

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

This is to certify that: SUN VALLEY RANCH LLC
PO BOX 40380
KETCHUM ID 83340
(208) 726-1780

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>
37-232	1 60 cfs	NA	160 0 ac	160 0 ac
COMBINED LEASE TOTALS	1.60 cfs	NA	160.0 ac	160.0 ac

TERM OF LEASE:

Lease Begin Date: April 15, 2007

Expiration Date: October 31, 2007

RENTAL AVAILABILITY:

Season of Use: 04/15 to 10/31

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 2nd day of July, 20 07

 David R. T. Hill, Jr.
DAVID R. T. HILL, JR., Director
Department of Water Resources

WATER RIGHT NO. 37-232
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: SUN VALLEY RANCH LLC
 PO BOX 40380
 KETCHUM ID 83340
 (208) 726-1780

Priority Date: 5/15/1884

Source: BIG WOOD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	1 60 CFS	
			Total:	1.60 CFS

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER	SESWSE	Sec 2	Twp 01S	Rge 18E	BLAINE County	
BIG WOOD RIVER	NWSESW	Sec 12	Twp 01N	Rge 18E	BLAINE County	
BIG WOOD RIVER	NESWSE	Sec 2	Twp 01S	Rge 18E	BLAINE County	Rediversion

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	
01S	18E	10													5 1	28 0	34 0	34 0	101 1
01S	18E	11	40 0	40 0	40 0	40 0	39 0	14 0	28 0	40 0	40 0	39 0	39 0	40 0	41 0	36 0			516 0
01S	18E	12						27 0	24 0										51 0
01S	18E	14	3 9	34 0	8 7		35 0	40 0	40 0	38 0									199 6
01S	18E	15	40 0	40 0	34 0	40 0	26 0		3 4	33 0									216 4

Total Acres: 1084 1

Acre Limit within Place of Use described: 160 0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
37-230, 37-231B, 37-232	1 60 CFS	NA	160 0 AC

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-68A, 37-230, 37-231B, 37-232, 37-577AZ, 37-22050	1 60 CFS	NA	1084 1 AC

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-68A, 37-230, 37-231B, 37-232, 37-577AZ, 37-22050 37-2492	1 60 CFS	NA	1168 5 AC

**WATER RIGHT NO. 37-232
WATER SUPPLY BANK LEASE ACCEPTANCE**

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 37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-68A, 37-230, 37-231B, 37-232, 37-577AZ, 37-22050, and 37-2492 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 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.
12. 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
13. A portion of the combined right limits will be held in the bank for use as mitigation as defined by right 37-577AZ. A total of 0.20 cfs of water right 37-577AZ cannot be rented from the bank and cannot be diverted under the right for any purpose
14. During the term of this lease, use of combined rights 37-2492 and 37-22050 for irrigation purposes shall be stayed.

WATER RIGHT NO. 37-232
WATER SUPPLY BANK LEASE 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 July, 20 07

for Gay Spackman
DAVID R. TUTHILL, JR., Director
Department of Water Resources