



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

February 14, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

JCAV LLC
C/O JACK VANDERWAAL
PO BOX 463
FOX ISLAND WA 96333

RE: WATER SUPPLY BANK ACTIVITY FOR 95-2151, 95-2155 (SPLIT INTO 95-9544 AND 95-9545), AND 95-7949

Dear Lessor:

Idaho Department of Water Resources ("department") records show that all or a portion of 95-2151 and 95-2155 were leased to the Water Supply Bank ("Bank") through December 31, 2009. This letter is notice that the rights were considered released from the Bank. Per a change of ownership, water right 95-2155 split into 95-9544 (Thayer) and 95-9545 (Arestad).

Additionally, 95-7949 had been accepted as an indefinite lease. Department records indicate you are not the owner of 95-2151, 95-2155 (or its split rights 95-9544 and 95-9545), or 95-7949. This letter is to inform you that the Department has terminated the lease for 95-7949 because you are not the owner of record for the water right. Leases for the other rights were considered released as of January 1, 2010. If you wish to lease any portion of these rights to the Bank, you will need to file a change of ownership with the Department.

In short, no part of any of these rights is currently leased to the Bank.

Please review the conditions of acceptance listed on the Lease Acceptance and contact me at (208) 287-4907 if you have any questions.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: Bob Haynes – IDWR Northern Regional Office
Steve Hannula – ERO Resources Corp.
George Thayer – PO Box 190; Rathdrum, ID 83858
Osie Thayer – Rt 1 Box 6; Rathdrum, ID 83858
Ragnar Arestad – PO Box 2646; Coeur d'Alene, ID 83816