



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

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

May 22, 2013

THE BOYD CHARLES SMITH & JILL JOHNSON SMITH TRUST
C/O HOLDEN KIDWELL HAHN & CRAPO
PO BOX 50130
IDAHO FALLS ID 83405

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 22-42 AND 22-616

Dear Lessor:

Water Rights 22-42 and 22-616 were leased into the Water Supply Bank on May 21, 2013 in accordance with the executed original Lease Contract enclosed. A **portion of your rights described on the Lease Contract is considered leased into the Bank, and should remain unused, until it is formally released from the Bank.**

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) 287-4944 if you have any further questions

Sincerely,

Cherie Palmer, Sr. Water Resource Agent
Water Allocation Bureau

Enclosure: Executed Lease Contract

c: Erick Powell—Brockway Engineering PLLC