being all of Lot 3, Section 5, and portions of Lot 4, said Section 5, a portion of the SW1/4NW1/4 of said Section 5, and a portion of the SE1/4NW1/4 of said Section 5, said parcel of land being more particularly described as follows:

Beginning at the Northwest corner of said Section 5, (said corner being monumented by a standard G.L.O. pipe and brass cap monument);
thence S. 00°02'24" W., along the West boundary of the NW1/4 of said Section 5, a distance of 799.38 feet to a one-half inch diameter steel rod;
thence S. 47°53'21" E., a distance of 418.74 feet to a one-half inch diameter steel rod;
thence S. 19°06'10" W., a distance of 228.38 feet to a one-half inch diameter steel rod on the Easterly boundary of road right-of-way as defined by an existing fence line;
thence S. 46°45'47" E., along the Easterly boundary of said road right-of-way, a distance of 1,052.75 feet to a point from which the Northwest corner of said Section 5 bears S. 46°45'47" E., a distance of 159.61 feet and N. 27°44'46" W., a distance of 2402.78 feet;
thence N. 46°45'47 E., a distance of 235 feet;
thence S. 64°00" E., a distance of 602 feet, more or less, to an existing fence corner at the Westerly toe of an existing canal bank;
thence S. 31°30'55" E., a distance of 98.0 feet, more or less, along said canal to a found one-half inch diameter steel rod at an existing fence corner;
thence along said fence line the following four courses:
S. 55°40'24" E., 72.08 feet;
S. 74°21'29" E., 218.05 feet;
S. 42°31'52" E., 67.60 feet;
S. 06°59'16" E., 189.33 feet to the South boundary of the NW1/4 of the said Section 5;
thence N. 88°54'24" E., along the South boundary of the NW1/4 of said Section 5, a distance of 528.39 feet to the Center 1/4 Corner of said Section 5;
thence N. 00°26'31" E., along the East boundary of the NW1/4 of said Section 5, a distance of 2539.01 feet to the N1/4 Corner of said Section 5;
thence S. 89°50'48" W., along the North boundary of the NW1/4 of said Section 5, a distance of 2539.28 feet to the standard corner common to Sections 31 and 32, T4N, R27 EBM (said corner being monumented by a G.L.O. pipe and brass cap monument);
thence S. 89°41'38" W., along the North boundary of the NW1/4 of said Section 5, a distance of 125.40 feet to the Northwest corner of said Section 5, and the Point of Beginning.

The above described parcel of land is SUBJECT TO the following FOUR Easements:

1. *A 15 foot wide Easement to a culinary wellsite, pump and pipes for maintenance and repairs. Said Easement beginning S.00°02'24" W., a distance of 1,073.98 feet and S. 46°45'47" E., a distance of 854.07 feet from the Northwest corner of Section 5, Township 3 North, Range 27 E.B.M.; thence N. 46°45'47" E., a distance of 48 feet, more or less, to said wellsite and beginning of easement. Thence continuing S. 46°45'47" E, parallel to an existing fence line, a distance of 522.81 feet, more or less, to the Northwest boundary line of the Rasmussen property described in Quitclaim Deed, Instrument No. 46148, recorded November 12, 2008, and End of Easement.*

2. A Prescriptive Easement for the purpose of maintaining an existing irrigation canal.
3. County Road Right-of-Way Easements adjoining the Southerly and Easterly boundaries thereof.
4. Other Easements of record or by prescription.

INCLUDING a 15 foot wide Easement for Irrigation Water and Wellsite in the SW1/4SE1/4, Section 3, Township 4 North, Range 26 E.B.M. as contained in Agreement recorded December 1, 1977, Instrument No. M-6395, records of Butte County, Idaho. Corrected and re-recorded December 15, 1977, Instrument No. M-6420, records of Butte County, Idaho.

PARCEL II:

Township 3 North, Range 27 East of the Boise Meridian, Butte County, Idaho

Section 5: NE1/4SE1/4 and that portion of the NW1/4SE1/4 lying North and East of the Union Pacific Railroad right-of-way and that portion of the NE1/4SW1/4 lying North and East of the Arco Canal.

EXCEPTING the Quist Ditch.

ALSO EXCEPTING the North 80 feet.

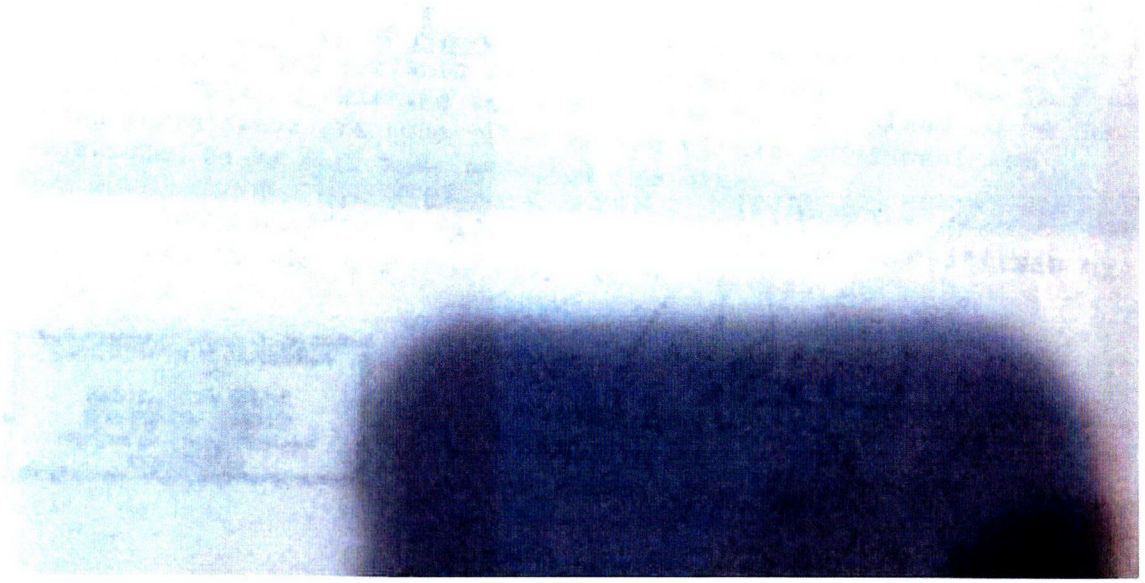
ALSO EXCEPTING existing public road rights-of-way.

ALSO EXCEPTING any portion lying within the following described parcel:
That portion of the SW1/4SE1/4 and the NW1/4SE1/4 of Section 5, Township 3 North, Range 27 East of the Boise Meridian, Butte County, Idaho, described as follows:

Beginning at a point that is South 1312 feet from the E1/4 Corner of said Section, thence West 1357 feet to the True Point of Beginning; thence North 335 feet; thence West 1325 feet to the Easterly boundary of the former State Highway; thence along said Easterly boundary of the former State Highway in a Southeasterly direction 1451 feet; thence East 40 feet; thence North 750 feet; thence East 320 feet to the True Point of Beginning.

INCLUDING an Access Easement for Ingress and Egress to the NW1/4SE1/4, Section 5, Township 3 North, Range 27 E.B.M., through that portion of the NE1/4SW1/4 of said Section 5 described as follows:

A 20 foot wide Access Easement beginning at the East boundary of the county road (Highway Drive) and the most Southeast corner of the said NE1/4SW1/4 lying East of the county road; thence in an Easterly direction to a point 335 feet North, more or less, from the Southwest corner of the NW1/4SE1/4 of said Section 5 and the end of said Access Easement.



STATE OF IDAHO

County of ~~Butte~~ Bonner

On this 24th day of April, 2019, before me the undersigned notary public in and for said state, personally appeared, Douglas Francis Wolf ~~Husband and Wife,~~ known or identified to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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

KARLA S. DERTON
COMMISSION #61892
NOTARY PUBLIC
STATE OF IDAHO

Karla S Derton
Notary Public
Residing at Rathdrum, ID
My Commission expires 7-15-19

STATE OF IDAHO

County of Minidoka

On this 3rd day of April, 2019, before me the undersigned notary public in and for said state, personally appeared Mike Telford and Shannon Telford, Husband and Wife, known or identified to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

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

CHEYENNE B SUDMAN
39127
NOTARY PUBLIC
STATE OF IDAHO
My Commission Expires
11/28/2020

Notary Public
Residing at Paul
My Commission Expires

WSB M[redacted]g Checklist for Rentals

(For use on all new rental applications)

Key: Who Completes What?
CLERICAL STAFF: MK
REVIEWER: Skyler

Received Date: 1/27/2023
Latest Start Date: 1/1/2023
Renter: CSS Farms, LLC
Rental Expiration Date 2027
Lease/Rental Package (Y) N

Application # 2581
Agreement # 726

Water Right	Lease Contract ID
# 17-7007	
# 17-2028	
# 17-2030	
# 17-2045	
#	
#	
#	
#	
#	
#	
#	
#	
#	
#	

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:
prev RA # 643

Mailings (per application)	Original	CC	Email or Address
Renter: CSS Farms LLC	☐	☐	
Attorney:	☐	☐	
Consultants Name: Greg Sullivan - Brockway Engineering	☐	☐	
Conveyence Entity: (Ex. Irrigation Dist. of Canal Co.)	(final only)	☐	
(Ground) Water Dist: Big Lost GWD	(final only)	☐	
Other: WD 34 (WD Snake 01, Boise, Payette, and Bear River)	(final only)	☐	
Region:	(final only)	☐	
Watermaster:	(final only)	☐	
Compliance:	(final only)	☐	

Resolving NOV? Y / N
#

Call up Date:

DO NOT SCAN

Parker, Cody

To: Cefalo, James; waterdist34@atcnet.net; blrgwd@atcnet.net; Marston, Sascha; rharris@holdenlegal.com

Subject: Water Supply Bank rental agreement 727

Attachments: WSB Rental Application to Agreement 727 Sunset Farm 2023 - 2027(2).pdf

Hello everyone,

Attached is an executed rental agreement (no. 727) for Sunset Farm & Ranch LLC. Please let me know if you have any questions or need additional information.

Thanks

Cody Parker
Water Rights Supervisor
208-287-4910

Idaho Dept. of Water Resources
322 E Front St, PO Box 83720, Boise ID 83720
idwr.idaho.gov

IDAHO DEPARTMENT OF
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

May 4, 2023

SUNSET FARM & RANCH LLC
1450 W HIGHWAY 24
PAUL, ID 83347-8666

RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 34-14347 & 34-7205, AGREEMENT 727

Dear Renter:

Please find enclosed a receipt in the amount of **$441.60** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 192 acre-feet of water for irrigation of 54.9 acres during 2023 - 2027. 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.

Because of an agreement between the lessor and the renter **you are only obligated to pay the 10% administrative fee or $441.60** for 2023.

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

Sincerely,

Water Supply Bank

Enclosures: Receipt No. C115772
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR EASTERN Regional Office
Rob Harris – Holden Kidwell Hahn & Crapo PLLC

IDAHO DEPARTMENT OF
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

March 9, 2023

SUNSET FARM & RANCH LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 34-7205 & 34-14347, AGREEMENT 727

*****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 **$4,416.00 per year** was calculated based on the current rental rate of $23.00 per acre-foot times a diversion volume of 192.0 acre-feet. Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or $441.60** 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.

Please send a check in the amount of $441.60 for 2023 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

Jean Hersley

Water Supply Bank

Enclosure(s)

c: IDWR Front Desk

Robert Harris- Holden Kidwell Hahn & Crapo PLLC

Parker, Cody

From: Rob Harris <rharris@holdenlegal.com>
Sent: Tuesday, February 28, 2023 3:38 PM
To: Hummer, Phill
Subject: RE: Sunset Farms Rental 2534/727

CAUTION: **This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.**

Phil:

I apologize for my delay in responding. This got buried in my Inbox.

You are correct that the total acres irrigated would be 496.9 acres. Sunset current has water rights that authorize the irrigation of 442 acres within a PPOU of 612 acres. Sunset wants to idle one of its pivots (the small pivot to the west of where the rental POU will be), and with the additional 54.9 acres, the yellow outline on the map covers 496.9 acres. So, the entire 612 PPOU is not being covered. The rental adds acres within the PPOU that can be irrigated.

Let me know if you have further questions.

Thanks,

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130
Phone: (208) 523-0620
Fax: (208) 523-9518
E-Mail: rharris@holdenlegal.com

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From: Hummer, Phill <Phill.Hummer@idwr.idaho.gov>
Sent: Friday, February 17, 2023 9:29 AM
To: Rob Harris <rharris@holdenlegal.com>
Subject: Sunset Farms Rental 2534/727

Hi Rob,

Quick question about the lease and rental package for Sunset Farms. It looks like the proposal is to rent 54.9 acres for additional irrigation within the PPU so the total acres irrigated would 496.9 acres. Is that a correct statement or is the company requesting irrigation under the rental for same acres so the total irrigation would be the same as the existing

limit, 442 acres? Please clarify th[redacted]oposed use of rental water. The applicat[redacted] are otherwise complete and ready for mailing, we should get the contract and agreements out in the mail shortly after we receive your response.

-Phill

Cheever, Skyler

From: Cheever, Skyler
Sent: Tuesday, February 14, 2023 9:02 AM
To: blrgwd@atcnet.net
Subject: Water Supply Bank Rental Application 2534
Attachments: Rental Review Memo 727.docx; Rental Agreement 727.docx; Rental Map 727.pdf

Hello,

I would like to inform you that I have completed my review of the Water supply Bank Rental Application, 2534. The applicant is Sunset Farm and Ranch LLC. The application proposes to rent from contract 1687 from 2023-2027. This is a notification of this application proposal. Attached to this email is a draft rental agreement, review memo, and map of the place of use. If you have any questions for me, please let me know.

Best,

Skyler

Skyler Cheever
Water Resource Agent, State Office
Email: skyler.cheever@idwr.idaho.gov
Phone: 208-287-4913

Cheever, Skyler

From: Cheever, Skyler
Sent: Monday, February 13, 2023 12:44 PM
To: Cefalo, James; waterdist34@atcnet.net
Subject: Water Supply Bank Lease Rental Application Package 2533/2534
Attachments: Rental Map 727.pdf; Rental Review Memo 727.docx; Rental Agreement 727.docx; Lease Review Memo 2533.docx; Lease 1687 Map.pdf; Lease Contract 1687.docx

Hello Mr. Cefalo and Mr. Marcroft,

I am currently working on reviewing a Lease/Rental application package within Basin 34 and Water District 34. The lease applicant is Lost River Farms LLC. The application proposes to lease a 54.9-acre portion of water rights 34-7205 and 34-14347 into the water supply bank for 2023-2027. The rental applicant is Sunset Farm and Ranch LLC. The application proposes to rent the leased acres, contract 1687, from 2023-2027 for the irrigation of part of a pivot. Attached to this email is a copy of the draft lease contract/rental agreements, review memos, and maps of the place of use. If you have any comments, please reply to this email within 14 days as needed.

Best,

Skyler

Skyler Cheever
Water Resource Agent, State Office
Email: skyler.cheever@idwr.idaho.gov
Phone: 208-287-4913

MEMORANDUM FOR AGREEMENT # 727

To: Water Right No(s) 34-7205, 34-14347

From: Skyler Cheever – Water Resource Agent

Date: 2/10/2023

Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

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PURPOSE/NARRATIVE:
Application 2534 was sent in by Sunset Farm and Ranch LLC and received on December 19th, 2023. This application is part of a lease/rental package. The application proposes to rent contract 1687 from the water supply bank from 2023-2027. Application processing was delayed because permission from the Big Lost River Irrigation Company was requested on December 23rd, 2022. Permission was received on February 6th, 2023. The point of diversion is within the Snake River Moratorium, Ground Water District Big Lost River, and Trust Water Area. The Groundwater District was Notified of this rental application on February 14th, 2023. This is the first time these water rights were rented to this property.

AUTHORITY TO FILE:
Robert Harris singed the application. Mr. Harris has the authority to file this application because documentation was provided with the application signed by Michael Telford granting Mr. Harris the authority to file. Michael Telford is a manger with the company according to the Idaho Secretary of State's Office Database. Sunset Farm and Ranch LLC is the current owner of the property in which rental water will be applied.

Documentation provided with the application determined Sunset Farm and Ranch LLC have a farm lease with Lost River Farms LLC to farm the lease place of use. On lease application 2533, Section 5B the applicant explained because this farming agreement Sunset Farms and Ranch LLC is only required to pay Administrative Rental Fees under this rental.

INJURY TO OTHER WATER RIGHTS:
Water, under contract 1687 is diverted through the Arco Canal, operated by the Big Lost River Irrigation District. Permission from the canal company was received on February 6th, 2023. The permission indicated movement of water from the lease to rental place of use would not injure other water users of the canal.

The lease and rental points of diversion are within the ESPA modeling boundary. The points of diversion are within the same modeling square and do not require modeling. Therefore, there are no injury concerns because the same amount of water is being diverted from the same well as was historically. There are no other injury concerns.

ENLARGEMENT OF USE:
Water rights at the place of use, 34-187A, 34-2277, 34-2480B, 34-2491G, 34-196C, 34-4002, 34-195D, 34-14770, 34-14772, and 34-14773 are limited to a total diversion rate of 9.23 cfs and the irrigation of 442 acres within a 612-acre PPU. The rental will be used on additional acres so additional limits for the use of the rental is not necessary.

The duty of water of the rights in the PPU is 0.02 cfs per acre and the headgate is 3.5 af per acre. Contract 1687 authorizes 0.03 cfs per acre. To prevent enlargement the rate per acre authorized for use will be reduced to 0.02 cfs per acre. There are no other enlargement concerns.

LOCAL PUBLIC INTEREST:
Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:
The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:
The point of diversion is within Basin 34 and Water District 34. The Watermaster and Eastern Regional Manager were contacted for comment on February 13th, 2023. No response was received, it is assumed there is no concern with this proposal.

Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Friday, December 23, 2022 11:13 AM
To: Rob Harris
Subject: RE: Authority to Sign WSB Rental Application

Hello Rob,

I received the attachment and will add it to the application 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: Rob Harris <rharris@holdenlegal.com>
Sent: Friday, December 23, 2022 11:06 AM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Subject: RE: Authority to Sign WSB Rental Application

CAUTION: **This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.**

Mackenzie:

Please see the attached signed Authority of Attorney signed by Michael Telford of Sunset Farm & Ranch LLC. This should be all you need to finalize the rental application. Because of the attachment, please confirm that you received this email.

Thanks,

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130
Phone: (208) 523-0620
Fax: (208) 523-9518
E-Mail: rharris@holdenlegal.com

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From: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Sent: Tuesday, December 20, 2022 1:27 PM
To: Rob Harris <rharris@holdenlegal.com>
Subject: Authority to Sign WSB Rental Application

Hello Rob,

I have completed my preliminary intake review for Sunset Farm & Ranch LLC's Application to Rent Water from the Board's Water Supply Bank. I believe the only documentation we need before I can mark it as ready for review by an agent is your authority to sign on behalf of the applicant. For any application submitted, if it is not signed by an authorized member of the company, we need documentation showing that the signee (you) has been authorized by one of these members. You can also submit new signature pages with an SOS authorized member's signature. Please let me know if you have any questions.

Thank you,

Mackenzie Kienholz
Water Supply Bank Specialist

IDAHO DEPARTMENT OF WATER RESOURCES

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

AUTHORITY OF ATTORNEY
FOR SUBMITTAL OF WATER RIGHT APPLICATIONS

The undersigned hereby appoints **Robert L. Harris** of the law firm of Holden, Kidwell, Hahn & Crapo, P.L.L.C., P.O. Box 50130, Idaho Falls, Idaho 83402, the true and lawful attorney for the purpose of dealing with the Idaho Department of Water Resources and the Idaho Water Resource Board relative to water supply bank applications and water right transfers and to allow him to receive all information, opinions, and records regarding these filings, and to sign and submit applications and other filings on our behalf, effective December 1, 2022 through November 30, 2023.

DATED this 1 day of December, 2022.

SUNSET FARM & RANCH LLC

Name: Michael Telford
Title: Manager

Holden Kidwell
Hahn & Crapo P.L.L.C.
LAW OFFICES

1000 Riverwalk Drive, Suite 200
PO Box 50130
Idaho Falls, Idaho 83405
Tel: (208) 523-0620
Fax: (208) 523-9518
www.holdenlegal.com
rharris@holdenlegal.com

RECEIVED
DEC 19 2022
DEPARTMENT OF
WATER RESC

December 14, 2022

Idaho Department of Water Resources
Attn: Water Supply Bank
P O Box 83720
Boise, ID 83720-0098

RE: Water Supply Bank Lease Rental Package for Portion of WR Nos. 34-7205 and 34-14347.

Dear Water Supply Bank Reviewing Agent:

Enclosed for processing is a Water Supply Bank lease-rental package for the above referenced water rights to be used on an immediately adjacent farm in the Big Lost River Basin. Enclosed is a summary of the water right portions that are being proposed for lease into the Water Supply Bank, which will then be rented out based on the enclosed rental application by Sunset Farm & Ranch LLC. The rental is necessary to cover additional acres along with Sunset's 442 acres authorized under various water rights within a permissible place of use provided under those water rights. The number of acres proposed for lease are 54.9 acres as described in the application documents. Two water rights are proposed for lease into the Water Supply Bank, and therefore, enclosed is a check in the amount of $500.00 for the required lease fee.

If you have any questions or concerns regarding these applications, please contact me at (208) 523-0620 or rharris@holdenlegal.com before returning any of the enclosed application documents. Please also note that we have not included a completed W-9 form as Lost River Farms, the water right owner, has leased the farm and property with an option to purchase to Mike and Shannon Telford, the members of Sunset Farm & Ranch LLC. Accordingly, only the Water Supply Bank's administrative fee is relevant and should be invoiced to Sunset Farm & Ranch LLC accordingly. We appreciate your attention to these applications.

Best regards,

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures
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