



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

June 24, 2013

DUSTY FARMS LLC
2450 E 600 S
DECLO ID 83323

RE: APPLICATION TO LEASE WATER RIGHTS 43-13681, 43-13682, 43-13683, 43-13684 and 43-13685 TO THE WATER SUPPLY BANK

Dear Lessor:

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 copies of a Water Supply Bank Lease Contract for your review and signature.** Please sign and return **BOTH** Lease Contracts. 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.

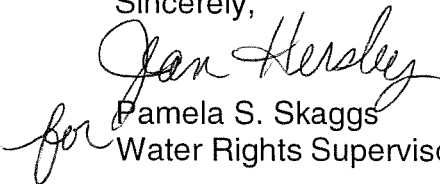
The rights will automatically be released from the Bank on **December 31, 2017**, unless the rights are released earlier by the Board, or upon your request. To change the term of the lease or to release the rights from the Bank, you must submit a request in writing, along with all applicable fees, to the Department prior to the release date. Please note your rights may not be available for immediate release if they have been rented to someone else.

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."

Contact me at (208) 287-4951 if you have any questions.

Sincerely,


Pamela S. Skaggs
Water Rights Supervisor

Enclosure: Proposed Lease Contracts