

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

This is to certify that: RJ LLC
72 PELICAN POINT
RUPERT ID 83350
(208) 436-4114

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
	36-7934	*2.08 CFS	416.4 AF	NA	104.1 AC
COMBINED LEASE TOTALS:		*2.08 CFS	416.4 AF	NA	104.1 AC

*The flow rate available to be rented under this lease is 1.89 cfs.

TERM OF LEASE:

Lease Begin Date: December 22, 2010

Expiration Date: December 31, 2015

RENTAL AVAILABILITY:

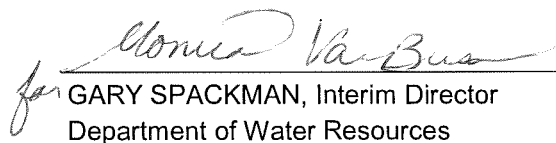
Season of Use: April 1 to October 31 annually

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 27th day of May, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 36-7934 **WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: RJ LLC
 72 PELICAN POINT
 RUPERT ID 83350
 (208) 436-4114

Priority Date: 08/19/1980

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	*2.08 CFS	416.4 AF
	Total:		*2.08 CFS	416.4 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW¼SE¼NW¼ Sec. 31	Twp 06S	Rge 23E	LINCOLN County
GROUND WATER	L4 (NW¼SW¼SW¼) Sec. 31	Twp 06S	Rge 23E	LINCOLN County
GROUND WATER	SW¼SE¼NE¼ Sec. 4	Twp 07S	Rge 23E	LINCOLN County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
06S	23E	31					7.8	8.5	3.1	2.9	2.7	2.9	12.2	10.5					50.6
07S	23E	4	8.7	8.3	2.4	2.9									6.0	5.9	9.7	9.6	53.5

Total Acres: 104.1

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. 36-7934
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. Rights 36-2449, 36-7523, 36-7835 and 36-7934 when combined shall not exceed a total diversion rate of 10.33 cfs, a total annual maximum diversion volume of 2600.0 af at the field headgate, and the irrigation of 650 acres.
12. Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized points)of diversion in accordance with Department specifications.
13. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date of this approval.
14. 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. 130.
15. 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.
16. Rights 36-7523 and 36-7934 when combined shall not exceed a total diversion rate of 5.17 cfs.
17. This right is for the use of trust water and is subject to review 20 years after the issuance of the permit to determine availability of water and to re-evaluate the public interest.
18. *The amount available to be rented under this lease is 1.89 cfs.

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.