

Before the Idaho Water Resource Board

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MAR 28 2005

DEPARTMENT OF WATER RESOURCES

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: Mark Palmer
2. Address: 391 Glendale Road, Bellevue, ID 83313
3. Source of water: Ground water
4. Volume of water rented: 17.5 AF Max rate: 0.1 cfs
5. Diversion period: 2005 irrigation season
6. Use of water: Irrigation
7. a) Renter's point of diversion:
Legal description: SWSE Section 22, T1N, R18E, B.M., Blaine County
b) Renter's place of use:
Legal description: 5 acres within SWSE Section 22, T1N, R18E, B.M.
8. The right from which water will be rented is 37-2627D.

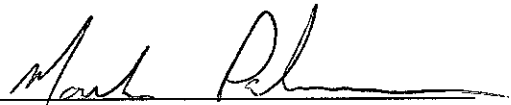
The undersigned renter agrees to pay \$ 192.50 for rental of the above-described water and agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

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. Use of water under this agreement is subject to the conditions of Transfer 5423.

3. In accordance with Transfer 5423, five irrigated acres under Right 37-154C will no longer be irrigated to mitigate use of Right 37-2327D as a primary groundwater right
4. After specific notification by the Department, the right holder shall record the quantity of water diverted 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.
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. Future rentals for the use authorized under this agreement may be subject to further review and notice requirements.
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 25TH day of MARCH, 2005.

by 
for
