

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

This is to certify that: SNAKE RIVER DAIRIES LLC
15188 S CANADA RD
MELBA ID 83641
(208) 495-2034

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
	63-7270B	1.39 CFS	629.9 AF	NA	140.0 AC
COMBINED LEASE TOTALS:		1.39 CFS	629.9 AF	NA	140.0 AC

TERM OF LEASE:

Lease Begin Date: March 1, 2012

Expiration Date: December 31, 2016

RENTAL AVAILABILITY:

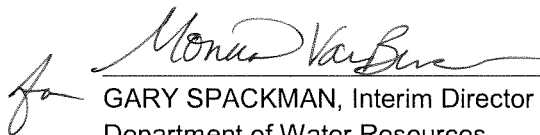
Season of Use: April 1 to November 15 annually

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 21st day of March, 2012


GARY SPACKMAN, Interim Director
Department of Water Resources

SCANNED

APR 04 2012

RELEASED
MAR 12 2013

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

This is to certify that: SNAKE RIVER DAIRIES LLC
15188 S CAN ADA RD
MELBA ID 83641
(208) 495-2034

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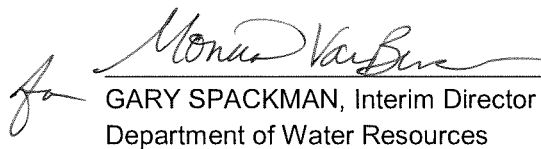
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Dated this 21st day of March, 2012


GARY SPACKMAN, Interim Director
Department of Water Resources

**WATER RIGHT NO. 63-7270B
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: SNAKE RIVER DAIRIES LLC
15188 S CAN ADA RD
MELBA ID 83641
(208) 495-2034

Priority Date: 10/07/1969

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 11/15	1.39 CFS	629.9 AF
	Total:		1.39 CFS	629.9 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NE¼SE¼ Sec. 20 Twp 01S Rge 01W ADA 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	
01S	01W	20													38	10	22	40	110
01S	01W	29	30																30

Total Acres: 140.0

CONDITIONS OF ACCEPTANCE

1. This right is accepted for lease into the Water Supply Bank based on historic beneficial use prior to approval of Transfer 73927. No actual beneficial use change has occurred pursuant to Transfer 73927. Therefore, this lease reflects the elements of the water right prior to approval of Transfer 73927. The authorized water right elements remain as described in the approval of Transfer 73927 until action is taken by the right holder.
2. The water rights referenced above will be rented from the bank at the current rental rate.
3. 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.
4. 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.
5. 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.
6. While a water right is in the bank, forfeiture provisions are stayed.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

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CONDITIONS OF ACCEPTANCE

9. 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.
10. 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.
11. 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.
12. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
13. The use of water for irrigation under this right may begin as early as March 1, provided other elements of the right are not exceeded. The use of water before April 1 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.

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.