

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

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OCT 24 2007

DEPARTMENT OF
WATER RESOURCES

This is to certify that: PACKSADDLE PROPERTIES LLC
PO BOX 584
DRIGGS ID 83422

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

Right	Rented Rate	Annual Rented Volume	Total Rented Acres
22-13729	0.36 CFS	67.2 AF	N/A

**COMBINED
RENTAL TOTALS**

0.36 CFS

67.2 AF

N/A

TERM OF RENTAL:

January 1, 2007 to December 31, 2007

RENTAL FEE:

\$ 94.08

The total fee for rental of above-described water is \$ 940.80. The renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$ 94.08.

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 16th day of October, 2007

By: Margaret S. Gillentine Margaret S. Gillentine
(Print Name) (Signature)
Project Manager
(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 24th day of OCTOBER, 2007

for

DAVID R. TUTHILL, JR., Director
Department of Water Resources

WATER RIGHT NO. 22-13729
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: PACKSADDLE PROPERTIES LLC
 PO BOX 584
 DRIGGS ID 83422

Priority Date: 08/09/1961

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
FIRE PROTECTION STORAGE	01/01	to 12/31	0.36 CFS	67.2 AF
AESTHETIC STORAGE	01/01	to 12/31	0.36 CFS	67.2 AF
Total:			0.36 CFS	67.2 AF

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

GROUND WATER NE¼SE¼ Sec 6, Twp 05N, Rge 45E TETON County

RENTER'S PLACE OF USE: FIRE PROTECTION STORAGE
 AESTHETIC STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
05N	45E	6									X	X	X	X					

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 water rented under this agreement is appurtenant to irrigation of 22.4 acres
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 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. This rental agreement does not authorize the construction of a well.
7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of the permanent application for transfer filed by the applicant for this same use.

**WATER RIGHT NO. 22-13729
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER 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.
12. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
13. Future rentals for the use authorized under this agreement may be subject to further review.