

DOMINICK LAW OFFICES, P.L.L.C.
ATTORNEY AT LAW

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DEPARTMENT OF
WATER RESOURCES

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Boise, Idaho 83702
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March 23, 2009

Idaho Department of Water Resources
322 E. Front Street
P. O. Box 83720
Boise, Idaho 83720-0098

RE: Water Rights #47-2337, #47-4101 and #47-4462

To Whom it May Concern:

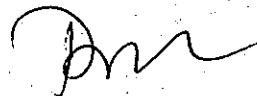
Enclosed please find an agreement between the parties concerning the above water rights. Please prepare a standard form five based on the agreement. The Standard Form 5 should simply make a note that there is this agreement as follows:

Water rights subject to "Agreement Regarding Water Rights #47-2334, #47-4101 and #47-4462" entered into on or about March 13, 2009.

Please provide myself and Travis Thompson a copy of the Standard Form 5 once it has been prepared.

Thank you.

Very truly yours,



Thomas B. Dominick

TBD:jaw
Enclosures

**AGREEMENT REGARDING WATER RIGHTS
#47-2337, #47-4101, AND #47-4462**

THIS AGREEMENT is made this 13 day of March, 2009, by and between TWIN FALLS CANAL COMPANY, an Idaho non-profit corporation, whose address is 357 6th Ave. West, Twin Falls, Idaho, 83301 (hereinafter "TFCC") and WILLIAM S. ROOT, an individual, and CIRCLE S WEST LLC, an Idaho limited liability company whose address is 1115 E 4400 N Buhl, Idaho 83316 (hereinafter collectively referred to as "Root").

RECITALS

A. Root acquired water right license #47-2337 to use waters from Deep Creek tributary to the Snake River and "Spring" tributary to Deep Creek within the boundaries of the TFCC irrigation project. Root's water right is used for irrigation purposes. Root diverts water from Deep Creek.

B. TFCC uses Deep Creek upstream of Root's point of diversions for water right #47-2337 as a water conveyance facility to deliver water to its shareholders. Lateral #10 begins and is located on Deep Creek and receives TFCC's water from Deep Creek at a point located on the attached map (Exhibit A).

C. Root filed a beneficial use claim #47-4101 to use waters from an "unnamed stream" tributary to Deep Creek on his property within the boundaries of the TFCC irrigation project.

D. Root filed a beneficial use claim #47-4462 to use waters from a "spring" tributary to Deep Creek on his property within the boundaries of the TFCC irrigation project.

E. TFCC filed objections to water rights #47-2337, #47-4101, and #47-4462 in the Snake River Basin Adjudication ("SRBA") regarding the source element of the water rights.

C. The Parties desire to enter into this Agreement to resolve the outstanding objections and these issues.

TERMS AND CONDITIONS

1. **INCORPORATION OF RECITALS.** The Recitals set forth above are an integral part of this Agreement and are fully incorporated herein by this reference.

2. NO TFCC WATER FOR WATER RIGHTS #47-2337, #47-4101, AND #47-4462. Root agrees and acknowledges that TFCC is not responsible for delivering any water to Root to fulfill water rights #47-2337, #47-4101, and #47-4462. Root further agrees and acknowledges that TFCC is not responsible for any changes in irrigation practices (by TFCC shareholders or others), changes in delivery or conveyance facilities, or any other actions that might be used by TFCC to prevent the wasting of water or to recover waste water in any of its canals, laterals, or other diversion or conveyance facilities that supply water to Deep Creek, the springs, or "unnamed stream" that supply Root's water rights. Root recognizes that such changes in irrigation practices and water conveyance actions on the TFCC project may affect and completely dry up Deep Creek, the springs, and the "unnamed stream" that supply water to Root's water rights.

3. NO INTERFERENCE WITH TFCC'S OPERATIONS IN DEEP CREEK. Root agrees and acknowledges that TFCC uses Deep Creek as a conveyance facility above his point of diversion and that Root's use of his water right #47-2337 will in no way interfere with TFCC's operations, including delivery of water to and through Lateral #10, which begins on Deep Creek identified at a point on Exhibit A. Root acknowledges he does not have any claim to TFCC water delivered through Deep Creek above his point of diversion.

4. HOLD HARMLESS / INDEMNIFICATION. Root agrees to hold TFCC harmless for any changes in water flows and water quality in Deep Creek, the springs, and the "unnamed stream" that supplies water to Root's water rights or that may result from the above changes in irrigation and water conveyance actions on the TFCC project.

5. REFERENCE AGREEMENT IN WATER RIGHTS. TFCC and Root agree to execute Standard Form 5s to reference this agreement in the partial decrees for water rights #47-2337, #47-4101, and #47-4462 and file those documents with the SRBA Court.

6. WITHDRAWAL OF OBJECTIONS. TFCC agrees to withdraw its objections to Root's water rights #47-2337, #47-4101, and #47-4462 through the execution of the Standard Form 5s referenced in Paragraph 5.

IN WITNESS WHEREOF, the parties have caused their names to be subscribed on the dates set forth below.

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"TFCC"

TWIN FALLS CANAL COMPANY

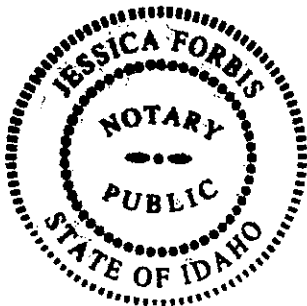
DATE: 1-27-09

By: Gerald Tews
Gerald Tews, Chairman

STATE OF IDAHO)
County of Twin Falls) ss.

On this 27 day of January, 2009, before me, a Notary Public for said County and State, personally appeared GERALD TEWS, known or identified to me, to be the chairman of the Twin Falls Canal Company, the Idaho non-profit corporation that executed the foregoing instrument, and acknowledged to me that such non-profit corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Jessica Forbis
NOTARY PUBLIC FOR IDAHO
Residing at: Twin Falls
My commission expires: 4/3/12

"Root"

WILLIAM S. ROOT / CIRCLE S WEST

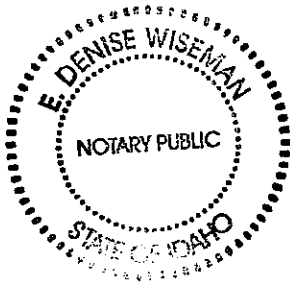
DATE: 3/13/09

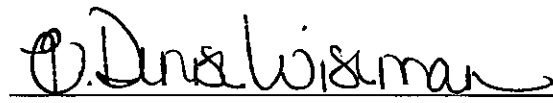
By: 
~~Tom Wiseman~~ WILLIAM S. ROOT

STATE OF IDAHO)
County of Twin Falls) ss.

On this 13th day of March, 2009, before me, a Notary Public for said County and State, personally appeared WILLIAM S. ROOT, known or identified to me, to be the individual that executed the foregoing instrument, and a member of CIRCLE S WEST LLC, the Idaho limited liability company that executed the foregoing instrument, and acknowledged to me that both he and the company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.




NOTARY PUBLIC FOR IDAHO
Residing at: Twin Falls, Id.
My commission expires: 3.13.10

