

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

This is to certify that: MARK MCDONOUGH
PO BOX 74
MELBA ID 83641
(208) 495-9801

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
	63-3597F	0.72 CFS	344.2 AF	86.5 AC	106.0 AC
	63-7156D	0.30 CFS	127.0 AF	29.5 AC	106.0 AC
COMBINED LEASE TOTALS:		1.02 CFS	428.0 AF	95.1 AC	106.0 AC

TERM OF LEASE:

Lease Begin Date: February 2, 2007

Expiration Date: Indefinite

RENTAL AVAILABILITY:

Season of Use: 03/15 to 11/15 under right 63-3597F

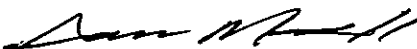
Season of Use: 04/01 to 11/01 under right 63-7156D

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 2ND day of APRIL, 2008



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

WATER RIGHT NO. 63-3597F
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: MARK MCDONOUGH
 PO BOX 74
 MELBA ID 83641
 (208) 495-9801

Priority Date: 04/13/1967

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	0.72 CFS	344.2 AF
	Total:		0.72 CFS	344.2 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW¼SW¼	Sec. 11	Twp 02N	Rge 03W	CANYON County
GROUND WATER	NE¼SE¼	Sec. 11	Twp 02N	Rge 03W	CANYON 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
02N	03W	11				2.0									26.0		39.0	39.0	106.0

Total Acres: 106.0

Acre Limit within Place of Use described: 86.5

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. Use of rights 63-3597F and 63-7156D are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate, annual diversion volume, and total acres authorized for irrigation.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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 the ongoing Snake River Basin Adjudication or any other department application process.

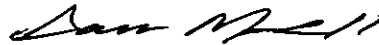
**WATER RIGHT NO. 63-3597F
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

10. 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.
11. 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.

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 2ND day of APRIL, 2008



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

WATER RIGHT NO. 63-7156D
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: MARK MCDONOUGH
 PO BOX 74
 MELBA ID 83641
 (208) 495-9801

Priority Date: 10/07/1968

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 11/01	0.30 CFS	127.0 AF
	Total:		0.30 CFS	127.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW¼SW¼	Sec. 11	Twp 02N	Rge 03W	CANYON County
GROUND WATER	NE¼SE¼	Sec. 11	Twp 02N	Rge 03W	CANYON 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	03W	11				2.0									26.0		39.0	39.0	106.0

Total Acres: 106.0

Acre Limit within Place of Use described: 29.5

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. Use of rights 63-3597F and 63-7156D are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate, annual diversion volume, and total acres authorized for irrigation.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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 the ongoing Snake River Basin Adjudication or any other department application process.

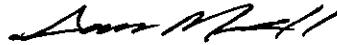
**WATER RIGHT NO. 63-7156D
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

10. 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.
11. 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.

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 2ND day of APRIL, 2008



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