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Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

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: The Heatherlands Subdivision
2. Address: P.O. Box 2360, Sun Valley, ID 83353
3. Source of water: Ground water
4. Volume of water rented: 4.8 AF Max rate: 0.06 cfs
5. Diversion period: August 1 through October 31, 2003
6. Use of water: Irrigation
7. a) Renter's point of diversion:
Legal description: SE1/4SW1/4 Section 17, T3N, R18E, B.M., Blaine County
b) Renter's place of use:
Legal description: 3 acres within SESW Section 17, T3N, R18E, B.M.
8. The right from which water will be rented is 37-2627D.

The undersigned renter agrees to pay \$52.80 for rental of the above described water and agrees to use the water in compliance 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. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
3. 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

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and place of use of the water shall revert to the licensed points of diversion and place of use and/or again be available to rent from the bank.

4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. 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.
6. 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.
7. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
8. This rental does not authorize the construction of a well.

Dated this 1st day of August, 2003.

by Ronald E. May
for

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 1st day of August, 2003.

Karl J. Dreher
for KARL J. DREHER, Director
Department of Water Resources

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TOTAL P.03