

Surface Water Lease Contract

Attachment B: Dry-year lease options and conditions

1. Exercising the Option

For this lease, the Lessee shall have the option to exercise the lease of Lessor's surface water appropriation any year during the contract period specified in Section 2, Item 9. The Lessee will be required to provide written notice to the Lessor no later than March 1st of the year in which the dry option will be exercised. Failure to comply with the exercise of the option by the Lessor may result in early termination.

2. Lease payment terms

A. Will there be an initial contract payment?

☐ Yes

☐ No

If yes, please describe the initial contract payment

A payment of \$_____ will be made to Lessor for the establishment of the dry year lease of _____ acre-feet of consumptive use per year for contract period specified in section 7.

B. Will there be an annual payment to maintain the dry-lease option?

☐ Yes

☐ No

If yes, annual payment

☐ *Monthly installment: In the space provided below state the day of month upon which payments will be made and the amount of monthly payments*

☐ *Annual Installment: In the space provided below state the day of year upon which payments will be made and the amount of each annual payment*

☐ *Other: Describe _____*

Payment Schedule:	Payment Amount:

C. Payment to exercise the dry-year option

The agreed-upon price when a dry-year option is exercised is \$_____ for _____ acre-feet of consumptive use

Payment Schedule: Check the appropriate box to indicate whether payment for the surface water appropriation shall be made:

☐ Monthly installment: In the space provided below state the day of month upon which payments will be made and the amount of each monthly payment

☐ Lump-sum payment: In the space provided below state the date upon which payment will be made and the amount of each annual payment for each year the option is exercised

Payment Date:	Payment Amount: