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SEP 14 2012

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

DEPARTMENT OF
WATER RESOURCES

This is to certify that: HOUGHLAND FARMS INC
1842 W 800 S PINGREE
PINGREE ID 83262-1253
(208) 317-5340

filed an application to rent water from 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") for rental of water from the Bank agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

	Water Right	Rented Rate	Annual Rented Volume	Total Rented Acres
Split 7/2013 →	29-7122	1.28 CFS	320.8 AF	80.2 AC
Group 1104	35-14292	0.51 CFS	128.3 AF	32.1 AC
*COMBINED	35-14308	0.77 CFS	192.5 AF	48.1 AC
RENTAL TOTALS:		1.28 CFS	320.8 AF	80.2 AC*

*Limited to the irrigation of 69.0 AC. The remaining 11.2 AC provides mitigation to increased depletions of the Eastern Snake Plain Aquifer.

TERM OF RENTAL:

April 1, 2012 to October 31, 2012
April 1, 2013 to October 31, 2013
April 1, 2014 to October 31, 2014
April 1, 2015 to October 31, 2015
April 1, 2016 to October 31, 2016

RENTAL FEE:

\$4,491.20 for 2012
\$5,453.60 for 2013 thru 2016

The fee for rental of the above-described water is \$4,491.20 for 2012 and \$5,453.60 each year for 2013 thru 2016. An annual payment shall be received by the Department prior to March 15 each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions attached.

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Dated this 12th day of September, 2012.

By: John Houghland
(Print Name)

[Signature]
(Signature)

President
(Title if on behalf of company or organization)

SCANNED

SEP 17 2012