STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1232

This Lease Contract ("**Lease**") is between the Idaho Water Resource Board ("**Board**"), and

RECEIVED
SEP 15 2020
DEPT OF WATER RESOURCES

LESSOR: HA WINTERFELL LLC
C/O HANNON ARMSTRONG CAPITAL LLC
1906 TOWNE CENTRE BLVD UNIT 370
ANNAPOLIS, MD 21401-3685

SUPPORT DATA
IN FILE # 63-34914

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.

2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on July 16, 2020.

3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS**: The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
63-34917	1/16/1961	GROUND WATER	0.51	150.0	33.4
63-34922	1/20/1967	GROUND WATER	1.10	157.0	34.8
63-34916	6/4/1963	GROUND WATER	0.04	11.8	2.6
63-34919	6/4/1963	GROUND WATER	0.15	35.0	7.8
Combined Limit Totals			**1.80**	**335.4**	**74.6**
63-34918	1/16/1961	GROUND WATER	0.04	17.6	3.9
63-34920	6/4/1963	GROUND WATER	0.40	99.0	22.0
63-34921	1/21/1971	GROUND WATER	0.17	37.8	8.4
63-34923	3/4/1966	INDIAN CREEK, tributary to BOISE RIVER	0.3	69.3	15.4
Combined Limit Totals			**0.68**	**154.5**	**34.3**
63-34914	7/16/1982	INDIAN CREEK, tributary to BOISE RIVER SAND CREEK, tributary to INDIAN CREEK	0.22	75.5	13.3
63-34915	6/21/1990	GROUND WATER	0.13	29.0	6.5
Combined Lease Totals			**2.8**	**560.0**	**122.2**

WATER SUPPLY BANK LEASE CONTRACT No. 1232

2. **COMPENSATION**: The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

   Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE**: The term of this lease shall be January 1, 2020 to December 31, 2024. This Lease shall bind the parties and take effect when both parties have signed it.

4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**: The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.

6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.

7. **DUPLICATE ORIGINAL**: This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1232

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: HA WINTERFELL LLC
C/O HANNON ARMSTRONG CAPITAL LLC
1906 TOWNE CENTRE BLVD UNIT 370
ANNAPOLIS, MD 21401-3685

By _____
Title Authorized Signatory
Date 9/9/2020

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By _____ Date 09/17/20
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 09/17/20

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1232

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 63-34914

INDIAN CREEK	NWNE	Sec. 10	Twp 01N	Rge 01E	ADA County
SAND CREEK	SWNE	Sec. 10	Twp 01N	Rge 01E	ADA County

Source and Location of Point(s) of Diversion for Water Right No(s): 63-34915, 63-34916, 63-34917, 63-34918, 63-34919, 63-34920, 63-34921, 63-34922

GROUND WATER	SWSW	Sec. 3	Twp 01N	Rge 01E	ADA County
GROUND WATER	NWNE	Sec. 10	Twp 01N	Rge 01E	ADA County
GROUND WATER	SWNE	Sec. 10	Twp 01N	Rge 01E	ADA County

Source and Location of Point(s) of Diversion for Water Right No(s): 63-34923

INDIAN CREEK	NWSW	Sec. 3	Twp 01N	Rge 01E	ADA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
63-34914	IRRIGATION	03/15	to	11/15	0.22 cfs	59.9 AF
63-34915	IRRIGATION	03/15	to	11/15	0.13 cfs	29.0 AF
63-34916	IRRIGATION	03/01	to	11/15	0.04 cfs	11.8 AF
63-34917	IRRIGATION	03/15	to	11/15	0.51 cfs	150.0 AF
63-34918	IRRIGATION	03/15	to	11/15	0.04 cfs	17.6 AF
63-34919	IRRIGATION	03/01	to	11/15	0.15 cfs	35.0 AF
63-34920	IRRIGATION	03/15	to	11/15	0.40 cfs	99.0 AF
63-34921	IRRIGATION	03/15	to	11/15	0.17 cfs	37.8 AF
63-34922	IRRIGATION	03/15	to	11/15	1.10 cfs	157.0 AF
63-34923	IRRIGATION	03/01	to	11/15	0.30 cfs	69.3 AF
63-34914	IRRIGATION STORAGE	01/01	to	12/31	Not stated	7.8 AF
63-34914	IRRIGATION FROM STORAGE	03/15	to	11/15	Not stated	7.8 AF
				Totals:	2.80 cfs	560.0 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION & IRRIGATION FROM STORAGE

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01N	01E	10			10.0		40.0	40.0	40.0	40.0									170.0

Total Acres: 170.0

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ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into 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.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
    a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
    b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under these rights will 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. 63.
13. The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the lands authorized to be irrigated under this right. The right holder shall limit the diversion of ground water under this right for land with an appurtenant surface water right(s) to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.
14. If the surface water right(s) appurtenant to the place of use is abandoned, forfeited, sold, transferred, leased or used on any other place of use, this right to divert ground water shall not be used on the

land with an appurtenant surface water right(s) without an approved transfer pursuant to Section 42-222, Idaho Code, or approval of the Department if a transfer is not required.

15. The period of use for the irrigation described in the approval of water right 63-34914, 63-34915, 63-34923 may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 4/10/2007.

16. The period of use for the irrigation described in the approval of water right 63-34917, 63-34918, 63-34920,63-34921 may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 2/6/2007.

17. The period of use for the irrigation described in this approval of water right 63-34922 may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 2/16/2007.

18. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

19. Rights 63-34914, 63-34915, 63-34916, 63-34917, 63-34918, 63-34919, 63-34920, 63-34921, 63-34922 & 63-34923 when combined shall not exceed a total diversion rate of 2.8 cfs, a total annual maximum diversion volume of 560.0 af at the field headgate, and the irrigation of 122.2 acres in a single irrigation season.

20. Rights 63-34916, 63-34917, 63-34919 and 63-34922 when combined shall not exceed a total diversion rate of 1.8 cfs, a total annual maximum diversion volume of 335.4 af at the field headgate, and the irrigation of 74.6 acres in a single irrigation season.

21. Rights 63-34918, 63-34920, 63-34921 and 63-34923 when combined shall not exceed a total diversion rate of 0.68 cfs, a total annual maximum diversion volume of 154.3 af at the field headgate, and the irrigation of 34.3 acres in a single irrigation season.

22. Water rights 63-34915, 63-34916, 63-34917, 63-34918, 63-34919, 63-34920, 63-34923 when combined with all other rights shall provide no more than 0.02 cfs per acre nor exceed a combined annual maximum diversion volume of 560.0 af at the field headgate for the place of use.

23. Water right 63-34914 is limited to the irrigation of 13.3 acres within the authorized place of use in a single irrigation season.

24. Water right 63-34915 is limited to the irrigation of 6.5 acres within the authorized place of use in a single irrigation season.

25. Water right 63-34916 is limited to the irrigation of 2.6 acres, a diversion rate of 0.04 cfs and a diversion volume of 11.8 af within the authorized place of use in a single irrigation season.

26. Water right 63-34917 is limited to the irrigation of 33.4 acres within the authorized place of use in a single irrigation season.

27. Water right 63-34918 is limited to the irrigation of 3.9 acres within the authorized place of use in a single irrigation season.

28. Water right 63-34919 is limited to the irrigation of 7.8 acres within the authorized place of use in a single irrigation season.

WATER SUPPLY BANK LEASE CONTRACT No. 1232

29. Water right 63-34920 is limited to the irrigation of 22.0 acres within the authorized place of use in a single irrigation season.
30. Water right 63-34921 is limited to the irrigation of 8.4 acres within the authorized place of use in a single irrigation season.
31. Water right 63-34922 is limited to the irrigation of 34.8 acres within the authorized place of use in a single irrigation season.
32. Water right 63-34923 is limited to the irrigation of 15.4 acres within the authorized place of use in a single irrigation season.
33. Water right 63-34923 when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the place of use.
34. 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).

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
JUL 16 2020
DEPARTMENT OF WATER RESOURCES

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

Designated Applicant HA Winterfell LLC
(Select one owner – see item 1A on the application)

Water Right No. 63-34920
(One water right per application)

Is this application being submitted with a rental application as a lease/rental package? **Yes** ☐ **No** ☑

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Applications that do not meet the minimum requirements will not be processed and may be returned or denied.**

MIMUMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached* (Yes) or *Not Applicable* (N/A)

	Yes	
	☑	Completed *Application to Sell or Lease a Water Right to the Water Supply Bank.*
	☑	Application filing fee of $250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is $500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
	☑	Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment	N/A	Yes	
1A	☐	☑	Signatures and contact information for ***all owners*** of the water right to be leased or sold on this application.
1B	☐	☑	An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
1C	☑	☐	*Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
1D	☐	☑	Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
2	☑	☐	Description of a water right portion offered to the Water Supply Bank.
3	☐	☑	A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
4A	☑	☐	Written consent from irrigation district or water delivery company.
4G	☐	☑	Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount $ 250.00	Received By: KU	Date Received: 7-16-2020	Receipt # C109029
W-9 received? Yes ☑ No ☐	(Route W-9 to Fiscal)	Name on W-9: HA Winterfell LLC	

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant HA Winterfell LLC

Mailing Address c/o Hannon Armstrong Capital, LLC, 1906 Towne Centre Blvd., Ste. 370, Annapolis, MD 21401
Street City State Zip Code

Email Address Legaldepartment@hannonarmstrong.com Phone Number 410-571-6197 Ms Samantha Frew

☑ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☑
If no, complete the form and attach to this application (Attachment 1B).

C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☑ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☑ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Daniel K. McMahon Organization HA Winterfell LLC

Professional Title Authorized Signatory Email Address dmcmahon@hannonarmstrong.com

Mailing Address See above in Item 1.A Phone Number 410-571-6167

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☑ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☑ The full water right is being offered to the Bank.

OR

☐ A part of the water right is being offered to the Bank.
If a portion of the water right is being offered, **complete Attachment 2**.

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled 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 idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3.**

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☑
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

B. Please provide a description of the current water diversion and delivery system.
Existing wells to pipelines to place of use.

C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. 63-34914, 63-34915, 63-34916, 63-34917, 63-34918, 63-34919, 63-34921, 63-34922, 63-34923

D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☑

Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of $500.

E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☑

If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased.

F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. Applicant has not owned the property and associated water rights for the entire previous 5 years. However, aerial photography and Landsat imagery going back to 2015 document use within the past 5 years.

G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☑

If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed.

H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☑

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☑?

If lease, specify the years when the use of water will be suspended: 2020 (Year) to 2024 (Year) (maximum lease period 5 calendar years).

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current rental rate.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Dan McMahon	Daniel K. McMahon	7/9/2020
Signature of Designated Applicant	Printed Name	Date
Signature of Authorized Representative	Printed Name	Date

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

State of Idaho
Department of Water Resources

Water Right

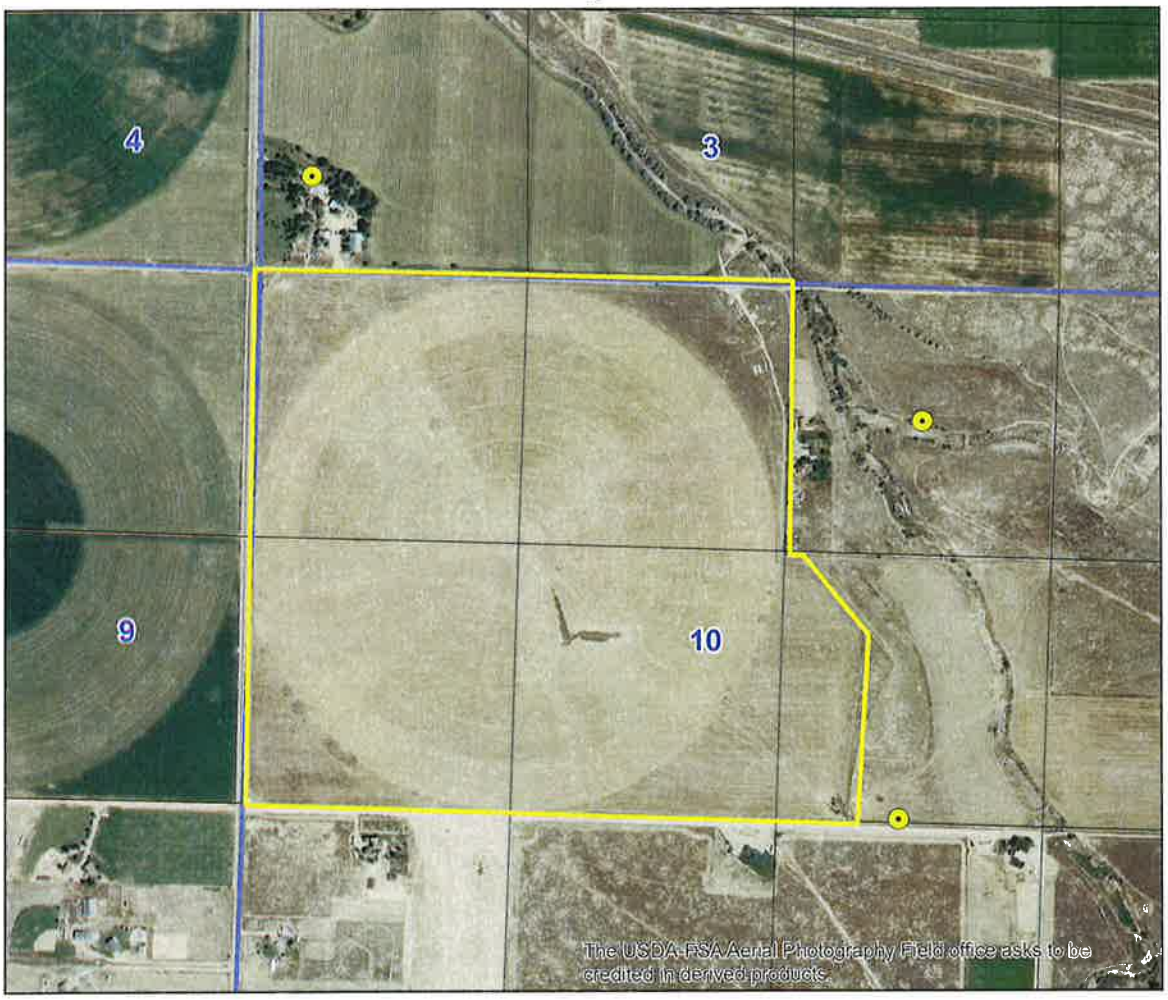
63-34920

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

01E

01N



Point of Diversion

Place Of Use Boundary

Townships

PLS Sections

Quarter Quarters

0 0.1 0.2 0.4 Miles

N

Map produced on June 27, 2020

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700
Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

March 16, 2021

HA WINTERFELL LLC
C/O HANNON ARMSTRONG CAPITAL LLC
1906 TOWNE CENTRE BLVD UNIT 370
ANNAPOLIS, MD 21401-3685

RE: WATER SUPPLY BANK LEASE CONTRACTS 1229, 1230 & 1232 FOR WATER RIGHTS 63-9184A, 63-34913, 63-34917, 63-34922, 63-34916, 63-34919, 63-34918, 63-34920, 63-34921, 63-34923, 63-34914 & 63-34915

Dear Lessor:

Water rights **63-9184A, 63-34913, 63-34917, 63-34922, 63-34916, 63-34919, 63-34918, 63-34920, 63-34921, 63-34923, 63-34914 & 63-34915** were leased into the Water Supply Bank (Bank) as of January 1, 2020, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank**. More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2024,** unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Western Region
Water District 63
Dylan Lawrence

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700
Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

August 27, 2020

HA WINTERFELL LLC
C/O HANNON ARMSTRONG CAPITAL LLC
1906 TOWNE CENTRE BLVD UNIT 370
ANNAPOLIS MD 21401-3685

RE: APPLICATION TO LEASE **WATER RIGHTS 63-34914 to 63-34923**
CONTRACT 1232
TO THE WATER SUPPLY BANK

****TIME SENSITIVE RESPONSE REQUIRED***

Dear Applicant:

Enclosed you will find a corrected version of Water Supply Bank Lease Contract 1232. There were a few clerical errors found that have been corrected. I have enclosed **two original Water Supply Bank Lease Contracts for your review and signature**. Please sign and return **ALL** Lease Contracts within 14 days. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

If you have any questions, please contact me at (208) 287-4942. Thank you.

Sincerely,

Jean Hersley

Jean Hersley
Technical Records Specialist II

Enclosure

c: Dylan Lawrence- Varin Wardwell

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700
Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

August 26, 2020

HA WINTERFELL LLC
C/O HANNON ARMSTRONG CAPITAL LLC
1906 TOWNE CENTRE BLVD UNIT 370
ANNAPOLIS MD 21401-3685

RE: APPLICATION TO LEASE **WATER RIGHT 63-34913 CONTRACT 1230, WATER RIGHT 63-9184A CONTRACT 1229, WATER RIGHTS 63-34914 to 63-34923 CONTRACT 1232**
TO THE WATER SUPPLY BANK

****TIME SENSITIVE RESPONSE REQUIRED***

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. I have enclosed **two of each original Water Supply Bank Lease Contracts for your review and signature**. Please sign and return ALL Lease Contracts within 14 days. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2024**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at http://www.idwr.idaho.gov. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

> "While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

Please note, a refund of $2,000.00 has been requested and will be sent to Hannon Armstrong Capital, LLC. The filing fees for an Application to lease a Water Right to the Water Supply Bank is $ 250 per water right unless you are submitting lease applications for water rights that have an overlapping, common place of use, or a common diversion rate or volume. The break down is $250 for 63-9184A, $250 for 63-34913 and $500 for 63-34914 through 63-34923. The refund will be sent under separate cover from the Idaho State Controller's office within 10 days.

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

Sincerely,

Jean Hesley
for Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C109029

c. Dylan Lawrence- Varin Wardwell

Hersley, Jean

From: Hersley, Jean
Sent: Wednesday, August 26, 2020 7:21 AM
To: Miller, Nick; 'Rex Barrie'; 'mikemeyerswd63@gmail.com'
Subject: WSB Lease Applications for HA Winterfell
Attachments: Lease Application Review 63-9184A.xls; Report - Lease Contract - 1229.docx; Lease Application Review Checklist 63-34913.xls; Report - Lease Contract - 1230.docx; Report - Lease Contract - 1232 v2.docx; Lease Application Review Checklist July 2017.xls

Please let me know within 7 days if you have any comments or concerns with the attached leases.

Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942

MEMORANDUM

TO: Sascha Marston

FROM: Jean Hersley

DATE: August 25, 2020

RE: Refund: overpayment for WSB Lease Applications

Please refund $2000.

NAME: HANNON ARMSTRONG CAPITAL LLC
1906 TOWNE CENTRE BLVD UNIT 370
ANNAPOLIS MD 21401-3685

RECEIPT #: C109029

Thank you.

Jean

Hersley, Jean

From: Hersley, Jean
Sent: Tuesday, August 25, 2020 3:51 PM
To: IdwrPayable
Subject: refund
Attachments: HA Winterfell.doc

Please process the attached refund. Thank you.

Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942

Hersley, Jean

From: Dylan Lawrence <dylanlawrence@varinwardwell.com>
Sent: Monday, August 17, 2020 9:47 AM
To: Hersley, Jean
Cc: Samantha Frew; Ahmad Shihadah; Dan McMahon; Mary Beth Steele (Consultant)
Subject: Re: Water Supply Bank lease applications

Hi Jean - I hope you had some nice time out of the office.

By way of update, when I received your out-of-office response to my email below, I reached out to Justin Ferguson. After talking through my question below with him, our plan is to keep the Water Supply Bank lease applications as-is and submit companion rental applications to accommodate the ongoing irrigation needs at the site. We should have those rental applications on file soon; just trying to confirm a few last details.

As always, any questions or concerns, just let us know.

Thank you,
Dylan

Dylan Lawrence
242 N. 8th Street, Ste. 220
PO Box 1676 | Boise, ID 83701
(208) 345-6021
VarinWardwell.com

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On Fri, Jul 31, 2020 at 9:37 AM Dylan Lawrence <dylanlawrence@varinwardwell.com> wrote:
Jean,

Thank you for your patience on this. Based on your question, we have been in contact with the lessee/operator at the site. It turns out that they have been and need to continue irrigating certain areas along the west/northwest side of the overall project area, including the specific area you asked about associated with 63-34914 - 63-34923. We are in the process of preparing a map that will more specifically identify those areas and the acreages involved.

As I recall, we can either amend the existing affected lease applications to exclude those areas altogether, or proceed with the existing lease applications and simultaneously rent those portions of the water rights back out from the Bank. Please let us know if you have thoughts or a preference as to which approach makes the most

sense. We will also seek to add a point of diversion to one of the rights; since we could do that temporarily with a rental application, perhaps that approach makes sense, but again, we wanted to see if you have a preference.

Also, this ongoing irrigation does not involve water right 63-9184A. The applicant still intends to lease that entire right to the Water Supply Bank, and you can proceed on that application while we finalize the plan for the remaining rights.

As always, just let me know of any other questions. If it would be more efficient to discuss real-time, feel free to give me a call.

Thank you,
Dylan

Dylan Lawrence
242 N. 8th Street, Ste. 220
PO Box 1676 | Boise, ID 83701
(208) 345-6021
VarinWardwell.com

*****PLEASE NOTE I WILL BE OUT OF THE OFFICE THE WEEK OF AUGUST 3.**

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On Fri, Jul 24, 2020 at 3:20 PM Dan McMahon <dmcmahon@hannonarmstrong.com> wrote:

Jean,

My apologies for the delay in responding but we're trying to confirm what, if any, irrigation is currently being utilized by our tenant. We should have a response soon. I will confirm, however, that we do want to place all beneficial uses in the Bank.

I will revert once the irrigation question is confirmed. Thank you very much.

Dan

Dan McMahon
Executive Vice President - Portfolio Management
Hannon Armstrong (NYSE: HASI)
dmcmahon@hannonarmstrong.com
Phone: 410-571-6167 | Mobile: 443-223-9929
Web | Twitter | LinkedIn
1906 Towne Centre Blvd., Ste 370, Annapolis, MD 21401

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Securities are offered by Hannon Armstrong Securities, LLC, a registered broker-dealer, member FINRA and SIPC and subsidiary of Hannon Armstrong Sustainable Infrastructure Capital, Inc.

From: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Sent: Tuesday, July 21, 2020 10:49 AM
To: Dan McMahon <dmcmahon@hannonarmstrong.com>
Cc: Dylan Lawrence <dylanlawrence@varinwardwell.com>
Subject: Water Supply Bank lease applications

The Idaho Department of Water Resources is in the process of reviewing the applications to lease several water rights to the Water Supply Bank. I have been in touch with the attorney who filed on your behalf but I do need to submit the questions to you also.

Regarding water right 63-34914, the beneficial uses for this water right is irrigation, irrigation from storage and irrigation storage. I'm assuming you want to place all beneficial uses in the Bank?

Has the land that is appurtenant to water rights 63-34914 to 63-34923 been irrigated at all this season?

Please respond within 14 days so I can continue processing these applications. Let me know if you have any questions. Thank you.

Jean Hersley

Technical Records Specialist II

Idaho Dept Water Resources

(208) 287-4942

RECEIVED
JUL 16 2020
DEPARTMENT OF
WATER RESOURCES

VARIN WARDWELL
ATTORNEYS AT LAW

242 N. 8TH STREET, SUITE 220
P.O. BOX 1676
BOISE, IDAHO 83701
P: 208.907.1529
F: 1.866.717.1758
VARINWARDWELL.COM

DYLAN B. LAWRENCE
DYLANLAWRENCE@VARINWARDWELL.COM

July 16, 2020

VIA HAND DELIVERY

Justin Ferguson
Idaho Department of Water Resources
State Office
322 East Front St., 6th Floor
Boise, Idaho 83702

Re: Water Supply Bank Lease Applications (HA Winterfell LLC)

Dear Justin:

I am hereby submitting twelve Water Supply Bank lease applications for your review and processing. You may recall that you and I discussed these applications in general terms on June 2, 2020. Specifically, I am enclosing and submitting the following items with this letter:

- Twelve separate signed, original Water Supply Bank lease applications, executed by HA Winterfell LLC, pertaining to the water rights listed in the table included as Exhibit A to this letter;
- For the reason discussed below, ten place of use maps to accompany each lease application;
- A signed W-9 that is applicable to all twelve applications;
- A signed incumbency certificate applicable to all twelve applications; and
- A check in the amount of $3,000.00 for the processing fees.

Please note, the lease applications for water rights 63-34914 and 63-34923 do not include place of use maps. After repeated attempts using three different web browsers, we kept receiving server errors and were simply unable to generate place of use map for these two water rights through IDWR's online mapping function. However, these rights share a permissible place of use with water rights 63-34915 through 63-34922.

1752

If you have any questions or need any additional information from HA Winterfell LLC or me, please do not hesitate to contact me. Otherwise, please process these lease applications at your earliest convenience.

Thank you for your attention to this matter.

Sincerely,

VARIN WARDWELL

Dylan B. Lawrence

Enclosures (25)

Exhibit A

(Water Rights for HA Winterfell LLC Water Supply Bank Lease Applications)

Old Water Right No.	New Water Right No.
63-7756	63-34913
63-9184A	63-9184A
63-9937	63-34914
63-11343	63-34915
63-33817	63-34916
63-33819	63-34917
63-33821	63-34918
63-33823	63-34919
63-33825	63-34920
63-33827	63-34921
63-33829	63-34922
63-33831	63-34923

HA WINTERFELL LLC

SUPPLEMENTAL INCUMBENCY CERTIFICATE

June 16, 2020

The undersigned hereby certifies that he is duly appointed, qualified and acting as Secretary of HA Winterfell LLC, a Delaware limited liability company (the "Company") and hereby further certifies that the following is the name of, the office held by, and the genuine signature of, an officer of the Company authorized to sign the documents to which the Company is a party for and on behalf of the Company:

Name	**Title**	**Signature**
Daniel K. McMahon	Authorized Signatory	

IN WITNESS WHEREOF, I have hereunto signed my name as of the date first set forth above.

By: _____
Name: Steven L. Chuslo
Title: Secretary