

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

RECEIVED
MAR 07 2006
DEPARTMENT OF
WATER RESOURCES

This is to certify that: CLEAR SPRINGS FOODS, INC
PO BOX 712
BUHL ID 83316
(208) 543-3416

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>Rented Volume</u>	<u>Total Rented Acres</u>
36-16236	0.16 cfs	32.0 af	8.0 ac
COMBINED			
RENTAL TOTALS:	0.16 cfs	32.0 af	8.0 ac
TERM OF RENTAL: <u>Irrigation Season 3/15 to 11/15 2005 through 2009</u>			
TOTAL RENTAL FEE: <u>\$35.20 per year for 5 years</u>			

Based on a negotiated agreement between the lessor and the renter, the renter is obligated to pay only the administrative fee of **\$35.20 per year for 5 years**. Payment may be made annually or submitted in one lump sum for the five-year rental period. With the exception of the 2005 irrigation season, annual payments 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 20th day of FEBRUARY, 2006

by JOHN R. MACMILLAN
(Print Name)

John R. MacMillan
(Signature)
VICE 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 8th day of MARCH, 2006

Karl J. Dreher

KARL J DREHER, Director
Department of Water Resources

WATER RIGHT NO(S). 36-16236 **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: CLEAR SPRINGS FOODS, INC
 PO BOX 712
 BUHL ID 83316
 (208) 543-3416

Priority Date: 09/19/1912

Source: CLEAR SPRINGS

<u>BENEFICIAL USE</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15 to 11/15	0.16 CFS	32.0 AF
	Total: 0.16 CFS		32.0 AF

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

CLEAR SPRINGS SESENE Lot 5 Sec. 02 Twp 09S Rge 14E GOODING 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	
09S 14E 01							X					X					
09s 14E 02				X									X				8 0

Total Acres: 8 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 water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. Administrative fees will be paid based on the current rental rate
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 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
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.

**WATER RIGHT NO(S). 36-16236
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

6. 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
7. 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
8. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party
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.
10. 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