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OCT 27 2005

Department of Water Resources

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

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: WILSON PROPERTIES, LP
2. Address: 1101 WEST RIVER STREET SUITE 150, BOISE ID 83702
3. Source of water: Ground water
4. Volume of water rented: 184.5 af Max rate: 1.0 cfs
5. Diversion period: July 15 through October 15, 2005
6. Use of water: Irrigation
7. a) Renter's point of diversion:
Legal description: SWSE Section 33, T3N, R1E, B.M., ADA County
b) Renter's place of use:
Legal description: 115 Total acres within Section 04, T2N, R01E, B.M.,
20 acres within NENE, 35 acres within NWNE,
35 acres within SWNE, 25 acres within SENE
8. The rights from which water will be rented are 63-7355 and 63-8382.

The undersigned renter agrees to pay **\$2,029.50** 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 right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the lands authorized to be irrigated under this

agreement. The right holder shall limit the diversion of ground water under this right to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.

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

Dated this 26th day of October, 2005.

by Charles H. Wilson
for Wilson Properties

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 27 day of OCTOBER, 2005.

A handwritten signature in black ink, appearing to read "Gary Spackman", is written over a horizontal line.

KARL DREHER, Director
Department of Water Resources