

RECEIVED

OCT 02 2006

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

This is to certify that: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
PO BOX 27
BOISE ID 83707
(208) 336-2110

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

	<u>Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	61-2165	5.03 cfs	453.8 af	314.0 ac
COMBINED	61-2162	2.88 cfs	439.9 af	297.0 ac
RENTAL TOTALS:		7.91 cfs	893.7 af	611.0 ac

TERM OF RENTAL: 08/14/06 to 10/31/06

RENTAL FEE: \$12,511.80

The total fee for rental of the above-described water is \$ 12,511.80. The renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$1,251.18.

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 25th day of September, 2006.

J.R. Simplot, Trustee

by Ronald H. Graves
(Print Name)

J.R. Simplot, Trustee

by Ronald H. Graves
(Signature)

Atty in Fact

Attorney in Fact
(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 4th day of October, 2006.

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

WATER RIGHT NO(S). 61-2165
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: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

Priority Date: 12/02/1963

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	08/14	to 10/31	5.03 CFS	453.8 AF
	Total: 5.03 CFS			453.8 AF

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

GROUND WATER	NWSW	Sec. 04	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 06	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 31	Twp 04S	Rge 04E	ELMORE 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	
04S 04E 31													40.0				40.0
04S 04E 32		40.0	39.0		40.0		40.0	40.0	40.0	40.0	40.0	40.0		39.0	40.0	39.0	477.0
04S 04E 33										39.0							39.0
05S 04E 5		36.0			19.0												55.0

Total Acres: 611.0

**WATER RIGHT NO(S). 61-2165
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
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 the ongoing Snake River Basin Adjudication or 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.
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.
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 right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

WATER RIGHT NO(S). 61-2162
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: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

Priority Date: 01/22/1964

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	08/14	10/31	2.88 CFS	439.9 AF
	Total: 2.88 CFS			439.9 AF

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

GROUND WATER	NWSW	Sec. 04	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SE1NE	Sec. 06	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 31	Twp 04S	Rge 04E	ELMORE 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		
04S	04E	31																	40.0	40.0
04S	04E	32		40.0	39.0		40.0		40.0	40.0	40.0	40.0	40.0	40.0		39.0	40.0	39.0		477.0
04S	04E	33											39.0							39.0
05S	04E	5		36.0			19.0													55.0

Total Acres: 611.0

**WATER RIGHT NO(S). 61-2162
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
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 the ongoing Snake River Basin Adjudication or 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.
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.
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 right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.



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AUG 11 2006

Department of Water Resources

CORPORATE HEADQUARTERS

P.O. BOX 27
BOISE, IDAHO 83707-0027

August 11, 2006

Telefacsimile: Fax No. 287-6700
Cynthia Clark
State of Idaho
Department of Water Resources
322 East Front Street
PO Box 83720
Boise, Idaho 83720-0098

AMENDED
(SEE APP RECEIVED
AUG 22, 2006)

Re: IDWR Water Right Nos. 61-2165 and 61-7088.

Dear Ms. Clark:

The J. R. Simplot Company operates irrigated farmland that is described by the place of use under water right no. 61-7088. Water Right 61-7088 together with its described place of use is owned by the J. R. Simplot Self-Declaration of Revocable Trust.

One of three wells used to divert water under 61-7088 recently failed. To replace water that would otherwise be diverted from the failed well, the attached application seeks to divert replacement water from points of diversion that are described under water right no. 61-2165. The J. R. Simplot Company is the owner of water right no. 61-2165 and its corresponding points of diversion and places of use. The points of diversion and places of use described under 61-2165 are located on land that is adjacent to the place of use described under 61-7088.

We do not yet know the total volume that will be diverted under 61-2165. If you will please review the attached water bank rental application, I would appreciate any advice you may have on the fee that needs to be included with the final application. I can be reached by telephone at 208-389-7359 or by email: vic.conrad@simplot.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Vic Conrad".

Vic Conrad
Land, Water & Asset Recovery

Enclosure

01/03

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AUG 11 2006

Before the Idaho Water Resource Board

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Department of Water Resources

Applicant J.R. Simplot Self-Declaration of Revocable Trust Phone 208-336-2110
 Address PO Box 27
 City Boise State ID Zip Code 83707

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Groundwater
tributary to _____
2. Maximum volume of water 1,413 AF.
3. Maximum rate of diversion 5.03 cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Irrigation
2. Please see remarks for description of all 7 existing points of diversion
 Location of point of diversion 1/4 1/4, Section _____
 Township _____, Range _____, B.M. _____ County.
3. Season of use: From August 14, 2006 to November 1, 2006
4. Description of diverting works: (Seven Wells with Pumps)
 Pump HP _____ Lift _____ Pump type _____
 Canal name, if appropriate _____
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract, section, township and range.

* T.4S R. 4E Sec.31: NESE (40)

Sec 32: NWNE (40), SWNE (39), NENW (40), SWNW (40)

SENE (40), NESW (40), NWSW (40), SWSW (40)

SESW (40), NWSE (39), SWSE (40), SESE (39)

Sec 33: SWSW (39)

T.5S R.4E Sec 5: NWNE (36), NENW (19)

Total = 611 Acres

* Same as Decreed place of use under Water Right No. 61-7088

De

01/03

- b. If water is not for irrigation, describe the nature of the intended use and the place of use.

Not Applicable

6. Describe any other water rights used for the same purposes as rental water sought under this application.

61-7088: Well failed. Water diverted under 61-2165 will be used in lieu of

water that would otherwise be available under 61-7170

7. Who owns the property at the point of diversion?

J. R. Simplot Company (for points of diversion under 61-2165).

8. Who owns the property at the place of use?

J. R. Simplot Self-Declaration of Revocable Trust owns the place of use described under 61-7088

9. Are you seeking a rental for more than one (1) year? No (yes or no)

If yes, for how many years?

10. Remarks: Points of diversion under 61-2165:

T.4S R.4E Sec. 31: SESE

T.5S R.4E Sec. 4 : NWSW; Sec.5: NWNW, SENW, NESW, NESE;

Sec. 6 : SENE

J. R. Simplot Self-Declaration of Revocable Trust

Date _____

By: _____
Signature of Applicant

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____

Published in	Pub. dates
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Protests filed by

Hearing held by

Action recommended

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE

This is to certify that: JR SIMPLOT COMPANY
PO BOX 27
BOISE ID 83707
(208) 336-2110

has requested to lease the water right(s) listed below to 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") the acquisition of water rights for the Board's bank, agrees to lease the water right to the bank as follows:

Summary of Water Rights or Portions Leased to the Bank

	<u>Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
	61-2162	3.10 cfs	1,440.0 af	N/A	320.0 ac
COMBINED LEASE TOTALS		3.10 cfs	1,440.0 af	N/A	320.0 ac

TERM OF LEASE:

Lease Begin Date: June 1, 2005

Expiration Date: Indefinite

RENTAL AVAILABILITY:

Season of Use: April 1 to October 31

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 7th day of September, 2006



Chief, Water Allocation Bureau

WATER RIGHT NO. 61-2162
WATER SUPPLY BANK LEASE ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: JR SIMPLOT COMPANY
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

Priority Date: 01/22/1964

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	3.1 CFS	1,440.0 AF
			Total: 3.1 CFS	1,440.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SE1/4SE1/4	Sec. 31,	Twp 04S,	Rge 04E,	ELMORE County
GROUND WATER	SE1/4NE1/4	Sec. 6,	Twp 05S,	Rge 04E,	ELMORE County
GROUND WATER	NE1/4SE1/4	Sec. 5,	Twp 05S,	Rge 04E,	ELMORE County
GROUND WATER	NW1/4NW1/4	Sec. 5,	Twp 05S,	Rge 04E,	ELMORE County
GROUND WATER	NE1/4SW1/4	Sec. 5,	Twp 05S,	Rge 04E,	ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
05S	04E	6			40.0	40.0									40.0	40.0	40.0	40.0	240.0
05S	04E	7	40.0			40.0													80.0

Total Acres: 320.0

Acre Limit within Place of Use described: N/A

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
61-2162, 61-2163, 61-2165, 61-7170, 61-12039	16.36 CFS	N/A	1,166.0 AC

CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.

**WATER RIGHT NO. 61-2162
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

3. While a right is in the bank, the owner of the right may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Section 42-351, Idaho Code, for illegal diversion and use of water, and may include civil penalties pursuant to Section 42-1701B, Idaho Code.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Use of rights 61-2162, 61-2163, 61-2165, 61-7170 and 61-12039 are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate, annual diversion volume, and total acres authorized for irrigation.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. Acceptance of a right into 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.
10. In accordance with Sections 42-248 and 42-1409(6), Idaho Code, all owners of water rights are required to notify the department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
11. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

Dated this 7th day of September, 2006



Chief, Water Allocation Bureau

01/03

Before the Idaho Water Resource Board

RECEIVED

AUG 22 2006

DEPARTMENT OF
WATER RESOURCES

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

Applicant J.R. Simplot Self-Declaration of Revocable Trust Phone 208-336-2110
Address PO Box 27
City Boise State ID Zip Code 83707

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Groundwater
tributary to _____
2. Maximum volume of water 470 AF.
3. Maximum rate of diversion 5.03 cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Irrigation
2. Please see remarks for description of all 7 existing points of diversion
Location of point of diversion 1/4 1/4, Section ,
Township , Range , B.M. County .
3. Season of use: From August 14, 2006 to November 1, 2006.
4. Description of diverting works: (Seven Wells with Pumps)
Pump HP Lift Pump type .
Canal name, if appropriate .
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by
40-acre tract, section, township and range.

✓ * T.4S R. 4E Sec.31: NESE (40)

Sec 32: NWNE (40), SWNE (39), NENW (40), SWNW (40)

SENE (40), NESW (40), NWSW (40), SWSW (40)

SESW (40), NWSE (39), SWSE (40), SESE (39)

Sec 33: SWSW (39)

T.5S R.4E Sec 5: NWNE (36), NENW (19)

Total = 611 Acres

* Same as Decreed place of use under Water Right No. 61-7088

- b. If water is not for irrigation, describe the nature of the intended use and the place of use.

Not Applicable

6. Describe any other water rights used for the same purposes as rental water sought under this application.

61-7088: Well failed. Water diverted under 61-2165 will be used in lieu of
water that would otherwise be available under 61-7170

7. Who owns the property at the point of diversion?

J. R. Simplot Company (for points of diversion under 61-2165).

8. Who owns the property at the place of use?

J. R. Simplot Self-Declaration of Revocable Trust owns the place of use
described under 61-7088

9. Are you seeking a rental for more than one (1) year? No (yes or no)
 If yes, for how many years? _____

10. Remarks: Points of diversion under 61-2165:

T.4S R.4E Sec. 31: SESE

T.5S R.4E Sec. 4 : NWSW; Sec.5: NWNW, SENW, NESW, NESE;

Sec. 6 : SENE

J. R. Simplot Self-Declaration of Revocable
Trust

August 15, 2006
Date

By: J. R. Simplot, Trustee by Ronald N. Graves Attorney-in-Fact

Signature of Applicant

J. R. Simplot, Trustee by Ronald N. Graves
Attorney-in-Fact

FOR DEPARTMENT USE ONLY

Received by WJ Date 8-22-06 Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

Action recommended _____

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

RECEIVED**JUN 01 2005**

Department of Water Resources

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

Name of Seller/Lessor J.R. Simplot Company Phone 208-336-2110Post office address PO Box 27, Boise, ID 83707

1. DESCRIPTION OF WATER RIGHT.

Right evidenced by:

a. Partial
Decree No. 61-02162 Decreed to J.R. Simplot Company
(Name)

in case of Snake River Basin Adjudication vs _____dated _____ in _____ county of _____
(Name of court)

b. License No. _____ issued by the Idaho Department of Water
Resources.

c. Permit No. _____ issued by the Idaho Department of Water
Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (If the entire right is for sale or lease,
show "all" on line a. below and skip the remainder of part 2.)

a. Amount of water under right: 3.10 cubic feet per second &/or
1,440 acre feet per annum

b. Point of Diversion: SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 31 Township 4S Range
4E, B.M. in Elmore County.

Additional points See Remarks for additional points of diversion

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5S	4E	6			40	40									40	40	40	40	240
		7	40			40													80

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres 320

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of the change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

Please see the attached copy of the Warranty Deed recorded in the real property records of Elmore County on February 12, 1990 as instrument no. 257482

- b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Water right was partially decreed on October 26, 2000.

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right..

Not Applicable

- d. Describe any other rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

During the term of this lease the place of use described by this water right will not be irrigated.

Water right 61-07170 is also appurtenant to the place of use.

- e. If the right is a permit, describe the work accomplished toward developing the right.

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

Additional Points of Diversion:

T.5S R. 4E Section 5: NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

T.5S R. 4E Section 6: SE $\frac{1}{4}$ NE $\frac{1}{4}$

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale

X For lease for a period from Indefinite to _____
(Day, month, year) (Day, month, year)

(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the state of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

Current Rental Rate

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not Rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any Elements of the water right.

5/27/05
Date

J.R. SIMPLOT COMPANY
By: [Signature]
Signature Terry T. Uhling, Senior Vice President
Secretary & General Counsel

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial _____ by _____

257482

rest of
GUARANTY TITLE, INC
 Time 2:53 P. M.
 Date February 12, 1990
 Book _____ of _____
 Page _____
RAMONA BRAZABAD
 By Merle Z. Becker Deputy
 Fee \$9.00

WARRANTY DEED

GRANTOR, CARL E. NICHOLSON and BLANCHE NICHOLSON, husband and wife, of Meridian, County of Ada, State of Idaho, for a good and valuable consideration; the receipt of which is hereby acknowledged, does hereby grant, bargain, sell and convey unto J.R. SIMPLOT COMPANY, whose current address is 999 Main Street, Suite 1300, County of Ada, State of Idaho as GRANTEE, and to grantee's heirs and assigns forever, all of the following described real estate located in County of Elmore, State of Idaho:

TRACT I

TOWNSHIP 4 SOUTH, RANGE 4 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO

SECTION 31: S $\frac{1}{2}$ SE $\frac{1}{2}$

TOWNSHIP 5 SOUTH, RANGE 4 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO

SECTION 4: NW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 5: E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$
 NW $\frac{1}{4}$ SW $\frac{1}{4}$ AND LOT 4

SECTION 6: LOTS 1 AND 2

TRACT II

TOWNSHIP 5 SOUTH, RANGE 4 EAST, BOISE MERIDIAN, ELMORE COUNTY, IDAHO

SECTION 6: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$

SECTION 7: E $\frac{1}{2}$ NE $\frac{1}{4}$

SECTION 8: N $\frac{1}{2}$

TOGETHER with all improvements, water, water rights, ditches, ditch rights, easements, hereditaments and appurtenances, specifically including but not limited to all mineral rights, hydrocarbon rights, geothermal rights, grazing rights, water rights, and any and all additional rights SUBJECT TO reservations of mineral rights in the U.S. Government's patents on the property.

Grantors, for themselves, their heirs and assigns do hereby covenant, warranty and shall defend the quiet and peaceable possession of said premises by the grantee, its successors, heirs and assigns forever against the lawful claims of all persons.

Thomas T. Nicholson and Carl V. Nicholson are executing this document as well in order to confirm that all water rights appurtenant to the premises are transferred to the Grantee.

In construing this deed, and where the context so requires, the singular includes the plural and the masculine, the feminine and the neuter.

IN WITNESS WHEREOF, Grantors have hereunto subscribed their name to this instrument this 8 day of February, 1990.

Carl E. Nicholson
Carl E. Nicholson

Blanche Nicholson
Blanche Nicholson

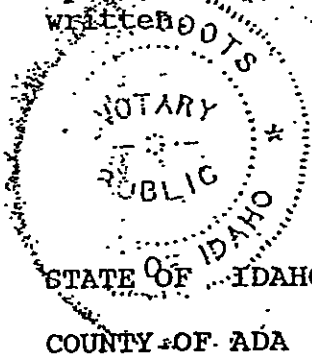
Thomas T. Nicholson
Thomas T. Nicholson

Carl V. Nicholson
Carl V. Nicholson

STATE OF IDAHO)
) ss:
COUNTY OF ADA)

On this 8 day of February, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared CARL E. NICHOLSON and BLANCHE NICHOLSON, husband and wife, known to me to be the persons whose names are subscribed to the foregoing 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.

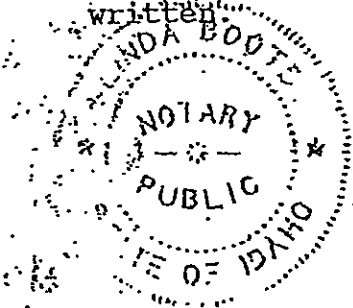


Linda K. Root
Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 5/31/95

STATE OF IDAHO)
COUNTY OF ADA) SS:

On this 8 day of February, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared THOMAS T. NICHOLSON, known to me to be the person whose name is subscribed to the foregoing 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.

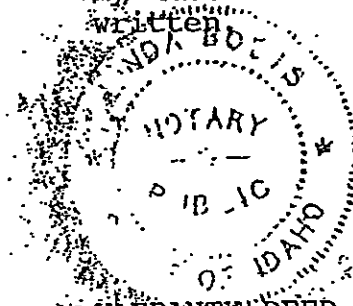


Linda K. Root
Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 5/31/95

STATE OF IDAHO)
COUNTY OF ADA) SS:

On this 8 day of February, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared CARL V. NICHOLSON, known to me to be the person whose name is subscribed to the foregoing 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.



Linda K. Root
Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 5/31/95

CORPORATE HEADQUARTERS

RECEIVED
OCT 02 2006
DEPARTMENT OF
WATER RESOURCES

September 29, 2006

Noreen Vaughn
Water Allocations Bureau
Idaho Department of Water Resources
PO Box 83720
Boise, Idaho 83720-0098

**Re: Water Supply Bank Rental Agreement ("Agreement")/ IDWR Water Right
Nos. 61-2165 and 61-2162.**

Dear Ms. Vaughn:

Enclosed is the partially executed original Agreement together with a \$1,251.18 check to cover the IDWR's administrative charges for the rental of up to 893.7 acre feet under the above referenced water rights. If Director Dreher finds this acceptable, please arrange for him to sign, then return the originally fully executed Agreement to my attention.

Sincerely,


Vic Conrad, Director
Land, Water & Asset Recovery

Enclosure

MEMORANDUM

To: File(s) 61-2162 and 61-2165

From: Cynthia Bridge Clark

Date: September 7, 2006

Re: Review/Analysis for Application to Rent Water from the State Water Supply Bank

Vic Conrad, representing the JR Simplot Company, contacted the department about renting water to continue irrigating 611 acres of farmland covered by water right 61-7088. One of the three wells used to divert water under the right failed, so the owners hoped to rent water from the bank until the well could be repaired or until the end of the irrigation season. Several rights owned by Simplot covering lands adjacent to the property are leased to the bank, therefore Vic proposed renting water under these rights. An application was faxed to the department with estimated amounts to facilitate immediate review. A revised application was sent by mail and received August 22, 2006.

In order to prevent enlargement, the applicants were required to rent portions of rights authorizing irrigation of a total of 611 acres. Since the applications were filed late in the irrigation season, the diversion volume rented was calculated based on the number of days of intended use. Vic Conrad was informed of this procedure prior to processing the applications.



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

September 7, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
C/O VIC CONRAD
PO BOX 27
BOISE ID 83707

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 61-2162 AND 61-2165**

Dear Renter:

The Department of Water Resources (department) acknowledges receipt of your application to rent water from the Water Supply Bank. Please find enclosed a Water Supply Bank Rental Agreement for your review and signature. Upon signature and return of the agreement, together with the rental fee described below, the department also will sign the agreement and will return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

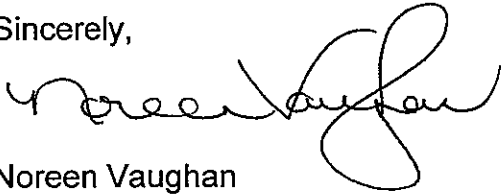
As I discussed with Vic Conrad upon filing the application to Rent Water from the Water Supply Bank, the diversion rate and volume applied to the rental are proportional to the amounts authorized under water right rented and the number of acres to be irrigated. Based on the number of acres identified on the rental application, it was necessary to rent water under both of the water rights referenced above. Since you are renting water in the later portion of the irrigation season, the proportional diversion volume was adjusted based on the number of days you intend to irrigate.

The total rental fee of \$12,511.80 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 893.7 af. Ten percent (10%) of the total rental fee is retained by the department for administrative fees in accordance with Water Supply Bank rules, IDAPA 37.02.03.01. The remaining ninety percent (90%) is issued back to the lessor of the above referenced water right(s) in the form of a warrant. Since you are the lessor and the renter under this agreement, the department requires that you submit only the portion of the total payment to be retained for administrative fees. Therefore, a rental fee of **\$1,251.18** must be paid in accordance with the rental agreement. Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement. Return the signed agreement and fee to my attention so I can complete the processing.

Please note that applications for rental of water must be reviewed in accordance with Section 42-1763, Idaho Code, and the department's Water Supply Bank Rule 30 (IDAPA 37.02.03.030). This includes consideration of whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water rights, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in the water supply bank is sufficient for the use intended and whether the proposal is in the local public interest. While a one-year rental usually involves a general review of the water rights and proposed use, rental of water over multiple years may require more comprehensive review, notice to advise anyone who desires to protest the proposed water use, and approval by the Idaho Water Resource Board.

If you have questions, please feel free to contact me at (208) 287-4954.

Sincerely,

A handwritten signature in black ink, appearing to read "Noreen Vaughan", with a large, stylized loop at the end.

Noreen Vaughan
Water Allocation Bureau

Encl: 1

c: John Westra – IDWR Western Regional Office

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

This is to certify that: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
PO BOX 27
BOISE ID 83707
(208) 336-2110

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

	<u>Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	61-2165	5.03 cfs	453.8 af	314.0 ac
COMBINED	61-2162	2.88 cfs	439.9 af	297.0 ac
RENTAL TOTALS:		7.91 cfs	893.7 af	611.0 ac

TERM OF RENTAL: 08/14/06 to 10/31/06

RENTAL FEE: \$12,511.80

The total fee for rental of the above-described water is \$ 12,511.80. The renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$1,251.18.

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 _____ day of _____, 20____.

by _____
(Print Name)

(Signature)

(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 _____ day of _____, 20____.

KARL J. DREHER, Director
Department of Water Resources

WATER RIGHT NO(S). 61-2165
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: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

Priority Date: 12/02/1963

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	08/14	to 10/31	5.03 CFS	453.8 AF
	Total: 5.03 CFS			453.8 AF

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

GROUND WATER	NWSW	Sec. 04	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 06	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 31	Twp 04S	Rge 04E	ELMORE 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	
04S	04E	31													40.0				40.0
04S	04E	32		40.0	39.0		40.0		40.0	40.0	40.0	40.0	40.0			39.0	40.0	39.0	477.0
04S	04E	33											39.0						39.0
05S	04E	5		36.0			19.0												55.0

Total Acres: 611.0

**WATER RIGHT NO(S). 61-2165
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
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 the ongoing Snake River Basin Adjudication or 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.
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.
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 right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

WATER RIGHT NO(S). 61-2162 **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: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

Priority Date: 01/22/1964

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	08/14	to 10/31	2.88 CFS	439.9 AF
			Total: 2.88 CFS	439.9 AF

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

GROUND WATER	NWSW	Sec. 04	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SE1NE	Sec. 06	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 31	Twp 04S	Rge 04E	ELMORE County

RENTER'S PLACE OF USE: IRRIGATION

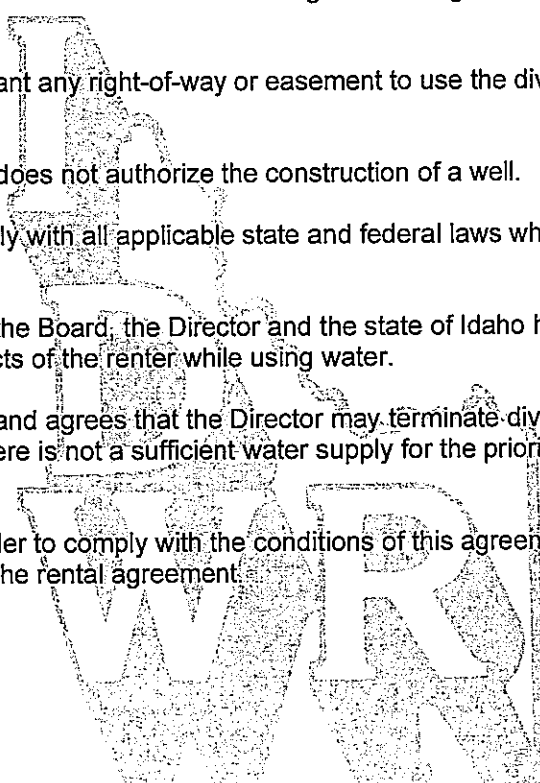
Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	04E	31																	40.0
04S	04E	32			40.0	39.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0		39.0	40.0	39.0	477.0
04S	04E	33											39.0						39.0
05S	04E	5			36.0		19.0												55.0

Total Acres: 611.0

**WATER RIGHT NO(S). 61-2162
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
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 the ongoing Snake River Basin Adjudication or 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.
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.
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 right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.



CORPORATE HEADQUARTERS

RECEIVED

AUG 22 2006

DEPARTMENT OF
WATER RESOURCES

August 21, 2006

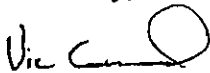
Cynthia Clark
State of Idaho
Department of Water Resources
322 East Front Street
PO Box 83720
Boise, Idaho 83720-0098

Re: Application To Rent Water From the Water Supply Bank.

Dear Ms. Clark:

Enclosed is an application by the J. R. Simplot Self-Declaration of Revocable Trust to rent up to 470 acre feet from the Water Supply Bank. I am also including the original letter faxed to you on August 11, 2006 which provides additional detail in describing of the enclosed application.

Sincerely,



Vic Conrad
Land, Water & Asset Recovery

Enclosures



CORPORATE HEADQUARTERS

P.O. BOX 27
BOISE, IDAHO 83707-0027

RECEIVED

AUG 13 2006

Department of Water Resources

August 11, 2006

Telefacsimile: Fax No. 287-6700

Cynthia Clark

State of Idaho

Department of Water Resources

322 East Front Street

PO Box 83720

Boise, Idaho 83720-0098

Re: IDWR Water Right Nos. 61-2165 and 61-7088.

Dear Ms. Clark:

The J. R. Simplot Company operates irrigated farmland that is described by the place of use under water right no. 61-7088. Water Right 61-7088 together with its described place of use is owned by the J. R. Simplot Self-Declaration of Revocable Trust.

One of three wells used to divert water under 61-7088 recently failed. To replace water that would otherwise be diverted from the failed well, the attached application seeks to divert replacement water from points of diversion that are described under water right no. 61-2165. The J. R. Simplot Company is the owner of water right no. 61-2165 and its corresponding points of diversion and places of use. The points of diversion and places of use described under 61-2165 are located on land that is adjacent to the place of use described under 61-7088.

We do not yet know the total volume that will be diverted under 61-2165. If you will please review the attached water bank rental application, I would appreciate any advice you may have on the fee that needs to be included with the final application. I can be reached by telephone at 208-389-7359 or by email: vic.conrad@simplot.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Vic Conrad", with a stylized flourish at the end.

Vic Conrad

Land, Water & Asset Recovery

Enclosure



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

September 7, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

JR SIMPLOT COMPANY
PO BOX 27
BOISE ID 83707

RE: APPLICATION TO LEASE ALL OF WATER RIGHT NO(S). 61-2162, 61-2163, 61-2165, 61-7170 AND 61-12039 TO THE WATER SUPPLY BANK

Dear Lessor:

The Department of Water Resources ("department") has completed its review of the Application to Sell or Lease Water Right(s) to the Water Supply Bank ("bank"). The offered water right(s) is accepted into the bank in accordance with the attached Water Supply Bank Lease Acceptance.

The right(s) will remain in the bank for an "indefinite" lease term unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the bank, the lessor must submit a request in writing to the department.

Please review the conditions of acceptance listed on the Lease Acceptance, and feel free to contact me if you have questions.

Sincerely,

Noreen Vaughan
Water Allocation Bureau

Encl: 5

c: John Westra— IDWR Western Regional Office



J.R. SIMPLOT COMPANY ONE CAPITAL CENTER 999 MAIN STREET SUITE 1300
P.O. BOX 27 BOISE, IDAHO 83707-0027 (208) 336-2110 FAX (208) 369-7515

CORPORATE HEADQUARTERS

RECEIVED

JUN 01 2005

Department of Water Resources

May 28, 2005

Cynthia Clark, Associate Engineer
Water Allocations Bureau
State of Idaho
Department of Water Resources
322 E. Front Street
PO Box 83720
Boise, ID 83720-0098

Re: IDWR Water Right Nos. 61-2162, 61-2163, 61-2165, 61-12039, 61-7170.

Dear Ms. Clark:

Enclosed are applications to lease all of water right nos. 61-2162, 61-2363, 61-2165 and 61-12039 to the Water Supply Bank. In addition, an application to lease the irrigation component of water right 61-7170 is also enclosed. The stockwater uses (i.e. stockwater, stockwater storage, diversion to stockwater from storage) are not included in the application for 61-7170. Should you have any questions about these applications, please contact me.

Sincerely,

Vic Conrad
Land, Water & Asset Recovery

Enclosures