



**Holden Kidwell
Hahn & Crapo** P.L.L.C.
L A W O F F I C E S

RECEIVED

WA

MAY 20 2010

DEPARTMENT OF
WATER RESOURCES

1000 Riverwalk Drive, Suite 200
PO Box 50130
Idaho Falls, Idaho 83405

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May 18, 2010

Aaron Marshall
Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

RE: Request to Extend Water Bank Lease Term Filed by Trail Creek Sprinkler Irrigation Co.

Dear Aaron:

Enclosed are the Water Bank Leases we discussed last week, and which I emailed to you previously. As stated in my email, there are a couple of ponds that are yet to be developed, but when they are, the parties intend to file a transfer application formally changing the water rights that were subject to the Water Bank Lease attached to this letter. In the interim, we request that the enclosed documents be approved as soon as possible. We had some difficulty in coordinating with the canal company to have these documents executed, and we apologize for the delay. If you have any questions or concerns, please let me know.

Best Regards,

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures

G:\WPDATA\ARLH-Inactive\11571 Trail Creek Sprinkler Irrigation Co\IDWR ltr 051810.wpd:cdv

**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM**

This form is a statement that the lessor requests a change in the status of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. If a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

Water Right No. See Attached List Telephone No.: 208-787-2952
Name(s) of Lessor: Trail Creek Sprinkler Irrigation Company
Mailing Address: PO Box 131
City: Victor State: ID Zip: 83455
Email: _____

REQUEST TO RELEASE A WATER RIGHT FROM THE BANK:

Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

NOTE: If releasing only part of the leased portion, please attach a clear description of the portion to remain in the Bank.

The lessor requests that the above water right be released from the Bank on the date referenced above.

Signature of Lessor Printed Name and Title Date

Signature of Lessor Printed Name and Title Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

REQUEST TO EXTEND THE TERM OF LEASE:

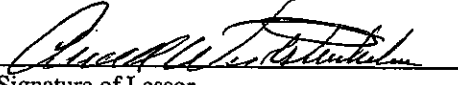
Current Expiration Date: December 31, 2009

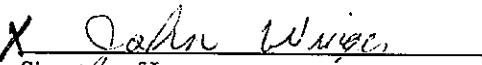
Requested Expiration Date: December 31, 2014

Extend lease term for all or part of the leased portion of the water right: All ☒ Part _____

NOTE: If extending the lease term for only part of the leased portion, please attach a clear description of the portion to remain in the bank.

The lessor requests that the above water right remain in the Bank through the date referenced above.

 Arnold Woodstenhulme 4/01/2010
Signature of Lessor Printed Name and Title Secretary Trail Creek Date

X  John Winger 4/28/2010
Signature of Lessor Printed Name and Title Pres. Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek).
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15	10/31	2.14 cfs	
Aesthetic & Other Storage	1/1	12/31		187.2 af
Irrigation	4/15	10/31	9.46 cfs	827.8 af
Commercial	1/1	12/31	0.4 cfs	35 af
Totals:			12.0 cfs	1,050 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL

SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

IRRIGATION, IRRIGATION FROM STORAGE

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	14									28.1	30.9	33.2	35.3					127.5
3N	45E	23					16	35	34	22									107
4N	45E	34									2								2

Total Acres: 236.5

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	2	X			X													
3N	45E	3		X															
3N	45E	11									X								
3N	45E	14									X	X	X	X					
3N	45E	15											X	X					
3N	45E	23					X	X		X									

COMMERCIAL

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4N	45E	35													X				

The fee for rental of the above-described water is \$ 11,550 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 1,155.00. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, irrigation storage, wildlife storage, recreation storage, and fire protection storage.

3. The use of water is limited to a total combined diversion rate of 12.0 cfs and diversion volume of 1050 acre-feet in a single irrigation season.
4. The total pond surface area is limited to 53.5 acres.
5. Commercial use is limited to a 10-acre place of use.
6. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
7. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
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. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
10. Acceptance of a right into the bank, and rental of a 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. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
11. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
12. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
13. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
14. 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.
15. In the event that continued water use is not authorized, the renter agrees to hold

the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.

16. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Winger Pres.
for

Trail Creek SPRINKLER Irrigation Co.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 20th day of December, 2004.



KARL J. DREHER, Director
Department of Water Resources

**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM**

This form is a statement that the lessor requests a change in the status of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. If a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

Water Right No. See Attached List Telephone No.: 208-787-2952
Name(s) of Lessor: Trail Creek Sprinkler Irrigation Company
Mailing Address: PO Box 131
City: Victor State: ID Zip: 83455
Email: _____

REQUEST TO RELEASE A WATER RIGHT FROM THE BANK:

Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

NOTE: If releasing only part of the leased portion, please attach a clear description of the portion to remain in the Bank.

The lessor requests that the above water right be released from the Bank on the date referenced above.

_____ Signature of Lessor	_____ Printed Name and Title	_____ Date
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_____ Signature of Lessor	_____ Printed Name and Title	_____ Date
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*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

REQUEST TO EXTEND THE TERM OF LEASE:

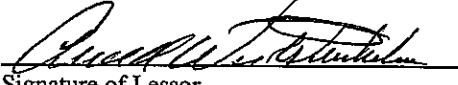
Current Expiration Date: December 31, 2009

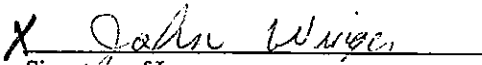
Requested Expiration Date: December 31, 2014

Extend lease term for all or part of the leased portion of the water right: All ☒ Part _____

NOTE: If extending the lease term for only part of the leased portion, please attach a clear description of the portion to remain in the bank.

The lessor requests that the above water right remain in the Bank through the date referenced above.

 Signature of Lessor	Arnold Woolstenhulme Printed Name and Title <i>Secretary Trailer</i>	4/01/2010 Date
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X  Signature of Lessor	John Winger Pres. Printed Name and Title	4/28/2010 Date
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*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-90, 22-524, 22-602A, 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15	10/31	0.3 cfs	
Aesthetic & Other Storage	1/1	12/31		17.5 af
Totals:			0.3 cfs	17.5 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL
SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	16													X				

The fee for rental of the above-described water is \$ 192.50 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 19.25. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, wildlife storage, recreation storage, and fire protection storage.
3. The total pond surface area is limited to 5 acres.
4. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
5. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
6. 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.
7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
8. Acceptance of a right into the bank, and rental of a right from the bank does not,

2

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. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.

9. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
10. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
11. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
12. 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.
13. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
14. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Winger pres.
for

Trail Creek SPRINKLER Irrigation Co.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 20th day of December, 2004.


KARL J. DREHER, Director
Department of Water Resources

**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM**

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Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

NOTE: If releasing only part of the leased portion, please attach a clear description of the portion to remain in the Bank.

The lessor requests that the above water right be released from the Bank on the date referenced above.

Signature of Lessor Printed Name and Title Date

Signature of Lessor Printed Name and Title Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

REQUEST TO EXTEND THE TERM OF LEASE:

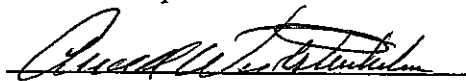
Current Expiration Date: December 31, 2009

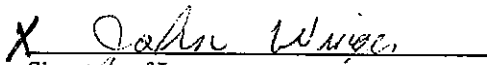
Requested Expiration Date: December 31, 2014

Extend lease term for all or part of the leased portion of the water right: All ☒ Part _____

NOTE: If extending the lease term for only part of the leased portion, please attach a clear description of the portion to remain in the bank.

The lessor requests that the above water right remain in the Bank through the date referenced above.

 Arnold Wahlstenhulme 4/01/2010
Signature of Lessor Printed Name and Title Secretary Trail Co Date

X  John Winger pres. 4/28/2010
Signature of Lessor Printed Name and Title Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

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1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-221C, 22-222A, 22-435A
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15	10/31	0.6	
Aesthetic & Other Storage	1/1	12/31		106.0 af
Irrigation	4/15	10/31	2.93	513.5 af
Totals:			3.53 cfs	619.5 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL
SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

IRRIGATION, IRRIGATION FROM STORAGE

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	13									15		17						32
3N	45E	14													38	39	40	39	156
3N	45E	23	39	40	40	39									13	8			179
3N	45E	24					19	19			2								40

Total Acres*: 407

*IRRIGATION USE IS LIMITED TO 146.7 ACRES WITHIN THE 407 POU.

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	13									X		X						
3N	45E	14													X	X	X	X	
3N	45E	23	X	X	X	X									X	X			
3N	45E	24						X			X								

The fee for rental of the above-described water is \$ 6,814.50 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 681.45. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, irrigation storage, wildlife storage, recreation storage, and fire protection storage.
3. The total pond surface area is limited to 30.3 acres.
4. Use of water under this agreement is limited to the irrigation of 146.7 acres within place of use described above.
5. Upon Department request, the renter shall provide for the measurement of the

2 2

water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.

6. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
7. 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.
8. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
9. Acceptance of a right into the bank, and rental of a 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. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
10. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
11. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
12. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
13. 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.
14. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
15. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Vinger pres.
for

TRAIL CREEK SPRINKLER IRRIGATION CO.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 20th day of December, 2004.

Karl J. Dreher

KARL J. DREHER, Director
Department of Water Resources

Marshall, Aaron

From: Rob Harris [rharris@holdenlegal.com]
Sent: Tuesday, May 11, 2010 11:52 AM
To: Marshall, Aaron
Cc: Spackman, Gary; Wagle, Victoria
Subject: Trail Creek Sprinkler Irrigation WB Leases
Attachments: Trail.Creek.Woolstenhulme.WB.App.pdf; Trail.Creek.Teton.Springs.WB.App.pdf; Trail.Creek.The.Ponds.WB.App.pdf

RECEIVED

MAY 11 2010

Department of Water Resources

Aaron:

Attached are the water bank leases we discussed on the phone earlier today. These are simply renewals of water bank leases that expired at the end of 2009. I had hoped to have the requests for extension on these to you early this year, but has some issues with coordinating with the parties and with the Trail Creek Sprinkler Irrigation board. As indicated, we are simply requesting an extension of the water bank leases that were already approved in 2005. I believe Gary Spackman was involved in these applications, and I am copying him for his information. Our intent is to collect gis data and prepare a formal transfer application sometime towards the end of this year, or early next.

To avoid confusion, there are actually three leases, but they use the same water rights and are for ponds in the same general area. One is for the Teton Springs development, one for a development known as the Ponds, and a third for a private pond owned by Arnold Woolstenhulme. The attachments are labeled accordingly.

If you have any questions, let me know. I know that a lot of time went into the prior applications when they were worked on by my predecessor, Kent Foster. I understand you have a significant workload, but it appears that these applications could be renewed without significant re-review. I will check back with you at the end of the week to see if you have any questions.

Thanks for your assistance.

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130
Phone: (208) 523-0620
Fax: (208) 523-9518
E-Mail: rharris@holdenlegal.com

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**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM**

This form is a statement that the lessor requests a change in the status of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. If a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

Water Right No. See Attached List Telephone No.: 208-787-2952
Name(s) of Lessor: Trail Creek Sprinkler Irrigation Company
Mailing Address: PO Box 131
City: Victor State: ID Zip: 83455
Email: _____

REQUEST TO RELEASE A WATER RIGHT FROM THE BANK:

Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

NOTE: If releasing only part of the leased portion, please attach a clear description of the portion to remain in the Bank.

The lessor requests that the above water right be released from the Bank on the date referenced above.

Signature of Lessor	Printed Name and Title	Date
Signature of Lessor	Printed Name and Title	Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

REQUEST TO EXTEND THE TERM OF LEASE:

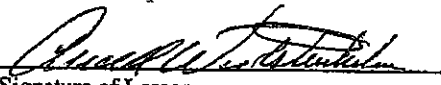
Current Expiration Date: December 31, 2009

Requested Expiration Date: December 31, 2014

Extend lease term for all or part of the leased portion of the water right: All ☒ Part _____

NOTE: If extending the lease term for only part of the leased portion, please attach a clear description of the portion to remain in the bank.

The lessor requests that the above water right remain in the Bank through the date referenced above.

	<u>Arnold Wodstenhulme</u>	<u>7/01/2010</u>
Signature of Lessor	Printed Name and Title <u>Secretary Trail Co</u>	Date
<u>X John Winger</u>	<u>John Winger pres.</u>	<u>4/28/2010</u>
Signature of Lessor	Printed Name and Title	Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-90, 22-524, 22-602A, 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.
6. Quantity and Use of water rented:

Beneficial Use	Season of Use To From	Diversion Rate	Annual Volume
Diversion to Storage	4/15 to 10/31	0.3 cfs	
Aesthetic & Other Storage	1/1 to 12/31		17.5 af
Totals:		0.3 cfs	17.5 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL
SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	16													X				

The fee for rental of the above-described water is \$ 192.50 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 19.25. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, wildlife storage, recreation storage, and fire protection storage.
3. The total pond surface area is limited to 5 acres.
4. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
5. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
6. 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.
7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
8. Acceptance of a right into the bank, and rental of a right from the bank does not,

2

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. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.

9. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
10. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
11. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
12. 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.
13. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
14. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Winger pres.
for

Trail Creek SPRINKLER Irrigation Co.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 20th day of December, 2004.

Karl J. Dreher

KARL J. DREHER, Director
Department of Water Resources

**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM**

This form is a statement that the lessor requests a change in the status of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. If a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

Water Right No. See Attached List Telephone No.: 208-787-2952
Name(s) of Lessor: Trail Creek Sprinkler Irrigation Company
Mailing Address: PO Box 131
City: Victor State: ID Zip: 83455
Email: _____

REQUEST TO RELEASE A WATER RIGHT FROM THE BANK:

Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

NOTE: If releasing only part of the leased portion, please attach a clear description of the portion to remain in the Bank.

The lessor requests that the above water right be released from the Bank on the date referenced above.

Signature of Lessor Printed Name and Title Date

Signature of Lessor Printed Name and Title Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

REQUEST TO EXTEND THE TERM OF LEASE:

Current Expiration Date: December 31, 2009

Requested Expiration Date: December 31, 2014

Extend lease term for all or part of the leased portion of the water right: All ☒ Part _____

NOTE: If extending the lease term for only part of the leased portion, please attach a clear description of the portion to remain in the bank.

The lessor requests that the above water right remain in the Bank through the date referenced above.

[Signature] Arnold Wolstenhulme 4/01/2010
Signature of Lessor Printed Name and Title Secretary Trail Cr Date

X John Winger John Winger pres. 4/28/2010
Signature of Lessor Printed Name and Title Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek).
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-223, 22-355, 22-559, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13011.
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15	10/31	2.14 cfs	
Aesthetic & Other Storage	1/1	12/31		187.2 af
Irrigation	4/15	10/31	9.46 cfs	827.8 af
Commercial	1/1	12/31	0.4 cfs	35 af
Totals:			12.0 cfs	1,050 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL

SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

IRRIGATION, IRRIGATION FROM STORAGE

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	14									28.1	30.9	33.2	35.3					127.5
3N	45E	23					16	35	34	22									107
4N	45E	34									2								2

Total Acres: 236.5

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	2	X			X													
3N	45E	3		X															
3N	45E	11									X								
3N	45E	14									X	X	X	X					
3N	45E	15											X	X					
3N	45E	23					X	X		X									

COMMERCIAL

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4N	45E	35													X				

The fee for rental of the above-described water is \$ 11,550 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 1,155.00. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, irrigation storage, wildlife storage, recreation storage, and fire protection storage.

3. The use of water is limited to a total combined diversion rate of 12.0 cfs and diversion volume of 1050 acre-feet in a single irrigation season.
4. The total pond surface area is limited to 53.5 acres.
5. Commercial use is limited to a 10-acre place of use.
6. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
7. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
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. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
10. Acceptance of a right into the bank, and rental of a 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. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
11. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
12. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
13. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
14. 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.
15. In the event that continued water use is not authorized, the renter agrees to hold

the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.

16. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Winger Pres.
for

T. RAIL CREEK SPRINKLER IRRIGATION CO.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 20th day of December, 2004.

Karl J. Dreher
KARL J. DREHER, Director
Department of Water Resources

**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO RELEASE OR LEASE TERM EXTENSION FORM**

This form is a statement that the lessor requests a change in the status of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. If a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

Water Right No. See Attached List Telephone No.: 208-787-2952
Name(s) of Lessor: Trail Creek Sprinkler Irrigation Company
Mailing Address: PO Box 131
City: Victor State: ID Zip: 83455
Email: _____

REQUEST TO RELEASE A WATER RIGHT FROM THE BANK:

Requested Release Date: _____

Release all or part of the leased portion of the water right: All _____ Part _____

NOTE: If releasing only part of the leased portion, please attach a clear description of the portion to remain in the Bank.

The lessor requests that the above water right be released from the Bank on the date referenced above.

_____ Signature of Lessor	_____ Printed Name and Title	_____ Date
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_____ Signature of Lessor	_____ Printed Name and Title	_____ Date
------------------------------	---------------------------------	---------------

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

REQUEST TO EXTEND THE TERM OF LEASE:

Current Expiration Date: December 31, 2009

Requested Expiration Date: December 31, 2014

Extend lease term for all or part of the leased portion of the water right: All ☒ Part _____

NOTE: If extending the lease term for only part of the leased portion, please attach a clear description of the portion to remain in the bank.

The lessor requests that the above water right remain in the Bank through the date referenced above.

_____ Signature of Lessor	_____ Printed Name and Title <u>Secretary Trail Co</u>	_____ Date <u>4/01/2010</u>
------------------------------	---	--------------------------------

X _____ Signature of Lessor	_____ Printed Name and Title <u>John Winger Pres</u>	_____ Date <u>4/28/2010</u>
--------------------------------	---	--------------------------------

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Trail Creek Sprinkler Irrigation Company
2. Address: PO Box 131, Victor ID 83455
3. Source of water: Trail Creek and tributaries (including Game Creek, Moose Creek, Warm Creek)
4. Rental period: 2005 through 2009
5. The water will be rented from the water rights associated with the following Snake River Basin Adjudication claims: 22-221C, 22-222A, 22-435A
6. Quantity and Use of water rented:

Beneficial Use	Season of Use		Diversion Rate	Annual Volume
	To	From		
Diversion to Storage	4/15	10/31	0.6	
Aesthetic & Other Storage	1/1	12/31		106.0 af
Irrigation	4/15	10/31	2.93	513.5 af
Totals:			3.53 cfs	619.5 af

7. Renter's point of diversion:

QQQ	QQ	Q	SEC	TWP	RGE	COUNTY	LOCAL NAME FOR DIVERSION
NW	SE	SW	17	3N	46E	TETON	GAME CREEK PIPELINE
SW	SW	SE	19	3N	46E	TETON	TRAIL CREEK CANAL & PIPELINE
SW	SW	SE	19	3N	46E	TETON	STRING CANAL
SE	NW	SE	13	3N	46E	TETON	KIMBALL CANAL
SW	SE	NW	13	3N	46E	TETON	KEARSLEY CANAL
SW	SE	NW	13	3N	46E	TETON	TOWN CANAL
NW	SW	NE	14	3N	46E	TETON	SPENCER CANAL
NW	SW	NE	14	3N	46E	TETON	HUMBLE CANAL
NE	SW	NW	11	3N	46E	TETON	TONKS CANAL
SE	NE	SE	16	3N	46E	TETON	WARM CREEK
SE	SE	NW	23	3N	46E	TETON	SHERMAN SPRINGS DIVERSION
SE	SE	SE	19	3N	46E	TETON	MOOSE CREEK DIVERSION

8. Renter's place of use:

IRRIGATION, IRRIGATION FROM STORAGE

TWP	RGE	SEC	NE				NW				SW				SE				Total Acres
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	13									15	17							32
3N	45E	14													38	39	40	39	156
3N	45E	23	39	40	40	39									13	8			179
3N	45E	24					19	19			2								40

Total Acres*: 407

*IRRIGATION USE IS LIMITED TO 146.7 ACRES WITHIN THE 407 POU.

AESTHETIC STORAGE & OTHER

TWP	RGE	SEC	NE				NW				SW				SE				Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	45E	13									X	X							
3N	45E	14													X	X	X	X	
3N	45E	23	X	X	X	X									X	X			
3N	45E	24					X				X								

The fee for rental of the above-described water is \$ 6,814.50 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$ 681.45. An annual payment shall be received by the Department of Water Resources prior to April 15, the start of the irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, irrigation storage, wildlife storage, recreation storage, and fire protection storage.
3. The total pond surface area is limited to 30.3 acres.
4. Use of water under this agreement is limited to the irrigation of 146.7 acres within place of use described above.
5. Upon Department request, the renter shall provide for the measurement of the

water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.

6. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
7. 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.
8. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use, nor does it prejudice any future rental agreement that may be made of the subject water rights after this rental agreement expires.
9. Acceptance of a right into the bank, and rental of a 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. The validity of a water right will be reviewed in the ongoing Snake River Basin Adjudication, and considered in any other department application process.
10. The amounts and conditions of the rental agreement may be revised upon review of the availability of surface water sources, the extent of beneficial use, or the validity of a right in the ongoing Snake River Basin Adjudication or any other department application process.
11. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
12. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
13. 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.
14. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
15. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 6th day of December, 2004.

by John Wings pres.
for

Trail Creek Sprinkler Irrigation Co.

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 20th day of December, 2004.

Karl J. Dreher

KARL J. DREHER, Director
Department of Water Resources