

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

RECEIVED
APR 18 2014
DEPARTMENT OF
WATER RESOURCES

This is to certify that: **HEART ROCK RANCH LLC**
PO BOX 3724
HAILEY ID 83333
208-788-2548

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

<u>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Acre Limit</u>	<u>Total Rented Acres</u>
37-26	4.05 CFS	NA	NA	NA
37-27	1.80 CFS	NA	NA	NA
Combined				
Rental Totals:	5.85 CFS	427.5 AF	NA	NA
Term of Rental:	January 21, 2014 to December 31, 2015			
Rental Fee:	\$7,267.50 annually			

The fee for rental of the above-described water is \$7,267.50. Ten percent (\$726.75) will go to the Department for administrative costs, and the remainder will be paid to the lessor. An annual payment shall be received by the Department prior to February 15, each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date. No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

Detailed water right specific limitations and conditions are attached.

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:


(owner) HARRY HAGEY
4/15/14
 Signature of Renter Printed Name and Title* Date

 Signature of Renter Printed Name and Title* Date

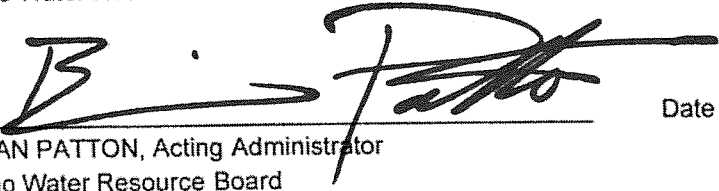
*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

SUPPORT DATA

IN FILE # 37-26

Having determined that this agreement satisfies the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By


BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date

04-18-2014

WATER SUPPLY BANK RENTAL AGREEMENT WATER RIGHT NO. 37-26

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: HEART ROCK RANCH LLC
PO BOX 3724
HAILEY ID 83333

Priority Date: 5/23/1885

Source: BIG WOOD RIVER **Tributary to:** MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
WILDLIFE, RECREATION, and AESTHETIC	04/15 to	10/31	4.05 CFS	NA
Total:			4.05 CFS	NA

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

BIG WOOD RIVER	NW¼SE¼SW¼	Sec. 12	Twp 01N	Rge 18E	BLAINE County
BIG WOOD RIVER	SE¼NW¼SE¼	Sec. 2	Twp 01S	Rge 18E	BLAINE County
BIG WOOD RIVER	NE¼SW¼SE¼	Sec. 2	Twp 01S	Rge 18E	BLAINE County (Rediversion)

RENTER'S PLACE OF USE: WILDLIFE, RECREATION, AND AESTHETIC

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	10													X		X	X	
01S	18E	11	X	X	X	X	X		X	X	X	X	X	X	X	X			
01S	18E	12						X	X										
01S	18E	14					X	X											
01S	18E	15	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	
01S	18E	21	X		X	X										X			
01S	18E	22					X	X	X										

Total Acres: NA

Acre limit within place of use described: NA

COMBINED LIMITS OF RENTED RIGHT:

<u>Combined Rights</u>	<u>Rented Rate</u>	<u>Rented Volume</u>	<u>Acre Limit</u>	<u>Total Rented Acres</u>
37-26 & 37-27	5.85 CFS	427.5 AF	NA	NA

CONDITIONS OF WATER USE

- The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
- The water rented under this agreement is appurtenant to irrigation of 171.0 acres.
- Rental of the specified right from 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 the ongoing Snake River Basin Adjudication or any other department application process.

4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. This right is measured and administered at the point of rediversion
7. Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has/will file(d) to modify water rights of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires.
8. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
9. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
10. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
11. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
12. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
13. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37.

WATER SUPPLY BANK RENTAL AGREEMENT WATER RIGHT NO. 37-27

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: HEART ROCK RANCH LLC
PO BOX 3724
HAILEY ID 83333

Priority Date: 06/15/1886

Source: BIG WOOD RIVER **Tributary to:** MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
WILDLIFE, RECREATION & AESTHETIC	04/15 to	10/31	1.80 CFS	NA
Total:			1.80 CFS	NA

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

BIG WOOD RIVER	NW¼SE¼SW¼	Sec. 12	Twp 01N	Rge 18E	BLAINE County
BIG WOOD RIVER	SE¼NW¼SE¼	Sec. 2	Twp 01S	Rge 18E	BLAINE County
BIG WOOD RIVER	NE¼SW¼SE¼	Sec. 2	Twp 01S	Rge 18E	BLAINE County (Rediversion)

RENTER'S PLACE OF USE: WILDLIFE, RECREATION, AND AESTHETIC

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	10													X		X	X	
01S	18E	11	X	X	X	X	X		X	X	X	X	X	X	X	X			
01S	18E	12						X	X										
01S	18E	14					X	X											
01S	18E	15	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	
01S	18E	21	X		X	X										X			
01S	18E	22					X	X	X										

Total Acres: NA

Acre limit within place of use described: NA

COMBINED LIMITS OF RENTED RIGHT:

<u>Combined Rights</u>	<u>Rented Rate</u>	<u>Rented Volume</u>	<u>Acre Limit</u>	<u>Total Rented Acres</u>
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5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. This right is measured and administered at the point of redirection
7. Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has/will file(d) to modify water rights of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires.
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