

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

This is to certify that: **GEORGE KELLEY**
BILL KELLEY
 PO BOX 25
 ALBION ID 83311
 (208) 673-5364

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
45-2509	3.55 CFS	903.6 AF	225.9 AC
45-13522	0.88 CFS	296.4 AF	74.1 AC
COMBINED RENTAL TOTALS:	3.55 CFS	1200.0 AF	300.0 AC

TERM OF RENTAL:

March 15, 2011 to November 15, 2011
March 15, 2012 to November 15, 2012

RENTAL FEE:

\$16,800.00

10% of the fee above amounting to \$1,680.00 shall be retained by the Department as an administrative fee. The balance of \$15,120.00 shall be paid to the lessor at the end of the irrigation season.

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 6-24-11 day of June, 2011.

By: George Kelley Bill Kelley George Kelley Bill Kelley
 (Print Name) (Signature)

(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 27th day of June, 2011.

Monica VanBuren
 for GARY SPACKMAN, Interim Director
 Department of Water Resources

WATER RIGHT NO. 45-2509
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: GEORGE KELLEY
 BILL KELLEY
 PO BOX 25
 ALBION ID 83311
 (208) 673-5364

Priority Date: 11/30/1955

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	3.55 CFS	903.6 AF
	Total:		3.55 CFS	903.6 AF

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

GROUND WATER NE¼NE¼ Sec. 35 Twp 11S Rge 24E CASSIA County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	24E	25									27	30	30	30					117
11S	24E	36					30	30	30	30	30	30	30	30					240

Total Acres: 357

Acre Limit within Place of Use described: 225.9

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. 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.
3. 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well. 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.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.

**WATER RIGHT NO. 45-2509
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

8. 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.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 140.
11. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
12. This right is limited to the irrigation of 225.9 acres within the authorized place of use in a single irrigation season.
13. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversions.
14. Right No. 45-13522 is an enlargement of this right pursuant to Section 42-1426, Idaho Code.
15. Rental of this right with Right No. 45-13522 is limited to the irrigation of a combined total of 300.0 acres, a total combined diversion rate of 3.55 cfs and a total combined annual diversion volume of 1,200 AF.

WATER RIGHT NO. 45-13522
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: GEORGE KELLEY
 BILL KELLEY
 PO BOX 25
 ALBION ID 83311
 (208) 673-5364

Priority Date: 03/15/1976

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.88 CFS	296.4 AF
	Total:		0.88 CFS	296.4 AF

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

GROUND WATER NE¼NE¼ Sec. 35 Twp 11S Rge 24E CASSIA County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	24E	25									27	30	30	30					117
11S	24E	36					30	30	30	30	30	30	30	30					240

Total Acres: 357

Acre Limit within Place of Use described: 74.1

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. 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.
3. 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well. 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.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.

WATER RIGHT NO. 45-13522
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CONDITIONS OF WATER USE

8. 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.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 140.
11. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
12. This right is limited to the irrigation of 74.1 acres within the authorized place of use in a single irrigation season.
13. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversions.
14. Rental of this right with Right No. 45-2509 is limited to the irrigation of a combined total of 300.0 acres, a total combined diversion rate of 3.55 cfs and a total combined annual diversion volume of 1,200 AF.
15. This water right is subordinate to all water rights with a priority date earlier than April 12, 1994, that are not decreed as enlargements pursuant to Section 42-1426, Idaho Code. As between water rights decreed as enlargements pursuant to Section 42-1426, Idaho Code, the earlier priority right is the superior right.
16. This right is based upon an enlargement of Right No. 45-2509 pursuant to Section 42-1426, Idaho Code.