

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

This is to certify that: GRANDVIEW RANCH LLC
266 W BRIDGE
BLACKFOOT ID 83221
(208) 785-2310
DEBAKER@BAKERHARRISLAW.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

	<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
	35-14181	0.59 CFS	133.2 AF	NA	33.3 AC
COMBINED LEASE TOTALS:		0.59 CFS	133.2 AF	NA	33.3 AC

TERM OF LEASE:

Lease Begin Date: April 1, 2011

Expiration Date: December 31, 2015

RENTAL AVAILABILITY:

Season of Use: April 1 to October 31 annually

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 9th day of January, 2012


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 35-14181
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: GRANDVIEW RANCH LLC
 266 W BRIDGE
 BLACKFOOT ID 83221
 (208) 785-2310
 DEBAKER@BAKERHARRISLAW.COM

Priority Date: 08-12-1976

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.59 CFS	133.2 AF
	Total:			0.59 CFS
				133.2 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NE¼SE¼SW¼	Sec. 25	Twp 03S	Rge 31E	BINGHAM County
GROUND WATER	NE¼NW¼SW¼	Sec. 36	Twp 03S	Rge 31E	BINGHAM County
GROUND WATER	NE¼NW¼SE¼	Sec. 36	Twp 03S	Rge 31E	BINGHAM County
GROUND WATER	NE¼NE¼NW¼	Sec. 31	Twp 03S	Rge 31E	BINGHAM County
GROUND WATER	SW¼SE¼NW¼	Sec. 31	Twp 03S	Rge 31E	BINGHAM 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	
03S	31E	36						33.3											33.3

Total Acres: 33.3

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.

**WATER RIGHT NO. 35-14181
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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.
12. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
13. The portion of rights 35-7488, 35-2685, 35-13046, 35-2599, 35-7489 and 35-14181 not leased to the Water Supply Bank are limited to the irrigation of a specific 1205.3 acres within the 1550.5 acre place of use authorized by this right in a single irrigation season. The specific 1205.3 acres to be irrigated by the right holder are shown in the electronic shape file or associated with this right in the geographic information system component of the water rights database maintained by the Department. Before changing the 1205.3 acres to be irrigated within the 1550.5 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
14. The portion of rights 35-7488, 35-2685, 35-13046, 35-2599, 35-7489 and 35-14181 not leased to the Water Supply Bank when combined shall not exceed a total diversion rate of 17.02 cfs, a total maximum diversion volume of 4787.2 af at the field headgate, and the irrigation of 1205.3 acres.

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.