

WATER SUPPLY BANK LEASE CONTRACT No. 669

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

RECEIVED

SEP 12 2017

LESSOR: HARDY PROPERTIES L P
1301 VISTA AVE
BOISE, ID 83705

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 April 14, 2017.
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)
36-7510	11/7/1974	GROUND WATER	1.10	220.0	55.0
Combined Lease Totals			1.10	220.0	55.0

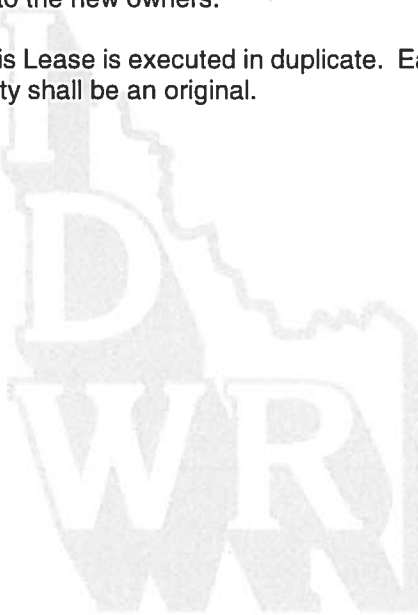
2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2017 to December 31, 2021. 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.

LEASE CONTRACT NO. 669

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.



LEASE CONTRACT NO. 669

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

LESSOR: HARDY PROPERTIES L P
1301 VISTA AVE
BOISE, ID 83705

By *Amie Kay Hardy*
Title *Manager*
Date *September 5, 2017*

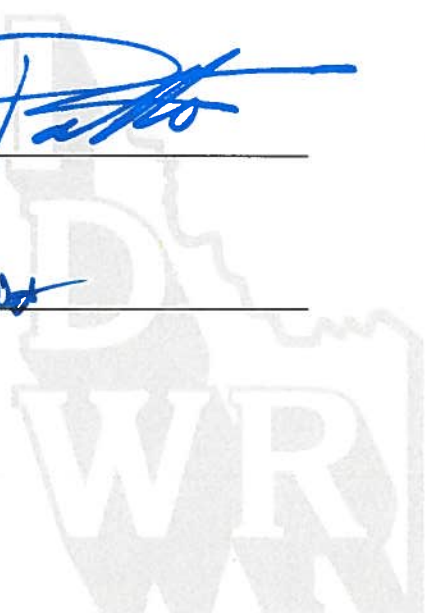
IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

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

Date *9/12/2017*

Lease approved by IDWR *[Signature]*

Date *9-12-2017*



**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 669**

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): 36-7510

GROUND WATER NESWNE Sec. 27 Twp 08S Rge 14E GOODING County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
36-7510	IRRIGATION	3/15	to	11/15	1.10 cfs	220.0 AF
Totals:					1.10 cfs	220.0 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		
08S	14E	27	23.0	32.0																55.0

Total Acres: 55.0

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.
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 this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 130.

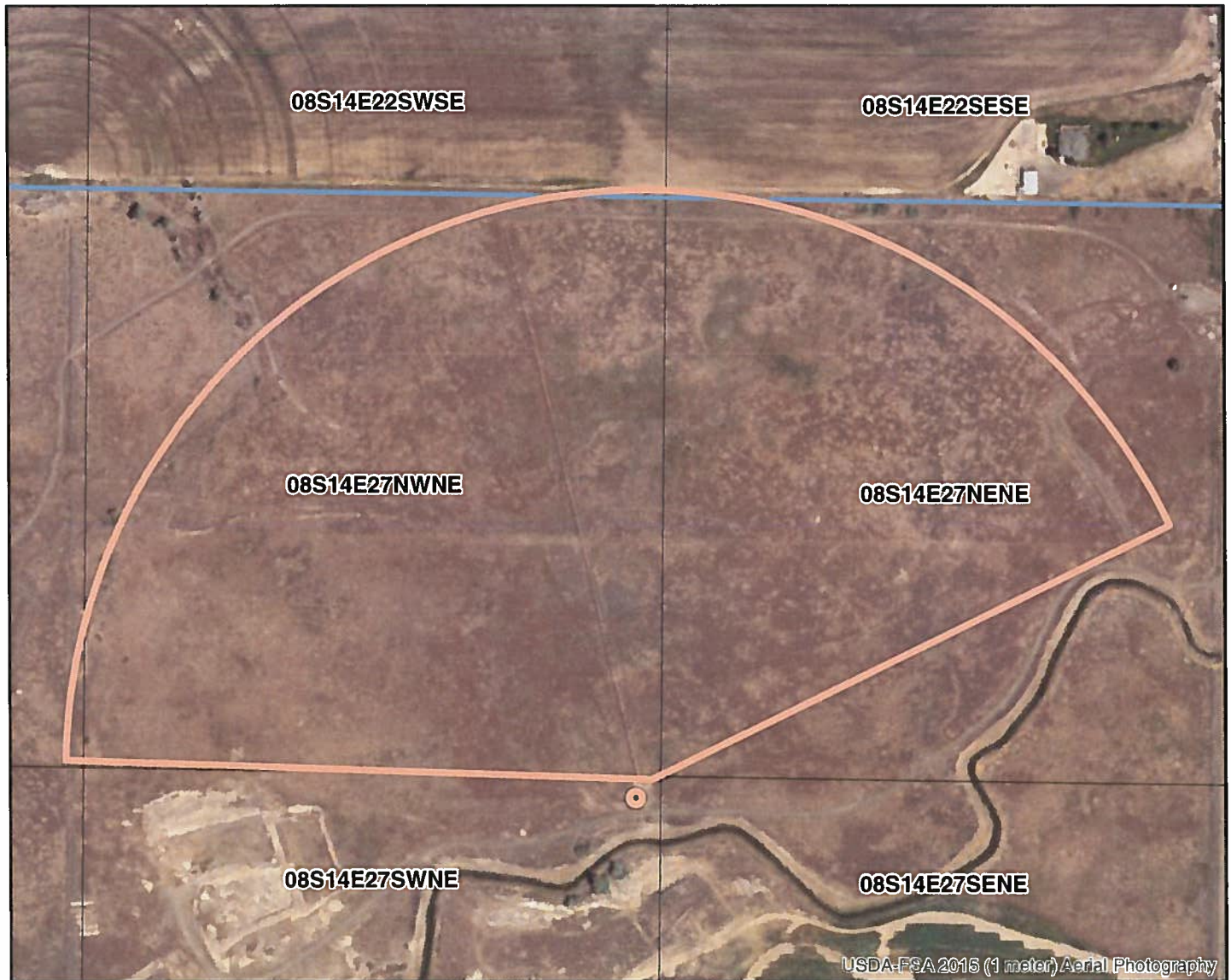


Idaho Water Resource Board
Water Supply Bank Lease Contract No. 669

36-7510

Effective until December 31, 2021

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.



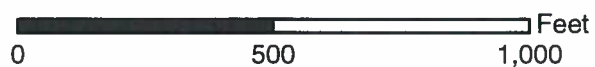
○ Approved Lease Point of Diversion

▭ Approved Lease Place of Use

▭ Townships

▭ PLS Sections

▭ Quarter Quarters



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 14 2017

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Hardy Properties LP Water Right No. 36-07510
(Select one owner - see item 1A on the application) (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 <i>Attached (Yes)</i> or <i>Not Applicable (N/A)</i>		
Attachment	N/A	Yes
		<input checked="" type="checkbox"/> Completed <i>Application to Sell or Lease a Water Right to the Water Supply Bank</i> .
		<input checked="" type="checkbox"/> 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.
		<input checked="" type="checkbox"/> Confirmation this form has been printed single sided, per requirement of the Water Supply Bank.
1A	<input type="checkbox"/>	<input checked="" type="checkbox"/> Signatures and contact information for <i>all owners</i> of the water right to be leased or sold on this application.
1B	<input type="checkbox"/>	<input checked="" type="checkbox"/> An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant.
1C	<input checked="" type="checkbox"/>	<input type="checkbox"/> <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov).
1D	<input type="checkbox"/>	<input checked="" type="checkbox"/> 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	<input type="checkbox"/>	<input checked="" type="checkbox"/> Description of a water right portion offered to the Water Supply Bank.
3	<input type="checkbox"/>	<input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/>	<input type="checkbox"/> Written consent from irrigation district or water delivery company.
4G	<input type="checkbox"/>	<input checked="" type="checkbox"/> Evidence demonstrating the water right has not been forfeited pursuant to <u>Section 42-222(2), Idaho Code</u> .

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>VC</u>	Date Received: <u>4/14/17</u>	Receipt # <u>C103381</u>
W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9: <u>Hardy Properties LP</u>	

355

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 Hardy Properties LP
Mailing Address 1301 S. Vista Avenue, Boise, Idaho 83705
Street City State Zip Code
Email Address akhardy@rmci.net Phone Number 208-342-0090

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 Anita Kay Hardy Organization Hardy Properties LP
Professional Title General Partner, owner Email Address akhardy@rmci.net
Mailing Address 1301 S. Vista Avenue, Boise, ID 83705 Phone Number 208-342-0090

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 WRSB Rule 37.02.03.25.02e.

- B. Please provide a description of the current water diversion and delivery system.

well 08S 14E S27 NESWNE

- 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. None

- 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. 5 year average 3.1 attached

- 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. Note: Agreement with IDWR attached "Permission to Measure Water Levels in Well"

- 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: 2017 to 2022 (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.

Signature of Designated Applicant

Printed Name

Date



Signature of Authorized Representative

Printed Name

4-14-17

Date

Anita Kay Hardy, General Partner
Hardy Properties LP

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) 36-7510

	Designated Applicant	Applicant #2	Applicant #3
Name	Hardy Properties LP		
Mailing Address	1301 S. Vista Avenue Boise, Idaho 83705		
Phone Number	208-342-0090		
Email Address	akhardy@rmci.net		
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	<i>Hardy Properties LP</i> <i>Anthony Hardy</i>		

NORTH SNAKE GROUNDWATER DISTRICT
2016 WATER MEASUREMENT REPORT
 SUMMARY SHEET

HARDY PROPERTIES LP

WaterRight	PRIORITY	DATE	OWNER	CFS	Total Acres	Acre Limit	WaterUse	WMIS #	POD	DIVERSION NAME	5 yr Avg	2016 Usage
36-7510		11/7/1974	HARDY PROPERTIES LP	1.10	55	0	IRRIGATION	100456	08S 14E S27 NESWNE	BOX CANYON WELL	3.1	0.0

Totals: 3.1 0.0

Total WR Acres	Total 5 yr Avg (AF)	2016 Allowed (AF)	2016 Pumped (AF)	2016 Over/ Under
55.0	3.1	3.0	0.0	3.0

No. L 3492	Due no later than Aug 31, 2016 Annual Report Form	2. Registered Agent and Address (NO PO BOX) ANITA KAY HARDY 1301 VISTA AVE, STE 101 BOISE ID 83705																					
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. HARDY PROPERTIES LLLP ANITA KAY HARDY 1301 S VISTA AVE, STE 101 BOISE ID 83705 USA	3. New Registered Agent Signature:*																					
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">Office Held</th> <th style="width:25%;">Name</th> <th style="width:30%;">Street or PO Address</th> <th style="width:10%;">City</th> <th style="width:5%;">State</th> <th style="width:5%;">Country</th> <th style="width:10%;">Postal Code</th> </tr> </thead> <tbody> <tr> <td>PARTNER</td> <td>GREGORY AMES KASLO</td> <td>1301 S VISTA AVE, STE 101</td> <td>BOISE</td> <td>ID</td> <td>USA</td> <td>83705</td> </tr> <tr> <td>GENERAL PARTNER</td> <td>ANITA KAY HARDY</td> <td>1301 S VISTA AVE, STE 101</td> <td>BOISE</td> <td>ID</td> <td>USA</td> <td>83705</td> </tr> </tbody> </table>			Office Held	Name	Street or PO Address	City	State	Country	Postal Code	PARTNER	GREGORY AMES KASLO	1301 S VISTA AVE, STE 101	BOISE	ID	USA	83705	GENERAL PARTNER	ANITA KAY HARDY	1301 S VISTA AVE, STE 101	BOISE	ID	USA	83705
Office Held	Name	Street or PO Address	City	State	Country	Postal Code																	
PARTNER	GREGORY AMES KASLO	1301 S VISTA AVE, STE 101	BOISE	ID	USA	83705																	
GENERAL PARTNER	ANITA KAY HARDY	1301 S VISTA AVE, STE 101	BOISE	ID	USA	83705																	
5. Organized Under the Laws of: ID L 3492	6. Annual Report must be signed.* Signature: ANITA KAY HARDY Name (type or print): ANITA KAY HARDY Date: 07/05/2016 Title: GENERAL PARTNER																						
Processed 07/05/2016 * Electronically provided signatures are accepted as original signatures.																							

ATTACHMENT 3



HARLEY, TOM &

HILLTOP DAIRY

22

23

VANDERHAM BROTHERS

SOUTHFIELD DAIRY

FERRIS, CHARLES P

PHILLIPS, MICHAEL W &

STATE OF ID BEPT PARKS & REC
08S14E

OBS-14E S27 N6S WNE

HARDY PROPERTIES LP

Irrigation Well

27

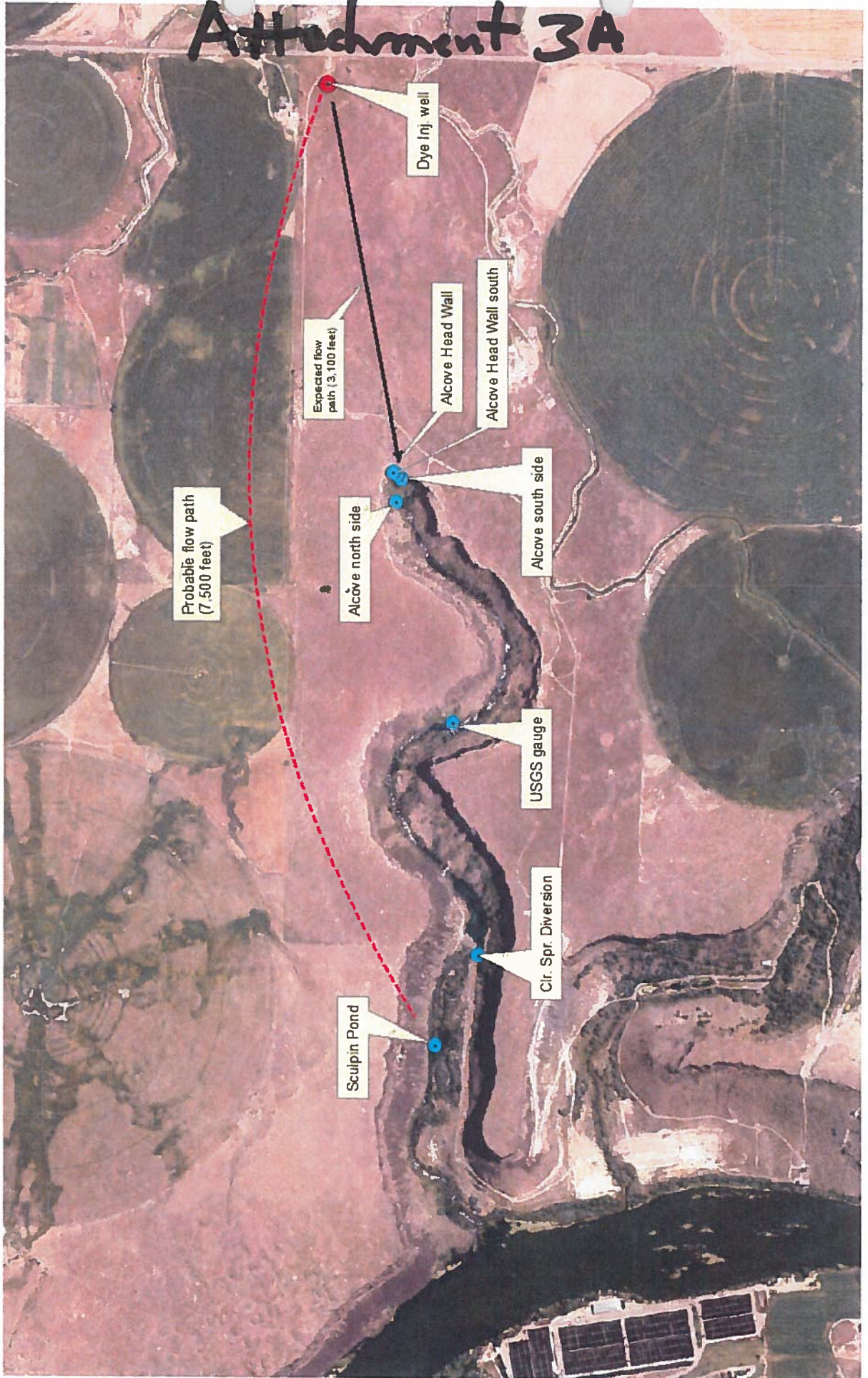
26

BOX CANYON DAIRY

VANDERVEGT, IRENE

BOX CANYON AQUA RANCH, INC
BOX CANYON GUARANCH, INC

Attachment 3A





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

September 14, 2017

HARDY PROPERTIES LP
1301 VISTA AVE
BOISE ID 83705

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 36-7510

Dear Lessor:

Water right **36-7510** was leased into the Water Supply Bank (Bank) as of April 14, 2017, 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, 2021**, 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,

A handwritten signature in cursive script that reads "Deborah Fudd".

for Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Nathan Erickson – Water District 130



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

August 29, 2017

HARDY PROPERTIES LP
1301 S VISTA AVE
BOISE ID 83705

RE: APPLICATIONS TO LEASE WATER RIGHT 36-7510 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 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, 2021**, 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,

A handwritten signature in cursive script, appearing to read "Jean Stensley".

Water Supply Bank

Enclosure: Proposed Lease Contracts
Receipt # C103381

Hersley, Jean

From: Skinner, Corey
Sent: Tuesday, August 29, 2017 1:09 PM
To: Hersley, Jean
Subject: RE: WSB Lease for Hardy Properties LP 36-7510

No concerns from me.

From: Hersley, Jean
Sent: Tuesday, August 29, 2017 12:51 PM
To: Erickson, Nathan <Nathan.Erickson@idwr.idaho.gov>; Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: WSB Lease for Hardy Properties LP 36-7510

Please let me know if you have any comments or concerns within 7 days. Thank you.

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

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: Hardy Properties LP

Memo Date: August 29, 2017

Water Right Number(s): 36-7510

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			
	All of right	x		
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		Anita Kay Hardy-General Partner
	Other (explain in comments)			
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			2001
	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)			4
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 April 14, 2017. The applicant wishes to place the entire right in the Bank. Anita Kay Hardy, general partner, signed the application. This right was decreed in 2001 and it appears some irrigation took place in 2012 when Hardy Properties had a Habitat Improvement Program Cooperative Agreement with IDF&G and ID Dept Parks & Rec to reseed for waterfowl habitat. Forfeiture is not an issue. ID Dept of Parks & Rec owns the northern portion of this water right. No ownership change has been filed but we received a letter from Parks & Rec stating the water right would be idled during the term of the lease. This is a groundwater right with no overlapping rights. This right is currently within WD 130.

Hersley, Jean

From: Adam Straubinger <Adam.Straubinger@idpr.idaho.gov>
Sent: Monday, August 28, 2017 1:01 PM
To: Hersley, Jean
Cc: Keith Hobbs; David Landrum; gkaslo@rmci.net
Subject: RE: Additional information request for water right no 36-7510

Ms. Hersley,

Idaho Department of Parks and Recreation (IDPR) received your August 16, 2017 letter regarding the need for additional information for processing the application to lease water right no 36-7510 to the Water Supply Bank. IDPR has reviewed this request, and discussed with Gregory Kaslo, a representative from Hardy Properties LP.

IDPR will let the land documented in your letter to be idled during the term of the lease, allowing the water right be placed in the Water Supply Bank.

Thank you for the opportunity to review this matter, please let me know if you need additional information.

Adam Straubinger



Adam Straubinger
Park Planner
5657 Warm Springs Avenue | Boise, ID 83716
tel (208) 514-2457 | fax (208) 334-3741

[website](#) | [map](#) | [passport](#)



"Leaders in outdoor recreation since 1965."



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

August 16, 2017

HARDY PROPERTIES LP
1301 VISTA AVE
BOISE ID 83705

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 36-7510 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

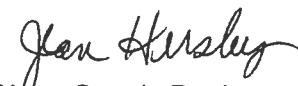
The Department received the copy of the "*Permission to Measure Water Levels in Well*" and the agreement with Fish & Game, "*Habitat Improvement Program Cooperative Agreement*". Thank you for providing those documents to us.

I have attached a map showing the place of use for water right 36-7510 (outlined in yellow). Property owned by Idaho Department of Parks & Recreation (Parks & Rec) and Hardy Properties is outlined in green with the property owners written in green. It appears that Parks & Rec owns property that is appurtenant to a portion of water right 36-7510. If you would like to place the entirety of water right 36-7510 in the Water Supply Bank, the Department is going to need documentation from Parks & Rec that the land will be idled during the term of the lease. Parks and Rec could also file an ownership change for their portion of the water right.

Please submit the requested information within 30 days or the Department will return your application unprocessed.

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


for Water Supply Bank

c: Idaho Dept. Parks & Recreation

State of Idaho
Department of Water Resources
Water Right License
36-7510

14E



● Point of Diversion

□ Place Of Use Boundary

□ Townships

□ PLS Sections

□ Taxlots

0 0.075 0.15 0.3 Miles



Hardy Properties LP
1301 S. Vista Avenue
Boise, Idaho, 83705
July 31, 2017

RECEIVED
AUG 03 2017
DEPARTMENT OF
WATER RESOURCES

Re: Water Right #36-7510; Water Supply Bank
Request for additional Information dated July 14, 2017, enclosed.

Dear Water Supply Bank,
c/o Alan Hersly (sp)

Please find enclosed a) a copy of the Request for Additional Information, b) a copy of the agreement & correspondence for Permission to Measure Water Levels in Well with the Department of Water Resources, dated 4/21/2016, and c) a copy of the ten (10) year agreement with the Idaho Department of Fish and Game Habitat Improvement Program Cooperative Agreement, dated 4/2/08 for the period from April 3, 2008 through April 3, 2018.

Our commitment to the value of this well and to the value of its participation in the Water Supply Bank program is illustrated by our long term joint efforts with both IDWR and the Idaho Department of Parks and Recreation.

Sincerely,



Gregory Kaslo, AIA
for Hardy Properties, LP



Draft

_____ HIP Agree. No.

334-2920 Telephone No.

IDAHO DEPARTMENT OF FISH AND GAME
HABITAT IMPROVEMENT PROGRAM
COOPERATIVE AGREEMENT

This agreement entered into this 2nd day of April, 2008, between the Idaho Department of Fish and Game (hereafter IDFG), Idaho Department of Parks and Recreation (hereafter IDPR) and Hardy Properties, LP (hereafter the Cooperator) residing at 1301 Vista Ave. 83705 in Ada County, Idaho, is made in reference to the following facts:

RECITALS

- A. The Department will enhance habitat for waterfowl and upland game birds by reimbursing some or all of the costs incurred by persons who cooperate with the Department in improving habitat on their property under the Habitat Improvement Program.
- B. Cooperator is a person cooperating with the Department under the Habitat Improvement Program. The lands on which the Cooperator is improving habitat are described or depicted on Exhibit A hereto. These lands are located in Gooding County and owned by Hardy Properties, L.P.

NOW THEREFORE, in consideration of the recitals stated above, the parties agree as follows:

AGREEMENT

- A. Cooperator agrees to complete the following project (see Exhibit A):
 1. Allow Idaho Department of Park & Recreation (IDPR) to spray approximately 34 acres of Hardy Properties land located at Box Canyon with roundup to kill undesirable annuals and then seed the area with a native mix of shrubs, grasses, and forbs. The Idaho Department of Fish and Game (IDFG) and The Nature Conservancy (TNC) will provide the native seed mix.
 2. Allow irrigation by the existing pivot sprinkler to occur on approximately 50 acres (25 acres of Hardy Properties land; 25 acres of State Parks land) during the spring and early summer of 2008 in order to establish the native seeding. It is anticipated that irrigation will be completed by no later than July 15, 2008. If the seeding is successful, no further irrigation will be needed. In the event the seeding is a failure a new agreement may be sought but there will be no further landowner obligation under this agreement. Note: The IDPR is responsible for the irrigation schedule, irrigation activity and work, and the operation of the pivot equipment.
 3. If the seeding has adequate establishment as judged by IDFG, the landowner agrees to allow the stand to persist at least to the end of this contract term (i.e. ten years).
 4. Livestock grazing may be authorized periodically but no more frequently than once every five years and not at a level exceeding 50% utilization on the seeded grasses. If Hardy Properties institutes grazing, then Hardy Properties agrees to coordinate with IDPR at least 60-days prior to any proposed grazing. If the IDPR authorizes grazing, then the IDPR agrees to coordinate with Hardy Properties at least 60- days prior to any proposed grazing. Fencing separating the Hardy property from the State Parks land and from other adjacent private property does not currently exist. If no fencing is installed separating these ownerships, then the IDPR is responsible for control of all IDPR authorized grazing activity.

B. The Department will reimburse Cooperator for the following costs, not to exceed \$ N.A. :
(The Department of Fish & Game is providing the seed (\$3,200), the Department of Parks and Recreation is conducting the seeding, and The Nature Conservancy is paying for the round-up, seed amendment, and the repairs to the pivot generator (\$1,200). The landowner has agreed to repair the pivot. Once the pivot is repaired and operational, as agreed above, the IDPR is responsible for the on-going (if necessary) repair and maintenance of the pivot system during the irrigation activity. That activity is now scheduled to cease near July 15, 2008 as described in item #2 above. subject to IDPR's available funding. DWL

C. The Cooperator will pay the following costs: The landowner has agreed to pay for the repairs the pivot (\$4,500 approx.) The IDPR is responsible for the cost of fuel (diesel) during seeding establishment.

D. Cooperator agrees that to be reimbursed for agreed costs, s/he will submit a letter certifying that s/he has completed the project as agreed to in paragraph A above, along with an invoice and all receipts for supplies and materials purchased, to the following Department representative within 30 days of the completion of the project:
N.A.

E. The Department will reimburse the Cooperator within 30 days after receipt of certification, the project invoice, and appropriate receipts.

F. The Cooperator shall be regarded as an independent contractor and agrees to indemnify and hold harmless the Department and its employees from activities associated with this project, provided, however, that the Department shall be liable for its own negligence and that of its employees.

G. This agreement shall take effect on April 3, 2008, and shall remain in effect through April 3, 2018. Actual work on this project must begin by March 31, 2009, or this agreement is terminated.

H. If the Cooperator removes the habitat development, does not meet the provisions of Exhibit A, charges for hunting or trespass rights on land covered by this agreement, or if the Cooperator is issued a Shooting Preserve Permit for land covered by this agreement before expiration of this agreement, the Cooperator agrees to reimburse the Department for all funds spent by the Department for development. This reimbursement will be within thirty (30) days of notice by the Department that one or more of these occurrences referenced above have taken place.

I. The covenants and agreements herein shall be binding upon the successors, assigns, heirs, and personal representatives of the parties hereto.

J. The Cooperator agrees that the IDFG and IDPR shall have access at all times to inspect the project, and access during the seeding establishment period in order to operate the pivot irrigation equipment.

[Signature]
Chief, Bureau of Wildlife
Idaho Department of Fish and Game

Date 4/2/08

[Signature]
Cooperator (ID No. _____)

Date April 2, 2008

[Signature]
Dave Landrum, Manager
Thousand Springs State Park
Idaho Department of Parks and Recreation

Date 6-4-08