

NOV 14 2016

DEPARTMENT OF
WATER RESOURCES**WATER SUPPLY BANK LEASE CONTRACT**

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

LESSOR: HARRY S RINKER TRUST
PO BOX 7250
NEWPORT BEACH CA 92658
714-979-8300

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. On April 21, 2016, the Lessor filed an application to lease the water rights described below into the Water Supply Bank.
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 the 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	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
37-22600	06/01/1886	BIG WOOD RIVER	MALAD RIVER	0.15 cfs	24.5 af	7.0 ac
37-22602	05/04/1889	BIG WOOD RIVER	MALAD RIVER	0.13 cfs	24.5 af	7.0 ac
37-22604	05/21/1890	BIG WOOD RIVER	MALAD RIVER	0.10 cfs	24.5 af	7.0 ac
Total annual combined limits of these water rights				0.38 cfs	24.5 af	7.0 ac

SUPPORT DATA

Lease Totals 0.38 cfs 24.5 af 7.0 ac

IN FILE # 37-22600

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, 2017. 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

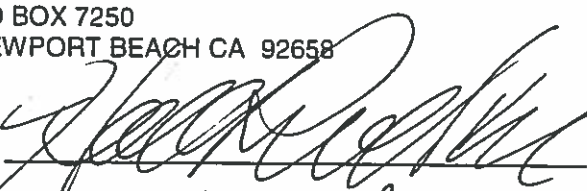
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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

HARRY S RINKER TRUST

PO BOX 7250

NEWPORT BEACH CA 92658

By 

Date 10-17-16

Printed Name HARRY S. RINKER

Title TRUSTEE

IDAHO WATER RESOURCE BOARD

322 EAST FRONT ST

PO BOX 83720

BOISE ID 83720-0098

By 

Date 11/14/2016

Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR 

Date 11-14-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NOS. 37-22600, 37-22602, and 37-22604,

The water right or portion thereof leased to the bank is described as follows:

Lessor: HARRY S RINKER TRUST
PO BOX 7250
NEWPORT BEACH CA 92658
714-979-8300

Location of Point(s) of Diversion for Water Right 37-22600, 37-22602 and 37-22604

BIG WOOD RIVER	NWNWNE	Sec. 32, Twp 03N, Rge 18E, BLAINE County
BIG WOOD RIVER	SENE	Sec. 32, Twp 03N, Rge 18E, BLAINE County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
37-22600	IRRIGATION	04/15	to 10/31	0.15 cfs	24.5 af
37-22602	IRRIGATION	04/15	to 10/31	0.13 cfs	24.5 af
37-22604	IRRIGATION	04/15	to 10/31	0.10 cfs	24.5 af
Total:				0.38 cfs	24.5 af

Place of Use to be Idled Under This Lease: IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	18E	32		0.9	29.6		0.9			18.9	21.2			0.7	2.6	35.8	0.9		111.5

POU Total Acres: 111.5

Limited to Total Acres: 7.0

Conditions Applicable to All Leased Water Rights

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, nor does it improve the status of the right or accomplish the 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 after the following rental season.
11. The water rights leased to the bank are 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 is 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. 37.
13. When combined with all other rights, the leased rights shall provide not more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. Right Nos. 37-20842, 37-21239, 37-21241, 37-22601, 37-22603 and 37-22605 are limited to the irrigation of a combined total of 58.6 acres in a single irrigation season.
15. Right Nos. 37-20842, 37-21239, 37-21241, 37-22601, 37-22603, 37-22605 are limited to a total combined diversion rate of 3.51 cfs.
16. Rights 37-22600, 37-22602, 37-22604, 37-22934, 37-22935 and 37-22936 when combined shall not exceed the irrigation of 23 acres.

RECEIVED

APR 21 2016

DEPARTMENT OF
WATER RESOURCES

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Harry S. Rinker Trust

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

Water Right No. 37-22600

(One water right per application)

Is this application being submitted with a rental application as a lease/rental package?

Yes ☐ No ☒

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

Department Use Only

Fee Amount \$ <u>500.-</u>	Received By: <u>ELRG</u>	Date Received: <u>4/21/16</u>	Receipt # <u>C101899</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>HARRY S RINKER TRUST</u>	

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 Harry S. Rinker Trust

Mailing Address	<u>P.O. Box 7250</u>	<u>Newport Beach</u>	<u>CA</u>
	Street	City	State
			<u>92658</u>
			Zip Code

Email Address _____ Phone Number (714) 979-8300

☒ 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 Charles G. Brockway Organization Brockway Engineering

Professional Title _____ Email Address _____

Mailing Address 2016 Washington St N, Ste 4 Phone Number (208) 736-8543

☐ 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.

Diversion from Purdum Slough to property.

- 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. 37-22602, 37-22604

- 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. Acres being leased are wholly owned by applicant, but are within the service area of the Riverview-Cloverly Irrigation Co. (RCI). See attached agreement demonstrating that applicant's rights are wholly separate from RCI and are also not stacked with any groundwater right. Applicant has no interest in or control over RCI.

- 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. N/A due to decree date.

- 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. Refer to decree date.

- 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: 2016 to 2020 (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.
\$1000 per acre-foot as per the well-established market rate in the Big Wood valley.

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

HARRY S. RINKER
Printed Name

4-14-16
Date

Signature of Authorized Representative

HARRY S. RINKER
Printed Name

4-14-16
Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

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

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

Water Right No(s). _____

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

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

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

2. Source of water _____ tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

APR 21 2015

DEPARTMENT OF
WATER RESOURCES**WATER RIGHTS AND TRANSFER AGREEMENT**

This agreement is made on the ____ day of July, 2002, among (a) Jacob A. Bloom and Ruth Bloom, individuals, ("Blooms") (b) Wood River Properties, Inc., a California Corporation, and Harry S. Rinker Trust, by Harry S. Rinker, Trustee, ("Rinker"), and (c) Riverview Cloverly Irrigation, Inc., a Idaho Corporation, ("Riverview").

The parties each agree, that in exchange for the promises, performance and other consideration given by the other parties through this agreement, to the following:

1. Purposes and Scope of the Agreement.

This agreement resolves disputes and concerns among the parties to it relating to the nature, extent, and ownership of certain water rights in which the parties claim an interest.

The water rights covered by this agreement include a groundwater right identified by the Idaho Department of Water Resources ("IDWR") and the parties to this agreement as right number 37-02640A and surface water rights identified as right numbers 37-00521B, 37-00522B, and 37-00523B.

The agreement does not cover other water rights the parties may hold an interest in, including without limitation, other rights that are used in conjunction with or on the same places of use as the water rights covered by this agreement.

The agreement also resolves disputes and concerns about the use and transfer of the rights covered, including by imposing on each party the obligation to cooperate in, and not object to, the transfers of the rights in proceedings before the IDWR pursuant to I.C. 42-222 and other law applicable to such proceedings.

2. Quit Claim and Transfer of Portions of 37-02640A.

The parties forever resolve and settle any claims, known or unknown, to and interests in water right 37-02640A by agreeing that ownership and other interests in it be apportioned and transferred as follows:

- ✓ A. A total of seven miners inches (0.14 cfs) of this right will be conveyed from Rinker to Blooms by quit claim deed for irrigation use on seven (7) acres of land within Lots 2 and 3 of Riverview Ranches Subdivision, which is located in Blaine County, Idaho. A transfer of this part of the right will be filed with IDWR to establish the places of use, amount, and point of diversion within those Lots.
- ✓ B. A total of three additional miners inches (0.06 cfs) of this right will be conveyed from Rinker to Blooms by quit claim deed for irrigation use on three acres of land comprising the entry area to Riverview Ranches Subdivision located on the eastern

part of Lots 1 and 2, Riverview Ranches Subdivision. A transfer of this part of the right will be filed with IDWR to establish the places of use, amount, and point of diversion within those Lots. The parties acknowledge that the groundwater rights currently owned by Joyce E. Gordon are not appurtenant to the entry area of Riverview Ranches Subdivision.

- C. The remaining two (2) miners inches (0.04 cfs) of this right that were appurtenant to Lot 2 of Riverview Ranches Subdivision for irrigation use and owned by Rinker may be transferred from that Lot to new places of use determined by Rinker. The parties agree, without admitting, IDWR may determine that this portion of the right is supplemental to and "stacked" with some or all of the surface water rights covered by this agreement. To the extent that the two (2) miners inches are stacked with surface water rights covered by this Agreement, Riverview agrees to transfer to Rinker those portions of the surface water rights that are "stacked" in order to facilitate Rinker's transfer of such groundwater. ✓
- D. The parties acknowledge that eleven (11) miners inches (0.22 cfs) of Water Right 37-02640A was conveyed by Corporation Grant Deed from Wood River Properties, Inc. to Joyce E. Gordon, dated August 6, 1999, and that nothing in this Agreement shall affect or alter said conveyance. A transfer of this part of the right will be filed with IDWR to establish the place of use, amount, and point of diversion within Lot 1, Riverview Ranches Subdivision.
- E. The parties acknowledge that eleven and one-half (11 1/2) miners inches (0.23 cfs) of Water Right 37-02640A was conveyed by Warranty Deed from Harry S. Rinker, Trustee to Ward W. Woods, Jr. and Priscilla B. Woods, dated April 20, 1990, and that nothing in this Agreement shall affect or alter said conveyance. A transfer of this part of the right will be filed with IDWR to establish the place of use, amount and point of diversion within Lot 4, Riverview Ranches Subdivision.

3. Present Quit Claim and Transfers of Portions of 37-00521B, 37-00522B, and 37-00523B.

The parties forever resolve and settle any claims, known or unknown, to and interests in water rights of 37-00521B, 37-00522B, and 37-00523B by agreeing that ownership and other interests in them be apportioned and transferred as follows:

- A. The IDWR regional staff has acknowledged a total historical irrigation of 83.6 acres of land west of the highway that is irrigated by the surface and groundwater rights identified in this Agreement. According to IDWR documentation, there are 34.6 acres of land west of the highway that are irrigated with groundwater right 37-02640A and 21.0 acres of land west of the highway that are irrigated with groundwater right 37-02640B and 37-02507B, and in those areas covered by such groundwater rights, the

surface water rights identified hereinabove are "stacked". There are twenty-eight (28) acres of land irrigated by surface water alone ("unstacked" surface water).

- B. All right, title and interest in the surface water rights, except as specifically provided in this agreement, shall remain in the ownership of Riverview for the benefit of the shareholders of its stock, including without limitation as described in the Articles of Incorporation, Bylaws, amendments and other documents and laws conferring rights and obligations on Riverview and its shareholders.
- C. A total of two (2) acres of irrigation use water of these surface water rights from the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 in Lot 2 of Riverview Ranches Subdivision will be conveyed from Riverview to Rinker by quit claim deed for re-conveyance by Rinker for use at the Little Makawao Subdivision property which is located near the confluence of the East Fork of the Big Wood River and the Big Wood River in Blaine County, Idaho. The quantity of water conveyed pursuant to this paragraph is 0.126 cfs, which quantity is in the proportion of the total quantity under these rights (4.92 cfs) divided by the total historically irrigated acres (83.6 acres). If, in any of the transfer proceedings contemplated by this Agreement, IDWR determines the per acre quantity of these rights is less than the per acre quantity being conveyed to Rinker pursuant to this paragraph, the quantity of conveyance for the two acres shall be reduced to no more than IDWR's per acre rate determination.
- Blooms and Riverview agree, that in order to accommodate the transfer of two acres of water to Little Makawao Subdivision, IDWR may require that two acres of land that has been historically irrigated on Lots 2 or 3 of Riverview Ranches Subdivision be dried up. In that event, Bloom and Riverview agree to dry up two acres within those two Lots.
- D. Riverview agrees to convey to Rinker the "unstacked" portions of the above-¹ numbered surface water rights covering twenty three (23) acres to a location to be prescribed by Rinker. The same shall be conveyed to Rinker by quitclaim deed with no warranties. In quantity, the amount of water to be conveyed to Rinker will be the remainder of 4.92 cfs minus the sum of the conveyance loss, plus the per-acre irrigation duty of water times 23. The per-acre duty of water and conveyance loss figures to be used will be the highest figures approved by IDWR pursuant to the transfers mentioned in the preceding paragraphs. If, in the process of transferring these rights, IDWR determines the historically-irrigated acreage to be less than 83.6, the number of "unstacked" surface water acres conveyed to Rinker shall be reduced on an acre-for-acre basis and the diversion rate reduced accordingly.
- E. The parties acknowledge that the stockholder interest in water rights held by Riverview Cloverly Irrigation, Inc. was conveyed by Corporation Grant Deed from Wood River Properties, Inc. to Joyce E. Gordon, dated August 6, 1999, and that nothing in this Agreement shall affect or alter said conveyance or the quantities of water specified therein for use on Lot 1, Riverview Ranches Subdivision.

4. No Protests or Objections.

Each party agrees not to object to or contest in the contemplated transfer proceedings, in the Snake River Basin Adjudication, or elsewhere, any applications or claims made by the parties to this agreement or the individual stockholders of Riverview Cloverly Irrigation, Inc. to the water rights covered, to the extent such objection, response or other position would be inconsistent with this agreement.

5. Cooperation.

Each party agrees to cooperate to accomplish the purposes of this agreement including by timely preparing and filing all documents necessary to convey ownership and accomplish the transfers pursuant to proceedings before IDWR.

6. Document preparation and interpretation.

This agreement and related documents have been prepared through negotiations among the parties and their counsel. Each party has had the opportunity to investigate, discover the facts, seek legal advice, and otherwise understand and negotiate the terms of the agreement. The agreement shall not be interpreted for or against any party on account of who drafted the documents.

7. This Agreement survives.

This agreement and all covenants, promises, and representations herein shall survive the transfer or conveyance of any covered property. Neither the agreement nor any term within it shall be deemed waived or be merged into any such deed or other document.

8. Specific Enforcement.

This agreement may be specifically enforced by the parties to it, as damages at law are not an adequate remedy. Temporary or permanent equitable relief may be granted to accomplish its purposes or enforce its terms. This paragraph shall not be construed as a limitation on other rights and remedies any party may have. Each party specifically reserves all other rights and remedies.

9. Attorney Fees.

If any legal action arises to enforce, interpret, or avoid this Agreement or the obligations, promises, or covenants set forth herein, the prevailing party, in addition to being entitled to any judgment so entered, shall be entitled to the award of reasonable attorney fees and costs against the non-prevailing party.

10. No oral modification.

This agreement may be modified only by a writing signed by each of the parties hereto.

11. State Law.

This Agreement is made and shall be construed under laws of the State of Idaho.

12. Merger of prior or contemporaneous understandings.

This Agreement is the sole and entire Agreement being entered into by and between the parties to it. Any descriptions, representations, agreements, negotiations, or other discussions predating this Agreement are expressly waived and shall not be a part of this Agreement.

Dated this ____ day of July, 2002.

JACOB A. BLOOM

Dated this ____ day of July, 2002.

RUTH A. BLOOM

Dated this ____ day of July, 2002.

RIVERVIEW CLOVERLY IRRIGATION, INC.

BY: _____

JACOB A. BLOOM, President

Dated this ____ day of July, 2002.

WOOD RIVER PROPERTIES, INC. '

BY: _____

HARRY S. RINKER

Dated this ____ day of July, 2002.

HARRY S. RINKER TRUST

BY: _____

HARRY S. RINKER, Trustee
under Restatement of Declaration
of Trust, dated July 12, 1985, for the
benefit of Harry S. Rinker, et. al.



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

November 15, 2016

HARRY S RINKER TRUST
PO BOX 7250
NEWPORT BEACH CA 92658

**RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS
37-22600, 37-22602, and 37-22604**

Dear Lessor:

Water rights **37-22600, 37-22602, and 37-22604** were leased into the Water Supply Bank (Bank) as of April 21, 2016, 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, 2017**, 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,



Water Supply Bank

Enclosure: Executed Lease Contract

c: Charles G Brockway – Brockway Engineering
Corey Skinner - IDWR Southern Region
Kevin Lakey – Water District 37



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 26, 2016

HARRY S RINKER TRUST
PO BOX 7250
NEWPORT BEACH CA 92658

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS
FOR WATER RIGHTS 37-22600, 37-22602, and 37-22604**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on October 12, 2016. The signed contracts have not been returned to the Department.

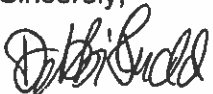
Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application will be returned, and the application fee will not be refunded. You can reapply to lease the water rights in the future by submitting new application forms along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

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

Sincerely,


S.G. Water Supply Bank

c: Charles G Brockway – Brockway Engineering



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 12, 2016

HARRY S RINKER TRUST
PO BOX 7250
NEWPORT BEACH CA 92658

**RE: APPLICATION TO LEASE WATER RIGHTS 37-22600, 37-22602, and 37-22604
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 rights 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 rights will automatically be released from the Bank on **December 31, 2020**, unless the rights are released earlier by the Board, or upon your request. To release the 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. 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
Receipt # C101899

c: Charles G Brockway – Brockway Engineering



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

SEP 23 2016

DEPARTMENT OF
WATER RESOURCES

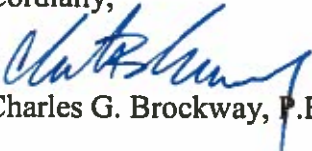
September 22, 2016

Idaho Department of Water Resources
Water Supply Bank
P.O. Box 83720
Boise, ID 83720-0098

Re: Lease applications for Harry S. Rinker Trust

Applications to lease water rights 37-22600, 37-22602, and 37-22604 to the Water Supply Bank were submitted on April 19, 2016. As of today, I have not received any documentation indicating that the applications are being processed or have been accepted. Please provide an update on the status of these applications. If there are any questions or concerns, please do not hesitate to contact me.

Cordially,


Charles G. Brockway, P.E.

cc: Harry Rinker

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

MEMORANDUM

To: Water Right No(s). 37-22600, 37-22602 and 37-22604
From: Remington Buyer
Date: June 29, 2016
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE:

AUTHORITY TO FILE: Applicant is Harry Rinker, owner of the water rights. No concerns about authority to file the application.

WATER RIGHT VALIDITY: Applicant does not own property to which the water rights are appurtenant and confirmation of actual use at the property is unclear. The rights were decreed in 2010. Though five years of non-use may have occurred from 2011 through 2015, per IDWR's policy on non-use/forfeiture, the applicant must action these water rights in 2016 to dispel forfeiture concerns. The proposal to lease the water rights is such an action and the water rights can thus be considered valid for acceptance into the Bank.

INJURY TO OTHER WATER RIGHTS: The water rights authorize irrigation solely by Mr. Rinker. The non-use (through lease) of these rights by Mr. Rinker should not cause injury to other water rights.

ENLARGEMENT OF USE: These three water rights are appurtenant to a 111.5 acre permissible place of use (PPU). In addition to Rinker's three rights, 17 other water rights and one permit authorize irrigation of different acres within the PPU. Water rights 37-22601, 22603, 22605, 20842, 21239 and 21241 (held by Cloverly Ranch Irrigation, Inc) and water rights 37-22934, 37-22935 and 22936 (held by Algis Pabarcus) are sibling water rights to Mr. Rinker's water rights; they share a common ancestry, divert from the same water source via the same POD and all 12 rights authorize a combined, limited irrigation of 69.4 acres within the same 111.5 acre PPU. Additionally, seven ground water rights (four of which are supplemental to surface water), one ground water permit and one spring water right (both not supplemental) also authorize irrigation within the PPU.

It is not apparent that Cloverly, Pabarcus and Rinker are coordinating to jointly irrigate up to 69.4 acres within the PPU. Though Rinker, Pabarcus and Cloverly can irrigate up to 69.4 acres within the PPU, they can do separately and distinctly from one another, and the lease of Rinker's water rights to the Bank will not cause an enlargement of Cloverly or Pabarcus' water rights, provided that Cloverly and Pabarcus do not exceed their respective, separate diversion rates and acre limits.

Rinker's water rights authorize irrigation anywhere within the PPU and as such his irrigation use can fully overlap all ground and spring water rights within the PPU. Three ground water rights 37-11999, 37-12001 and 37-2640B), one ground water permit (37-22948) and one spring right (37-4106) authorize non-supplemental, irrigation of overlapping acres within the PPU. A place of use overlap analysis however reveals that a minimum of 6.8 acres and a maximum of 22.9 acres of these rights/permit overlap with Rinker, Pabarcus and Cloverly's surface water rights. However, 86.6 acres of PPU are guaranteed free and clear (not overlapping) with these rights/permit. Because the maximum (65.7) acres jointly irrigable under Rinker, Pabarcus and Cloverly's surface water rights is less than the certainly free, 85.7 acres, it is possible to fully lease in all surface water rights from this PPU without enlarging the number of acres authorized to be irrigated. A summary of the POU analysis is included below.

LOCAL PUBLIC INTEREST: Staff have no information indicating that this lease is contrary to the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: Staff have no information to indicate this lease is inconsistent to beneficial use/conservation of water resource practices.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

Acre Overlap Analysis & Authorizations																						
Water Right Acres Proposed for Lease																						
Water Right	T	R	S	Northeast				Northwest				Southwest				Southeast				Totals		
				NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
37-22600	03N	18E	32	0.0	0.9	29.6	0.0	0.9	0.0	0.0	18.9	21.2	0.0	0.0	0.7	2.6	35.8	0.9	0.0	111.5 ACs		
37-22602	03N	18E	32	0.0	0.9	29.6	0.0	0.9	0.0	0.0	18.9	21.2	0.0	0.0	0.7	2.6	35.8	0.9	0.0	111.5 ACs		
37-22604	03N	18E	32	0.0	0.9	29.6	0.0	0.9	0.0	0.0	18.9	21.2	0.0	0.0	0.7	2.6	35.8	0.9	0.0	111.5 ACs		
334.5 ACs																						
Cumulative Acres Proposed for Lease																						
T	R	S	Northeast				Northwest				Southwest				Southeast				Totals			
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE				
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
03N	18E	32	0.0	0.9	29.6	0.0	0.9	0.0	0.0	18.9	21.2	0.0	0.0	0.7	2.6	35.8	0.9	0.0	111.5 ACs			
111.5 ACs																						
111.5 ACs																						
Acre limit for lease																						
7																						
Water Rights Overlapping the Cumulative Acres Proposed for Lease to the Bank																						
Water Right	Beneficial Use	Current or Present Owner	Source	Total Acres	Acre Limit	Possible Acre Overlaps				Free Acres (No Overlap)				Possible Acre Impacts								
						Minimum		Maximum		Possible	Certain			Minimum	Maximum							
37-11999	Domestic	Cloverly Ranch	Ground Water	0.5 ACs	0.5	0.0	0%	0.5	100%	0.5	100%	0.0	0%	0.0	0%	0.5	100%					
37-12001	Domestic	Cloverly Ranch	Ground Water	0.5 ACs	0.5	0.0	0%	0.5	100%	0.5	100%	0.0	0%	0.0	0%	0.5	100%					
37-26408	Irrigation	Cloverly Ranch	Ground Water	16.0 ACs	16.0	6.8	43%	16.0	100%	9.2	58%	0.0	0%	6.8	43%	16.0	100%					
37-4106	Irrigation	Cloverly Ranch	Springs	6.0 ACs	6.0	0.0	0%	6.0	100%	6.0	100%	0.0	0%	0.0	0%	6.0	100%					
37-22948	Irrigation	Ward & Priceilla Woods	Ground Water	12.2 ACs	12.2	4.0	33%	12.2	100%	8.2	67%	0.0	0%	4.0	33%	12.2	100%					
Water Rights Overlapping the Cumulative Acres Proposed for Lease to the Bank																						
Water Right	T	R	S	Northeast				Northwest				Southwest				Southeast				Totals		
				NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
Proposed Acres	03N	18E	32	0.0	0.9	29.6	0.0	0.9	0.0	0.0	18.9	21.2	0.0	0.0	0.7	2.6	35.8	0.9	0.0	111.5 ACs		
37-11999	03N	18E	32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.5 ACs		
37-12001				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.5 ACs	
37-26408				0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	0.0	0.0	16.0 ACs	
37-4106				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	6.0 ACs	
37-22948				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	8.2	0.0	0.0	12.2 ACs
Minimum Overlap				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.8	0.0	0.0	6.8 ACs
Max Overlap	0.0	0.0	29.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	0.0	0.0	12.0 ACs			
Possible Free	0.0	0.9	29.6	0.0	0.9	0.0	0.0	18.9	21.2	0.0	0.0	0.7	2.6	29.0	0.9	0.0	0.0	0.0	104.7 ACs			
Certainly Free	0.0	0.0	24.6	0.0	0.0	0.0	0.0	18.9	18.9	0.0	0.0	0.7	0.0	21.8	0.0	0.0	0.0	0.0	58.6 ACs			



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

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APR 21 2016

DEPARTMENT OF
WATER RESOURCES

April 19, 2016

Idaho Department of Water Resources
Water Supply Bank
P.O. Box 83720
Boise, ID 83720-0098

Re: Lease applications for Harry S. Rinker Trust

Enclosed please find three (3) applications to lease water rights 37-22600, 37-22602, and 37-22604 to the Water Supply Bank. These rights are Big Wood River rights owned by Harry S. Rinker Trust, appurtenant to land 1 mile north of Hailey and west of Highway 75.

The three rights are wholly overlapping amongst themselves. They are currently appurtenant to land within the service area of Riverview Cloverly Irrigation, Inc. (RCI), but the rights do not overlap with rights owned by RCI and utilized by shareholders of the company. Furthermore, the rights are categorically not overlapping with any groundwater right, even though individual lot owners – shareholders of RCI – have their own private groundwater rights. IDWR's shape files may show overlap, but there is none.

I am emphatic on these points because there seems to be an enduring misunderstanding amongst IDWR staff regarding the structure of water rights within the RCI service area. The structure was settled once for all in 2002 by the execution of a comprehensive agreement among RCI, the private lot owners / shareholders, and Mr. Rinker who was the original owner and developer of the land.

A copy of this agreement is attached. Please refer to Section 3, Paragraph D of the agreement. The 23 acres referred to in this paragraph represents the "unstacked" water – meaning water not stacked with groundwater – retained by Mr. Rinker under the agreement. Subsequent to the agreement, Mr. Rinker conveyed 16 acres to another party which became right numbers 37-22934, 37-22935, and 37-22936. That left 7 acres of surface water owned by Mr. Rinker, which is the subject of the present lease applications. The upshot is that Mr. Rinker's rights are free and clear to be leased to the bank.

A second issue concerns the land which will be "dried up" under these leases. The water supply bank staff often requests a map showing specific acres which will be "dried up." In this case, Mr. Rinker's rights allow 7 acres of

CHARLES E.
BROCKWAY,
PH.D., P.E.

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2016 NORTH
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TWIN FALLS,
IDAHO 83301

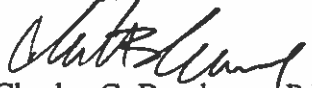
208•736•8543

FAX: 736•8506

irrigation within a 111.5-acre permissible place of use (the RCI service area). Leasing these 7 acres will simply reduce the total authorized irrigation within the PPU. It is impossible to define a specific 7 acres which will definitely not be irrigated, since RCI and/or its shareholders can lawfully irrigate up to their authorized limit anywhere they want within the service area, whether or not Mr. Rinker's 7 acres are leased into the bank. Mr. Rinker is not a shareholder of RCI and has no control whatever over company operations or shareholder activities.

If there are any questions on these issues, please do not hesitate to contact me.

Cordially,



Charles G. Brockway, P.E.

Enc. Lease applications
Application fee - \$500
cc: Harry Rinker