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MAR 19 2010

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

This is to certify that: SINCLAIR OIL CORP DBA SUN VALLEY CO
PO BOX 10
SUN VALLEY ID 83353
(208) 622-4111

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
37-457B	4.04 CFS	168.0 AF	48.0 AC
COMBINED RENTAL TOTALS:	4.04 CFS	168.0 AF	48.0 AC

TERM OF RENTAL: April 15, 2010 to October 31, 2010

RENTAL FEE: \$20,000.00

In accordance with a private agreement between the lessor and renter, the total fee for rental of the above-described water is \$20,000.00.

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 16 day of MARCH, 20 10.

By: WALLACE HUFFMAN
(Print Name)

Wallace Huffman
(Signature)
Dir. of Dev. + Res.
(Title if on behalf of company or organization)

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 29TH day of MARCH, 20 10.

Gary Spackman
FOR GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 37-457B **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: SINCLAIR OIL CORP DBA SUN VALLEY CO
 PO BOX 10
 SUN VALLEY ID 83353
 (208) 622-4111

Priority Date: 05/01/1883

Source: TRAIL CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	4.04 CFS	168.0 AF
	Total:		4.04 CFS	168.0 AF

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

TRAIL CREEK	NE 1/4 NW 1/4	Sec. 5	Twp 04N	Rge 18E	BLAINE County
TRAIL CREEK	NE 1/4 SE 1/4	Sec. 32	Twp 05N	Rge 18E	BLAINE 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	
04N	18E	5				3.4					8.5								11.9
04N	18E	6								1.4					9.5	7.2	4.3	1.8	24.2
04N	18E	7		0.2		0.9			0.5				2.2				1.9		5.7
04N	18E	18		0.1		1.2													1.3
05N	18E	32											3.0				1.9		4.9

Total Acres: 48.0

CONDITIONS OF WATER USE

- The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
- 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. 37.
- 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 diversion.
- 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 the ongoing Snake River Basin Adjudication or any other department application process.
- 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.

**WATER RIGHT NO. 37-457B
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

6. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
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.
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.

