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DEPARTMENT OF
WATER RESOURCES

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

This is to certify that: KNIFE RIVER CORPORATION – NORTHWEST – IDAHO FALLS
C/O KURT HANSON
4055 PROFESSIONAL WAY
IDAHO FALLS ID 83402
(208) 589-6692

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
	22-7336	0.25 CFS	43.8 AF*	NA
COMBINED RENTAL TOTALS:		0.25 CFS	43.8 AF*	NA

*Annual diversion volume under this rental is limited to 10.0 AF.

TERM OF RENTAL: June 9, 2011 to December 31, 2011
January 1, 2012 to December 31, 2012

RENTAL FEE: \$613.20

The fee for rental of the above-described water is \$613.20 per year, \$61.32 of which will go to the Department for administrative fees. The balance of \$551.88 will be paid to the lessor. An annual payment shall be received by the Department prior to January 1 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 28th day of June, 20 11.

By: Doug DeLong
(Print Name)

[Signature]
(Signature)
Asst. Secretary
(Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 7th day of July, 20 11.

[Signature]
GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 22-7336
WATER SUPPLY BANK RENTAL AGREEMENT

The 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 below:

Renter: KNIFE RIVER CORPORATION – NORTHWEST – IDAHO FALLS
 C/O KURT HANSON
 4055 PROFESSIONAL WAY
 IDAHO FALLS ID 83402
 (208) 589-6692

Priority Date: 10/22/1980

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
COMMERCIAL	04/01	to 11/01	0.25 CFS	43.8 AF*
	Total:		0.25 CFS	43.8 AF*

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER SE¼SE¼ Sec. 11 Twp 07N Rge 40E FREMONT County

RENTER'S PLACE OF USE: COMMERCIAL

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	40E	11																X	

Total Acres: NA

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. The water rented under this agreement is appurtenant to irrigation of 12.5 acres.
3. Rental of the specified right from 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.
4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. This rental agreement does not authorize the construction of a well.
7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
8. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
9. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
10. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.

**WATER RIGHT NO. 22-7336
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

11. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
12. *Total annual diversion volume authorized by this rental is limited to 10.0 AF.
13. Commercial use is for a concrete mixing plant.