

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

RECEIVED

MAY 21 2008

DEPARTMENT OF
WATER RESOURCES

This is to certify that: BAR MB RANCHES INC
3336 FARM TO MARKET RD
MIDVALE ID 83645
(208) 355-2452

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>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	67-2220	0.69 CFS	160.0 AF	40.0 AC
COMBINED RENTAL TOTALS:		0.69 CFS	160.0 AF	40.0 AC

TERM OF RENTAL:

March 15, 2008 to October 31, 2008
March 15, 2009 to October 31, 2009
March 15, 2010 to October 31, 2010
March 15, 2011 to October 31, 2011
March 15, 2012 to October 31, 2012

RENTAL FEE: \$2,240.00 per year

The fee for rental of the above-described water is \$2,240.00 per year. An annual payment shall be received by the Department of Water Resources prior to March 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.

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 18th day of May, 2008.

By: Vernon Sutton
(Print Name)

Vernon Sutton
(Signature)
Co-President
(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 22 day of MAY, 2008.

David R. Tuthill, Jr.
for DAVID R. TUTHILL, JR., Director
Department of Water Resources

WATER RIGHT NO. 67-2220
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: BAR MB RANCHES INC
 3336 FARM TO MARKET RD
 MIDVALE ID 83645
 (208) 355-2452

Priority Date: 07/14/1952

Source: NORTH CRANE CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15 to	10/31	0.69 CFS	160.0 AF
	Total:		0.69 CFS	160.0 AF

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

NORTH CRANE CREEK SE¼NW¼ Sec. 1 Twp 12N Rge 02W WASHINGTON County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
11S	24E	21					12.2	1.4	27.1	35.7									76.4

Total Acres: 76.4

Acre Limit within Place of Use described: 40.0*

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. * The renter is not authorized to divert more than 160.0 acre-feet of water under this agreement for irrigation of 40.0 acres within the place of use described above.
3. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in the ongoing Snake River Basin Adjudication or any other department application process.
4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. 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 renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.