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DEPT OF WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE A WATER RIGHT FROM THE BANK

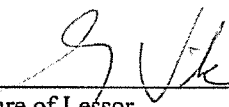
ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests the termination of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 37-20559 Telephone No: _____
Name(s) of Lessor(s): Black Butte Hills LLC C/O Gregory Vik
Mailing Address: PO Box 1607
City: Bellevue State: WA Zip: 98009

Requested Release Date: 1/01/2014

x  GREG VIK, PRESIDENT 1/23/14
Signature of Lessor Printed Name and Title* Date

Signature of Lessor Printed Name and Title* Date

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

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



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

February 13, 2014

BLACK BUTTE HILLS LLC
C/O GREGORY VIK
PO BOX 1607
BELLEVUE WA 98009

RE: LEASED WATER RIGHT NO(S). 37-20558, 37-20559, 37-7028, 37-20562, 37-20561, 37-20557 RELEASED FROM THE WATER SUPPLY BANK

Dear Lessor:

On February 11, 2014, the Department of Water Resources (Department) received your request to cancel the existing Water Supply Bank (Bank) Lease Contract executed on October 24, 2012, and release water right(s) 37-20558, 37-20559, 37-7028, 37-20562, 37-20561 and 37-20557 from the Bank. **At this time the Department acknowledges that the Bank Lease Contract for 5 acres of water right(s) 37-20558, 37-20559, 37-7028, 37-20562, 37-20561 and 37-20557 has been canceled releasing the right(s) from the Bank.**

The five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank.

You can reapply to lease the water right(s) in the future by submitting new application form(s) from the Department's website at www.idwr.idaho.gov along with applicable fees.

If you have any questions regarding this matter, please contact me at (208) 287-4944.

Sincerely,

for Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact