

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

This is to certify that: **MORGAN ENTERPRISES LLC**
 762 W HWY 39
 BLACKFOOT, ID 83221
 (208) 684-3060

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

Water Right	Rented Rate	Annual Rented Volume	Total Rented Acres
35-13993	0.31 CFS	114.0 AF	28.5 AC
35-13995	0.37 CFS	114.0 AF	28.5 AC
COMBINED RENTAL TOTALS:	0.48 CFS	114.0 AF	28.5 AC

TERM OF RENTAL: April 1, 2009 to October 31, 2009
April 1, 2010 to October 31, 2010
April 1, 2011 to October 31, 2011
April 1, 2012 to October 31, 2012
April 1, 2013 to October 31, 2013

RENTAL FEE: \$7,980.00

The fee for rental of the above-described water is \$1,596.00 per year. Payment for rental of water through the 2012 season must be received prior to execution of this agreement. Payments for all subsequent years shall be received by the Department prior to April 1, the beginning of the irrigation season.

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 13 day of FEBRUARY, 20 12.

By: MORGAN ENTERPRISES LLC (Print Name) Neil Morgan (Signature)
Managing member
 (Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (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 27th day of February, 20 12.

Monty P. Valen
 for GARY SPACKMAN, Interim Director
 Department of Water Resources

WATER RIGHT NO. 35-2382
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: KAYE RITCHIE & JOHN M RITCHIE
 PO BOX 1068
 BLACKFOOT, ID 83221
 (208) 785-5982

Priority Date: 07/13/1954

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.31 CFS	114.0 AF
	Total:		0.31 CFS	114.0 AF

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

GROUND WATER NE1/4NW1/4SE1/4 Sec. 4, Twp 02S, Rge 34E, B.M. BINGHAM County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
02S	34E	4	24.5			4.0													28.5

Total Acres: 28.5

Acre Limit within Place of Use described: NA

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. 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 any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
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.

**WATER RIGHT NO. 35-2382
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.

WATER RIGHT NO. 35-7541
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: KAYE RITCHIE & JOHN M RITCHIE
 PO BOX 1068
 BLACKFOOT, ID 83221
 (208) 785-5982

Priority Date: 11/12/1975

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.37 CFS	114.0 AF
	Total:		0.37 CFS	114.0 AF

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

GROUND WATER NE1/4NW1/4SE1/4 Sec. 4, Twp 02S, Rge 34E, B.M. BINGHAM County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
02S	34E	4	24.5			4.0													28.5

Total Acres: 28.5

Acre Limit within Place of Use described: NA

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. 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 any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
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.

**WATER RIGHT NO. 35-7541
WATER SUPPLY BANK RENTAL AGREEMENT**

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APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK (Morgan Enterprises, LLC)

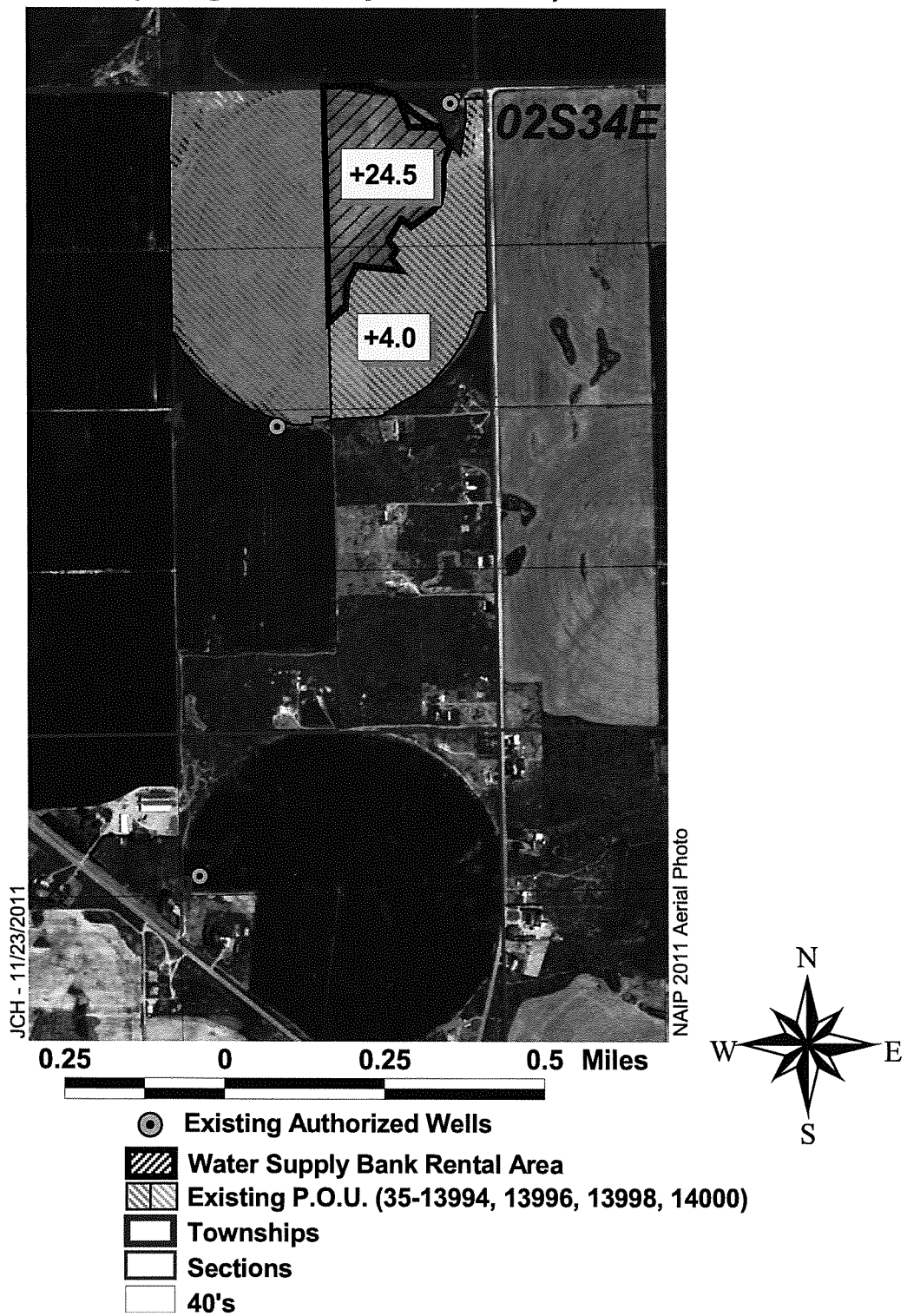


EXHIBIT A