

RECEIVED

NOV 07 2011

Department of Water Resources
Eastern Region

WATER DELIVERY AGREEMENT

THIS AGREEMENT made and entered into this 1st day of April, 2011 by and between the Corbett Slough Canal Company, hereinafter referred to as "Corbett", and the Smith Maxwell Ditch Company, hereinafter referred to as "Smith Maxwell."

WHEREAS Corbett is the owner and operator of an irrigation canal system known as the Corbett Slough Canal for the purpose of delivering Snake River water to its members;

AND WHEREAS Smith Maxwell Ditch Company have a Snake River Water Right (01-10058) for 10.58 CFS with a priority date of February 21st, 1890 for 695 acres in Sections 21, 22, 24, 27, & 28 Township 3 Range 34, Bingham County, Idaho.

AND WHEREAS Smith Maxwell is desirous of securing a right for delivery of their said water, through the Corbett system to the Blackfoot River;

AND WHEREAS Corbett will benefit from carrying the water of Smith Maxwell as a result of adding additional water to their canal system, which will raise the water levels and allow more water pressure from the point of delivery through their system.

AND WHEREAS Corbett is in agreement to allow said water to be delivered through their canal system;

NOW THEREFORE, in consideration of this agreement and payment hereby set forth, it is hereby agreed as follows;

That Corbett will deliver the water of Smith Maxwell totaling Snake River Water Right (01-10058) for 10.58 CFS with a priority date of February 21st, 1890 for 695 acres in Sections 21, 22, 24, 27, & 28 Township 3 Range 34, Bingham County, Idaho, at the Corbett's point of diversion, which is a point on the Snake River at their head works through the irrigation canal to the Blackfoot River which deposit point is on the north bank of the Blackfoot River, located at the SE1/4 of Section 22, Township 3 South, Range E.B.M., Bingham County, ID.

In consideration, Smith Maxwell agrees to pay Corbett \$100.00 per year fee. In addition, Smith Maxwell will pay their pro-rated share of any major repair cost of the Corbett's main head gate system located on the Snake River.

It is further agreed the Corbett does not undertake or assume any responsibility for the delivery of water for Smith Maxwell beyond the point at which it enters the

Blackfoot River channel from the Corbett Slough Canal. The delivery of water from that point to the diversion dam of Smith Maxwell, is fully under the regulation and control of the Blackfoot River watermaster for District 27.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that Corbett shall not be liable for any payment of damages or refund of money paid hereunder because of any failure to carry water in said canal occasioned by hostile diversion, unusual drought, interruption of service made by necessary repairs, damages caused by floods or other acts of nature, unlawful acts, unavoidable accidents, unforeseen urgency and valid prior right of other parties. The diversion of water herein provided for and the use of carrying capacity shall be only during the irrigation season, which for the purpose of this agreement shall be between approximately the 1st day of April through the 15th day of October or the dates when the Corbett Canal is delivering water to its' own members.

IT IS FURTHER expressly understood and agreed that Corbett, its successors and assigns shall at all times have exclusive control of the canal, and Smith Maxwell shall not in any manner, at any time, interfere with or assume the management of said canal or of any water flowing therein or of any of the structures belonging to and built by Corbett for regulation and measurement or control thereof. And Corbett is hereafter expressly released from any manner whatsoever arising in connection with this agreement for the things to be done or omitted in relation thereto, not specifically provided for herein.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that Corbett shall be obligated to carry the water for Smith Maxwell only at such times as there may be capacity in the Canal and the Corbett shall not be bound to divert, carry or deliver the said 10.58 CFS water or any part thereof except when the Snake River is sufficiently high to permit the diversion of water in excess of the right of Corbett; nor shall Corbett be bound or obligated to place obstructions in the river or to remove gravel bars or other deposits from the diversion works or canal in order to provide the necessary capacity for carrying the 10.58 CFS water or to do any other work except as may be necessary for the conveyance of its own water.

SMITH MAXWELL agrees that it will bear its proportionate share of the losses in transmission through the Corbett Slough Canal system from evaporation and seepage.

They will also pay their normal yearly assessments on the Smith Maxwell water as determined by the District 27 watermaster.

SMITH MAXWELL agrees it will bear its' proportionate share of the losses in the transmission of their water through the Corbett Slough system and acknowledges there will be a loss given the point of diversion and the point of delivery, said loss of water would be due to evaporation, seepage, etc., and other normal losses that occur on a water delivery system on a regular basis. CORBETT accepts no responsibility for the loss due to evaporation or seepage of water or as the result of any intervening factor, they are not able to deliver the amount designated to Smith Maxwell.

CORBETT will follow their standard operation as they historically have and will use their best efforts to deliver the water to Smith Maxwell, but make no guarantees or warranties for delivery of said water.

THE PARTIES acknowledge that the water priority date for Smith Maxwell for water right #1-10058 has a priority date of 02/21/1890. That the Corbett Slough Canal Company has different priority dates earlier and subsequent to Smith Maxwell. The deliver of water to Smith Maxwell will be determined by the Snake River Watermaster. Once the priority dates of Smith Maxwell have been terminated, no further water will be delivered under this contract through the irrigation system unless the natural flow priority date are re-established due to an increase in water.

TERMINATION: The parties hereby agree that either party can terminate this agreement, but the terminating party must give the other party written notice before October 15th of the previous year that they desire to cancel this contract for the subsequent year. i.e. If you are going to terminate the water right in 2012, notice needs to be given by October 15th, 2011. If notice is not timely given by the October 15th deadline of the previous year, termination will not apply for the following year. Notice of termination shall be provided at the following addresses:

Corbett Slough Canal Company - c/o Robert Olsen 21 E. 100 N., Blackfoot, ID 83221.

Smith Maxwell Ditch Company - c/o Layne Hamilton, 839 W. Riverton Rd., Blackfoot, ID 83221.

DATED and signed this 21 day of October, 2011.

Robert W. Olson

Heber L. Barward

Hyrum Michelson

Gregory L. High

Robert G. Colson

Layne Hamilton
LAYNE HAMILTON
SMITH MAXWELL DITCH COMPANY

CORBETT SLOUGH CANAL COMPANY

STATE OF IDAHO }
County of Bingham } ss.

On this 21 day of October, 2011, before me, the undersigned, a notary public
in and for said state, personally appeared

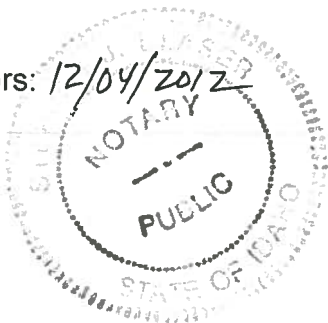
Robert Olson, Heber L. Barward, Hyrum Michelson,
Gregory L. High, & Robert G. Colson, as agents

and directors of Corbett Slough Canal Company known to me to be the persons whose
names are subscribed to the within instrument, and acknowledged to me that they
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.

[Signature]
Notary Public for State of Idaho
Residing at Blackfoot

My com expires: 12/04/2012



STATE OF IDAHO)
County of Bingham) ss.

On this 21st day of October, 2011, before me, the undersigned, a notary public in and for said state, personally appeared Layne Hamilton, Registered Agent for Smith Maxwell Ditch Company, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he 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.

My cmn exprs: 12/04/2012



[Signature]
Notary Public for State of Idaho
Residing at Blackfoot