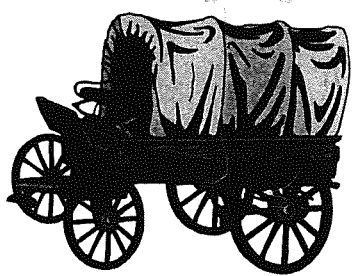


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DEPARTMENT OF
WATER RESOURCES



Pioneer Irrigation District

P.O. BOX 426 • CALDWELL, IDAHO 83606
(208) 459-3617
www.pioneerirrigation.com

February 13, 2012

Mason Creek Ditch Company
c/o Martin C. Galvin
P.O. Box 115
Middleton, ID 83644

Re: 2012 Lease to Idaho Water Resource Board Water Supply Bank of
6 cfs of Water Right 63-00179C

Dear Mr. Galvin:

This letter serves as written consent to the Mason Creek Ditch Company to lease 6 cfs of water from Water Right 63-00179C to the Idaho Water Resource Board's Water Supply Bank for the 2012 irrigation season.

The Pioneer Irrigation District Board of Directors met on February 7, 2012, and considered Mason Creek Ditch Company's written request (attached) and concurred to approve the rental of 6 cfs of Water Right 63-00179C to the Idaho Water Resource Board Water Supply Bank for the 2012 irrigation season.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Debra L. Cline".

Debra L. Cline
Secretary

Enclosure

cc: Pioneer Irrigation District Board of Directors
Monica VanBussum, IDWR

Date 2-7-2012

Pioneer Irrigation Dist.

ATTN: Chairman

P.O. Box 426

Caldwell, ID

Dear Chairman,

In our agreement, Mason Creek agreed that it would not lease Mason Creek water to the water bank that had historically been diverted into the Highline without giving prior written notice to Pioneer Irrigation Dist. Please consider this letter to be written notice that Mason Creek intends to lease 6 cfs of water under Water Right 63-00179C to the Idaho Water Resources board water supply bank. This lease to the water bank would be for the water year 2012 only with the right to lease such water in the future as Mason Creek finds appropriate.

If you want to discuss this proposal, please give me a call.

Very truly yours,

McGavin Boardmember

Mason Creek Ditch Co.