

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

**RECEIVED**

JUN 22 2007

This is to certify that: SINCLAIR OIL CO  
DBA SUN VALLEY CO  
PO BOX 10  
SUN VALLEY ID 83353

Department of Water Resources

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 Leased to the Bank

| <u>Right</u>                  | <u>Lease Rate</u> | <u>Lease Volume</u> | <u>Total Leased Acres</u> |
|-------------------------------|-------------------|---------------------|---------------------------|
| 37-415                        | 1.7 cfs           | 175 ac ft           | 50 acres                  |
| <b>COMBINED RENTAL TOTALS</b> | <b>1.7 cfs</b>    | <b>175 ac ft</b>    | <b>50 acres</b>           |

**TERM OF RENTAL:**

June 21, 2007 through December 31, 2011

**RENTAL FEE:**

\$ 245.00 annually

The total fee for rental of above-described water is \$ 2,450 00 The renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$ 245.00. A lump sum payment of \$ 1,225.00 for the five-year rental period should be submitted with the signed rental agreement

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 22nd day of June, 20 07

By: Scott L. Campbell  
(Print Name)

Scott L. Campbell  
(Signature)  
Attorney for Sinclair Oil Co.  
DBA Sun Valley Company  
(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 June, 20 07.

for David R. Tuttle  
DAVID R. TUTTLE, JR., Director  
Department of Water Resources

SCANNED

JUN 27 2007

**WATER RIGHT NO. 37-415**  
**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 CO.  
 DBA SUN VALLEY CO  
 PO BOX 10  
 SUN VALLEY ID 83353

Priority Date: 4/25/1881

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 |               | 1.7 CFS               | 175 AF        |
|                       |                | <b>Total:</b> | <b>1.7 CFS</b>        | <b>175 AF</b> |

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

TRAIL CREEK NE1/4SE1/4 Sec. 32 Twp 05N Rge 18E, B.M. 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 |        |
| 05N | 18E | 32  |    |     |    |    |      |    |    |     |    |    | 2.5 |     |     |    | 7.0 |    | 9.5    |
| 04N | 18E | 5   |    |     |    |    | 0.5  |    |    |     |    |    |     |     |     |    |     |    | 0.5    |
| 04N | 18E | 6   |    |     |    |    |      |    |    | 2.0 |    |    |     | 5.0 | 6.0 |    | 8.0 |    | 21.0   |
| 04N | 18E | 7   |    | 4.0 |    |    | 10.0 |    |    | 5.0 |    |    |     |     |     |    |     |    | 19.0   |

TOTAL ACRES: 50 ACRES

**CONDITIONS OF WATER USE**

- The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code
- 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.
- After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to determine the amount of water diverted from power records and shall annually report the information to the Department.

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**WATER RIGHT NO. 37-415  
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**CONDITIONS OF WATER USE**

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 a permanent application for transfer 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 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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