

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

This is to certify that: SINCLAIR OIL CO
DBA SUN VALLEY CO.
PO BOX 10
SUN VALLEY ID 83353

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(s) 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>Total Leased Acres</u>
37-415	1.7 cfs	NA	50 acres

COMBINED LEASE TOTALS	1.7 cfs	NA	50 acres
----------------------------------	----------------	-----------	-----------------

TERM OF LEASE: Lease Begin Date: June 21, 2007
Expiration Date: December 31, 2011

RENTAL AVAILABILITY: Season of Use: 04/15 to 10/31

MINIMUM PAYMENT ACCEPTABLE: Current Rental Rate

Detailed Lease Acceptance attached

Dated this 21st day of June, 20 07

for David R. Tutthill, Jr.
DAVID R. TUTTHILL, JR., Director
Department of Water Resources

WATER RIGHT NO. 37-415
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: SINCLAIR OIL CO.
 DBA SUN VALLEY CO
 PO BOX 10
 SUN VALLEY ID 83353

Priority Date: 04/25/1881

Source: TRAIL CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	1.7 cfs	NA
	Total:		1.7 cfs	NA

LOCATION OF POINT(S) OF DIVERSION:

TRAIL CREEK	NE1/4SE1/4	Sec 32	Twp 05N	Rge 18E, B M	BLAINE County
TRAIL CREEK	NE1/4NW1/4	Sec 05	Twp 04N	Rge 18E, B M	BLAINE 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					
4N	18E	7												0.8				2.2		5.0	8.8		16.8
4N	18E	6																			6.1		6.1
4N	18E	18		0.2				2.0															2.2
5N	18E	32														1.9				12.0	11.0		24.9

Total Acres: 50

Acre Limit within Place of Use described: 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 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.

**WATER RIGHT NO. 37-415
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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.
11. In the event the owner of the water right withdraws the authority granted to the lessor to lease a water right to the bank, the lessor shall notify the department in writing and the water right will automatically be released from the bank.
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.

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 21st day of June, 2007

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