



SPF Water Engineering, LLC
water resource consultants

TRANSMITTAL

DATE: April 18, 2008
TO: Don Shaff
FROM: Roxanne Brown
CC:
RE: BLM Agricultural Lease (Elzinga)
JOB NO.: 633.8918

The following items are:

☐ Requested ☒ Attached ☐ Shipped Via _____
☐ Report ☐ Specification ☐ Cost Estimate ☐ Shop Drawings
☐ Test Result ☐ Prints ☐ Test Sample ☐ Other

No.	Description
1	Agricultural Lease IDI-34902
	73-2157
	73-98, 73-12032
	(Notations - Shaff)

This data is submitted:

☐ At your request ☐ For your action
☐ For your approval ☒ For your files
☐ For your review ☐ For your information

General Remarks: Please place this document in the Elzinga file (Objection Subcase No. 73-2157). Thanks!

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Idaho Falls District
Challis Field Office
801 Blue Mountain Road
Challis, Idaho 83226

AGRICULTURAL LEASE IDI-34902

THE LEASE, made and entered into by the United States of America, by and through the Bureau of Land Management (BLM), hereinafter referred to "LESSOR", and Glenn and Caryl Elzinga, Owners/Operators of the Alder Spring Ranch whose address is: 19 Moen Lane, Mary, ID 83253 hereinafter referred to as "LESSEE", pursuant and subject to the provisions of Title III, Section 302 of the Federal Land Policy and Management Act of October 21, 1976 (43 U.S.C. 1732, 90 Stat. 2762).

The Lessor and the Lessee are jointly referred to herein as the "Parties". As used herein, the term "Authorized Officer" refers to the Bureau's official having the delegated authority to execute and administer this lease. Unless otherwise indicated, such authority may be exercised by the Challis Field Office Manager or the Upper Snake River District Manager.

WITNESSETH

WHEREAS THE LESSOR, for and in consideration of the payment of current fair market rental in advance, or other consideration, does hereby grant to the LESSEE, its licensees, permittees, and agents the right and privilege to cultivate with only acceptable farming practices the public lands described below provided the Lessee complies with the terms and conditions specified herein:

Boise Meridian, Custer County, Idaho

T. 15 N., R. 21 E., section 28, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ *

73-2157

Containing approximately 4.3 acres

(*) Portion only, refer to attached map

AND

Boise Meridian, Lemhi County Idaho

T. 15 N., R. 21 E., section 22, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ *

73-98, 73-2032

Containing approximately 5.9 acres

(*) Portion only, refer to attached map

NOW THEREFORE:

The parties to this lease, in consideration of the mutual covenants and benefits herein contained and for the advantages and mutual benefits accruing by this lease, to each of them, hereby covenant, contract and agree;

RENT

As required by Title 43 CFR §2920.8, the Lessee shall pay rental for this use. Annual rental will be \$250.00 per year payable upon issuance of the lease. This rent shall be updated every five years or earlier, as determined by the authorized officer to ensure the Lessor is charging fair market value.

GENERAL PROVISIONS

The lease shall be issued for a ~~20-year term~~ which may be renewed with the consent of the Lessor's authorized officer subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public's interest.

1. The Lessee agrees to the following provisions:
 - a) Observe all Federal, State, County and local laws, regulations, and ordinances which are applicable to the premises and conduct all actions in an orderly manner.
 - b) Not commit waste or injury to the land, or to utilize the land for any purpose other than for which this lease was issued.
 - c) Take all reasonable precautions to prevent and suppress any wildfire that may result in damage and to extinguish all fires before leaving the premises unattended.
 - d) Take all precautions to prevent pollution of surface and ground waters on or in the vicinity of the leased land.
2. The Lessee shall notify the Lessor of any change of name or mailing address within 45 days of such change.
3. The Lessee shall notify the Lessor within 30-days following a change of ownership of private land that is contiguous to the leased land. The purpose of this notification is to ensure the timely filing of an application for assignment of this lease and other related rights-of-way to the new owner(s).
4. The United States retains the right to authorize use of the leased area for other compatible uses, including subsurface and airspace.

5. This lease shall be issued subject to all valid existing rights and shall not excuse the Lessee from obtaining any additional approvals lawfully required by other Federal, State, or local agencies.
6. Any cultural and/or paleontological resource (historic or prehistoric object or site) discovered by the Lessee, or any person working on his/her behalf on the subject parcels shall be immediately reported to the Lessor. The Lessee shall suspend all operations in the immediate area of the discovery until the Lessor provides written authorization to proceed. An evaluation of the discovery will be made by the Lessor to determine appropriate actions to prevent the loss of significant cultural or scientific values. The Lessee will be responsible for the cost of this evaluation and the Lessor will make any decision as to proper mitigation measures after consulting with the Lessee.
7. Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall mean the use of all herbicides, rodenticides, and insecticides used on the subject parcels. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of the Interior. Prior to the use of pesticides, the Lessee shall obtain from the Lessor written approval of Lessee's plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the Lessor. Emergency use of pesticides shall be approved in writing by the Lessor prior to such use.
8. The Lessee shall comply with all current or future applicable Federal laws and regulations found in 43 CFR Part 2920, Subpart 2920, revised October 1, 2007 and subsequent revisions. Furthermore, the Lessee shall comply with the Toxic Substance Control Act of 1976 as amended, 15 U.S.C §2601 et seq. (1982) with regard to any toxic substance(s) that are used, generated by or stored on the leased lands or on facilities authorized under this lease. (See 40 CFR § 702-799 and especially, provisions on polychlorinated biphenyl, 40 CFR § 761.1 - 761.193.) Additionally, any release of toxic substances (leaks, spill, etc.) in excess of the reportable quantity established by 40 CFR part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liabilities Act (CERCLA), Section 102b. A copy of any report required or reportable release or spill of any toxic substances shall be furnished to the Lessor concurrent with the filing of reports to the involved Federal or State agency.
9. Pursuant to Title 43 CFR § 2920.9-3, in the event of noncompliance with applicable Federal regulation or special stipulations, the Lessor may suspend, terminate or cancel this lease following written notice and an opportunity for the Lessee to correct the problem. If the Lessee fails to correct the problem within the time allowed, the lease may be terminated. If terminated, the Lessee shall be allowed a reasonable period in which to remove all personal property or improvements. Personal property or improvements remaining after this period shall become the sole property of the

United States. The Lessee shall remain liable for actions that occurred during the term of the lease, and for the costs incurred by the United States in the removal of equipment, machinery, or improvements and reclamation of the property.

10. The Lessee agrees to defend, indemnify, and hold harmless the United States against any liability rising from any activity within the lease area, including, but not limited to, the release of hazardous substances or hazardous waste. This agreement applies without regard to whether an action or release is caused by the Lessee, or unrelated third party.
11. The Lessor reserves all leaseable, locatable, and salable mineral resources and deposits in the subject parcels together with the right to prospect for, mine, and remove the same under applicable laws and regulations.
12. A relinquishment of this lease, upon acceptance of by the Lessor, will be effective on the date it is filed and accepted, provided that, a relinquishment will not relieve the Lessee from liability where the Lessee is in default under any of the terms or conditions of this lease or for any reclamation of the lands.
13. As per Title 43 CFR §2920.7(j) revised October 1, 2007, the public lands identified in this lease may not be subleased with adjacent private land to any other farmer or person without prior written consent by the Lessor. Any approved sub-lessee must adhere to and agree to be subject to all the provisions in this lease prior to their use occurring.
14. This lease shall be binding on all parties and shall inure to the benefit of the heirs, executors, administrators, successors, or assigns of the Lessee hereto.
15. The Lessee shall maintain the premises and improvements thereon to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the Lessor.
16. Any and all signs erected or maintained on the lands leased by the Lessee shall be approved in writing by Lessor.
17. The Lessor reserves the right to inspect the leased land at any time and to suspend, or prohibit us of any facilities on it, if in the judgment of the Lessor, continued operation would endanger human life and/or property. Such suspension or prohibition will remain in effect until the hazard(s) has been eliminated to the satisfaction of the Lessor. It is understood that such suspension will only be ordered for substantive reasons.
18. No subdivision of the property is permitted for any reason.
19. All farming costs, including but not limited to, labor, seed, cultivation, watering, vehicle usage, machinery, harvesting, and storage, shall be the sole expense of the Lessee as his/her expense in doing business under this lease.

20. The beneficial use of water for irrigation purposes on federal public land shall be made pursuant to the leasee acting as an agent of the United States for the limited purposes of establishing and maintaining water rights used upon federal public land. Lessee assumes all liability for compliance with applicable state and federal rules governing irrigated agriculture and for damages caused by the leasee in the pursuit of same. Any water right(s) arising from the irrigation of federal public land shall be by and for the U.S., and no claim thereto shall be made by the leasee. Water rights so acquired shall redound to the benefit of the United States and attach to and become appurtenant to federal public land. No right, title, interest, or economic expectation of use accrues to the leasee due to the use of federal public land for agricultural purposes. No right, title, or interest in the water conveyance system or private land accrues to the Lessor due to the use of private lands in conveying water to public lands. The leasee shall not cause any water to be conveyed off federal public land. Said title shall continue to be authorized by the Idaho State Department of Water Resources (IDWR). Failure of the Lessee to remain in compliance with IDWR requirements regarding the use of water to the satisfaction of the Lessor will result in the automatic termination of this lease in accordance with 43 CFR § 2920.9-3. No rights to public land accrue due to their description as the place of use or place of crossing in conjunction with a water right, beyond those described specifically by this lease.
21. Sole title to water associated with this lease shall be assigned in the name of the United States within three months of the issuance of this lease and for as long as it is being applied to public land. This water assignment and reversion will be at the Lessee's initiative and expense. In the event water is no longer applied to public land, title for the portion of the water right that was transferred from private land, shall, upon an approved IDWR transfer of the water right off of public lands, immediately and completely revert back to the sole ownership of the Lessee; the United States agrees to cooperate in said water transfer. Said title shall continue to be authorized by the IDWR. Failure of the Lessee to remain in compliance with IDWR requirements regarding the use of water to the satisfaction of the Lessor will result in the automatic termination of this lease in accordance with 43 CFR § 2920.9-3. No rights to public land accrue due to their description as the place of use or place of crossing in conjunction with a water right, beyond those described specifically by this lease.
22. The subject parcels shall not, nor this lease, be used as collateral in securing any loans. This lease shall not be used as a means of obtaining financial underwriting for operation of the farm or any other private endeavor.
23. The subject lands shall not be included in any Conservation Reserve Program (CRP) of the USDA, Consolidated Farm Service Agency (CFSA) nor shall they be included in formulas or participation acreage in calculation of deficiency payments or other purposes as a result of crops grown on the subject parcels. Also they shall not be included in any CFSA program that causes Federal money to be used in making payments to the Lessee.

24. Unrestricted and unabated legal access to the subject parcels both public and private, shall be allowed by either party for all operations under this lease and for administrative purpose to ensure compliance with the terms of the lease.
25. No member or Delegate to Congress or Resident Commissioner may benefit from this lease either directly or indirectly, except when the lease provides a general benefit to a corporation.
26. If the lease is either terminated or relinquished or the subject parcels are to remain idle for more than two consecutive years, they shall be rehabilitated with a seed mixture chosen by the BLM. The mixture shall be seeded using techniques appropriate for the species chosen and would most likely require use of a drill. All seeding operations shall be completed by the date specified by the BLM, with 90 days prior notification to the Lessee. The Lessee shall be liable for seed and material costs for the first seeding attempt. If the initial seeding attempt is unsuccessful, the Lessee may be required to re-seed up to three attempts until, in the judgment of the Lessor, the planting has been established. The BLM shall provide seeds for subsequent reseed(s) if necessary. Lessee shall provide labor and equipment for all seeding attempts.

HABITAT IMPROVEMENT

NOW THEREFORE. The parties to this lease, in consideration of the mutual covenants and benefits herein contained and for the advantages and mutual benefits accruing by this lease, to each of them, hereby covenant, contract and agree:

27. The Lessor shall provide and allow the farming and cultivation of 10.2 acres of public lands as shown on Attachment A, using customary farming practices and methods of operation. On the 10.2 acres of public land the Lessee will allow wildlife, indigenous to the area, use of the fringe areas for purposes of nesting, escape cover, and food requirements. Care will be taken to not disrupt their use of the land during nesting periods or while traversing the parcels.
28. When possible, any unharvested crops and cover plots shall be left undisturbed throughout the winter months.
29. The Lessor reserves the right to require the Lessee to install temporary or permanent fencing of the involved public land if it is deemed necessary.

This lease shall become effective on the last date signed and shall expire twenty (20) years from the effective date.

WITNESS WHEREOF:

THE UNITED STATES OF AMERICA

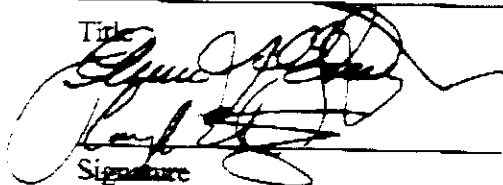
Glenn & Caryl Elzinga - Lessee

David P. Rosenkrance - Lessor

Alder Spring Ranch, Owners/Operators

Challis Field Office Manager

Title


Signature

Title


Signature

April 4, 08
Date

9 APRIL 2008
Date