

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

This is to certify that: HEATHER NORTON FLYNN
PO BOX 72
HAILEY ID 83333

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>
34-13860	0.200 cfs	N/A	10 ac	N/A
COMBINED LEASE TOTALS	0.200 cfs	N/A	10 ac	N/A

TERM OF LEASE:

Lease Begin Date: April 25, 2006

Expiration Date: Indefinite

RENTAL AVAILABILITY:

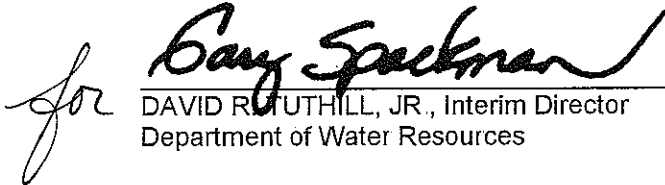
Season of Use: 5/01 to 10/15

RENTAL RATE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 3rd day of April, 2007

for 
DAVID R. MUTHILL, JR., Interim Director
Department of Water Resources

SCANNED

APR 11 2007

**WATER RIGHT NO. 34-13860
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

LESSOR: HEATHER NORTON FLYNN
PO BOX 72
HAILEY ID 83333

Priority Date: 04/01/1884

Source: BIG LOST RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	10/15	0.200 CFS	
		Total:	0.200 CFS	

LOCATION OF POINT(S) OF DIVERSION:

BIG LOST RIVER SWNW Sec. 1 Twp 06N Rge 24E CUSTER 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
06N	24E	1																	22.0
																			L 4

Total Acres: 22

Acre Limit within Place of Use described: 10 acres

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
34-13860 AND 34-13862	N/A	N/A	22 AC

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

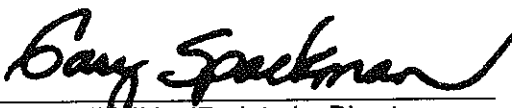
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CONDITIONS OF ACCEPTANCE

- 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.
- 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.

The water right 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 3rd day of April, 2007

for 
DAVID R. TUTILL, JR., Interim Director
Department of Water Resources

SCANNED

APR 11 2007