

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

This is to certify that: LEWIS BROTHERS INC
C/O DIGGS LEWIS
PO BOX 3301
ALPINE WY 83128
(307) 654-7645

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>Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
	27-7071	3.68 cfs	1,080.0 af	N/A	359.7 ac
COMBINED LEASE TOTALS		3.68 cfs	1,080.0 af	N/A	359.7 ac

TERM OF LEASE:

Lease Begin Date: March 02, 2006

Expiration Date: Indefinite

RENTAL AVAILABILITY:

Season of Use: May 01 to October 15

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached

Dated this 13 day of March, 2007


DAVID R. TUCKHILL, JR., Interim Director
Department of Water Resources

**WATER RIGHT NO. 27-7071
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: LEWIS BROTHERS INC
C/O DIGGS LEWIS
PO BOX 3301
ALPINE WY 83128
(307) 654-7645

Priority Date: 02/11/1977

Source: HOLE IN THE ROCK LAKE

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 10/15	3.68 CFS	1,080.0 AF
	Total: 3.68 CFS			1,080.0 AF

LOCATION OF POINT(S) OF DIVERSION:

HOLE IN THE ROCK LAKE	SWNWSE	Sec. 12	Twp 07S	Rge 41E	CARIBOU County
HOLE IN THE ROCK LAKE	SENESE	Sec. 12	Twp 07S	Rge 41E	CARIBOU 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	41E	12									13.0	40.0	39.0	2.0					94.0
07S	41E	13			26.0	8.0	25.0	23.0	14.0	36.0	34.0	23.0	7.0	35.0	6.0	27.0	1.7		265.7

Total Acres: 359.7

Acre Limit within Place of Use described: N/A

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
N/A	N/A	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

**WATER RIGHT NO. 27-7071
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

- 3 While a right is in the bank, the owner of the right 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
- 7 Rental of the right from the bank may require additional review to confirm the availability of the surface water sources and the extent of beneficial use.
- 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
- 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 13 day of March, 20 07


DAVID R. T. HILL, JR., Interim Director
Department of Water Resources