

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE

This is to certify that: GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701
(208) 991-2701
FARMDEVELOPMENT@GMAIL.COM

has requested to lease the water right(s) listed below to 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") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

	Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
	2-2262	32.01 CFS	9,504.4 AF	NA	2,376.0 AC
COMBINED LEASE TOTALS:		32.01 CFS	9,504.4 AF	NA	2,376.0 AC

TERM OF LEASE:

Lease Begin Date: May 21, 2012

Expiration Date: December 31, 2012

RENTAL AVAILABILITY:

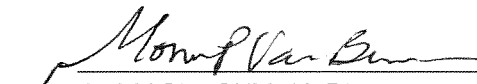
Season of Use: March 15 to November 15

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 6th day of September, 20 12


for GARY SPACKMAN, Director
Department of Water Resources

WATER RIGHT NO. 2-2262
WATER SUPPLY BANK LEASE ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: GRINDSTONE BUTTE MUTUAL CANAL CO
 PO BOX 2673
 BOISE ID 83701
 (208) 991-2701
 FARMDEVELOPMENT@GMAIL.COM

Priority Date: 12/06/1963

Source: SNAKE RIVER **Tributary to:** COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	32.01 CFS	9,504.4 AF
	Total:			32.01 CFS
				9,504.4 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L4 (NW¼SW¼) Sec. 34 Twp 05S Rge 09E ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	23					7.5	7.5	7.5	7.5					7.5	7.5	7.5	7.5	60
06S	09E	24									7.5	7.5	7.5	7.5					30
06S	09E	25									7.5	7.5	7.5	7.5					30
06S	09E	26	7.5	7.5	7.5	7.5					7.5	7.5	7.5	7.5					60
06S	09E	28															7.5	7.5	15
06S	09E	33	7.5	7.5															15
06S	09E	34													18				18
06S	09E	35	7.5	7.5	7.5	7.5					17	40					7.5	7.5	102
06S	09E	36	7.5	7.5	7.5	7.5	7.5	7.5		5.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	110
06S	10E	30											7.5	7.5					15
06S	10E	31			6.5	6.5	1.0	7.5	7.5	1	7.5	9.0	14.5	9.0	7.5	7.5	7.5	7.5	100
06S	10E	32									10.5	11.0	7.5	11.0					40
07S	09E	10																38	38
07S	09E	11			39	38					40		30	32	40	40	36.5	40	335.5
07S	09E	12									40	40	40	40			33		193
07S	09E	13	40	40	40	40	40	33			36	33							302
07S	09E	14						40											40
07S	09E	15	40																40
07S	10E	4									7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	60
07S	10E	5									7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	60
07S	10E	6																40	40
07S	10E	7				7.5													7.5
07S	10E	8					7.5	7.5	7.5	7.5									30
07S	10E	9					7.5	7.5	7.5	7.5					7.5	7.5	7.5	7.5	60

07S	10E	10									7.5	7.5	7.5	7.5					30
07S	10E	15					7.5	7.5	7.5	7.5	7.5								30
07S	10E	16	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	6.5	0.5					82
07S	10E	17	7.5	6.5	6.5	7.5													28
07S	10E	18							40		40	40							120
07S	10E	20					7.5	7.5									7.5		22.5
07S	10E	22	7.5	7.5	7.5	7.5													30
07S	10E	23					7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5					60
07S	10E	26	7.5	7.5	7.5	7.5													30
07S	10E	27	5.0	5.0	5.0	20	5.0		5.0										45
07S	10E	28			7.5	7.5													15
07S	10E	29							7.5	7.5					7.5	7.5	7.5	7.5	45

Total Acres: 2,376

WATER RIGHT NO. 2-2262 WATER SUPPLY BANK LEASE ACCEPTANCE

CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. 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.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into 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 any other department application process.
9. In accordance with Idaho Code § 42-248 and 42-1409(6), all owners of water rights are required to notify the department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.