

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 944

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

LESSOR: FOUR SEASONS HOMEOWNERS ASSN
PO BOX 4576
KETCHUM, ID 83340

RECEIVED

MAR 21 2019

DEPARTMENT OF
WATER RESOURCES

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 January 15, 2019.
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)
37-8031	6/24/1982	GROUND WATER	0.170	25.8	1.0
Combined Lease Totals			0.170	25.8	1.0

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)
37-8031	0.170	25.8	1.0
Combined Limit Totals	0.170	25.8	1.0

** The water right elements rentable are total limits of Domestic and Irrigation beneficial uses when used together*

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

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DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 944

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2019 to December 31, 2019. 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.

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DEPARTMENT OF WATER RESOURCES

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

LESSOR: FOUR SEASONS HOMEOWNERS ASSN
PO BOX 4576
KETCHUM, ID 83340

By Karl L. Michel
Title Managing agent
Date 3/2/19

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

By Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 4/26/2019

Lease approved by IDWR Chay West

Date 4-26-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 944

**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): 37-8031

GROUND WATER SWSW Sec. 12 Twp 04N Rge 17E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-8031	IRRIGATION	04/01	to	11/01	0.030 cfs	3.0 AF
	DOMESTIC	01/01	to	12/31	0.170 cfs	22.8 AF
Totals:					0.170 cfs	25.8 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: 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	
04N	17E	12										0.8	0.2						1.0

PLACES OF USE TO BE IDLED UNDER THIS LEASE: DOMESTIC

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	17E	12										X	X						

Total Acres: 1.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 944

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.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 944

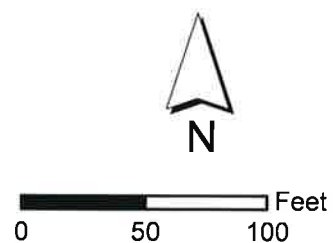
37-8031

Effective until December 31, 2019

This map depicts the **place of use to be idled for Irrigation Use** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections
-  QQ

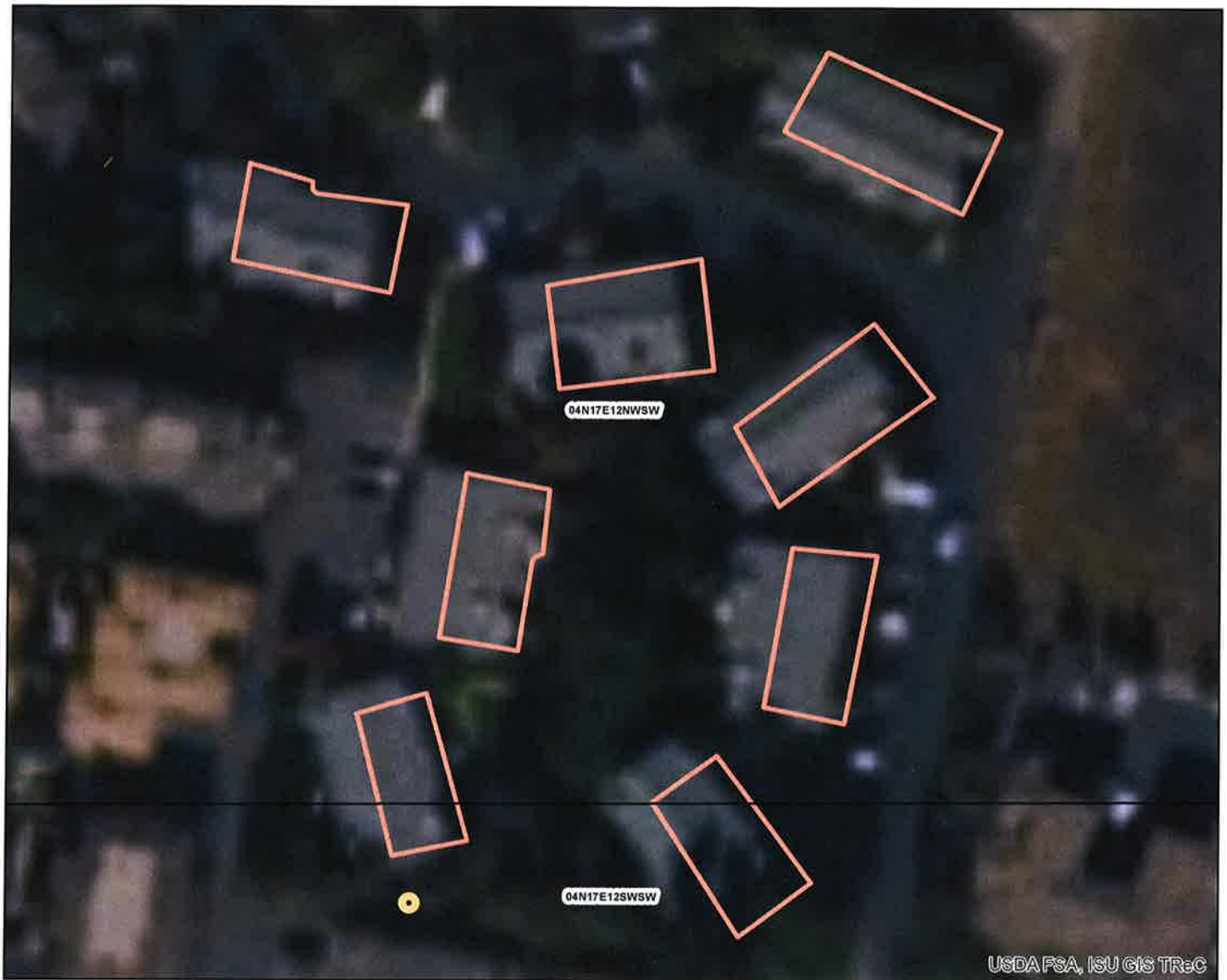


Idaho Water Resource Board
Water Supply Bank Lease Contract No. 944

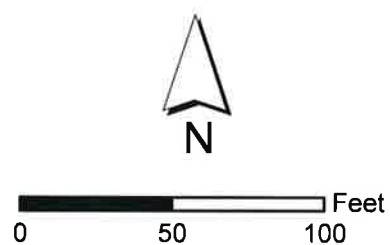
37-8031

Effective until December 31, 2019

This map depicts the **place of use to be idled for Domestic Use** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections
-  QQ



STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
JAN 15 2019
DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Four Seasons Homeowners Assn.

(Select one owner – see item 1A on the application)

Water Right No. 37-8031

(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.

MINIMUM 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

Received By:

AS

Date Received:

1.15.19

Receipt #

C106141

W-9 received?

Yes ☒No ☐

(Route W-9 to Fiscal)

Name on W-9:

Four Seasons Homeowner Assoc.

EXHIBIT

1

1309

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 Four Seasons Homeowners Assn.

Mailing Address P.O. Box 4576, Ketchum, ID 83340

Street

City

State

Zip Code

Email Address _____

Phone Number _____

☒ 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 Karl Nichols / Jim Speck Organization Four Seasons / Legal

Professional Title Manager / Attorney Email Address Karl@thenicholsgrp.com

Mailing Address Box 610 Ketchum, ID 83340 Phone Number 726-4865 / 726-4421

☐ 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.

jim@
speckandassociates.
com

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.
Property is presently receiving water from a municipal system. The right is not being diverted at the present POU.
It has been in the water supply bank and rented for use on other properties.

- 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. Municipal water rights owned by the City of Ketchum

- 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. Municipal water will continue to be used. this right was previously in the water supply bank. No enlargement will take place.

- 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. None - it's been in the water supply bank

- 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: 2019 to 2019 (maximum lease period 5 calendar years).
(Year) (Year)

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.

Karl W. Nichols
Signature of Designated Applicant

Karl Nichols
Printed Name

1/1/18
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
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). _____

	Designated Applicant	Applicant #2	Applicant #3
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

**STATE OF IDAHO
WATER RESOURCE BOARD**

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Amounts:		_____	_____	_____

2. Source of water _____ tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

State of Idaho
Department of Water Resources

Water Right

37-8031

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.

17E



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters

0 0.035 0.07 0.14 Miles

FOUR SEASONS HOA
ATER RIGHT 37-8031UPPLICATION TO LEASE TO
WATER SUPPLY BANK
ATTACHMENT 3, P.2



State of Idaho
Department of Water Resources

Water Right

37-8031

DOMESTIC

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.

17E



● Point of Diversion

Place Of Use Boundary

Townships

PLS Sections

Quarter Quarters

0 0.035 0.07 0.14 Miles

FOUR SEASONS HOA
WATER RIGHT 37-8031
APPLICATION TO LEASE TO WATER SUPPLY BANK
ATTACHMENT 3, P.1





0003331185

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State

PO Box 83720

Boise, ID 83720-0080

(208) 332-2811

Filing Fee: \$0.00

B0073-6680 10/18/2018 1:56 PM Received by ID Secretary of State Lawrence Denney

Entity Name and Mailing Address:

FOUR SEASONS HOME OWNERS ASSOCIATION

The file number of this entity on the records of the Idaho Secretary of State is: 0000136928

Address

PO BOX 610
KETCHUM, ID 83340-0610

Entity Details:

Entity Status

Active - Good Standing

This entity is organized under the laws of:

IDAHO

The file number of this entity on the records of the Idaho Secretary of State is: 0000136928

If applicable, the old file number of this entity on the records of the Idaho Secretary of State was: C41602

Registered Agent Name and Address

Current Registered Agent

KARL NICHOLS
Registered Agent

Physical Address

220 SECOND AVE SOUTH
SUITE 203
KETCHUM, ID 83340

Mailing Address

☐ Check here if the registered agent needs to be changed

If the agent is an individual, do not put the individual's name on the attention line (then it will show in the address block twice).

The attention line is used for organizations *if* they wish to specify a particular individual within the organization to whose attention documents should be sent.

RECEIVED

JAN 15 2019

DEPARTMENT OF
WATER RESOURCES

ORIGINAL IN RED

**AGREEMENT RE: LEASE AND RENTAL
OF WATER RIGHT 37-8031**

THIS AGREEMENT is made and entered into as of the date of the last signature hereto by and between FOUR SEASONS HOME OWNERS ASSOCIATION, an Idaho non-profit corporation, whose address is P.O. Box 4576, Ketchum, ID 83340 ("Four Seasons") and HELEN MARTIN SPALDING, AS TRUSTEE OF THE RICHARD AND HELEN SPALDING REVOCABLE TRUST, whose address is 1009 Francisco Street, San Francisco, CA 94109 ("Spalding").

RECITALS

- A. Four Seasons is the owner of Water Right No. 37-8031 (the "Water Right") which provides for the irrigation of 1.0 acre using ground water from a well within the Four Seasons Subdivisions in Ketchum, Idaho.
- B. Four Seasons proposes to lease the Water Right to Idaho Water Supply Bank (the "Bank").
- C. Spalding is the owner of Tax Lot 8247 along the West side of Highway 75 north of Ketchum in Blaine County, Idaho ("TL8247") on which she desires to irrigate a total of one and one-half (1.5) acres. Spalding only has a water right for the irrigation of one-half acre on that property and desires to lease all of the Water Right to provide for the irrigation of the remaining 1.0 acres on TL8247 for 2019. The parties have reached an agreement to accomplish their mutual goals with respect to the Water Right on the terms and conditions hereinafter set forth.

TERMS AND CONDITION

1. INCORPORATION OF RECITALS. The Recitals set forth above are an integral part of this Agreement and are fully incorporated herein by this reference.

2. SIMULTANEOUS FILING OF APPLICATIONS TO LEASE WATER RIGHT TO AND RENT WATER RIGHT FROM THE WATER SUPPLY BANK. Four Seasons and Spalding agree to simultaneously file with the Idaho Department of Water Resources ("IDWR") as companion applications an Application to Lease the Water Right to the Water Supply Bank, and an Application to Rent the Water Right from the Water Supply Bank, copies of which are attached hereto as **Exhibits 1 and 2**, respectively. The lease shall be for a term of one year (the 2019 irrigation season).

3. CONSIDERATION. Subject to and contingent upon the approval by IDWR of both of the Applications described in Paragraph 2, above, Spalding agrees to pay to Four Seasons the sum of Four Thousand Dollars (\$4,000) due on or before March 1, 2019.

4. TERM. This Agreement shall be effective only through and including December 31, 2019, at which time this Agreement shall terminate and be of no further force or effect.

5. NECESSARY ACTS. Each party agrees to perform any further acts and execute any documents that may be reasonably necessary to effect the purpose of this Agreement.

6. NOTICE. All notices and communications under this Agreement shall be in writing and shall be (i) delivered in person or (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or by overnight express carrier, addressed in each case to the party's address set forth in the introductory paragraph of this Agreement, or (iii) sent by facsimile or electronic mail. It is provided, however, that any party may change its respective address for purposes of receipt of any such communication by giving ten (10) days prior written notice of such change to the other party hereto in the manner provided above. All notices sent pursuant to the terms of this paragraph shall be deemed received (i) if sent by overnight, express carrier, on the next business day immediately following the day sent, (ii) if sent by registered or

certified mail, on the third business day following the day sent or (iii) if sent by facsimile or electronic mail on the date so sent.

7. GOVERNING LAW. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Idaho applicable to agreements made and performed in that state.

8. CAPTIONS TO PARAGRAPHS. The captions to the paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, diminish, explain or in any manner affect the meaning of such paragraphs.

9. TRANSMISSION OF DOCUMENTS. Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission, shall be the same as delivery of an original of such document. At the request of either party the other party will confirm facsimile or electronically transmitted signatures by signing an original document.

10. COUNTERPARTS. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

11. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date set forth below.

Date: <u>12/7/10</u>	FOUR SEASONS HOME OWNERS ASSOCIATION — By: <u>Kal L. Muhl</u> Its <u>Manager</u>
Date: _____	_____ HELEN MARTIN SPALDING, TRUSTEE OF THE RICHARD AND HELEN SPALDING REVOCABLE TRUST

Date: _____	FOUR SEASONS HOME OWNERS ASSOCIATION By: _____ Its _____
Date: <u>1/7/19</u>	 HELEN MARTIN SPALDING, TRUSTEE OF THE RICHARD AND HELEN SPALDING REVOCABLE TRUST

2. SIMULTANEOUS FILING OF APPLICATIONS TO LEASE WATER RIGHT TO AND RENT WATER RIGHT FROM THE WATER SUPPLY BANK. Four Seasons and Spalding agree to simultaneously file with the Idaho Department of Water Resources ("IDWR") as companion applications an Application to Lease the Water Right to the Water Supply Bank, and an Application to Rent the Water Right from the Water Supply Bank, copies of which are attached hereto as **Exhibits 1 and 2**, respectively. The lease shall be for a term of one year (the 2019 irrigation season).

3. CONSIDERATION. Subject to and contingent upon the approval by IDWR of both of the Applications described in Paragraph 2, above, Spalding agrees to pay to Four Seasons the sum of Four Thousand Dollars (\$4,000) due on or before March 1, 2019.

4. TERM. This Agreement shall be effective only through and including December 31, 2019, at which time this Agreement shall terminate and be of no further force or effect.

5. NECESSARY ACTS. Each party agrees to perform any further acts and execute any documents that may be reasonably necessary to effect the purpose of this Agreement.

6. NOTICE. All notices and communications under this Agreement shall be in writing and shall be (i) delivered in person or (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or by overnight express carrier, addressed in each case to the party's address set forth in the introductory paragraph of this Agreement, or (iii) sent by facsimile or electronic mail. It is provided, however, that any party may change its respective address for purposes of receipt of any such communication by giving ten (10) days prior written notice of such change to the other party hereto in the manner provided above. All notices sent pursuant to the terms of this paragraph shall be deemed received (i) if sent by overnight, express carrier, on the next business day immediately following the day sent, (ii) if sent by registered or

certified mail, on the third business day following the day sent or (iii) if sent by facsimile or electronic mail on the date so sent.

7. GOVERNING LAW. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Idaho applicable to agreements made and performed in that state.

8. CAPTIONS TO PARAGRAPHS. The captions to the paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, diminish, explain or in any manner affect the meaning of such paragraphs.

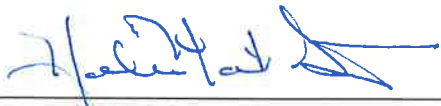
9. TRANSMISSION OF DOCUMENTS. Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission, shall be the same as delivery of an original of such document. At the request of either party the other party will confirm facsimile or electronically transmitted signatures by signing an original document.

10. COUNTERPARTS. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

11. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITTINESS WHEREOF the parties hereto have executed this Agreement on the date set forth below.

Date: <u>12/7/10</u>	FOUR SEASONS HOME OWNERS ASSOCIATION — By: <u>Karl L. Muhl</u> Its <u>Manager</u>
Date: _____	HELEN MARTIN SPALDING, TRUSTEE OF THE RICHARD AND HELEN SPALDING REVOCABLE TRUST

Date: _____	FOUR SEASONS HOME OWNERS ASSOCIATION By: _____ Its _____
Date: <u>1/7/19</u>	 HELEN MARTIN SPALDING, TRUSTEE OF THE RICHARD AND HELEN SPALDING REVOCABLE TRUST



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

April 29, 2019

FOUR SEASONS HOMEOWNERS ASSN
PO BOX 4576
KETCHUM ID 83340

RE: WATER SUPPLY BANK LEASE CONTRACT 944 FOR WATER RIGHT 37-8031

Dear Lessor:

Water right **37-8031** was leased into the Water Supply Bank (Bank) as of January 15, 2019, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2019**, unless the right is 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 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. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is 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 287-4800.

Sincerely,

for 

Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Kevin Lakey - Water District 37
Galena GWD
James Speck - Speck & Aanestad



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 13, 2019

FOUR SEASONS HOMEOWNERS ASSN
PO BOX 4576
KETCHUM ID 83340

**RE: APPLICATION TO LEASE WATER RIGHT 37-8031 TO THE WATER SUPPLY BANK
CONTRACT 944**

******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 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, 2019**, 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."

If you have questions regarding this matter, please contact this office at 287-4800.

Sincerely,


for Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C106141

c: James Speck – Speck & Aanestad

MEMORANDUM FOR LEASE CONTRACT #944 AND RENTAL AGREEMENT #307

To: Water Right(s) 37-8031

From: Mary Condon

Date: February 25, 2019

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

PURPOSE/NARRATIVE: Companion application package of lease and rental received on January 15, 2019 for one year, similar to lease rental package previously. There is a private agreement between lessor and renter attached to the application to lease, however, the lease application requests current rental rate and no language was used to describe a private payment for the water, as much as language in the private agreement was for their intention to provide the water available as a lease for the specific rental.

AUTHORITY TO FILE: Water right 37-8031 is in the name of Four Seasons HOA (spelled out), and signed by Karl Nichols, the Registered Agent per provided Idaho Secretary of State Annual Report. Taxlot parcel data lists Four Seasons Homeowners as the owner of the property to which the irrigation portion of the water right is appurtenant to, while each of the eight homes are in the individual owners names. James Speck is listed as the representative, and provided a cover letter accompanying the application to lease and rent. No concerns with authority to file lease application.

Application to rent water from Helen Spalding, Trustee of the Richard and Helen Spalding Revocable Trust. Parcel taxlot in the name of Spalding Sun Valley LLC, in which Helen Spalding is listed as a manager and Jim Speck as the registered agent. No concerns with authority to file rental application.

WATER RIGHT VALIDITY: Water right was developed by 1985 and decreed in 2010, then placed in the bank in 2016 due to not needing to use the water since municipal water services the irrigation and domestic needs. There has been no comingling of sources. No concerns with validity of the water right offered to the bank.

INJURY TO OTHER WATER RIGHTS: Lease of this water right would not cause injury to other water rights. Rental of this right for irrigation on different property without any other sources of irrigation should not cause injury to other water rights.

ENLARGEMENT OF USE: Leased POU and POD are serviced by municipal water, which was not comingled with the leased right. WMIS data lists the well as exempt from monitoring since it is no longer servicing the homes and lawns under this water right.

Rental POU and POD have no overlapping water rights, with exception of an exempt domestic well. Rental need is 1.5 acres of irrigation in addition to the domestic exemption of 0.5 acres. This rental is for 1.0 acre only. RA305 2019-2023 provides for .3 acres. No water right attached to the domestic well. No enlargement through lease and rental of this right is expected.

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 lease rental package appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the lease PD is subject to Water District #37 – Big and Little Wood River Drainages, including groundwater. Within the Big Wood GWMA and Galena GWD. Lease SOU – 4/1 – 11/1, HG – 3.5, CU – 2.5

The location for the Rental PD is subject to Water District #37 – Big and Little Wood River Drainages, including groundwater. Within the Big Wood GWMA and Galena GWD. Rental SOU – 5/1-10/31, HG – 3.5, CU – 2.5

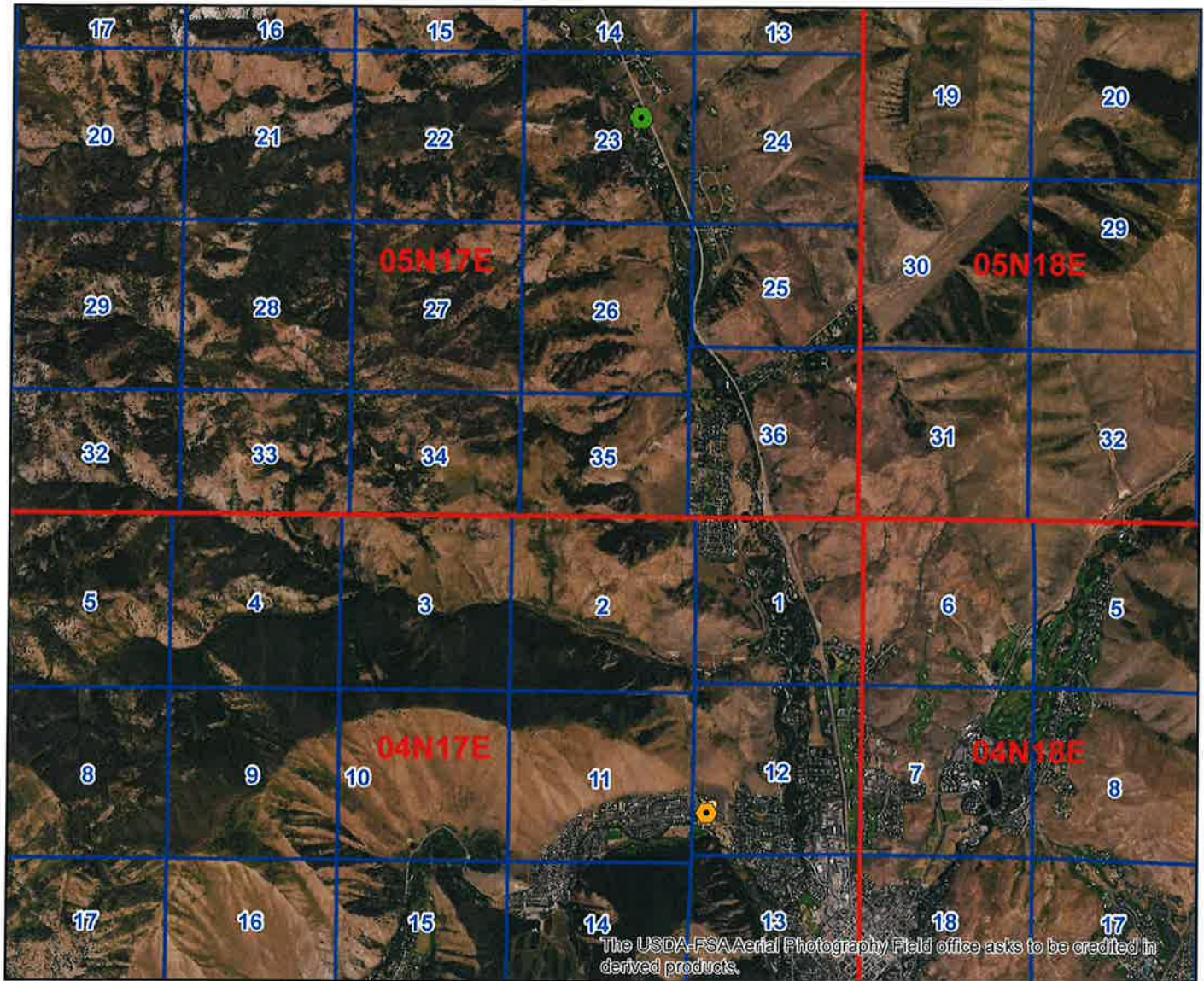
Request for comment sent to Southern Region manager and Watermaster Kevin Lakey

2/25/2019.

2/27/2019
me

Idaho Water Resource Board

Move Map 37-8031
Spalding Rental - 2019



Active Water Supply Bank Lease POD

Authorized Rental Point of Diversion

Township/Range

Sections



0 1 2 Miles

JAMES P. SPECK
jim@speckandaanestad.com

DOUGLAS J. AANESTAD
(retired)

SPECK & AANESTAD
A PROFESSIONAL CORPORATION
ATTORNEYS

120 EAST AVENUE NORTH
P. O. BOX 987
KETCHUM, IDAHO 83340

TELEPHONE
(208)726-4421
FACSIMILE
(208)726-0752

January 9, 2018

Remington Buyer
Water Supply Bank Coordinator
IDWR
322 E. Front St.
Boise, Idaho 83720-0098

Re: *Application to Lease and Application to Rent Water Right 37-8031*

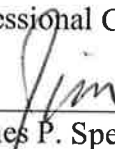
Dear Remington:

Enclosed you will find the executed original and a copy of both the Application to Lease Water Right to the Water Supply Bank by the ***Four Seasons Home Owners Association*** and the Application to Rent Water from the Board's Water Supply Bank by ***Helen Martin Spalding, as Trustee of the Richard and Helen Spalding Revocable Trust*** for Water Right No. 37-8031. I have also enclosed my firm's check payable to the Department for the \$250 filing fee for the lease application. Please have your staff receipt date stamp the enclosed copies of these two Applications and return them to me in the postage prepaid self-addressed envelope included for that purpose.

If you have any questions about these Applications, please contact me right away. Thank you.

Sincerely yours,

SPECK & AANESTAD
A Professional Corporation

By: 
James P. Speck

Enclosures

cc: client w/copies
 Karl Nichols w/copies