

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

This is to certify that: SMOKEY DOME LLC
C/O GREGORY VIK
PO BOX 1607
BELLEVUE WA 98009
(425) 460-2542
GREGV@PISTOLCREEK.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

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
37-38	1.50 CFS	NA	NA	78.9 AC
37-404A	0.12 CFS	NA	NA	78.9 AC
COMBINED LEASE TOTALS:	1.62 CFS	NA	NA	78.9 AC

TERM OF LEASE:

Lease Begin Date: January 29, 2010

Expiration Date: December 31, 2014

RENTAL AVAILABILITY:

Season of Use: April 15 to October 31 annually

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 27th day of June, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources

**WATER RIGHT NO. 37-38
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: SMOKEY DOME LLC
C/O GREGORY VIK
PO BOX 1607
BELLEVUE WA 98009
(425) 460-2542
GREGV@PISTOLCREEK.COM

Priority Date: 11/08/1887

Source: OWENS CREEK **Tributary to:** SOLDIER CREEK
SOLDIER CREEK CAMAS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	1.50 CFS	
Total:			1.50 CFS	

LOCATION OF POINT(S) OF DIVERSION:

SOLDIER CREEK	SW¼SW¼SE¼	Sec. 29	Twp 02N	Rge 14E	CAMAS County
SOLDIER CREEK	NE¼SW¼SE¼	Sec. 29	Twp 02N	Rge 14E	CAMAS County
SOLDIER CREEK	NE¼SW¼SE¼	Sec. 29	Twp 02N	Rge 14E	CAMAS 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	
02N	14E	29															15		15
02N	14E	32	9.1	20.0	7.8	27.0													63.9

Total Acres: 78.9 AC

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
37-38 AND 37-404A			78.9 AC

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.

**WATER RIGHT NO. 37-38
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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.
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. The rights listed below are limited to the irrigation of a combined total of 78.9 acres in a single irrigation season. Combined Right Nos.: 37-38 and 37-404A.
12. This water right shall be administered as being from a separate source pursuant to Basin 37 Part 2 General Provision No. 1A. If the holder of this right seeks to change the right pursuant to Idaho Code Sec. 42-222 or successor statute, nothing in this general provision shall preclude any other person or entity from demonstrating that such a change in use would cause injury to its water right or from receiving any relief provided by law in the event of injury.

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.

WATER RIGHT NO. 37-404A
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: SMOKEY DOME LLC
 C/O GREGORY VIK
 PO BOX 1607
 BELLEVUE WA 98009
 (425) 460-2542
 GREGV@PISTOLCREEK.COM

Priority Date: 06/01/1898

Source: OWENS CREEK **Tributary to:** SOLDIER CREEK
 SOLDIER CREEK CAMAS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	0.12 CFS	
	Total:		0.12 CFS	

LOCATION OF POINT(S) OF DIVERSION:

SOLDIER CREEK	SW¼SW¼SE¼	Sec. 29	Twp 02N	Rge 14E	CAMAS County
SOLDIER CREEK	NE¼SW¼SE¼	Sec. 29	Twp 02N	Rge 14E	CAMAS County
SOLDIER CREEK	NE¼SW¼SE¼	Sec. 29	Twp 02N	Rge 14E	CAMAS 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	
02N	14E	29															15		15
02N	14E	32	9.1	20.0	7.8	27.0													63.9

Total Acres: 78.9 AC

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
37-38 AND 37-404A			78.9 AC

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.

**WATER RIGHT NO. 37-404A
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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.
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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.