



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

August 13, 2012

BLACK BUTTE HILLS LLC
PO BOX 1607
BELLEVUE WA 98009

RE: APPLICATION TO LEASE WATER RIGHT NO. 37-20560 TO THE WATER SUPPLY BANK

Dear Lessor:

The Department of Water Resources has completed its review of your applications to lease the above-mentioned water right number to the Water Supply Bank. The offered water right is accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The right will automatically be released from the Bank on **December 31, 2016**, unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right from the Bank, you must submit a request in writing, along with all applicable fees, to the Department prior to the release date.

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)

c: Allen Merritt – IDWR Southern Regional Office
Greg Sullivan – Brockway Engineering PLLC