

**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
36-7523	0.40 CFS	93.2 AF	N/A	23.3 AC
36-7934	0.39 CFS	78.8 AF	N/A	19.7 AC
COMBINED LEASE TOTALS:	0.77 CFS	172.0 AF	N/A	43.0 AC

TERM OF LEASE:

Lease Begin Date: May 23, 2006

Expiration Date: August 4, 2008

RENTAL AVAILABILITY:

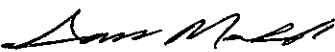
Season of Use: 03/15 to 11/15 under right 36-7523
04/01 to 10/31 under right 36-7934

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 22ND day of OCTOBER, 20 08



FOR DAVID R. TUTHILL, JR., Director
Department of Water Resources

**WATER RIGHT NO. 36-7523
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: 02/26/1975

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.40 CFS	93.2 AF
	Total:		0.40 CFS	93.2 AF

LOCATION OF POINT(S) OF DIVERSION:

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				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	23E	4													4.3	5.3	8.3	5.4	23.3

Total Acres: 23.3

Acre Limit within Place of Use described: N/A

COMBINED LIMITS OF PORTION OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
36-7523, 36-7934	0.77 CFS	N/A	N/A

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 section 42-351, Idaho Code, for illegal diversion and use of water, and may include civil penalties pursuant to Section 42-1701B, Idaho Code.
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.

**WATER RIGHT NO. 36-7523
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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 Sections 42-248 and 42-1409(6), Idaho Code, 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. During the term of this lease, use of unleased portions of rights 36-7523 and 36-7934 are limited to a total combined diversion rate of 4.40 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.

Dated this 22ND day of OCTOBER, 20 08



FOR DAVID R. TUTHILL, JR., 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	0.39 CFS	78.8 AF
Total:			0.39 CFS	78.8 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼NE¼ 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				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	23E	4	5.7	6.7	2.3	1.5													16.2
			L1	L2															

Total Acres: 16.2

Acre Limit within Place of Use described: N/A

COMBINED LIMITS OF PORTION OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
36-7523, 36-7934	0.71 CFS	N/A	N/A

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 section 42-351, Idaho Code, for illegal diversion and use of water, and may include civil penalties pursuant to Section 42-1701B, Idaho Code.
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.
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6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.

SCANNED
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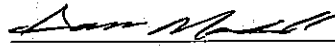
**WATER RIGHT NO. 36-7934
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