

WATER SUPPLY BANK LEASE CONTRACT No. 228

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

LESSOR: M & C STANLEY LLC
2224 N RAM AVE
EAGLE, ID 83616

RECEIVED

DEC 13 2016

**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 July 07, 2016.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

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

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

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
63-9003	8/15/1977	GROUND WATER	0.010	7.20	0.00
Combined Limit Totals			0.010	7.20	0.00
Combined Lease Totals			0.010	7.20	0.00

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, 2016 to December 31, 2020. 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.



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

LESSOR: M & C STANLEY LLC

2224 N RAM AVE

EAGLE, ID 83616

By M. Stanley

Title Member

Date 12-9-16

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

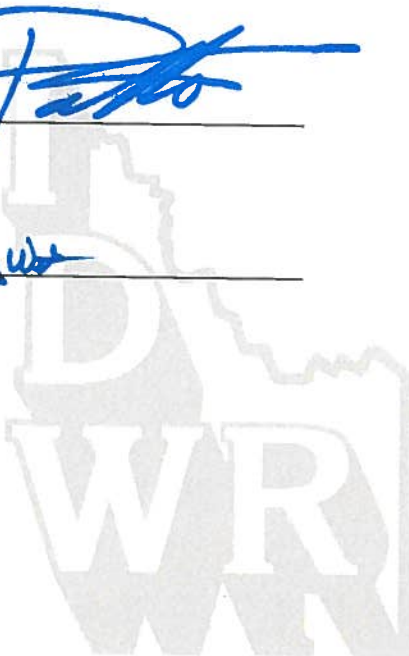
Boise, ID 83720-0098

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

Date 12/16/2016

Lease approved by IDWR Cheryl Weber

Date 12-16-2016



**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 228**

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

Source and Location of Point(s) of Diversion for Water Right No(s): 63-9003

GROUND WATER SWNE Sec. 23 Twp 03N Rge 02E ADA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
63-9003	DOMESTIC	01/01	to	12/31	0.010 cfs	7.20 AF
Totals:					0.010 cfs	7.20 AF

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	
03N	02E	23			X														0.0

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. The right holder shall accomplish the change authorized by this transfer within one year of the date of this approval.
13. Property also known as Cloverleaf Trailer Court
14. Domestic use is for 37 homes and does not include lawn, garden, landscape, or other types of irrigation.



Idaho Water Resource Board
Water Supply Bank Lease

63-9003

Effective until December 31, 2020

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 Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



0 500 1,000 Feet



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

December 19, 2016

M & C STANLEY LLC
2224 N RAM AVE
EAGLE ID 83616

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 63-9003

Dear Lessor:

Water right **63-9003** was leased into the Water Supply Bank (Bank) as of July 7, 2016, 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, 2020**, 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,

ser Water Supply Bank

Enclosure: Executed Lease Contract

c: Lori Graves – SPF Water Engineering
Angie Grimm - IDWR Western Region



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

November 29, 2016

M & C STANLEY
2224 N RAM AVE
EAGLE ID 83616

RE: APPLICATIONS TO LEASE WATER RIGHT 63-9003 TO THE WATER SUPPLY BANK

****TIME SENSITIVE RESPONSE REQUIRED***

Dear Applicant:

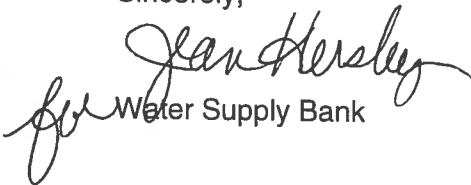
The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** 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, 2020**, 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,


for Water Supply Bank

Enclosure: Proposed Lease Contracts

c: SPF Water Engineering LLC

WATER SUPPLY BANK

Agent Lease Review Checklist

Applicant(s) Name: M C Stanley LLC

Memo Date: November 29, 2016

Water Right Number(s): 63-9003

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2009	2015
2010	2016
2011	2017
2012	2018
2013	2019

1	Fill out WSB Data Entry Checklist for Leases	Check box		COMMENTS/CONCERNS:
		x		
2	Reason for lease of water rights (Brief description of lease proposal in narrative)			
	Portion of right			
	All of right			
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	x		
4	Rentable? If no explain in comments	Yes	No	
		x		
5	Authority to file			
	Current owner or designated applicant			
	SOS Web site checked for business entity	x		
	Other (explain in comments)	x		
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			
	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		2008-2015
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)			%
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		
	Are there overlapping rights that need to be placed in the bank also?	Yes	No	
	Will the place of use continue to receive water?	x		United Water
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			
11	Area Headgate requirement			
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 applicant wishes to place the entire right in the Bank. Mark Urness, registered agent, signed the application. This water right was decreed in 2007 and was placed in the Bank in 2008. The applicant took over ownership in 2015 and requested to release the right in 2016 to transfer the irrigation portion to another POU. This reduced the domestic rate and volume. It doesn't appear this water right was ever used at the Cloverleaf Trailer Court for which it was granted since the trailer court is no longer there. The homes now there get their domestic water from Suez Water (United Water). This application is currently NOT within a WD.			



IDAHO SECRETARY OF STATE Viewing Business Entity

Lawrence Denney, Secretary of State

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[[Monitor M&C STANLEY LLC business filings](#)]

M&C STANLEY LLC

2224 N RAM AVE
EAGLE, ID 83616

Type of Business: LIMITED LIABILITY COMPANY

Status: EXISTING

State of Origin: IDAHO

Date of 10 May 2005

Origination/Authorization:

Current Registered Agent: MARK URNESS
2224 N RAM AVE
EAGLE, ID 83616

File Number: W39308

Date of Last Annual Report: 28 Mar 2016

Annual Report Due: May 2017

Original Filing:

Filed 10 May 2005 ARTICLES OF
ORGANIZATION

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Annual Reports:

Report for year 2016 ANNUAL REPORT

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

No. W 39308	Due no later than May 31, 2016 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. M&C STANLEY LLC MARK URNESS 2224 N RAM AVE EAGLE ID 83616		MARK URNESS 2224 N RAM AVE EAGLE ID 83616																	
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager. <table border="1"> <thead> <tr> <th>Office Held</th> <th>Name</th> <th>Street or PO Address</th> <th>City</th> <th>State</th> <th>Country</th> <th>Postal Code</th> </tr> </thead> <tbody> <tr> <td>MEMBER</td> <td>MARK URNESS</td> <td>2224 N RAM AVE</td> <td>EAGLE</td> <td>ID</td> <td>USA</td> <td>83616</td> </tr> </tbody> </table>		Office Held	Name	Street or PO Address	City	State	Country	Postal Code	MEMBER	MARK URNESS	2224 N RAM AVE	EAGLE	ID	USA	83616		3. <u>New</u> Registered Agent Signature:*			
Office Held	Name	Street or PO Address	City	State	Country	Postal Code														
MEMBER	MARK URNESS	2224 N RAM AVE	EAGLE	ID	USA	83616														
				5. Organized Under the Laws of: ID W 39308	6. Annual Report must be signed.* <table border="1"> <tr> <td>Signature: Mark Urness</td> <td>Date: 03/28/2016</td> </tr> <tr> <td>Name (type or print): Mark Urness</td> <td>Title: Manager</td> </tr> </table>						Signature: Mark Urness	Date: 03/28/2016	Name (type or print): Mark Urness	Title: Manager						
Signature: Mark Urness	Date: 03/28/2016																			
Name (type or print): Mark Urness	Title: Manager																			
Processed 03/28/2016		* Electronically provided signatures are accepted as original signatures.																		