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OCT 21 2009

DEPARTMENT OF
WATER RESOURCES

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

This is to certify that: PEP LLC
1356 S 3000 W
ABERDEEN ID 83210

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
35-7246B	0.43 CFS	148.0 AF	37.0 AC
35-7246C	0.51 CFS	165.6 AF	41.4 AC
35-8864	0.43 CFS	110.0 AF	27.5 AC

**COMBINED
RENTAL TOTALS:** **1.37 CFS 423.6 AF 105.9 AC**

TERM OF RENTAL: May 7, 2009 to October 31, 2009
 April 1, 2010 to October 31, 2010

RENTAL FEE: \$593.04 per year

The total fee for rental of the above-described water is \$5,930.40 per year. The undersigned renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$593.04 per year. An annual payment shall be received by the Department of Water Resources prior to April 1, 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 19 day of October, 20 09.

By: CHRIS PRATT
(Print Name)

[Signature]
(Signature)

Member
(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 21st day of OCTOBER, 2009.

[Signature]
FOR GARY SPACKMAN, Interim Director
Department of Water Resources

**WATER RIGHT NO. 35-7246B
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: PEP LLC
1356 S 3000 W
ABERDEEN ID 83210
(208) 397-4698

Priority Date: 09/05/1972

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	0.43 CFS	148.0 AF
	Total:			0.43 CFS
				148.0 AF

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

GROUND WATER SW¼SW¼ Sec. 27 Twp 04S Rge 30E BINGHAM 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	
04S	30E	28			23	21									34	36	3.0	3.0	120.0

Total Acres: 120.0

Acre Limit within Place of Use described: 37.0

COMBINED LIMITS OF RENTAL:

<u>Rented Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
35-7246B, 35-7246C, 35-8864	1.37 CFS	423.6 AF	105.9 AC

CONDITIONS OF WATER USE

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

**WATER RIGHT NO. 35-7246B
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER 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.
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.

WATER RIGHT NO. 35-7246C
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: PEP LLC
 1356 S 3000 W
 ABERDEEN ID 83210
 (208) 397-4698

Priority Date: 09/05/1972

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	0.51 CFS	165.6 AF
	Total:		0.51 CFS	165.6 AF

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

GROUND WATER SW¼SW¼ Sec. 27 Twp 04S Rge 30E 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
04S	30E	28			23	21									34	36	3.0	3.0	120.0

Total Acres: 120.0

Acre Limit within Place of Use described: 41.4

COMBINED LIMITS OF RENTAL:

<u>Rented Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
35-7246B, 35-7246C, 35-8864	1.37 CFS	423.6 AF	105.9 AC

CONDITIONS OF WATER USE

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

**WATER RIGHT NO. 35-7246C
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER 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.
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.

WATER RIGHT NO. 35-8864
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: PEP LLC
 1356 S 3000 W
 ABERDEEN ID 83210
 (208) 397-4698

Priority Date: 07/06/1989

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	0.43 CFS	110.0 AF
	Total:		0.43 CFS	110.0 AF

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

GROUND WATER SW¼SW¼ Sec. 27 Twp 04S Rge 30E 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
04S	30E	28			23	21									34	36	3.0	3.0	120.0

Total Acres: 120.0

Acre Limit within Place of Use described: 27.5

COMBINED LIMITS OF RENTAL:

<u>Rented Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
35-7246B, 35-7246C, 35-8864	1.37 CFS	423.6 AF	105.9 AC

CONDITIONS OF WATER USE

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

**WATER RIGHT NO. 35-8864
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER 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.
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.