

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

This is to certify that: DEER CREEK RANCH INC
ATTN JOHN FLYNN
PO BOX 3090
NEWPORT BEACH CA 92658
(949) 720--3400

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>
37-5	3.00 CFS	NA	58 AC	116 AC
37-833R	1.00 CFS	175.00 AF	NA	50 AC
COMBINED LEASE TOTALS:	4.00 CFS	NA	NA	166 AC AC

TERM OF LEASE:

Lease Begin Date: February 23, 2011

Expiration Date: December 31, 2015

RENTAL AVAILABILITY:

Season of Use: April 15 to October 31 annually

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 23rd day of February, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 37-5 **WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: DEER CREEK RANCH INC
 ATTN JOHN FLYNN
 PO BOX 3090
 NEWPORT BEACH CA 92658
 (949) 720-3400

Priority Date: 03/10/1883

Source: BIG WOOD RIVER Tributary to: MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	1.16 CFS	
WILDLIFE	04/15	to 10/31	3.00 CFS	
RECREATION	04/15	to 10/31	3.00 CFS	
Total:			3.00 CFS	

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER NE¼SW¼SW¼ Sec. 29 Twp 03N Rge 18E BLAINE County
 BIG WOOD RIVER NW¼SE¼SW¼ Sec. 30 Twp 03N Rge 18E BLAINE County (Rediversion)
 BIG WOOD RIVER NE¼SW¼SW¼ Sec. 30 Twp 03N Rge 18E BLAINE County (Injection)

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	
03N	18E	29										3.0	7.0						10
03N	18E	30			13	10	30			23					1.0			5.0	82
03N	18E	32						10	14										24

Total Acres: 116

Acre Limit within Place of Use described: 58

PLACE OF USE TO BE IDLED UNDER THIS LEASE: WILDLIFE & RECREATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	18E	30									X			X	X	X	X	X	

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.

**WATER RIGHT NO. 37-5
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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.
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. Prior to rental of the right from bank, additional information and review may be required to confirm the historic consumptive water use.
12. This right when combined with other water rights shall provide no more than 0.02 cfs per acre.

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.

Dated this 23rd day of February, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources

**WATER RIGHT NO. 37-833R
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: DEER CREEK RANCH INC
ATTN JOHN FLYNN
PO BOX 3090
NEWPORT BEACH CA 92658
(949) 720--3400

Priority Date: 11/12/1936

Source: BIG WOOD RIVER Tributary to: MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	1.00 CFS	175.0 AF
	Total: 1.00 CFS			175.0 AF

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER NE¼SW¼SW¼ Sec. 29 Twp 03N Rge 18E BLAINE 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	
03N	17E	26											40						40
03n	18e	30								10									10

Total Acres: 50

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.

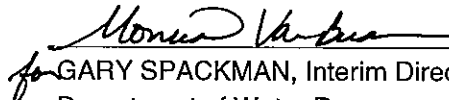
**WATER RIGHT NO. 37-833R
WATER SUPPLY BANK LEASE ACCEPTANCE**

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 other water rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre for irrigation of the lands above.
12. The saved water shall be made available to the Rockwell By-Pass saved water right holders any time the Rockwell By-Pass is being used to deliver water to Broadford Slough right holders. The Rockwell saved water rights shall be curtailed when calls for senior water rights from the Broadford Slough cannot be delivered.

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.

Dated this 23rd day of February, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources