STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 832

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

LESSOR: STALKER CREEK RANCH LLC
PO BOX 739
SUN VALLEY, ID 83353

RECEIVED
OCT 22 2018
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 August 10, 2018.

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)
37-2609B	10/8/1958	GROUND WATER	0.08	15.3	4.4
37-2618	6/29/1959	GROUND WATER	0.14	32.9	9.4
Combined Limit Totals			**0.19**	**32.9**	**9.4**
37-7800	10/9/1979	GROUND WATER	1.53	258.9	86.3
Combined Limit Totals			**1.92**	**309.9**	**95.7**
Combined Lease Totals			**1.92**	**309.9**	**95.7**

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.

SUPPORT DATA
IN FILE # 37-2609B

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE**: The term of this lease shall be January 1, 2019 to December 31, 2023. 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.

WATER SUPPLY BANK LEASE CONTRACT No. 832

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. 832

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

LESSOR: STALKER CREEK RANCH LLC
PO BOX 739
SUN VALLEY, ID 83353

By _____
Title Manager
Date 10-18-18

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

By _____ Date 10/23/2018
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 10-25-2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 832

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): 37-2609B

GROUND WATER	SWSESW	Sec. 22	Twp 01S	Rge 19E	BLAINE County
GROUND WATER	NENESE	Sec. 27	Twp 01S	Rge 19E	BLAINE County

Source and Location of Point(s) of Diversion for Water Right No(s): 37-2618

GROUND WATER	SENESW	Sec. 26	Twp 01S	Rge 19E	BLAINE County

Source and Location of Point(s) of Diversion for Water Right No(s): 37-7800

GROUND WATER	NWSE	Sec. 26	Twp 01S	Rge 19E	BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-2609B	IRRIGATION	04/15	to	10/31	0.08 cfs	15.3 AF
37-2618	IRRIGATION	04/01	to	11/01	0.14 cfs	32.9 AF
37-7800	IRRIGATION	4/01	to	11/01	1.53 cfs	258.9 AF
				Totals:	1.52 cfs	245.8 AF

PLACES OF USE TO BE IDLED UNDER 37-7800 FOR THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	19E	25											30.0						30.0
01S	19E	26			15.6									20.5		4.9	7.6	7.7	56.3

Total Acres: 86.3

PLACES OF USE TO BE IDLED UNDER 37-2609B & 37-2618 FOR THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	19E	27			1.3	0.2									2.3	5.6			9.4

Total Acres: 9.4

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.

WATER SUPPLY BANK LEASE CONTRACT No. 832

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. The unleased portion of water right Nos. 37-2609B and 37-2618 are limited to a total combined diversion rate of 3.07 cfs and to a total combined annual diversion volume of 536.9 AF.
13. The leased portion of water right Nos. 37-2609B and 37-2618 are limited to a total combined diversion rate of 0.19 cfs and to a total combined annual diversion volume of 32.9 AF.
14. The unleased portion of water right Nos. 37-2609B and 37-2618 are limited to the irrigation of a combined total of 153.4 acres in a single irrigation season.
15. The leased portion of water right Nos. 37-2609B and 37-2618 are limited to the irrigation of a combined total of 9.4 acres in a single irrigation season.
16. The unleased portion of water right Nos. 37-2609B, 37-2618 and 37-7800 are limited to the irrigation of a combined total of 246.1 acres in a single irrigation season.
17. The unleased portion of the water rights listed below are limited to a total combined diversion rate of 4.92 cfs and to a total combined annual diversion volume of 796.9 AF. Combined Right Nos.: 37-2609B, 37-2618, and 37-7800.
18. The unleased portions of water rights 37-2618 and 37-7800 are limited to a total combined annual diversion volume of 824.2 af and a combined total of 254.5 acres in a single irrigation season.
19. The leased portions of water rights 37-2618 and 37-7800 are limited to a total combined annual diversion volume of 282.6 af and a combined total of 87.3 acres in a single irrigation season.

WATER SUPPLY BANK LEASE CONTRACT No. 832

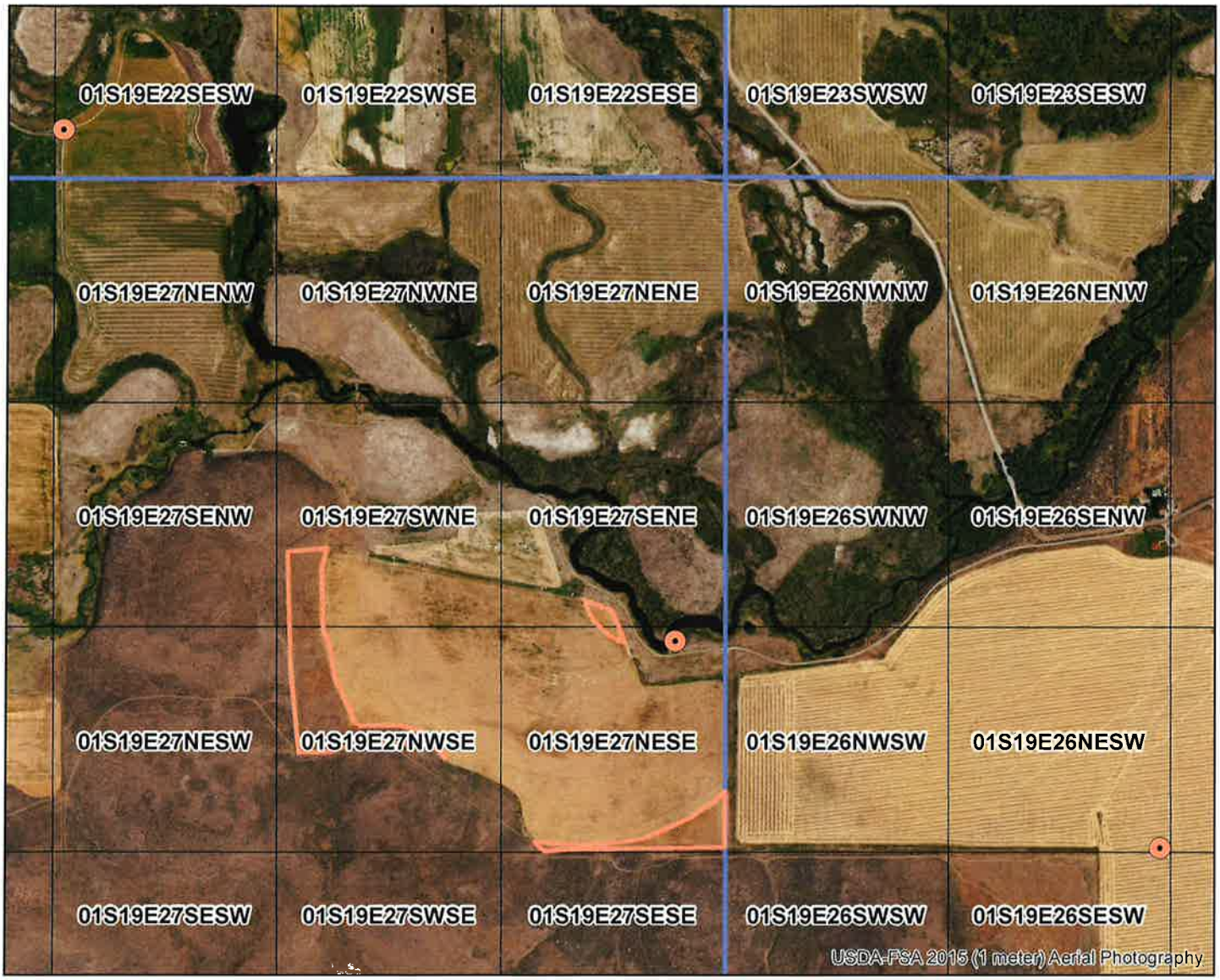
20. The use of water under this right may be regulated by a watermaster with the responsibility for distributing water among appropriators. At the time of this approval, this water right is within State Water District No. 37.

Idaho Water Resource Board

Water Supply Bank Lease Contract No. 832

37-2609B & 37-2618
Effective until December 31, 2023

This map depicts the **place of use to be idled** 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
- Townships
- PLS Sections
- Quarter Quarters

N

Feet
0 500 1,000

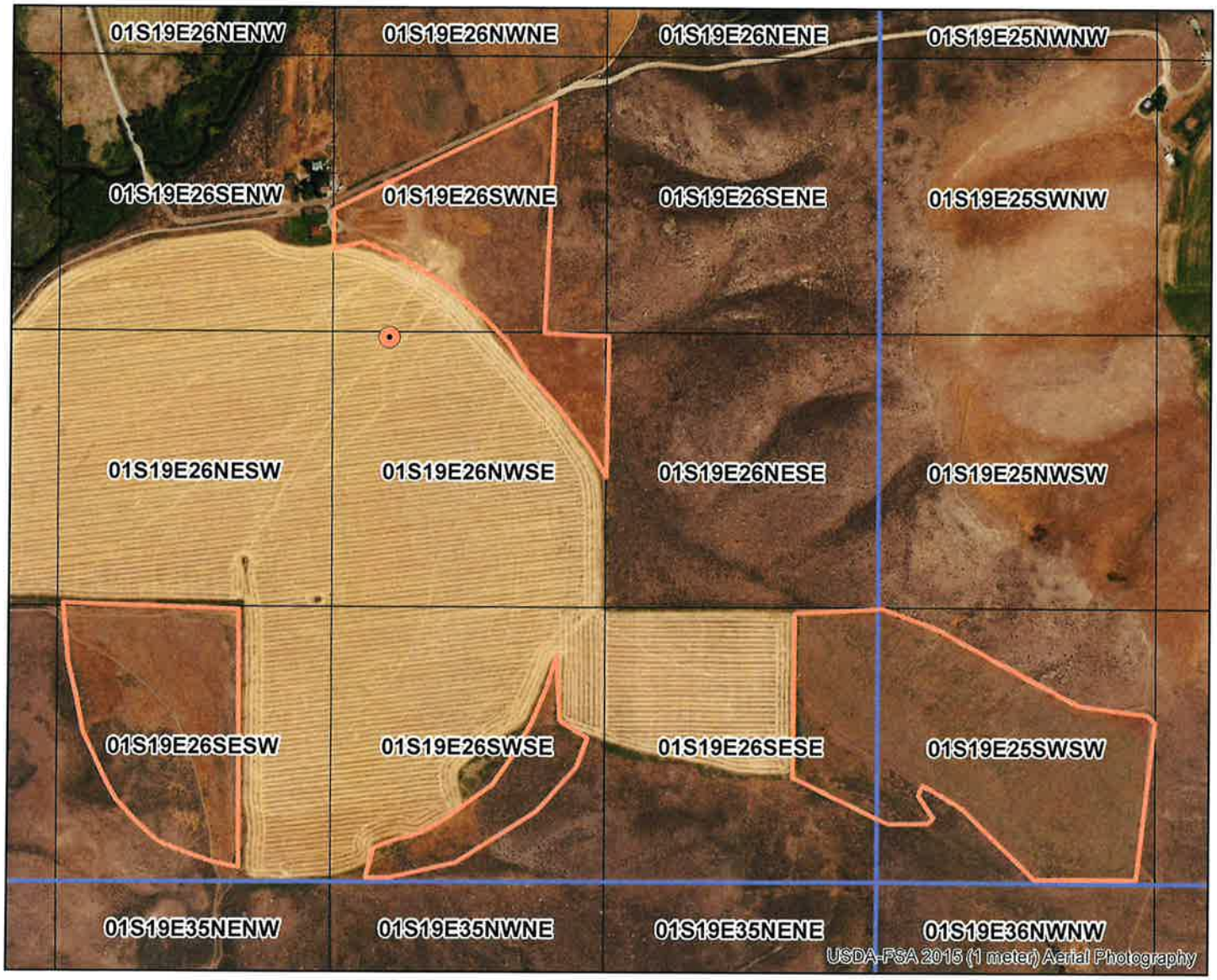
Idaho Water Resource Board

Water Supply Bank Lease Contract No. 832

37-7800

Effective until December 31, 2023

This map depicts the **place of use to be idled** 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

Townships

PLS Sections

Quarter Quarters

N

Feet

0 500 1,000

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

ORIGINAL IN RED

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

RECEIVED
AUG 10 2018
DEPARTMENT OF WATER RESOURCES

Designated Applicant Stalker Creek Ranch LLC
(Select one owner – see item 1A on the application)

Water Right No. 37-7800
(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	Received By: AW	Date Received: 8.10.18	Receipt # 105498
W-9 received? Yes ☐ No ☑	(Route W-9 to Fiscal)	Name on W-9:	

1144

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 Stalker Creek Ranch LLC

Mailing Address PO Box 739, Sun Valley, ID 83353
Street City State Zip Code

Email Address john@donderos.org Phone Number 208-726-3546

☑ 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 James P. Speck Organization Speck & Aanestad, A Professional Corp.

Professional Title attorney Email Address jim@speckandaanestad.com

Mailing Address PO Box 987, Ketchum, ID 83340 Phone Number 208-726-4421

☐ 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.

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.
Well & pump to sprinkler irrigation

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. _____

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. The portion proposed for lease was not used in 2014 and has been leased to the Water Supply Bank for 2015 through 2018

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? Yes ☐ No ☑
If yes, describe. _____

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 (Year) to 2023 (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.

Signature of Designated Applicant	John Dondero, Manager Printed Name	8-8-18 Date
Signature of Authorized Representative	Printed Name	Date

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

Form 42-1761-1 10/15

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.

Water Right Number	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
37-7800	irrigation	1.53	258.9	86.3
	Total Amounts:	1.53	258.9	86.3

2. Source of water ground water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
1S	19E	26			NW	SE	Blaine

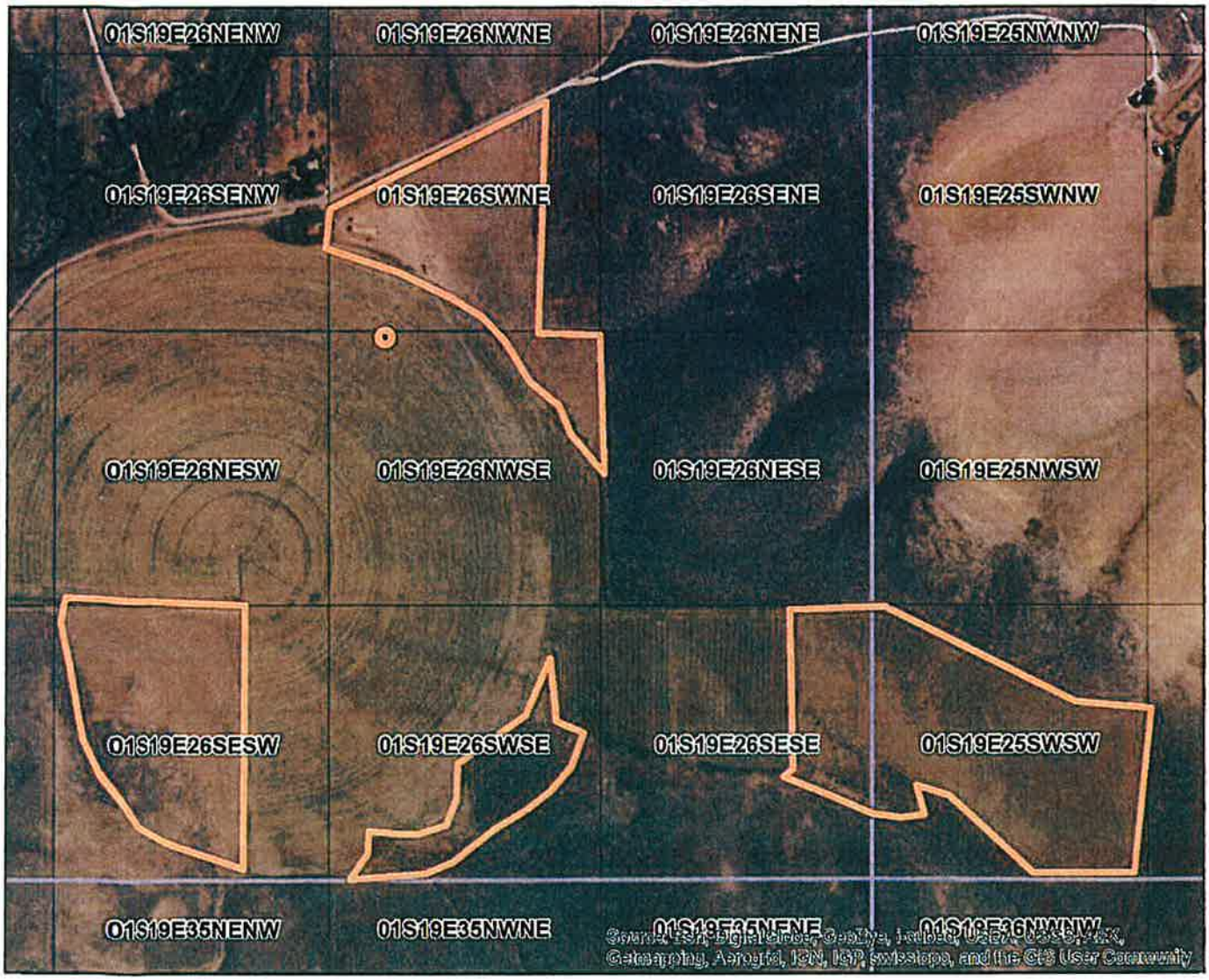
Idaho Water Resource Board

Water Supply Bank Lease

37-7800

Effective until December 31, 2018

This map depicts the **place of use to be idled** 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

Townships

PLS Sections

Quarter Quarters

N

0 0.25 0.5 Miles

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

October 24, 2018

STALKER CREEK RANCH LLC
PO BOX 739
SUN VALLEY ID 83353

RE: WATER SUPPLY BANK LEASE CONTRACT 832 FOR WATER RIGHTS 37-2609B, 37-2618, and 37-7800

Dear Lessor:

Water rights **37-2609B, 37-2618, and 37-7800** were leased into the Water Supply Bank (Bank) as of August 10, 2018, 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, 2023,** 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 287-4800.

Sincerely,

for Water Supply Bank

Enclosure: Executed Lease Contract

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

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

October 15, 2018

STALKER CREEK RANCH LLC
PO BOX 739
SUN VALLEY ID 83353

RE: APPLICATIONS TO LEASE WATER RIGHT 37-2609B, 37-2618 & 37-7800 TO THE WATER SUPPLY BANK CONTRACT 832

******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, 2023,** 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 rights may not be available for immediate release if they have 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 <u>not</u> 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,

Jean Hersley
for Water Supply Bank

Enclosures: Proposed Lease Contracts

c: Speck & Aanestad

Webster, Clay

From: Webster, Clay
Sent: Thursday, October 11, 2018 12:12 PM
To: 'James Speck'
Cc: Hersley, Jean; 'John Dondero'
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

Jim,

We will make the corrections and you will receive new lease contracts for signature. Thanks for the head's up on this.

Clay

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Thursday, October 11, 2018 12:01 PM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Cc: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>; 'John Dondero' <john@donderos.org>
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

Clay,

My concern is the number of irrigated acres that are leased to the bank. It should be the 95.7A identified as the places of use to be idled on p.4. However, p.1 seems to state it is 100.1A which is not correct as 246.1A will continue to be irrigated out of the 341.8A total allowed under the 3 water rights.

Jim

From: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Sent: Thursday, October 11, 2018 11:15 AM
To: James Speck <jim@speckandaanestad.com>
Cc: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

Jim,

In reviewing this lease I found that we were going to place disproportionate amounts of the water rights 37-2609B and 37-2618 into the bank. These two rights are limited to a common 162.8 acres. In order to place 9.4 acres of these rights into the bank, and keep them proportional, I had to calculate how much of 37-2609B would have to be placed into the bank. This was done by taking 37-2609Bs acre limit of 75.8 acres dividing it by the combined acre limit of 162.8 acres and multiplying it by the acres wished to be idled which is 9.4 acres. By calculating the lease in this way, we keep the diversion rates and volumes proportionate on the leased portions of the water rights and the unleased portions of the water rights including on the combined limits.

Clay

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Thursday, October 11, 2018 10:42 AM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Cc: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

Clay,

Can you please explain in more detail your concerns.

Jim

From: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Sent: Thursday, October 11, 2018 10:06 AM
To: James Speck <jim@speckandaanestad.com>
Cc: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

Jim,

I sat down and reviewed these changes with Jean per the water right records. I found issues with the way they were calculated in 2015 that could have caused some enlargement issues in the event of rentals. The math on this lease will keep the leased water rights, with combined limits, proportional. I apologize for the confusion with the past lease. I requested that Jean make these adjustments to address those concerns.

Sincerely,
Clay Webster
Water Rights Supervisor
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Tuesday, October 09, 2018 4:23 PM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Cc: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

Jean,

I believe the acre limit for the lease of 37-2609B was looked at by Clay in 2015 and changed back to the applied for amounts which were then approved for 2015 through 2018. I see no reason why they should change for this new contract.

Jim

From: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Sent: Friday, October 05, 2018 3:13 PM
To: James Speck <jim@speckandaanestad.com>
Subject: WSB Lease Contract for Stalker Creek Ranch

I have attached the lease contract for Stalker Creek Ranch. The contract will go out to Stalker Creek Ranch on Tuesday, October 9, 2018, as Monday is a state holiday. Please let me know if you have any questions. Thank you.

Jean Hersley
Idaho Dept Water Resources

Technical Records Specialist II
208-287-4942

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

October 9, 2018

STALKER CREEK RANCH LLC
PO BOX 739
SUN VALLEY ID 83353

RE: APPLICATIONS TO LEASE WATER RIGHT 37-2609B, 37-2618 & 37-7800 TO THE WATER SUPPLY BANK CONTRACT 832

******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, 2023,** 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 rights may not be available for immediate release if they have 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,

Jean Hersley
for Water Supply Bank

Enclosures: Proposed Lease Contracts

c: Speck & Aanestad

Hersley, Jean

From: Skinner, Corey
Sent: Monday, October 08, 2018 10:15 AM
To: Hersley, Jean
Subject: RE: WSB Lease Contract for Stalker Creek Ranch

No objections from me.

From: Hersley, Jean
Sent: Friday, October 05, 2018 3:14 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>; Kevin Lakey <watermanager@cableone.net>
Subject: WSB Lease Contract for Stalker Creek Ranch

Please let me know within 14 days if you have any comments or concerns. Thank you.

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

Hersley, Jean

From: Hersley, Jean
Sent: Friday, October 05, 2018 3:14 PM
To: Skinner, Corey; 'Kevin Lakey'
Subject: WSB Lease Contract for Stalker Creek Ranch
Attachments: Report - Lease Contract - 832.docx; Idled Acres 37-2609B & 37-2618.pdf; Lease Application Review 37-2609B & 37-2618.xls; Idled Acres 37-7800.pdf; Lease Application Review 37-7800.xls

Please let me know within 14 days if you have any comments or concerns. Thank you.

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

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: Stalker Creek Ranch LLC

Memo Date: September 13, 2018

Water Right Number(s): 37-7800

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

		Check box		COMMENTS/CONCERNS:
1	**Fill out WSB Data Entry Checklist for Leases (Front of File)**	x		
2	**Reason for lease of water rights (Brief description of lease proposal in narrative)**			
	Portion of right	x		
	All of right			
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
		Yes	**No**	
4	Rentable? (If no explain in comments or narrative)	x		
5	**Authority to file**			
	Current owner or designated applicant	x		
	SOS Web site checked for business entity	x		
	Other (explain in comments)			
6	**Water Right validity**			
	Decreed/Licensed/Statutory claim date (write in comments section)			2010
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			
	Has this right previously been leased to the bank or in CREP?	x		2015-2018
7	**Injury to other water rights**			
	If the POD is through a delivery entity, was consent provided?		x	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)		x	%
	Any other concerns		x	
8	**Enlargement concerns**	**Check box**		
	Complete a POU comparison overlap analysis	x		
	Complete a combined limits review	x		
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x		
		Yes	**No**	
	Are there overlapping rights that need to be placed in the bank also?		x	
	Will the place of use continue to receive water? (if yes explain in comments)		x	
9	**Local Public Interest**			
	Does the processor know of any problems this action will cause for the local public?		x	
10	**Have you contacted regional office and watermaster for comment/concerns?**	x		
	Send the watermaster comment request form or e-mail request	x		
11	Area Headgate requirement (write in Comments)			3.5
12	**Is water right involved in any other department action? Pull file and check database** ( ) Ownership Change ( ) Transfer ( ) Mitigation ( ) Other - Explain in comments		x	

13 **Narrative:** The Department received this application on August 10, 2018 for the 2019-2023 seasons. The applicant wishes to places 86.3 acres in the Bank. John Dondero, manager, signed the application. This right was decreed in 2010 and these acres have been in the Bank since 2015. This right partially overlaps with 37-2618 but the acres to be placed in the Bank are not common between the two rights. There are overlapping conditions with 37-2609B and 37-2618 that will be added to the contract. This right is currently within WD 37.

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: Stalker Creek Ranch

Memo Date: Sept 13, 2018

Water Right Number(s): 37-2609B & 37-2618

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

		Check box		COMMENTS/CONCERNS:
1	**Fill out WSB Data Entry Checklist for Leases (Front of File)**	x		
2	**Reason for lease of water rights (Brief description of lease proposal in narrative)**			
	Portion of right	x		
	All of right			
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
		Yes	**No**	
4	Rentable? (If no explain in comments or narrative)	x		
5	**Authority to file**			
	Current owner or designated applicant	x		
	SOS Web site checked for business entity	x		
	Other (explain in comments)			
6	**Water Right validity**			
	Decreed/Licensed/Statutory claim date (write in comments section)			2008 & 2010
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			
	Has this right previously been leased to the bank or in CREP?	x		
7	**Injury to other water rights**			
	If the POD is through a delivery entity, was consent provided?		na	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)			%
	Any other concerns			
8	**Enlargement concerns**	Check box		
	Complete a POU comparison overlap analysis	x		
	Complete a combined limits review	x		
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x		
		Yes	**No**	
	Are there overlapping rights that need to be placed in the bank also?		x	
	Will the place of use continue to receive water? (if yes explain in comments)		x	
9	**Local Public Interest**			
	Does the processor know of any problems this action will cause for the local public?		x	
10	**Have you contacted regional office and watermaster for comment/concerns?**	x		
	Send the watermaster comment request form or e-mail request	x		
11	Area Headgate requirement (write in Comments)			3.5
12	**Is water right involved in any other department action? Pull file and check database** ( ) Ownership Change ( ) Transfer ( ) Mitigation ( ) Other - Explain in comments		x	
13	**Narrative:** These applications were received On August 10, 2018. The applicant wishes to place 9.4 acres of these rights in the Bank. The acres are pivot corners. John Dondero, manager, signed the applications. Water right 37-2609B was decreed in 2008 and 37-2618 was decreed in 2010. These acres were part of a temporary change in 2014 and placed in the Bank 2016-2018. Forfeiture is not an issue. These rights are currently within WD 37.			

No. **W 88840**	**Due no later than Dec 31, 2017** **Annual Report Form**	2. Registered Agent and Address **(NO PO BOX)**
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 **NO FILING FEE IF RECEIVED BY DUE DATE**	**1. Mailing Address: Correct in this box if needed.** STALKER CREEK RANCH LLC JOHN DONDERO PO BOX 739 SUN VALLEY ID 83353	JOHN DONDERO 118 RAIL RD KETCHUM ID 83340 3. New Registered Agent Signature:*

4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.

Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MANAGER	JOHN D DONDERO	PO BOX 739	SUN VALLEY	ID	USA	83353

5. Organized Under the Laws of:	6. Annual Report must be signed.*	
ID **W 88840**	Signature: John D Dondero Name (type or print): John D Dondero	Date: 11/09/2017 Title: Manager

Processed 11/09/2017 * Electronically provided signatures are accepted as original signatures.

IDAHO SECRETARY OF STATE
Viewing Business Entity

Lawerence Denney, Secretary of State

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[Monitor STALKER CREEK RANCH LLC business filings]

STALKER CREEK RANCH LLC

PO BOX 739
SUN VALLEY, ID 83353

Type of Business:	LIMITED LIABILITY COMPANY
Status:	EXISTING
State of Origin:	IDAHO
Date of Origination/Authorization:	08 Dec 2009
Current Registered Agent:	JOHN DONDERO 118 RAIL RD KETCHUM, ID 83340
File Number:	W88840
Date of Last Annual Report:	09 Nov 2017
Annual Report Due:	Dec 2018

Original Filing:

[Help Me Print/View TIFF]

Filed 08 Dec 2009	ARTICLES OF ORGANIZATION	View Image (PDF format) View Image (TIFF format)

Annual Reports:

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Report for year 2017	ANNUAL REPORT	View Document Online
Report for year 2016	ANNUAL REPORT	View Document Online
Report for year 2015	ANNUAL REPORT	View Document Online
Report for year 2014	ANNUAL REPORT	View Document Online
Report for year 2013	ANNUAL REPORT	View Document Online
Report for year 2012	ANNUAL REPORT	View Document Online
Report for year 2011	ANNUAL REPORT	View Document Online
Report for year 2010	ANNUAL REPORT	View Document Online

Idaho Secretary of State's Main Page State of Idaho Home Page

Comments, questions or suggestions can be emailed to: sosinfo@sos.idaho.gov

RECEIVED
AUG 10 2018
DEPARTMENT OF
WATER RESOURCES

SPECK & AANESTAD
A PROFESSIONAL CORPORATION
ATTORNEYS

JAMES P. SPECK
jim@speckandaanestad.com

DOUGLAS J. AANESTAD
(retired)

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

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

August 8, 2018

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

Re: Stalker Creek Ranch LLC - Application to Sell or Lease a Water Right to the Water Supply Bank
Water Right Nos. 37-2609B, 37-2618 and 37-7800

Dear Remington:

Enclosed you will find *originals* and a copy of each of the above-referenced ***Applications to Sell or Lease a Water Right to the Water Supply Bank Water Right Nos. 37-2609B, 37-2618 and 37-7800*** accompanied by our firm check in the amount of $750.00 in payment of the Application fees.

Please return the receipt date-stamped copies to me in the postage prepaid self-addressed envelope I have included for that purpose. Please call me right away if you have any questions, comments or concerns.

Thank you.

Sincerely yours,

SPECK & AANESTAD
A Professional Corporation

By: Jim
James P. Speck

Enclosures
cc: John Dondero (w/enclosure)