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DEC 06 2011

DEPARTMENT OF
WATER RESOURCES

1 December 2011

Water Supply Bank
Attn: Monica Van Bussum

RE: Water Supply Bank Lease Applications for Water Rights NOS. 34-13873 and 34-14047

Dear Monica,

I am writing this letter to help clarify my applications to lease to the Water Supply Bank Water Rights NOS. 34-13873 and 34-14047. These water rights were originally applied to be placed in the Water Supply Bank in July of 2008. It was not until May of 2011 that I received a letter from the Water Supply Bank stating that the rights could not be accepted into the Water Supply Bank without further documentation that the water rights had been used.

To help clarify my position that the Water Rights have been used I submit the following information.

The rights were used this fall when on October 12th, the water master Roger Tottem, attempted to deliver the water that was called for. The water was unable to reach my property resulting in what I believe to be a futile call. My water must flow a considerable distance down a gravel ditch to reach its intended place of use. This distance and the gravel ditch do not lend itself to allowing my water to reach my property with out extra water being placed into the ditch.

I believe Idaho Forfeiture Law Section 42-223 subsection 6 applies in this case. "No portion of any water right shall be lost or forfeited for nonuse if the nonuse results from circumstances over which the water right owner has no control." If the water is undeliverable and out of my control then I do not believe my water rights can be said to be not used or forfeited if I have called for the water and the water was undeliverable at no fault of my own.

Furthermore, we did extensive ditch work, digging out a plug at the head gate, cleaning the culverts, deepening some of the channels to ensure there would be plenty of opportunity for the water to reach its place of use. I have pictures before and after the work was done, if needed let me know and I will forward them to you.

Also the water was delivered at the end of the season when all other water users were turned off that day thus preventing any conflict with other owners in the futile attempt to deliver the water.

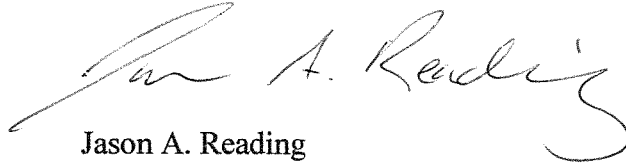
One last point of clarification is a letter I have from the previous land owner Brenda Blackwell stating that the well water was turned on and used on the property prior to the sale of the land to myself in November of 2006. Thus keeping the water rights active and

preventing forfeiture through nonuse. This letter was sent to the water master, Roger Tottem.

If you need any further information, pictures, or further documentation please let me know. Also the water master, Roger Tottem, should be able to answer and clarify any questions.

Please contact me as needed.

Thank you,

A handwritten signature in cursive script, reading "Jason A. Reading". The signature is written in black ink and is positioned above the printed name and phone number.

Jason A. Reading
208-681-5897