

WATER SUPPLY BANK LEASE CONTRACT

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

LESSOR: NORTHRIDGE V SUBDIVISION OWNERS ASSN INC
PO BOX 463
HAILEY ID 83333
208-578-0411

RECEIVED

MAY 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. On December 30, 2015, 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
37-22970	5/1/1888	BIG WOOD RIVER	MALAD RIVER	0.10 cfs	39.7 af	11.5 ac
37-22971	9/18/1885	BIG WOOD RIVER	MALAD RIVER	0.10 cfs	39.7 af	11.5 ac
37-22972	6/30/1884	BIG WOOD RIVER	MALAD RIVER	0.20 cfs	40.3 af	11.5 ac
37-22973	3/24/1883	BIG WOOD RIVER	MALAD RIVER	0.12 cfs	40. af	11.5 ac

Lease Totals **0.52* cfs** **40.3 af** **11.5 ac**

*Limited to a total diversion rate of 0.42 cfs for conveyance losses.

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.

SUPPORT DATA

IN FILE #

37-22970

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.

NORTHRIDGE V SUBDIVISION OWNERS ASSN INC
PO BOX 463
HAILEY ID 83333

By Cassie Jones
Printed Name CASSIE JONES

Date 5/12/16
Title President

IDAHO WATER RESOURCE BOARD
322 EAST FRONT ST
PO BOX 83720
BOISE ID 83720-0098

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

Date 5/16/2016

Lease approved by IDWR Chy West

Date 5-16-2016

ATTACHMENT A WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NOS. 37-22970, 37-22971,
37-22972, and 37-22973

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

Lessor: NORTHRIDGE V SUBDIVISION OWNERS ASSN INC
 PO BOX 463
 HAILEY ID 83333
 208-578-0411

Location of Point(s) of Diversion for Water Right 37-22970, 37-22971, 37-22972 and 37-22973

BIG WOOD RIVER SWNW Sec. 20, 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>
37-22970	IRRIGATION	04/15	to 10/31	0.10 cfs	39.7 af
37-22971	IRRIGATION	04/15	to 10/31	0.10 cfs	39.7 af
37-22972	IRRIGATION	04/15	to 10/31	0.20 cfs	40.3 af
37-22973	IRRIGATION	04/15	to 10/31	0.12 cfs	40.3 af
Total:				0.52 cfs	40.3 af

Place of Use to be Idled Under This Lease: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
02N	18E	4					1.8				9.7								11.5

Total Acres: 11.5

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 right(s) 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 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.10 cfs of the leased portion of these rights into the Hiawatha Canal whether they are rented or not.
15. Water is diverted from Headgate # 22 delivered through Hiawatha Canal.

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 30 2015

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Northridge V Subdivision Owners Assn. Inc. Water Right No. 37-22970
(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>		
	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.
Attachment	N/A	Yes
1A	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/> Description of a water right portion offered to the Water Supply Bank.
3	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/> Written consent from irrigation district or water delivery company.
4G	<input checked="" type="checkbox"/>	<input 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>500.00</u>	Received By: <u>dj</u>
		Date Received: <u>12-30-15</u>
		Receipt # <u>C101364</u>
W-9 received?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)
		Name on W-9: <u>Northridge V Subdivision Owners Assn Inc</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 Northridge V Subdivision Owners Assn. Inc.

Mailing Address P.O. Box 463 Hailey ID 83333
Street City State Zip Code

Email Address _____ Phone Number (208) 578-0411

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 _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

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.
A delivery system does not exist at this time. Water is provided by the City of Hailey.
- 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. 37-22970, 37-22971, 37-22972, 37-22973, City of Hailey municipal rights
- 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. Historical water rights from the Big Wood River are no longer used at this location. The City of Hailey now supplies municipal water. The two sources have never been used at the same time.
- 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. Standard rates for water rights from this source for agricultural irrigation in the Big Wood River Valley should apply.
- 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. A decree for this right was issued in the SRBA on August 30, 2011.
- 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.
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.

Cassie Jones
Signature of Designated Applicant

CASSIE JONES, President
Printed Name

12/18/15
Date

[Signature]
Signature of Authorized Representative

Fritz X. Hornumole
Printed Name

12/29/15
Date

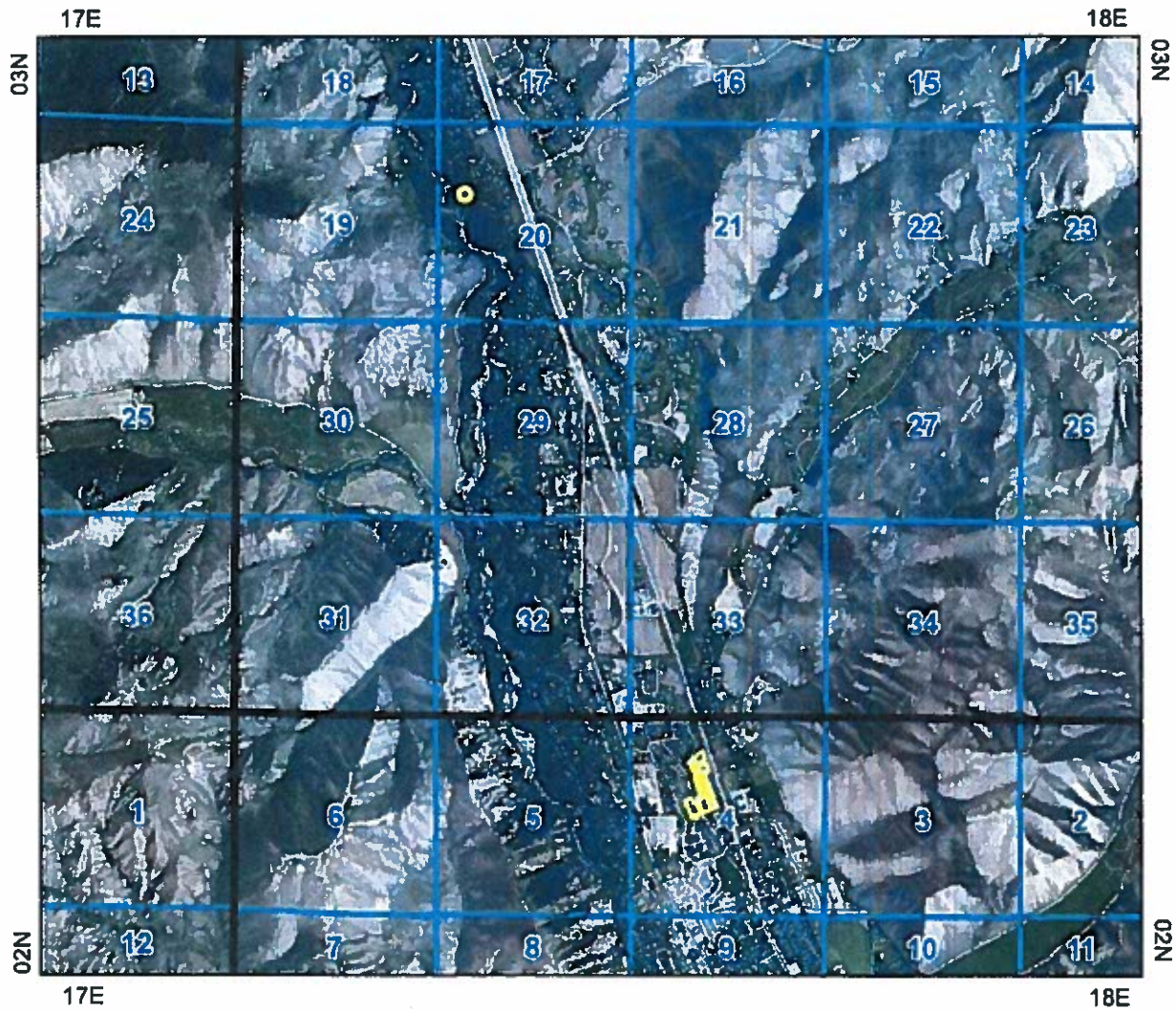
Mail to:
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

State of Idaho
Department of Water Resources

Water Right
37-22971

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



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

Map produced on December 29, 2015



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

May 17, 2016

NORTHRIDGE V SUBDIVISION OWNERS ASSN INC
PO BOX 463
HAILEY ID 83333

**RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS 37-22970, 37-22971,
37-22972, and 37-22973**

Dear Lessor:

Water rights 37-22970, 37-22971, 37-22972, and 37-22973 were leased into the Water Supply Bank (Bank) as of December 30, 2015, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, 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, 2020**, 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 me at 287-4910.

Sincerely,

A handwritten signature in black ink, appearing to read "Clay Webster".

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Haemmerle Law PLLC
Allen Merritt - IDWR Southern Region
Kevin Lakey - Water District 37
Hiawatha Canal Co

HAEMMERLE LAW, P.L.L.C

Attorney & Counselor at Law

Fritz X. Haemmerle
fxh@haemlaw.com

P.O. Box 1800
Hailey, ID 83333

400 South Main Street, Suite 102
Tel: (208) 578-0520
Fax: (208) 578-0564

May 12, 2016

RECEIVED

MAY 13 2016

DEPARTMENT OF
WATER RESOURCES

Idaho Dept. of Water Resources
c/o Water Bank, Clay Webster
P.O. Box 83720
Boise, ID 83720-0098

Re: *Return of Executed Leases for 37-22970, 37-22971, 37-22972 and 37-22973*

Dear Clay:

This firm represents the Northridge V Subdivision Owners Assn., Inc. As requested, please find enclosed two (2) executed Water Bank Leases for the aforementioned water rights. If there is anything else you require to complete this matter, please advise.

Thank you.

Sincerely,

HAEMMERLE LAW, P.L.L.C.



Fritz X. Haemmerle

FXH: fxh
Encl
cc: client



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

May 5, 2016

NORTHRIDGE V SUBDIVISION OWNERS ASSN INC
PO BOX 463
HAILEY ID 83333

RE: APPLICATIONS TO LEASE WATER RIGHT 37-22970, 37-22971, 37-22972 and 37-22973 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 me at 287-4910.

Sincerely,

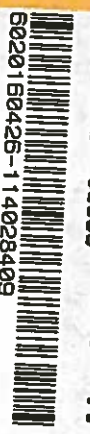
Signature of Clay Webster
for Clay Webster
Water Resource Agent
Water Supply Bank Point of Contact

Enclosure: Proposed Lease Contracts

c: Haemmerle & Haemmerle PLLC

F WATER RESOURCES
RIGHTS SECTION
PO BOX 83720
SE, ID 83720-0098

836 833 83333 A1-17



6020150425-114028409

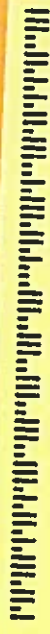
4

RETURN SERVICE REQUESTED

PREST FIRST-CLASS MAIL
US POSTAGE PAID
Boise, ID
PERMIT # 1

NIXIE 833332014-1N 05/02/16

RETURN TO SENDER
UNABLE TO FORWARD
UNABLE TO FORWARD
RETURN TO SENDER



RECEIVED

MAY 05 2016

DEPARTMENT OF
WATER RESOURCES

NORTHBRIDGE V SUBDIVISION
OWNERS ASSN INC
PO BOX 463
HAILEY ID 83333

MSB 31-20970
Reset for
Hailey 1/25/16
P.O. Box 1818
PO Box 83333
5-6-16



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

April 26, 2016

NORTHRIDGE V SUBDIVISION OWNERS ASSN INC
PO BOX 463
HAILEY ID 83333

RE: APPLICATIONS TO LEASE WATER RIGHT 37-22970, 37-22971, 37-22972 and 37-22973 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 me at 287-4910.

Sincerely,

Handwritten signature of Clay Webster

Clay Webster
Water Resource Agent
Water Supply Bank Point of Contact

Enclosure: Proposed Lease Contracts

c: Haemmerle & Haemmerle PLLC

Hersley, Jean

From: Merritt, Allen
Sent: Friday, January 22, 2016 9:14 AM
To: Hersley, Jean
Subject: RE: WSB Lease applications for Northridge V Subdivision and Toby Lambert Trust

I do not have an issue with these.

From: Hersley, Jean
Sent: Thursday, January 21, 2016 3:48 PM
To: Merritt, Allen; Kevin Lakey
Subject: WSB Lease applications for Northridge V Subdivision and Toby Lambert Trust

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

Agent Lease Review Checklist

Applicant(s) Name: Northridge V Subdivision Ownersh Assn Inc

Memo Date: January 21, 2016

Water Right Number(s): 37-22970-22973

Reviewers Name: Jean

Quick Tools

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

		Check box		COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases	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	X		
5	Authority to file			
	Current owner or designated applicant	X		
	SOS Web site checked for business entity			
	Other (explain in comments)			
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	
7	Injury to other water rights			
	If the POD is through a delivery entity, was consent provided?	x		
	If the POD is through a delivery entity, was holdback required? (percentage in comments)	x		20%
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?	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			3.5
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x	
13	<p>Narrative: The applicant wishes to place the entirety of all rights in the Bank. The parents of these rights were decreed in 2011. The POU is currently served by the City of Hailey municipal rights. The water from the Big Wood River is no longer used at this location. There is no delivery system in place but when there was, the water was delivered through the Hiawatha Canal. 20% will be left in the canal for conveyance loss. These rights have never been used with the City of Hailey rights. These four rights combined are limited to the irrigation of 11.5 acres.</p>			

DEC 30 2015

DEPARTMENT OF
WATER RESOURCES

Fritz X. Haemmerle
fxh@haemlaw.com

P.O. Box 1800
Hailey, ID 83333

400 South Main Street, Suite 102
Tel: (208) 578-0520
Fax: (208) 578-0564

December 29, 2015

Idaho Dept. of Water Resources
c/o Water Bank, Remington Buyer
P.O. Box 83720
Boise, ID 83720-0098
Sent by FedEx:

Re: Water Bank Applications (Northridge V Subdivision Owners' Association, Incorporated 37-22970, 37-22971, 37-22972 and 37-22973)

Dear Remington:

This firm represents the Applicant, Northridge V Subdivision Owners' Association, Incorporated. The purpose of this letter is to place the aforementioned water rights in the Water Bank.

I have enclosed with this letter: (1) Applications for 37-22970, 37-22971, 37-22972 and 37-22973; (2) proof of authority for Cassie Jones; (3) one completed W-9 Form for the Association; (4) a map showing the POD and POU for the water rights; (5) a consent letter from the Hiawatha Canal; and (6) a check for \$500.00 to cover the fee for banking the rights. As to the POU and POD, I am providing one map for water right 37-22971, which I believe is the correct description of the POD and POU for all the water rights. The maps for the other water rights, as taken from IDWR's website, for the other three water rights are not complete or correct.

Please confirm receipt of this Application. If you require any further information, please advise.

Thank you.

Sincerely,

HAEMMERLE LAW, P.L.L.C.



Fritz X. Haemmerle

FXH: fxh
Encl
cc: client

No. C 173496	Due no later than Jun 30, 2015		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	Annual Report Form		MARCIA HILLS 1440 HEROIC RD HAILEY ID 83333			
	1. Mailing Address: Correct in this box if needed. NORTHRIDGE V SUBDIVISION OWNERS' ASSOCIATION, INCORPORATED. MARCIA HILLS PO BOX 463 HAILEY ID 83333 USA		3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
PRESIDENT	CASSANDRA JONES	1760 HEROIC RD	HAILEY	ID	USA	83333
SECRETARY	MARCIA HILLS	PO BOX 463	HAILEY	ID	USA	83333- 2781
VICE PRESIDENT	CHRIS GRIPKEY	P.O. BOX 2656	KETCHUM	ID	USA	83340- 2781
5. Organized Under the Laws of: ID C 173496		6. Annual Report must be signed.* Signature: Marcia Hills Name (type or print): Marcia Hills Date: 05/13/2015 Title: Secretary				
Processed 05/13/2015		* Electronically provided signatures are accepted as original signatures.				

DEC 30 2015

DEPARTMENT OF
WATER RESOURCES

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

December 14, 2015

Idaho Water Bank
322 E. Front St.
P.O. Box 83720
Boise, ID 83720-0098

Re: Northridge V Subdivision Owners Assn. Inc. (Water rights 37-22970, 37-22971, 37-22972 and 37-22973).

To Whom It May Concern:

The purpose of this letter is address the aforementioned water rights being placed into the Water Bank, which are which are conveyed in the Hiawatha Canal ("Canal") by the Hiawatha Canal Company, a.k.a. The Hiawatha Canal Water Users Association of Lateral or Laterals ("Canal Company").

The Hiawatha Canal Company is concerned about the amount of water being removed from the Canal and placed in the Water Bank by various water right holders. Generally, at this time, the Canal Company does not object to water rights conveyed in the Hiawatha Canal being placed in the Water Bank; provided that if the water rights are moved outside of the Canal, then the Water Bank should require twenty-percent (20%) of the right to be left in the Canal as conveyance loss.

Providing you some historical perspective, the Canal Company filed for mitigation (conveyance loss) rights in the adjudication for rights that had been forfeited or abandoned out of the Canal. The Department agreed that the conveyance loss in the Canal was twenty-percent (20%), and therefore, entered recommendations accordingly. See e.g., water rights 37-22630, 37-22631, 37-22632 and 37-22633. This conveyance has been recognized by the Idaho Department of Water Resources in similar transfers. Leaving twenty-percent (20%) of the leased rights in the Canal will insure that all rights in the Canal continue to be delivered without injury to water right holders in the Canal.

As a condition of being leased, the Canal Company requests:

1. The Canal Company does not presently object to the aforementioned water rights being placed in the Water Bank, provided that twenty-percent (20%) of the right is left in the Canal as conveyance loss.

2. Finally, the Canal Company would like to be notified if the water rights are eventually released from the Water Bank, or if the Water Rights are being leased again to the Water Bank after the expiration of the lease period.

Thank you in advance for responding to this letter and addressing our concerns. If you have any questions, please do not hesitate to call me.

Sincerely,

HIAWATHA CANAL COMPANY

A handwritten signature in blue ink that reads "David Cropper". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Cropper, President

FXH: fxh
cc: client