



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

December 6, 2012

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

RE: WATER SUPPLY BANK LEASES FOR WATER RIGHT NOS. 37-20557, 37-20558, 37-20559, 37-20561 AND 37-20562

Dear Lessor:

At your request, we are extending the lease period for the above-mentioned leases to a full five calendar years. There was some confusion with your applications but from my phone conversations with your consultant, it is clear your intent in filing was to protect the water from forfeiture for the maximum allowable time.

The rights will automatically be released from the Bank on **December 31, 2017**, unless the rights are released earlier by the Board, or upon request by the lessor. 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. Be aware your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Acceptance, 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) 287-4907 if you have any questions.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

cc: Allen Merritt – IDWR Southern Regional Office
James P Speck – Speck & Aanestad
Greg Sullivan – Brockway Engineering PLLC