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WATER SUPPLY BANK RENTAL AGREEMENT

JUN 23 2005

Department of Water Resources

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Tamarack Resort LLC
2. Address: 960 Broadway Avenue, Suite 100
Boise ID 83706
3. Source of water: Ground water
4. Volume of water rented: 19.8 AF Max rate: 1.0 cfs
5. Diversion period: June 4 through October 31, 2005 and
April 15 through October 31, 2006
6. Use of water: Irrigation
7. a) Renter's point of diversion:

 Legal description: SESE Section 5, T16N, R3E, B.M., Valley County

 b) Renter's place of use:

 Legal description: 2 acres within SESE Section 5, T16N, R3E, B.M.
8. The right from which water will be rented is 65-7884.

The undersigned renter agrees to pay \$ 435.60 for rental of the above-described water and agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The renter is limited to diversion of 6.0 acre-feet of ground water under this agreement for irrigation of 2 acres.

3. Renter agrees to use surface water, to the extent it is available, prior to any diversion of ground water.
4. 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.
5. The right holder shall record the quantity of water diverted and annually report diversions of water and/or other pertinent hydrologic and system information as required by Section 42-701, Idaho Code.
6. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. 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
9. 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.
- 10 This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
- 11 This rental does not authorize the construction of a well.
- 12 Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 22nd day of June, 2005.

by

for


Tamarack Resort, LLC

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 20 day of June, 2005.


KARL J. DREHER, Director
Department of Water Resources