

NOV 25 2020

WATER RESOURCES
WESTERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCESTransfer No. **84552****MINIMUM REQUIREMENTS CHECKLIST**
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER**RECEIVED**

NOV 24 2020

DEPARTMENT OF
WATER RESOURCES

An application for transfer must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Incomplete applications will be returned. The instructions, fee schedule, Part 2A reports and additional Part 2B forms are available from any Department office or on the Department's website at idwr.idaho.gov.

Name of Applicant(s) LU Ranching Co Inc**Check whether each item below is *attached* (Yes) or *not applicable* (N/A) for the proposed transfer.****Yes N/A** * Means the item is always required and must be included with the application.

- ☒ * Completed Application for Transfer of Water Right form, Part 1.
- ☒ * Signature of applicant(s) or applicant's authorized representative on Application for Transfer Part 1. Include evidence of authority labeled Attachment #3 (see below) if signed by representative.
- ☒ * Application for Transfer Part 2A. Attach a [Part 2A](#) report describing each water right in the transfer as currently recorded.
- ☐ ☒ Complete and attach an Application for Transfer [Part 2B](#) for each water right for which only a portion is proposed to be changed through this transfer application.
- ☒ * Application for Transfer Part 3A is always required (see Attachment #7a below); Parts 3B and 3C must be completed for transfer applications proposing to change the nature of use of the water right(s) or proposing changes to supplemental right(s).
- ☒ * Correct fee submitted with transfer application form. ([Fee schedule](#) is on website and instructions for application for transfer.)

Attachments to Application - Label each attachment with the corresponding number shown below as Attachment #1-10.

- ☐ ☒ #1 If the applicant is a business, partnership, organization, or association, and not currently registered in the State of Idaho as a business entity, attach documentation identifying officers authorized to sign or act on behalf of right holder. (See Part 1.)
- ☒ ☐ #2a Water Right ownership documentation if Dept. records do not show the applicant as the current water right owner. **
- ☐ ☒ #2b If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s).**
** Additional fee(s) required for water right ownership changes; see fee schedule.
- ☒ ☐ #3 Documentation of authority to make the change if the applicant is not the water right owner.
- ☐ ☒ #4 Power of Attorney or documentation providing authority to sign or act on the applicant's behalf. (See Part 1.)
- ☐ ☒ #5 If the transfer application proposes to change the point of diversion for a water right affecting the Eastern Snake Plain Aquifer (ESPA), attach the results of an ESPA analysis and a detailed mitigation plan to offset any depletions to hydraulically connected reaches of the Snake River. ESPA transfer spreadsheet and model grid labeled cells are available on the Department's website at idwr.idaho.gov/water-rights/transfers/resources.html.
- ☐ ☒ #6 Notarized statement of agreement or a statement on official letterhead signed by an authorized representative from each lien holder or other entity with financial interest in the water right(s) or land affected by the proposed transfer. (See Part 1.5.c.)
- ☒ * #7a Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described on the application. Include legal description labels. If only a portion of the right is proposed to be changed, identify the current location of the part of the existing right(s) proposed to be changed. (See Part 3A.)
- ☐ ☒ #7b If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. If some or all of any right is leased to the Water Supply Bank, you must also show the the specific location and/or acres to be idled at the new, proposed place of use to satisfy lease requirements.
- ☐ ☒ #8a If the transfer application proposes to change the nature of use or period of use for one or more rights, provide documentation describing the extent of historic beneficial use for the water rights proposed to be transferred and document how enlargement will be avoided. (See Part 3B.) Additional fee required for proposed changes to nature of use; see [fee schedule](#).
- ☐ ☒ #8b If the transfer application proposes to change the place of use of a supplemental irrigation right, provide documentation regarding the historic use of the supplemental right(s) and availability or reliability of the primary right(s) being supplemented, both before and after the proposed change. (See Part 3C.)
- ☐ ☒ #9 Water Supply Bank information for all rights proposed for transfer and currently leased to the Bank. ([Attachment WSB](#))
- ☐ ☒ #10 Other. Please describe: _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

NOV 24 2020

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

DEPARTMENT OF
WATER RESOURCES

Name of Applicant(s) LU Ranching Co Inc Phone 208-583-2249
Mailing address PO Box 132, Jordan Valley, OR 97910 Email _____

- ☐ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☐ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☐ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☐ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☒ No Representative

Name of Representative _____ Phone _____
Mailing address _____ Email _____

- ☐ Send all correspondence for this application to the representative and not to the applicant.
OR
- ☐ Send original correspondence to the applicant and copies to the representative.
- ☐ The representative may submit information for the applicant but is not authorized to sign for the applicant.
OR
- ☐ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

Timothy C Lowry
Signature of Applicant or Authorized Representative

Timothy C Lowry President
Print Name and Title if applicable

11/24/2020
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

- ☒ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use

☐ Change nature of use ☐ Change period of use ☐ Other _____
- Is this a transfer for changes pursuant to Idaho Code § 42-221.O.8?
If yes, ☐ attach an explanation and any supporting documentation labeled as **Part 1A.2**.
- Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it **Part 1A.3**.
I propose to change water right 55-10303A to move stockwater use from the description in Sec 13 T 09S R05W to a location in Section 12 as indicated on the attached map. PODs add to show beginning and end points within Sec 12.
No changes proposed to Place of Use or Points of Diversion in Sec 36

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 1 Continued

B. DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT, DESCRIBE PORTIONS TO BE CHANGED AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☐ ☒	55-10303A	0.02	Stockwater	6/15 to 12/31	Multiple Sources
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 0.02 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 0.02 cubic feet per second and/or _____ acre-feet per year.

3. Point(s) of Diversion:

- ☐ No changes to point(s) of diversion are proposed - the following chart is therefore not completed. (Proceed to #4.)
- ☐ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA. Label it **Attachment #5**.

New ?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #
No			SW	NE	36	09S	05W	Owyhee	Noon Creek	End Point
Yes			NW	SE	12	09S	05W	Owyhee	Unnamed Stream	Beginning Point
Yes			NW	SE	12	09S	05W	Owyhee	Unnamed Stream	End Point
								Others as shown	on partial decree in backfile	

4. Place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

- ☐ No changes to place of use are proposed - the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	05W	12														X			
09S	05W	36		x	x	x	x			x	x	x			x	x			
Total Acres (for irrigation use)																			

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued**

5. General Information:

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future:
In-stream stockwater use
-
- b. Who owns the property at the point(s) of diversion? State of Idaho
If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:
S. Mountain Allotment (documents enclosed)
-
- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
If yes, ☐ attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien: _____
-
- It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.
- d. Are any of the water rights proposed for transfer currently leased to the Water Supply Bank?
If yes, ☐ complete Attachment WSB.
- e. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:
-
- f. Describe the use of any other water right(s) for the same purpose or land, or the same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use:
-
- g. To your knowledge, has/is any portion of the water right(s) proposed to be changed:
- Yes No**
- ☐ ☒ undergone a period of five or more consecutive years of non-use,
- ☐ ☒ currently leased to the Water Supply Bank,
- ☐ ☒ currently used in a mitigation plan limiting the use of water under the right, or
- ☐ ☒ currently enrolled in a Federal set-aside program limiting the use of water under the rights?

If yes, describe:

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

11/19/2020

Water Right 55-10303A

Owner Type **Name and Address**
Current Owner L U RANCHING CO INC
C/O TIMOTHY C LOWRY
PO BOX 132
JORDAN VALLEY, OR 97910-0132
(208) 583-2249

Priority Date: 5/20/1872

Basis: Decreed

Status: Active

Source **Tributary**
NOON CREEK NORTH FORK OWYHEE RIVER
UNNAMED STREAM CORRAL CREEK

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
STOCKWATER	06/15	12/31	0.020 CFS	
	<u>Total Diversion</u>		0.020 CFS	

Source and Point(s) of Diversion

NOON CREEK	SWSWNE	Sec. 36, Twp 09S, Rge 05W, OWYHEE County(E)
UNNAMED STREAM	NENESE	Sec. 13, Twp 09S, Rge 05W, OWYHEE County(E)

Place Of Use

STOCKWATER within OWYHEE County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	05W	13													X				
09S	05W	36		X	X	X	X			X	X	X			X	X			

Conditions of Approval:

1. N11 The quantity of water decreed for this water right is not a determination of historical beneficial use.
2. C18 This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
3. N13 The quantity of water under this right shall not exceed 13,000 gallons per day.

Comments:

1. dshaff 10/28/2003 Sources
The partial decree for this right has far more sources than the two PODs as ending points would provide. Only the sources at the two PODs were placed in the data today. The Sec 13 point was closer to the unnamed stream than to Corral Creek.

See partial decree in backfile

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

11/19/2020

Dates and Other Information

Decreed Date: 4/30/2001
Civil Case Number: 39576
Judicial District: FIFTH
Water District Number: NWD
Mitigation Plan: False

Combined Use Limits

N/A

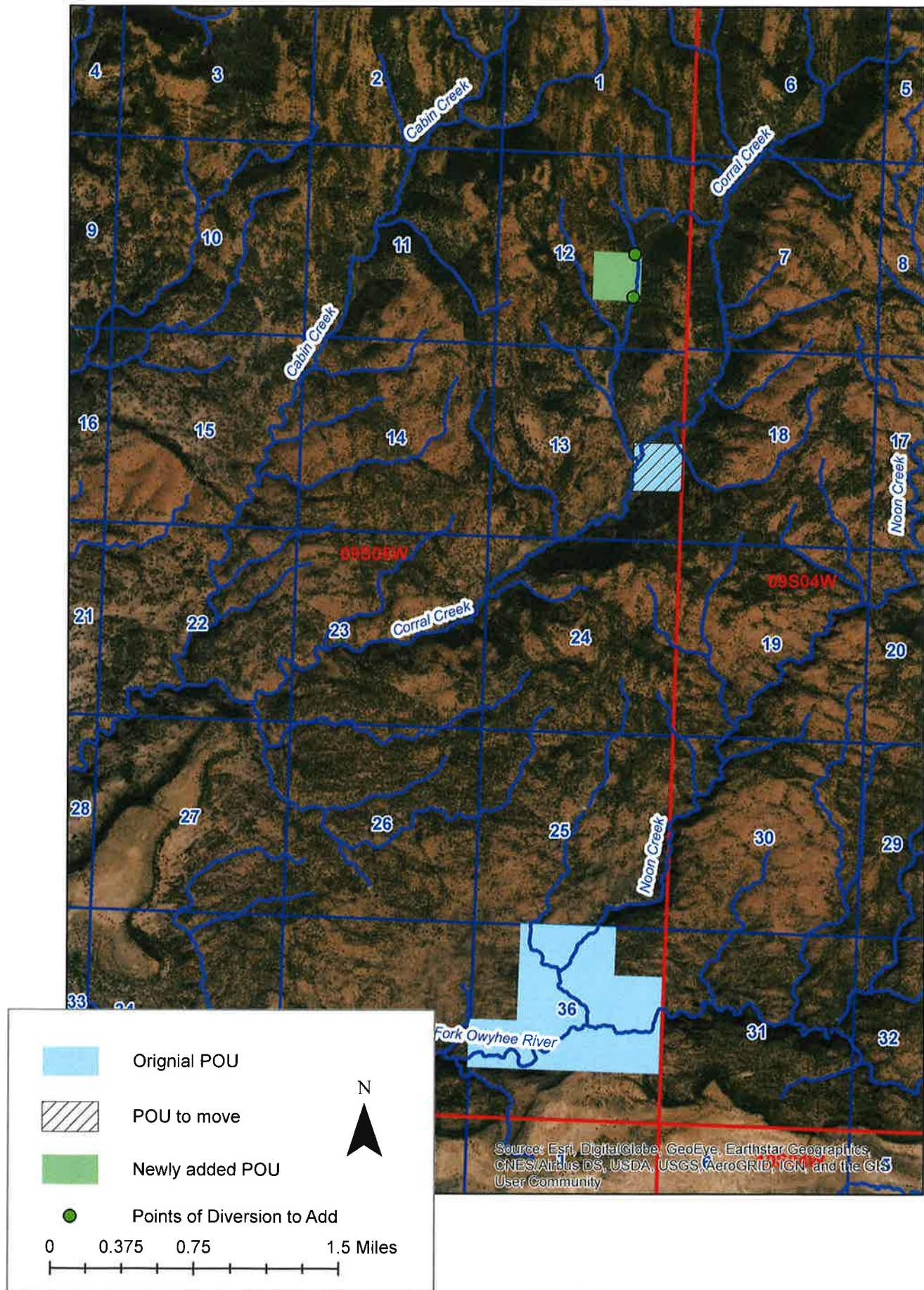
SubCase:

N/A

Water Supply Bank:

N/A

LU Ranching Transfer of 55-10303A



OPERATOR COPY

AUTH NUMBER: 1105236
DATE PRINTED: 2/25/2016

Form 4130-2a
(February 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

GRAZING PERMIT

STATE ID
OFFICE LLIDB03000
AUTH NUMBER 1105236
PREFERENCE CODE 03
DATE PRINTED 02/25/2016
TERM 03/01/2016 TO 02/28/2026

BUREAU OF LAND MANAGEMENT
OWYHEE FIELD OFFICE
20 FIRST AVE WEST
MARSING ID 83639

LU RANCHING CO.
P.O. BOX 132
JORDAN VALLEY OR 97910

THIS GRAZING PERMIT IS OFFERED TO YOU UNDER 43 CFR PART 4100 BASED ON YOUR RECOGNIZED QUALIFICATIONS. YOU ARE AUTHORIZED TO MAKE GRAZING USE OF LANDS, UNDER THE JURISDICTION OF THE BUREAU OF LAND MANAGEMENT AND COVERED BY THIS GRAZING PERMIT, UPON YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS GRAZING PERMIT AND PAYMENT OF GRAZING FEES WHEN DUE. CONTACT YOUR LOCAL BLM OFFICE AT 208-896-5912 IF YOU HAVE QUESTIONS.

MANDATORY TERMS AND CONDITIONS

<u>ALLOTMENT</u>	<u>PASTURE</u>	<u>LIVESTOCK</u> <u>NUMBER</u> <u>KIND</u>	<u>GRAZING PERIOD</u> <u>BEGIN</u> <u>END</u>	<u>% PL TYPE USE</u>	<u>AUMS</u>
00561 SOUTH MTN. AREA		114 CATTLE	06/01 10/07	34 ACTIVE	164

OTHER TERMS AND CONDITIONS:

GRAZING USE WILL BE IN ACCORDANCE WITH THE GRAZING SCHEDULE IDENTIFIED IN THE FINAL DECISION OF THE OWYHEE FIELD OFFICE MANAGER DATED DECEMBER 19, 2013. CHANGES TO THE SCHEDULED USE REQUIRE APPROVAL.

LIVESTOCK TURN-OUT IS SUBJECT TO THE DISTRICT RANGE READINESS CRITERIA.

YOU ARE REQUIRED TO SUBMIT A SIGNED AND DATED ACTUAL GRAZING USE REPORT FORM (BLM FORM 4130-5) FOR EACH ALLOTMENT YOU GRAZE. THE COMPLETED FORM(S) MUST BE SUBMITTED TO THIS OFFICE WITHIN 15 DAYS OF THE LAST DAY OF YOUR AUTHORIZED ANNUAL GRAZING USE.

PERMITTEES AGREE TO SALT/MINERAL PLACEMENT AT LEAST ONE-HALF (1/2) USE MILE FROM ANY RIPARIAN AREA, SPRING, STREAM MEADOW, OR ASPEN STAND. OF SUPPLEMENTS OTHER THAN THE STANDARD SALT OR MINERAL BLOCK ON PUBLIC LAND REQUIRES PRIOR APPROVAL FROM THE AUTHORIZED OFFICER.

TRAILING ACTIVITIES MUST BE COORDINATED WITH THE BLM PRIOR TO INITIATION. A CROSSING PERMIT MAY BE REQUIRED PRIOR TO TRAILING LIVESTOCK ACROSS PUBLIC LANDS. PERMITTEE WILL NOTIFY ANY/ALL AFFECTED PERMITTEES OR LANDOWNERS IN ADVANCE OF CROSSING.

PURSUANT TO 43 CFR 10.4(B), THE PERMITTEE MUST NOTIFY THE BLM FIELD MANAGER, BY TELEPHONE WITH WRITTEN CONFIRMATION, IMMEDIATELY UPON THE DISCOVERY OF HUMAN REMAINS, FUNERARY OBJECTS, SACRED OBJECTS, OR OBJECTS OF CULTURAL PATRIMONY (AS DEFINED IN 43 CFR 10.2) ON FEDERAL LANDS. PURSUANT TO 43 CFR 10.4(C), THE PERMITTEE MUST IMMEDIATELY STOP ANY ONGOING ACTIVITIES CONNECTED WITH SUCH DISCOVERY AND MAKE A REASONABLE EFFORT TO PROTECT THE DISCOVERED REMAINS OR OBJECTS.

LIVESTOCK EXCLOSURES LOCATED WITHIN THE GRAZING ALLOTMENT ARE CLOSED TO ALL DOMESTIC GRAZING USE.

PRIOR TO TURN-OUT, ALL RANGE IMPROVEMENTS MUST BE MAINTAINED AND IN ACCORDANCE WITH THE COOPERATIVE AGREEMENT AND RANGE IMPROVEMENT PERMIT IN WHICH YOU ARE A SIGNATORY OR ASSIGNEE. ALL MAINTENANCE ACTIVITIES

OPERATOR COPY

AUTH NUMBER: 1105236
DATE PRINTED: 2/25/2016

THAT MAY RESULT IN GROUND DISTURBANCE REQUIRE PRIOR APPROVAL FROM THE
AUTHORIZED OFFICER.

ALL APPROPRIATE DOCUMENTATION REGARDING BASE PROPERTY LEASES, LANDS
OFFERED FOR EXCHANGE-OF-USE, AND LIVESTOCK CONTROL AGREEMENTS MUST BE APPROVED PRIOR TO TURN OUT.

UPLAND FORAGE UTILIZATION BY LIVESTOCK ON KEY UPLAND HERBACEOUS FORAGE SPECIES IS LIMITED TO 50
PERCENT.

LIVESTOCK GRAZING WILL BE IN ACCORDANCE WITH YOUR ALLOTMENT GRAZING SCHEDULE(S). CHANGES IN
SCHEDULED PASTURE USE DATES WILL REQUIRE PRIOR AUTHORIZATION.

YOU ARE REQUIRED TO FOLLOW THE SOUTH MOUNTAIN AREA GRAZING PLAN.

ALLOTMENT SUMMARY (AUMS)

<u>ALLOTMENT</u>	<u>ACTIVE AUMS</u>	<u>SUSPENDED AUMS</u>	<u>TEMP SUSPENDED AUMS</u>	<u>PERMITTED USE</u>
00561 SOUTH MTN. AREA	165	0	0	165

Standard Terms and Conditions

1. Grazing permit or lease terms and conditions and the fees charged for grazing use are established in accordance with the provisions of the grazing regulations now or hereafter approved by the Secretary of the Interior.
2. They are subject to cancellation, in whole or in part, at any time because of:
 - a. Noncompliance by the permittee/lessee with rules and regulations.
 - b. Loss of control by the permittee/lessee of all or a part of the property upon which it is based.
 - c. A transfer of grazing preference by the permittee/lessee to another party.
 - d. A decrease in the lands administered by the Bureau of Land Management within the allotment(s) described.
 - e. Repeated willful unauthorized grazing use.
 - f. Loss of qualifications to hold a permit or lease.
3. They are subject to the terms and conditions of allotment management plans if such plans have been prepared. Allotment management plans MUST be incorporated in permits or leases when completed.
4. Those holding permits or leases MUST own or control and be responsible for the management of livestock authorized to graze.
5. The authorized officer may require counting and/or additional or special marking or tagging of the livestock authorized to graze.
6. The permittee's/lessee's grazing case file is available for public inspection as required by the Freedom of Information Act.
7. Grazing permits or leases are subject to the nondiscrimination clauses set forth in Executive Order 11246 of September 24, 1964, as amended. A copy of this order may be obtained from the authorized officer.
8. Livestock grazing use that is different from that authorized by a permit or lease MUST be applied for prior to the grazing period and MUST be filed with and approved by the authorized officer before grazing use can be made.
9. Billing notices are issued which specify fees due. Billing notices, when paid, become a part of the grazing permit or lease. Grazing use cannot be authorized during any period of delinquency in the payment of amounts due, including settlement for unauthorized use.
10. The holder of this authorization must notify the authorized officer immediately upon the discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony (cultural items), stop the activity in the area of the discovery and make a reasonable effort to protect the remains and/or cultural items.
11. Grazing fee payments are due on the date specified on the billing notice and MUST be paid in full within 15 days of the due date, except as otherwise provided in the grazing permit or lease. If payment is not made within that time frame, a late fee (the greater of \$25 or 10 percent of the amount owed but not more than \$250) will be assessed.
12. No Member of, or Delegate to, Congress or Resident Commissioner, after his/her election of appointment, or either before or after he/she has qualified, and during his/her continuance in office, and no officer, agent, or employee of the Department of the Interior, other than members of Advisory committees appointed in accordance with the Federal Advisory Committee Act (5 U.S.C. App.1) and Sections 309 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) shall be admitted to any share or part in a permit or lease, or derive any benefit to arise therefrom; and the provision of Section 3741 Revised Statute (41 U.S.C. 22), 18 U.S.C. Sections 431-433, and 43 CFR Part 7, enter into and form a part of a grazing permit or lease, so far as the same may be applicable.

THIS GRAZING PERMIT:

1. CONVEYS NO RIGHT, TITLE OR INTEREST HELD BY THE UNITED STATES IN ANY LANDS OR RESOURCES
2. IS SUBJECT TO (A) MODIFICATION, SUSPENSION OR CANCELLATION AS REQUIRED BY LAND PLANS AND APPLICABLE LAW; (B) ANNUAL REVIEW AND MODIFICATION OF TERMS AND CONDITIONS AS APPROPRIATE; AND (C) THE TAYLOR GRAZING ACT, AS AMENDED, THE FEDERAL LAND POLICY AND MANAGEMENT ACT, AS AMENDED, THE PUBLIC RANGELANDS IMPROVEMENT ACT, AND THE RULES AND REGULATIONS NOW OR HEREAFTER PROMULGATED THEREUNDER BY THE SECRETARY OF THE INTERIOR.

ACCEPTED:

SIGNATURE OF PERMITTEE: Jim Loun

DATE: 3/10/16

APPROVED

BLM AUTHORIZED OFFICER: Michelle S. Ferguson

DATE: 3/18/16

Megi Fredrickson 4/10/2020
IDL Representative Date



GRAZING LEASE
No. G600312
L U RANCHING CO.

SUMMARY OF LEASE PROVISIONS:

Lessor: STATE OF IDAHO, Idaho State Board of Land Commissioners
c/o Idaho Department of Lands
300 North 6th Street, Suite 103
PO Box 83720
Boise ID 83720-0050

Lessee: L U Ranching Co., an Idaho corporation
c/o Tim Lowry
26700 McKay Rd
PO Box 132
Jordan Valley, OR 97910
Email address: rl2749@hotmail.com
Phone: 208-583-2249

Lease Term: Commencement: January 1, 2020
Termination: December 31, 2029

Rent: The annual rent payment is due on May 1st of each year.

GRAZING:

Number of AUMs by Class for Billing

Cattle 224
Acres 1,896.81

Rent terms are more particularly described in *Section 3. Rental Rate and Modification of Rent* of the Lease Provisions.

Leased Premises Legal Description: See Attachment B

Primary Use of Leased Premises: Grazing

Bond: N/A

Liability Insurance: N/A

Lease Documents: The Lease ("Lease") consists of the following components:
SUMMARY OF LEASE PROVISIONS
LEASE PROVISIONS
SIGNATURE PAGES
ATTACHMENT A – SPECIAL TERMS AND CONDITIONS
ATTACHMENT B – LEASED PREMISES LEGAL DESCRIPTION
ATTACHMENT C – SITE MAP(S) #1
ATTACHMENT D – SAGE GROUSE CONSERVATION MEASURES

***This Summary of Lease Provisions ("Summary") is for convenience and ease of review only. The information stated in the Summary is intended to be accurate and consistent with the contract terms set forth in the following Lease. In the event any information stated in the Summary is inconsistent with the Lease Provisions or Attachments, the Lease Provisions and Attachments will control.**

[Remainder of page intentionally left blank]

LEASE PROVISIONS

1. Lessor, in consideration of the rental paid and the covenants, conditions and restrictions contained in the Lease (including the Summary of Lease Provisions, Signature Page and all Attachments, including any Special Terms and Conditions, as may be amended), does hereby lease and demise unto Lessee, the lands ("Leased Premises") described in Attachment B for the uses specified herein. Lessor and Lessee are collectively referred to herein as the "parties" and individually as a "party". "Including" and "includes" mean including, but not limited to.

2. **Use of Leased Premises.**

- A. **Grazing Use.** Lessee is authorized to use the number of acres identified in the Lease for grazing domestic livestock at the identified AUM rate. The location and management of grazing livestock shall be designated in the Lease. Said use shall be in accordance with the Lease. No use of the Leased Premises for grazing purposes shall occur prior to the final approval of the Lease by Lessor.
- B. The grazing period, AUMs, number of stock to be grazed, and any special provisions deemed necessary by Lessor shall be determined by Lessor, and may be adjusted from time to time after giving Lessee thirty (30) calendar days written notice of any such modification. Lessee shall furnish such information as may be required to assist Lessor in determining the grazing period, AUMs, and number of stock to be grazed.

3. **Rental Rate; Modification of Rent; Late Payment.**

- A. **Annual Rent Payment.** Lessee shall pay to Lessor, in lawful money of the United States, each year's rent for every acre and/or AUM covered by the Lease. Each year's rent shall be in an amount to be calculated pursuant to Lessor's most current formulas for each applicable use at the time the rental is calculated or recalculated. The rent shall be paid on or before the annual rental payment due date, as stated in the Summary of Lease Provision, of each year for the balance of the term of the Lease. Lessee shall pay the annual rental to Lessor without abatement, offset, or deduction of any kind, unless otherwise authorized by Lessor through a completed Lease Adjustment form provided by Lessor. Lessor reserves the right to increase or decrease the annual rent. Lessee will be notified one hundred eighty (180) calendar days in advance of the due date of any increase in rent.
- B. **Accrual of Interest and Late Payment Charges.** In the event any rent or other financial obligation due by Lessee to Lessor under the terms of the Lease is not paid in full when due, Lessee shall also pay: 1) interest accruing thereon at the statutory rate of interest as provided by law (12% per annum) until payment is made in full; and, 2) a late charge which shall accrue in full as of the first day of each and every calendar month of such delinquency until payment is made in full in the amount of twenty-five dollars (\$25.00) or one percent (1%) of the unpaid principal obligation(s), whichever is greater. All payments shall be applied first to the payment of accrued interest and to accrued late charges, and then to unpaid principal. The parties acknowledge and agree that the late charge described herein is a reasonable attempt to estimate and to compensate Lessor for higher administration costs associated with administering such late payments, and is not intended as a penalty. By assessing interest and late charges, Lessor does not waive any right to declare a breach, or to pursue any right or remedy available to Lessor by reason of such breach available at law or in equity, after the expiration of any applicable notice or cure period.
- C. **Lien.** The amount of the rent, and accruing late charges and interest, shall constitute a lien in favor of Lessor against all of Lessee's improvements and other property on the Leased Premises, including crops and livestock.

4. **Lease Terms Generally.**

- A. **Lease Terms and Conditions.** The terms and conditions of the Lease address all activities that may take place under the Lease, and may include farming, the construction of improvements, vegetation, noxious weed control, and other factors identified by Lessor as necessary for inclusion in the Lease, as well as any special terms and conditions based on the specific characteristics of the Leased Premises or of Lessee's use of the Leased Premises.
- B. **Modification of Lease Terms and Conditions.** Lessor may review and modify any terms and conditions of the Lease upon any change in conditions, laws, or regulations; provided that Lessor shall give Lessee no less

than thirty (30) calendar days' notice of any such modifications prior to the effective date thereof. Modifications mutually agreeable to both Lessor and Lessee may be made at any time by written agreement of the parties.

- C. **Compliance Required.** Lessee shall abide by this Lease. If Lessee fails to abide by the Lease, Lessee will be deemed in breach, and the Lease will be subject to termination.
- D. **Reimbursement for Non-Standard Administrative Costs.** Lessee shall reimburse Lessor for non-standard administrative costs incurred to address issues of compliance, and the same shall be considered additional rent, due upon demand by Lessor. Lessor's request for payment to Lessee will include a detailed description of the work completed and actual expense incurred.
- E. Attachment A may contain special terms and conditions of the Lease, as may be modified. Failure to comply with any special terms and conditions shall constitute a default of the Lease, and the failure of Lessee to cure such default may result in the termination of the Lease.

5. Subleasing or Assignment.

- A. **Written Approval Required.** Lessee shall not assign the Lease, or sublease or authorize another person to use any part of the Leased Premises without the prior written consent of Lessor to be evidenced by Lessor's execution of consent forms provided by Lessor for that purpose. Any request for approval of a sublease or assignment must be in filed writing and with the appropriate processing fee, and must comply with the statutes and rules governing subleasing or assignment. Any request for approval of a sublease must be accompanied by a copy of the proposed sublease agreement. Lessor may withhold consent for any reason. Any attempt by Lessee to sublease Lessee's interest in the Leased Premises or any part of the Leased Premises, or to assign the Lease, shall be void unless Lessor has given prior written consent. No request for Lessor's approval of any assignment or sublease will be considered unless all rent or late charges and interest due has been paid in full, and Lessee is in good standing under the terms of this Lease and all other contracts with Lessor. No sublease will act as a release of Lessee's obligations hereunder unless Lessor executes a separate written release of Lessee. Lessor has no obligation to release Lessee hereunder, and Lessor can withhold such release at Lessor's sole discretion. Any sublease or assignment shall be subject to the provisions of this Lease, as well as such additional terms and conditions Lessor may require. The sublease shall not extend beyond the term of the Lease.
- B. **Additional Rent Due.** In the event the Leased Premises is subleased by Lessee for an amount greater than the base rental, Lessee shall, in addition to Lessee's annual base rental, pay to Lessor as additional rent an amount equal to one-half (1/2) the difference between Lessee's base rental rate, and the rental rate paid to Lessee by sublessee.
- C. **Improvements.** Upon an approved assignment, the ownership of any existing Lessee-owned improvements under the Lease must be separately negotiated between Lessee and such assignee, and title to the improvements transferred to the assignee.
- D. **Copies to be Filed.** Copies of all assignments, subleases, pasturage or any other agreement of any kind or nature involving the use of the Leased Premises by an individual or entity other than Lessee shall be timely delivered by Lessee to Lessor.

6. Leasehold Mortgage.

Lessee shall not mortgage, pledge or otherwise dispose of Lessee's interest in this Lease, or any portion thereof, including any Lessee-owned improvements or fixtures on the Leased Premises, without the prior written consent of Lessor. Lessee shall use mortgage or deed of trust forms provided by Lessor, and shall submit completed forms and any required fee to Lessor for review and approval. The term of a mortgage agreement shall not exceed the term of the Lease, and shall terminate if this Lease is terminated for any reason. Lessor may accept or reject a leasehold mortgage in its sole discretion.

7. Environmental, Safety and Sanitary Requirements.

- A. **No Hazardous Materials.** Lessee shall neither commit nor permit the use, placement, transport or disposal of any hazardous waste, substance or material, including petroleum products, such as oil, gasoline, or any other

substance that is known, or is suspected to be a hazardous waste, substance or material on the Leased Premises except in the acceptable and customary use associated with weed and pest control, machinery, equipment and vehicles. Lessee shall be responsible, and shall pay all costs, for the removal or other appropriate remedial action regarding any hazardous waste, substance or material that Lessee may have caused or allowed to be introduced on the Leased Premises. Any such remediation or removal or storage must be conducted in accordance with all applicable federal, state, and local laws, regulations, rules and ordinances. Lessee shall immediately, upon the introduction of any hazardous waste, substance or material on the Leased Premises, contact Lessor and the Idaho Department of Environmental Quality ("DEQ"), and enter into a consent order for remediation with DEQ. Provided, however, that Lessee shall not forestall commencing any necessary remediation while negotiating the terms of any consent order with DEQ unless Lessee is so authorized in writing by Lessor. In the event of the introduction of any hazardous waste, substance or material, Lessor may require Lessee to enter into any consent order or other agreement with any other relevant agency. Lessee shall indemnify, defend and hold Lessor harmless from any and all costs, expenses, damages and fines, including without limitation all reasonable attorney fees and costs, including attorney fees and costs on appeal, relating to and including any hazardous waste, substances, materials, or pollution. The amount of any costs incurred by Lessor due to Lessee's violation of this provision shall constitute a non-standard administrative cost and a lien in favor of Lessor against all of Lessee's interest in the Lease and all improvements and other property on the Leased Premises including crops and livestock.

- B. Fire and Safety Regulations. Lessee shall comply with all applicable federal, state and local laws, rules, regulations and ordinances for fire protection, prevention and burning. Lessee agrees to keep the Leased Premises free from fire hazards as determined by Lessor. Lessee is prohibited from burning garbage or household trash and any burning on the land, including the burning of wood, weeds or other debris, but excepting campfires if necessary for the use under the Lease, without the prior written permission of Lessor.
- C. Sanitary Requirements. Concerning activities authorized under the Lease, Lessee shall at all times keep the Leased Premises in a clean and sanitary condition, free of trash, garbage and litter, and in the same or better condition as when the Lease was issued. Lessee shall not dispose of sewage except in conformity with applicable federal, state, and local laws, rules and regulations. Lessee shall dispose of sewage on the Leased Premises only if specifically authorized by Lessor. Lessee shall not store trash on the Leased Premises nor transport trash, garbage, litter or debris onto the Leased Premises. Lessee shall dispose of all trash, garbage and carcasses in conformity with all applicable federal, state, and local laws, rules and regulations. Lessee is responsible for all costs associated with sewage, garbage and litter disposal.

8. No Warranties; Public Use.

- A. No Warranty of Title. Lessor does not warrant title to the Leased Premises or the resources that may exist on the Leased Premises. The Lease is issued only under such title as the State of Idaho may have as of the date of commencement, or as may be subsequently acquired. Lessee is solely responsible for satisfying itself with respect to the ownership of the Leased Premises. If Lessor is subsequently divested of said title, no liability will be incurred by Lessor by virtue of the Lease for any loss or damage to Lessee. Nor will any claim for refund, rents, or other amounts paid to Lessor be made by Lessee, its successors or assignees.
- B. No Warranty of Merchantability or Fitness. Lessee expressly acknowledges that neither Lessor, nor any agent of representative of Lessor, has made any representation of warranty, either express or implied, with respect to the title, merchantability, or fitness of the Leased Premises for any particular purpose or use, including the uses for which the Lease is granted. Lessee accepts the Leased Premises in an "as is" condition, and relies solely on Lessee's own inspection of the Leased Premises.
- C. Quiet Enjoyment. Lessor agrees that Lessee, upon payment of the rent and performing the terms of the Lease, may quietly have, hold and enjoy the Leased Premises, for the purposes and uses allowed hereunder during the term hereof. Lessee acknowledges that the Lease is non-exclusive, and Lessor retains the right to use of the Leased Premises, or to grant rights to others for use of the Leased Premises to the extent any such use does not materially interfere with Lessee's purpose and use allowed hereunder, unless otherwise provided for in the Lease.
- D. Public Use. Lessee must allow the general public the right to use the Leased Premises for any lawful use available to the public for lands owned by Lessor. However, nothing in the Lease authorizes or purports to authorize trespass on private lands to reach state-owned lands, including the Leased Premises. Public use

of state lands shall not be restricted without prior written approval of Lessor. The Lease is not an exclusive control lease as described under Idaho Code § 36-1603(b).

9. Water Right and Water Use.

- A. Water Use on the Leased Premises. Lessee shall be entitled to use the water on the Leased Premises, if any, during the term of the Lease, but only for the use allowed in the Lease and only in conformance with Idaho water law.
- i. Water Rights Held by Lessee or Third Parties. Lessee represents that the following water rights are held by Lessee, or are held by a third party from which permission to exercise the right has been obtained by Lessee, for use on, or diversion from, the Leased Premises.

Water Right No.: 55-10291 – L U Ranching Co Inc
55-10292A – L U Ranching Co Inc
55-10293A – L U Ranching Co Inc

- ii. The water rights identified in subsections 9(A)(i) include each and every water right that Lessee, or its authorized agent, will use on, or divert from, the Leased Premises.
- B. Future Water Rights and Water Use Generally. The establishment of any new water right, including instream livestock use or stock watering rights, by Lessee or Lessor on the Leased Premises during the term of the Lease shall be by and for Lessor, and no claim thereto shall be made by Lessee. If a new water right is established on the Leased Premises during the term of the Lease, Lessee agrees that its application of water to beneficial use is on behalf of and as an agent for Lessor. Lessee may act as an agent for Lessor only for the purpose of applying water to beneficial use. Such water rights shall attach to and become appurtenant to the Leased Premises, and Lessor shall be the owner thereof. The use of any water rights by Lessee shall be in conformance with Idaho water law. Lessee must receive the prior written consent of Lessor, and the prior written consent of any department or agency of the State of Idaho having jurisdiction to regulate water rights or water use in and for the State of Idaho for any of the following:
- i. To drill and use a water well;
ii. To develop and use any source of water;
iii. To cause any water to be conveyed or diverted off the Leased Premises; or
iv. To bring water onto the Leased Premises.
- C. Water Systems. If water is supplied to the Leased Premises by a water system operated by the State of Idaho, including Lessor, the use of such system and the supply of water provided thereby may be curtailed or terminated upon thirty (30) calendar days written notice to Lessee from Lessor. Neither Lessor nor its agents and employees, nor any entity of the State of Idaho shall be liable in any manner for damage or inconvenience to Lessee by reason of the failure of, damage to, termination or curtailment of the operation of any water system or source supplying water to the Leased Premises.
- D. Improvements in Aid of Water Use. Improvements, whether pre-existing or future, made in aid of any and all water use on, or diversion from, the Leased Premises are subject to the improvement permit requirements of the Lease.
- E. No Right of Access to Water Rights Upon Termination. Upon the termination of the Lease, for any reason, Lessee shall have no right to access any point of diversion or any place of use of any water right on the Leased Premises without the prior written consent of Lessor.

10. Noxious Weeds.

- A. Lessee shall cooperate with Lessor or any other agency authorized to undertake programs for control or eradication of noxious weeds. Lessee shall take measures to control noxious weeds on the Leased Premises in accordance with Title 22, Chapter 24, Idaho Code, except those resulting from activities beyond Lessee's control. Costs for control of noxious weeds on the Leased Premises shall be the responsibility of Lessee, unless otherwise provided for in the Lease.

- B. Lessee shall ensure that prior to moving onto the Leased Premises, all equipment is free of noxious weeds and their seeds, as defined by the Idaho Department of Agriculture and any local Cooperative Weed Management Area. The cleaning of contaminated equipment and vehicles shall not take place on any state endowment land, including the Leased Premises.
- C. All straw and forage used for livestock feed, with the exception of that grown on the Leased Premises or on Lessee's immediately adjacent land, must be certified in accordance with the Idaho State Department of Agriculture's Noxious Weed Free Forage and Straw Certification Rules (IDAPA 02.06.31.000 *et seq.*), and must be certified as Idaho State Noxious Weed Free.

11. Construction of Improvements.

- A. **Permit Required.** Lessee shall not construct or reconstruct, initiate or place improvements or structures of any character (collectively "improvements") on or to the Leased Premises without the prior express, and written permission of Lessor. Said permission shall be in the form of a permit issued by Lessor, and shall be required for any improvement placed on the Leased Premises, including range improvements, buildings or other structures, water developments, fences, vegetation treatment, and the clearing of land. Lessee shall submit project plans to Lessor. If the project plans are approved and permitted in writing by Lessor, then Lessee shall construct and implement the improvements in full compliance with the approved plans, the permit and all applicable statutes, rules and building codes. Permitted improvements shall be the property of Lessee, unless otherwise provided in the permit or the Lease. Failure to obtain a written permit prior to construction and implementation of any improvement will be considered a trespass violation and may result in the termination of the Lease or cause Lessor to initiate proceedings, including those provided for in IDAPA 20.03.14.90. The improvements shall be removed by Lessee if directed by Lessor, or Lessor may remove the improvements at Lessee's cost. Any improvements associated with the uses authorized in the Lease and placed on endowment land prior to January 1, 1970, are considered grandfathered and properly authorized even though there may be no documentation of authorization.
- B. **Fences.** If Lessor deems it necessary to protect any lands owned by the State of Idaho in the Leased Premises, the following procedure will be utilized to establish requirements for locating and cost sharing for the construction of partition (boundary) fences between the Leased Premises and an adjacent landowner(s). Lessor, Lessee and the adjoining landowner(s) may meet on-site and off-site to identify property boundary lines for the location of fences, negotiate alternative location(s), and negotiate other terms of such construction. If Lessor deems that new partition fence is necessary, Lessee will be required to construct the fence by a date approved by Lessor. Lessor will provide the adjacent landowner(s) with written notice stating that one half (½) of the partition fence will be built by Lessee within six months after the date of the notice, and that the adjoining landowner must build the remaining one half (½) of the partition fence within that same timeframe. If an adjacent landowner does not complete the fence within the six month timeframe Lessee will complete the entire fence by a date approved by Lessor. After complete construction, Lessee may choose to place a lien on the adjacent land for recovery of Lessee's costs of construction. Lessee acknowledges and agrees that Lessor maintains the final decision making authority for the location and cost allocation of any partition fences on, over or along any lands of the Leased Premises; the AUMs and the total acreage of the Leased Premises may be modified by Lessor, alone, through a lease adjustment in order to effectuate such final decision by Lessor. Any actual cost incurred or extra IDL resources expended by Lessor to ensure Lessee's compliance shall be considered a non-standard administrative cost. Improvement credit for Lessee's partition fences will be determined in accordance with IDAPA 20.03.14.000 *et seq.*, the Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases. If Lessee recovers the cost of constructing the adjacent landowner's portion(s) of partition fence, no improvement credit will be allowed for Lessee's construction of the adjacent landowner's portion(s).
- C. **Condition of Improvements.** At all times during the term of the Lease, Lessee shall keep all improvements in good repair and functional condition to the satisfaction of Lessor. Any and all fences and gates shall be neat, stock-proof and lawful fences.
- D. **Maintenance of Improvements.** Lessee may be required to remove or reconstruct improvements in poor or non-serviceable condition. Existing maintenance agreements on lands acquired from the federal government shall remain in effect until amended by the parties involved. If maintenance is not being accomplished, Lessor shall provide a letter to Lessee informing Lessee of the violation of the Lease. If work is not begun within thirty (30) calendar days and completed in a timeframe specified by Lessor, Lessor may contract repairs and bill

Lessee for actual costs incurred, which shall be considered a non-standard administrative cost, or Lessor may terminate the Lease, in Lessor's discretion.

- E. Removing Improvements. Lessee shall not remove, relocate or otherwise alter any improvements without the prior written approval of Lessor.
- F. Cost of Improvements. Any permitted improvements constructed by Lessee, shall be constructed at Lessee's own expense, unless Lessor and Lessee shall have entered into a prior written cost sharing agreement for construction of such improvements.
- G. Permitted Improvements At Lease Termination. Upon the termination of the Lease for any reason, and in the event Lessor leases the Leased Premises to a new lessee, Lessor shall require the new lessee to pay Lessee the then existing value of the permitted improvements in accordance with the then existing statutes and rules, less any and all amounts owed to Lessor to cure any default by Lessee. Said value shall be determined through a valuation conducted by Lessor, which may factor in Lessee's documented cost of construction if the improvements were authorized after July 1, 2009, in Lessor's discretion. Improvement payments shall be first applied towards any rent or other monies due to Lessor before being disbursed to Lessee. Under no circumstance shall Lessor be obligated to pay any such value for improvements to Lessee, such obligation shall be solely on the subsequent lessee, if any. Any improvements which Lessee is entitled or required to remove upon termination of the Lease must be removed within six (6) months of the termination of the Lease, or such additional time as Lessor may authorize, otherwise it shall be deemed abandoned, and title to such abandoned improvements shall vest in Lessor upon notice to Lessee, in Lessor's discretion.
- H. Unapproved Improvements. At any time during the term of this Lease, or upon the termination of the Lease for any reason, Lessor may require, at Lessor's sole discretion, that Lessee remove any improvements placed on the Leased Premises without a prior permit from Lessor. The full cost of such removal, including the restoration of the Leased Premises, shall be solely Lessee's. In the event Lessor does not elect to require such removal, Lessee's failure to secure such permit shall constitute forfeiture of the improvements, at Lessor's discretion. Title to any improvements placed on the Leased Premises without a permit from Lessor shall, at Lessor's discretion, immediately vest in Lessor without payment to Lessee and without waiver of Lessor's right to require removal of the same by Lessee.
- I. Lessor's Removal of Improvements. Lessor may, at its discretion, remove or have removed the abandoned or non-permitted improvements, and Lessee shall be responsible for the full cost of removal and restoration of the Leased Premises. Nothing herein shall relieve Lessee from the obligation to remove any improvements as required by Lessor under the terms of the Lease, or pursuant to the terms of the permit authorizing the improvements.

12. No Liens.

Lessee shall not permit or suffer any lien of any kind or nature to be placed on or enforced against the Leased Premises, the leasehold interest, or any improvements thereon, including tax liens, any mechanics' liens or material suppliers' liens. Lessee shall ensure that full payment is made for all labor performed at Lessee's instance and for any and all materials joined or affixed to the Leased Premises or any improvements thereon.

13. Sale, Exchange or Change in Use of Leased Premises.

- A. Sale. Lessor may sell all or any portion of the Leased Premises during the term of the Lease. Lessor will notify Lessee that the Leased Premises are being considered for sale at the time the proposed sale is scheduled for submission to the Land Board for approval. Lessee will be notified of a scheduled sale at least thirty (30) calendar days prior to the sale date. Lessee shall deliver immediate possession of the land sold to Lessor, or to the person or party as may be specified in writing by Lessor or Lessor's designee, unless the land remains subject to the Lease, or unless Lessee is to be permitted to harvest a growing crop before surrendering possession. When creditable improvements are present, and Lessee delivers possession of the land, Lessor shall value them in accordance with Idaho Code § 58-313, or the then-existing applicable statute or rule, and Lessee shall be paid for the improvements by the purchaser on the day of the sale.
- B. Consent To Land Exchange. Lessee acknowledges that the Leased Premises, or any portion thereof, may be the subject of a future land exchange by Lessor, and Lessee hereby consents to the inclusion of any such

land, or portion thereof, in any land exchange deemed necessary or appropriate by Lessor. This consent is given in compliance with Idaho Code § 58-138. In the event Lessor chooses to include the Leased Premises, or any portion thereof, in any proposed land exchange in the future, Lessor shall provide Lessee with at least thirty (30) days written notice from the Director of the Department of Lands prior to such land exchange. Upon the consummation of the proposed land exchange, that portion of land included within the exchange shall be deleted from the Lease, and Lessee's lease payment obligation for the ensuing year(s) shall be reduced proportionately. Lessee shall be entitled to continue to use the lands included within any such exchange for the balance of the year in which the exchange occurs unless otherwise notified in writing by Lessor, in which event the Lease payment for such year shall be prorated.

- C. Change in Use. The Lease may be terminated in whole or in part upon one hundred eighty (180) calendar days written notice by Lessor if the use of the Leased Premises is to be changed to any other use that is incompatible with the use authorized by the Lease, as designated by Lessor. In the event of early termination due to change in land use, Lessee will be entitled to a pro rata refund of the premium bid for a conflicted Lease.

14. Relationship of the Parties.

Lessee is not an officer, employee, or other authorized agent of the State of Idaho for any purpose other than the development of waters rights as set forth in *Section 9. Water Right and Water Use*, above. In no event shall any official, officer, employee or agent of Lessor or of the State of Idaho be in any way personally liable or responsible for any covenant or obligation contained in the Lease, express or implied, nor for any statement, representation or warranty made by Lessee in connection herewith.

15. Reservations by Lessor.

Lessor expressly reserves and excepts the following rights:

- A. To enter upon the Leased Premises, or any portion thereof, during the term of the Lease for any purpose, including inspecting the Leased Premises or any improvements.
- B. All rights not expressly granted to Lessee under the Lease, including all rights to timber, water, oil and gas, geothermal rights, mineral rights, easements and rights-of-way, fee title to the Leased Premises, and title to all appurtenances and improvements placed thereon by Lessor or abandoned by any lessee.
- C. To grant easements and rights-of-way over and across the Leased Premises provided such easements or rights-of-way do not materially affect Lessee's use and enjoyment of the Leased Premises under the terms of the Lease. Lessor shall coordinate with Lessee before approving any easement or right-of-way application on the Leased Premises. If the easement or right-of-way materially and adversely impacts the value of Lessee's improvements or any growing and immature crops, then Lessor, as the grantee of such easement or right-of-way, shall, before exercising the same, pay Lessee the reasonable diminution in value of any permitted improvements and any growing and immature crops. Said value shall be determined by Lessor's valuation.
- D. To issue other leases on the Leased Premises. Such other leases may be for any purpose deemed appropriate by Lessor provided such other leases do not materially affect Lessee's use and enjoyment of the Leased Premises under the terms of the Lease. Other lease purposes may include the exploration and development of oil or gas, geothermal, mineral deposits, and placer deposits as provided by Title 47, Idaho Code. In the event any such other lease is granted by Lessor which materially and adversely impacts the value of Lessee's improvements or any growing and immature crops, the other lessee shall, before exercising the same, pay Lessee the reasonable diminution in value of any permitted improvements and any growing and immature crops. Said value shall be determined by Lessor's valuation. If any such other lease conflicts with the grazing use or makes consumptive use of forages, the grazing rental will be adjusted to reflect such loss of use.
- E. To require that changes be made in the use under the Lease, and/or to the improvements on the Leased Premises, including, but not limited to, the sanitation or other facilities for the protection of public health, safety, preservation of property or water quality.

- F. To reserve as Lessor's sole property any and all water appurtenant to Lessor's land or from any source arising thereon, and to hold water rights for any beneficial use that may be developed as a result of the Lease, and as further provided in *Section 9. Water Right and Water Use*, herein.
- G. Rights of ingress, egress, and access, over and across the Leased Premises for Lessor and its lessees, permittees, contractors, and assigns on existing roads, or on suitable alternative roads provided by Lessee.
- H. To change the use of the Leased Premises, in whole or in part, for other uses that will better achieve the fiduciary obligations of Lessor to endowment beneficiaries. Upon a change in use, the Lease may, at Lessor's discretion, be terminated in whole or as to the affected part. In the event of any such termination due to a change in use, the provisions of *Section 11. Construction of Improvements*, herein, relating to compensation for permitted improvements shall apply.
- I. To sell timber on the Leased Premises or otherwise conduct forest management activities. Lessor reserves the right to restrict or prohibit grazing use on all or portions of the Leased Premises for timber management purposes. Lessee will be given not less than one hundred eighty (180) calendar days written notice of any such restrictions or termination of grazing use, together with a map of the restricted area.
- J. To restrict or prohibit grazing on all or any portion thereof of the Leased Premises in response to emergency conditions including fires, flooding and drought.
- K. To sell all or any portion of the Leased Premises at any time during the term of the Lease, and as further provided in *Section 13. Sale, Exchange or Change-in-Use of Leased Premises*, herein.
- L. To harvest seed from plants on any portion of the Leased Premises not being farmed. Lessor will coordinate the harvesting activities with Lessee to minimize impacts on farming operations.
- M. To close roads for road protection, wildlife protection or administrative purposes. Planned road closures will be reviewed with Lessee prior to action by Lessor.
- N. To claim all improvements placed upon the Leased Premises remaining after six (6) months in cases of abandonment by Lessee; or to take possession immediately in cases of termination upon breach, and Lessee's failure to cure, of any of the conditions of this Lease; or to remove the same in Lessor's sole discretion, at Lessee's cost. No improvements will be disposed of by Lessor until all administrative procedures have been exhausted, waived, or not timely acted on by Lessee.

16. Indemnification.

- A. Lessee shall indemnify, defend, and save harmless Lessor, the State of Idaho, its officers, agents, employees, and volunteers from and against any and all liability, claims, damages, losses, expenses, actions, settlements, attorneys' fees, and suits whatsoever caused by, arising out of, or in connection with Lessee's acts or omissions under this Lease or Lessee's failure to comply with any applicable state, local or federal statute, law, regulation, rule or ordinance.
- B. Upon the receipt by Lessee of Lessor's or the State of Idaho's tender of indemnity and defense, Lessee shall immediately take all reasonable actions necessary, including, but not limited to providing a legal defense for Lessor and the State of Idaho, and to begin fulfilling its obligation to indemnify, defend, and save harmless Lessor and the State of Idaho. Lessee's indemnification and defense liabilities described herein shall apply regardless of any allegations that a claim or suit is attributable in whole or in part to any act or omission of Lessor, the State of Idaho under this Lease. However, if it is determined by a final judgment that Lessor, the State of Idaho's negligent act or omission is the sole proximate cause of a suit or claim, neither Lessor nor the State of Idaho shall be entitled to indemnification from Lessee with respect to such suit or claim, and Lessor and the State of Idaho in its discretion, may reimburse Lessee for reasonable defense costs attributable to the defense provided by any Special Deputy Attorney General appointed pursuant to *Section 16.C, Indemnification*.
- C. Any legal defense provided by Lessee to Lessor and the State of Idaho under this section must be free of any conflicts of interest, even if retention of separate legal counsel for Lessee and, Lessor and the State of Idaho, is necessary. Any attorney appointed to represent Lessee, the State of Idaho must first qualify as and be appointed by the Attorney General of the State of Idaho as a Special Deputy Attorney General pursuant to Idaho Code Sections 67-1401(13) and 67-1409(1).

17. Payment of Taxes, Assessments or Fees – Lien.

Unless otherwise provided, Lessee shall pay all water charges, fees, assessments or taxes of any nature that may be legally levied or assessed against the Leased Premises, or any portion of the Lease Premises, or on any improvements. If any of the same are not paid by Lessee, such amounts due shall constitute a lien in favor of the State of Idaho against all of Lessee's improvements, livestock, and crops growing on the Leased Premises.

18. Lessee's Default.

- A. Lessee's Failure to Comply. Lessee's failure to comply with the Lease shall be a breach giving rise to a basis for termination of this Lease. Upon default by Lessee, Lessor shall provide Lessee a notice of default providing at least thirty (30) calendar days' written notice of default and opportunity to cure. Notice of any intention to terminate the Lease upon failure to cure shall be provided to Lessee. If the default is non-financial in nature and cannot reasonably be cured within thirty (30) days, then the corrective action required of Lessee and a longer period to cure may be provided by Lessor. If the corrective action or cure is not taken within the specified time or does not occur, then the Lease shall automatically terminate on the date specified in the written notice without any further notice or demand by Lessor, unless otherwise agreed by Lessor in writing. Lessee shall not, while in default or breach, remove any of the improvements, or crops thereon, whether crops are harvested or not, unless directed by Lessor. In addition to the rights and remedies granted or reserved to Lessor in the Lease, Lessor shall have all other rights and remedies against Lessee as are available at law or in equity. Lessor's pursuit of any particular right or remedy for breach shall not, in and of itself, constitute a waiver or relinquishment of any other compatible claim or remedy against Lessee.
- B. Obligations Incurred by Reason of Lessee Default. In the event Lessee fails to perform any act or do anything which Lessee is required to do under the terms of the Lease, Lessor shall have the right, but not the obligation, to perform on behalf of Lessee, any such action. Lessee shall immediately reimburse Lessor for all costs and expenses, including attorneys' fees (including fees from the Office of the Attorney General of the State of Idaho), incurred by Lessor in performing any such act or thing. Lessee's obligation to pay costs hereunder shall be deemed to be a non-standard administrative cost.

19. Surrender of Land.

Lessee shall, at the termination of the Lease, deliver immediate possession and vacate the Leased Premises, leaving it in the same or better condition than it was in at the time of Lessee's entry thereon, except for reasonable use and wear, acts of God, or damage by causes beyond the reasonable control of Lessee. Upon vacating, Lessee shall leave the Leased Premises free and clear of all rubbish and debris, and with all improvements in good order and condition.

20. Termination By Mutual Agreement.

The Lease may be terminated by mutual agreement between Lessor and Lessee.

21. Notices.

- A. Notices. Any notice or any demand given under the terms of the Lease shall be deemed given and delivered on the date when personally delivered, or if mailed, the date written notice is deposited in the United States Mail, and mailed by regular or certified mail, postage prepaid and properly addressed to the appropriate party.
- B. Addresses. Unless changed by notice in writing, any notice, demand, and communication under the Lease shall be addressed to Lessor at:

Idaho State Board of Land Commissioners
c/o Idaho Department of Lands
300 North 6th Street, Suite 103
PO Box 83720
Boise ID 83720-0050

and to Lessee at the address set forth at the beginning of the Lease. Any notice or correspondence mailed to Lessee at the last identified address shall be deemed effective delivery. It is Lessee's duty to notify Lessor, in writing, of any change in mailing address.

22. Waiver.

A waiver by Lessor of any breach of any term, covenant or condition of the Lease shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of the Lease. The acceptance of rent by Lessor hereunder shall not be construed to be a waiver of any violation of any term or condition of the Lease. No payment by Lessee of a lesser amount than is due according to the terms of the Lease shall be deemed or construed to be anything other than a partial payment on account of the most recent rent due, nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

23. Attorney's Fees and Costs.

In the event either party initiates a legal proceeding under the Lease, the prevailing party in that legal proceeding shall be entitled to such additional sums as the court may award for reasonable attorney's fees (including fees from the Office of the Attorney General of the State of Idaho) and costs (including appraisal fees and expert fees) incurred in such proceeding.

24. Lessee's Compliance with Applicable Laws and Rules.

- A. Full compliance. Lessee shall fully comply with all applicable federal, state, or local statutes, ordinances, rules, regulations and laws now existing or hereafter enacted or ratified. This shall include all applicable rules and regulations and standards promulgated by the State Board of Land Commissioners or the Idaho Department of Lands, including, but not limited to, the rules governing leasing of endowment lands, IDAPA 20.03.14.
- B. No Waste or Nuisance. Lessee shall not use the Leased Premises in any manner that would constitute loss or waste, nor shall Lessee allow the same to be committed thereon. Lessee shall not do anything which will create a nuisance or a danger to persons or property.

25. Miscellaneous.

- A. No Trespass. Lessee shall not allow Lessee's livestock to graze or run at large over any lands of Lessor in a manner not approved by the Lease. Lessee shall not authorize any other person to graze or run livestock over Lessor's lands without the express written consent of Lessor.
- B. Appraisals and Valuations. Any appraisal or valuation by Lessor called for in the Lease shall be done by Lessor in accordance with applicable state laws and regulations, and the then-existing policy of Lessor, if any.
- C. Subject to Existing Leases/Easements. The Lease is expressly subject to any right-of-way permit, easement, lease or contract, including any present or future timber sale contract, that is now in force and effect, or that may hereafter be granted relating to the Leased Premises.
- D. Timber. The Lease does not authorize Lessee to cut any timber growing on the Leased Premises. Any unauthorized use of such timber by Lessee or with Lessee's knowledge or consent, shall result in termination of the Lease without notice and an opportunity to cure. Lessee shall be responsible for all damages incurred by reason of such breach, including damages in the amount of treble (three times) the value of the timber used or taken and all other damages. Said timber value will be determined by Lessor.
- E. Modification. Unless otherwise provided herein, the Lease may be modified only upon written agreement of all parties.
- F. Binding on Heirs and Successors. The Lease shall inure to the benefit of and be binding upon the heirs, executors, successors, sublessees, and assigns of the parties.

- G. Lessee's Non-Discrimination. Lessee shall not discriminate against any person because of race, creed, religion, color, sex, national origin or disability.
- H. Entire Agreement. The Lease contains the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements. The execution of the Lease has not been induced by either party, or any agent of either party, by representations, promises or undertakings not expressed herein and, further, there are no collateral agreements, stipulations, covenants, promises, inducements or undertakings whatsoever between the respective parties concerning the Lease except those which are expressly contained herein.
- I. Governing Law and Forum. The Lease shall be construed in accordance with and governed by the laws of the State of Idaho, and the parties consent to the jurisdiction and venue of the Idaho State District Court located in Ada County in the event of any dispute with respect to the Lease or the Leased Premises.
- J. Severability. In the event any provision of the Lease shall be held invalid or unenforceable according to law, for any reason whatsoever, then the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.
- K. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

[The remainder of this page is intentionally left blank.]

THE UNDERSIGNED HAVE READ THIS CONTRACT AND UNDERSTAND AND AGREE TO ITS TERMS.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed on the day and year written below.

LESSEE SIGNATURES

L U RANCHING CO.
an Idaho corporation

Date: March 25, 2020

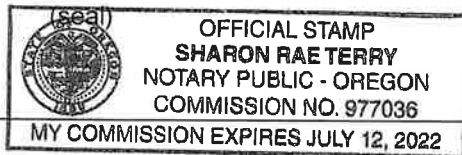
Timothy C. Lowry
TIMOTHY C. LOWRY
President

STATE OF Oregon
Malheur)
County of) ss.

On this 25th day of March, 2020, before me a notary public in and for said state, personally appeared **TIMOTHY C. LOWRY**, known or identified to me to be the President of **L U RANCHING CO.**, an Idaho corporation, the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first above written.

Sharon Rae Terry
Notary Public
Residing at: Jordan Valley Or 977910
My Commission Expires: 7.12.22



LESSOR SIGNATURES

COUNTERSIGNED: STATE BOARD OF LAND COMMISSIONERS OF THE STATE OF IDAHO


Secretary of the State of Idaho


Director Department of Lands

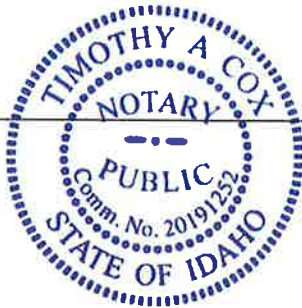

President of the State Board of Land Commissioners
and Governor of the State of Idaho

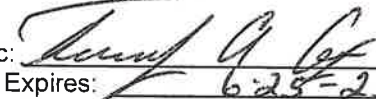


STATE OF IDAHO)
) ss
COUNTY OF ADA)

On this 6th day of April, in the year 2020, before me Timothy A. Cox, a Notary Public in and for said State, personally appeared Brad Little, known to me to be the president of the State Board of Land Commissioners of the State of Idaho and the Governor of the State of Idaho; and Lawrence E. Denney, known to me to be the Secretary of the State of Idaho and Dustin T. Miller, known to me to be the Director, that executed the within instrument, and acknowledged to me that the State Board of Land Commissioners of the State of Idaho and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.



Notary Public: 
Commission Expires: 6-23-25

Attachment A
SPECIAL TERMS AND CONDITIONS

GROUP 4 ALLOTMENTS - SOUTH MOUNTAIN AREA (561)

Idaho Department of Lands (IDL): Grazing Management 3-Herd Alternative

Pastures	Year 1	Year 2	# cow/calf pairs	Authorized AUMs
Lone Tree Creek North	6/11 - 8/14 65 Days	7/28- 9/20 55 Days	110 Lequerica	241
Lone Tree Creek South	8/15 - 9/20 37 Days	6/11 - 7/27 47 Days	110 Lequerica	174
Total	102 Days	102 Days		
Buck Creek West	7/27 - 9/23 59 Days	6/07 - 8/24	117 Panzeri 21 Lowry	364
Buck Creek East	6/07 - 7/26 50 Days	8/25 - 9/23 30 Days	117 Panzeri 21 L U Ranching	229
Total	109 Days	109 Days		
Cabin Creek	6/11 - 7/17 37 Days	8/6 - 9/13 39 Days	122 L U Ranching 294 Lequerica	530
Corral Creek	7/18 - 9/13 58 Days	6/11 - 8/5 56 Days	122 L U Ranching 294 Lequerica	792
Total	95 Days	95 Days		

Grazing management includes the following:

- South Mountain Allotment will be split into three units, each on two-year rotation.
 - Lone Tree Creek Unit - Lequerica & Sons Inc. ("Lequerica"); two pastures.
 - Buck Creek Unit – common use by Panzeri Livestock Company LLC ("Panzeri") and LU Ranching Co. ("L U Ranching"); two pastures.
 - Cabin Creek/Corral Creek Unit – common use by LU Ranching and Lequerica; two pastures. The south end of the pastures will be used for turnout. Gates will be left open to allow cattle drift.
- Livestock control and compliance with the scheduled rotation includes intensive herding and the use of natural barriers. Lessee agrees to ride riparian/creek bottoms weekly between July 15 and September 15 to push cattle to upland grazing. A natural barrier ridgeline divides Lone Tree Creek Unit from Buck Creek Unit; a natural barrier ridgeline divides Buck Creek West from Buck Creek East.
- Lessee agrees to place salt and minerals at least one half (1/2) mile from any riparian area, spring, stream, meadow, or aspen stand.
- Lessor will conduct long-term, five-year riparian monitoring and Proper Functioning Condition (PFC) assessments on the Leased Premises along Lone Tree Creek, Juniper Creek, Cabin Creek, and Corral Creek.

- If streams are not improving after 5 years of PFC, Lessee agrees to reduce the season of use by 7 days in pastures that are not improving. If the streams are determined to be in proper functioning condition after 5 years, the season of use may be increased by 7 days in the pastures that are improving as long as desired riparian conditions are maintained. Monitoring will be primarily conducted by Lessor; BLM monitoring will also be used to help determine long-term health of streams.
- Lessee must conduct photo monitoring for each pasture at established monitoring sites annually. Lessee will submit photos and other monitoring documentation to Lessor and BLM annually.
- Livestock turnout dates are subject to range readiness criteria.
- Cattle numbers may fluctuate slightly between unit, pasture, and year as long as allowed AUM's are not exceeded per table above.
- At least 90% of livestock must be off each unit by the following dates:
 Lone Tree: September 20th
 Buck Creek: September 23rd
 Cabin/Corral Creek: September 13th
- 100% of livestock must be off the Leased Premises by October 10th.

See Attached Map

Attachment B
LEASED PREMISES LEGAL DESCRIPTION

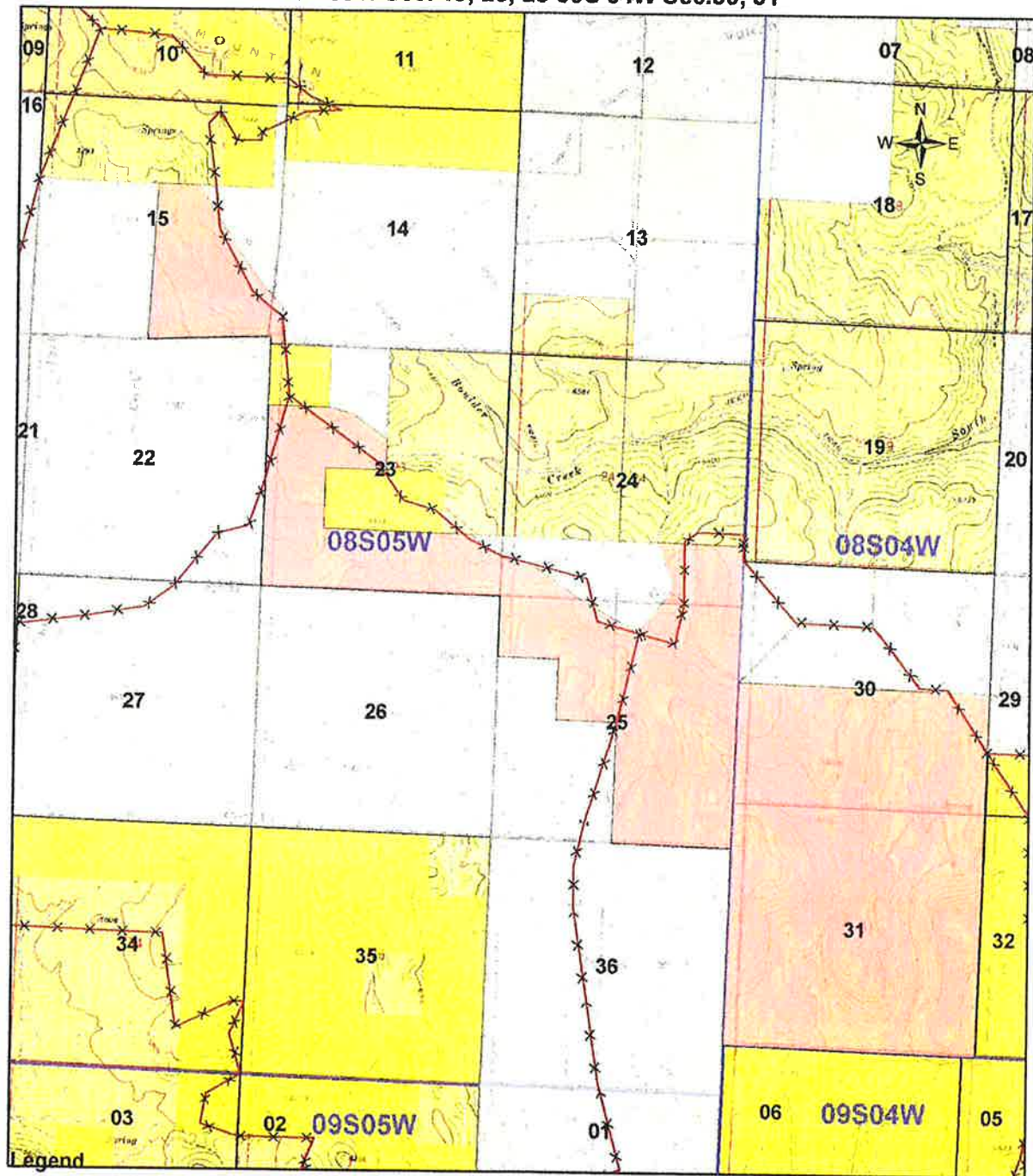
TWN	RNG	SEC	Legal Description	County	Endowment	Acres	PHMA	AUMS
08S	05W	25	E2NE, Pts NWNE, SWNE, Pts NENW, NWNW, SENW, SE	Owyhee	PS	404.5	0	57
08S	05W	24	Pts S2SW, Pts SWSE, SESE	Owyhee	PS	72	0	9
08S	05W	23	Pts SENW, SWNW, W2SW, SESW, SWSE, Pts SESE	Owyhee	PS	271.5	0	33
08S	05W	15	Pts Gov Lot 8, Pts E2SE, W2SE	Owyhee	PS	136.5	129	19
08S	05W	14	Pts Gov Lot 4	Owyhee	PS	5.5	5.5	2
08S	04W	31	Gov Lots 1-4, E2, E2W2	Owyhee	PS	671.36	0	70
08S	04W	30	Gov Lots 3-4, E2SW, SE	Owyhee	PS	335.45	0	34
					Total:	1,897	135	224

Attachment C
SITE MAP(S)

MAP #1

G600312

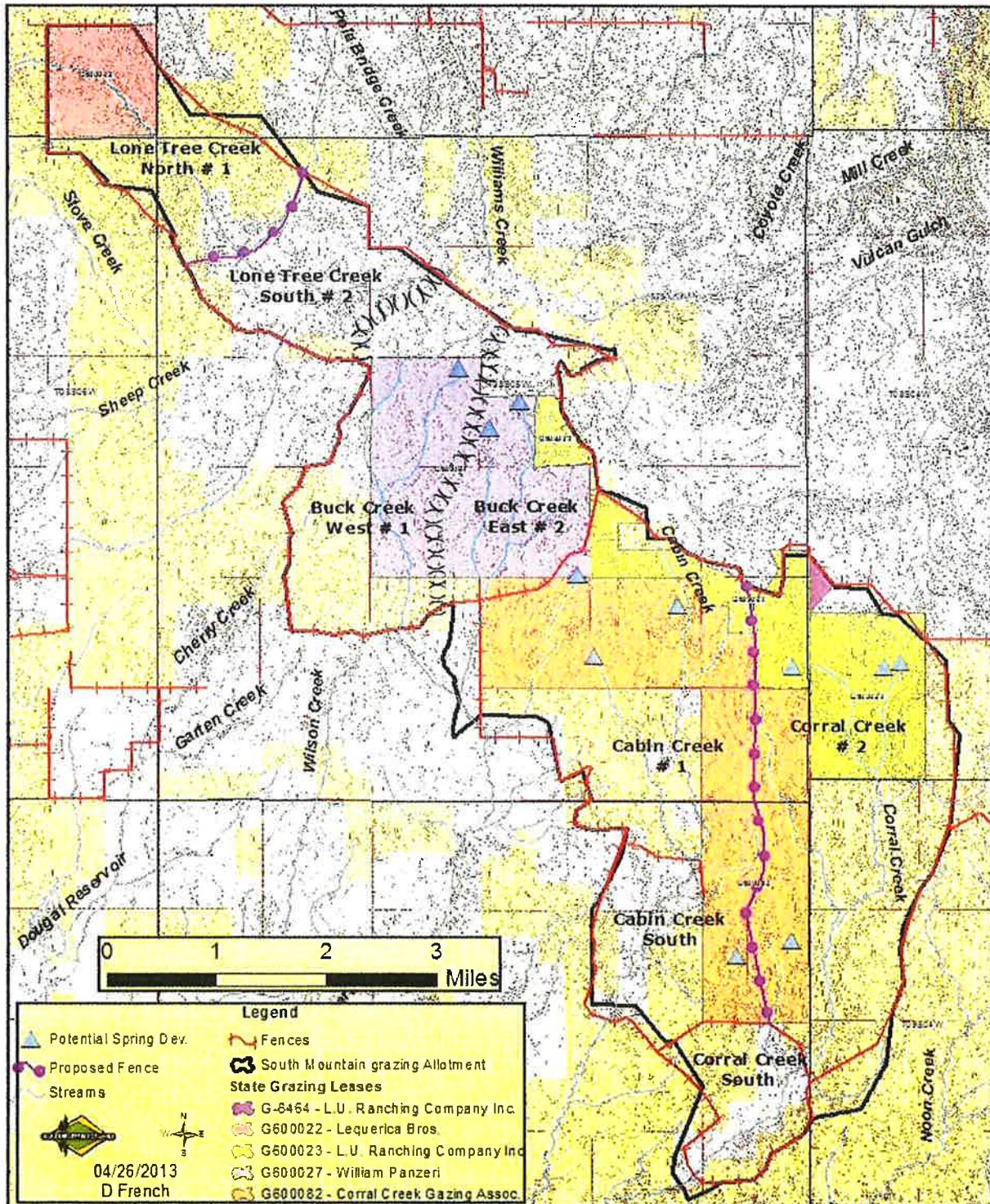
08S 05W Sec. 15, 23, 25 08S 04W Sec.30, 31



Attachment C
SITE MAP(S)

MAP #2

**IDL Alternative
South Mountain Grazing Allotment (561)**



Attachment D Special Terms and Conditions

SAGE GROUSE CONSERVATION MEASURES

In accordance with Executive Order No. 2015-04 and the Idaho State Board of Land Commissioners Greater Sage-Grouse Conservation Plan (LB SG Plan), the following conservation measures (CMs) will apply to all lands within this Lease which are within sage-grouse Priority Habitat Management Areas (PHMAs) or Important Habitat Management Areas (IHMAs) as identified in the LB SG Plan, as amended from time to time. In the event of a conflict between the location of the PHMAs and IHMAs identified in the LB SG Plan and Exhibit C hereto, the LB SG Plan shall control. The most recent version of the LB SG Plan can be found at Idaho Department of Lands (IDL) website.

For proposed activities by third parties on state endowment trust lands in PHMA and IHMA, IDL will implement CMs as enforceable stipulations in authorizing documents such as leases. With the high diversity of terrain and vegetation types within the sage-grouse region of Idaho, it is difficult to design a "one size fits all" set of CMs. Science and technology also change over time and new options or alternatives may be proposed as part of a site-specific management plan. Site-specific management plans submitted by applicants or lessees should provide equal or better results than the CMs described below. IDL and lessee agree to cooperate in the development of site-specific management plans, including but not limited to vegetative fuels control, range improvement construction, and sage-grouse conservation projects. Site-specific management plans will be reviewed and approved by the appropriate IDL staff. When anticipated results are uncertain, IDL will confer with the Idaho Department of Fish and Game (IDFG) prior to approving any site-specific management plan.

I. Improvement, Construction, and Conservation Projects

- A. Consistent with Section 11 of this Lease, all improvement and construction projects will require written authorization from IDL prior to installation. Project proposals must be submitted to IDL for consideration and may be subject to a habitat analysis by the IDFG. Upon written authorization by IDL, project installation and construction will require full compliance with conservation measures identified in the LB SG Plan.
- B. Existing Improvements: If improvements in existence at the time this Lease is executed are identified by IDL, IDFG, or the Lessee within PHMAs and IHMAs that are not in compliance with the LB SG Plan, IDL will assess the impact of the improvements on a case-by-case basis. When needed IDL will consult with IDFG to determine what, if any, mitigation is necessary based on the specific circumstances of the site.
- C. Conservation Projects within PHMAs: Because PHMAs include characteristics such as existing high-quality sagebrush habitat; highest sage-grouse breeding densities; have been identified as essential to conservation and persistence of the species; and are of importance to the conservation of the species range-wide, these lands will be prioritized by IDL for management and conservation actions. Such actions could include, but are not limited to, a review and subsequent amendment of the existing livestock grazing management plan that is part of this Lease; analysis and mitigation of existing range improvements; and priority consideration for conservation projects that provide landscape-level enhancements to habitat.

II. Fuels Management

IDL and Lessee agree to communicate and work together to develop written targeted grazing fuels management plans, implement fuels reduction projects, and use targeted grazing as a treatment to reduce vegetative fire fuels, reduce annual grass densities, and to enhance and protect PHMAs and IHMAs, when appropriate.

III. Invasive Plant Species

- A. Vehicles and equipment operated by Lessee that will travel off approved/designated transportation routes will be inspected and cleaned of seeds and propagules by Lessee or Lessee-directed personnel to prevent the spread of invasive and noxious plant species.

- B. Lessee and Lessee-directed personnel will inventory and monitor invasive and noxious plant species throughout the term of the Lease and report such activities to IDL.
- C. Reclamation activities conducted by or directed by Lessee will include the use of certified weed-free seed mixes approved by IDL. All materials used for reclamation (mulch, straw, etc.) will be certified weed free by the appropriate federal or State of Idaho agency.
- D. Lessee will use best management practices and appropriate treatments including chemical, mechanical and biological to treat invasive and state listed noxious plant species, in accordance with Section 10. Noxious Weeds, of the Lease Provisions, above.

IV. Range Management/Livestock Grazing

A. Livestock management and leks.

- I. At the time of execution of this Lease, IDL agrees to work with Lessee in the identification of occupied Sage-grouse leks and will provide a map to Lessee showing the current location of occupied leks, as identified by IDFG.
- II. March through May are identified as seasonal lek periods within PHMA and IHMA depending on habitat elevation, and as such, require flexibility in site-specific management plans. IDL agrees to work with Lessee on site-specific management plans within grazing allotments, including livestock turn-out dates when allotment dates are in direct conflict with above noted identified seasonal lek periods. When possible, Lessee agrees to avoid identified leks with placement of sheep camps, bed grounds, and herding or related activities near active leks so as not to disturb displaying birds.
- III. Once such leks are identified, IDL will work closely with Lessees, local working groups, and/or IDFG to identify mutually agreed upon alternative sites or herding routes that eliminate or reduce disturbance, if possible. In selecting such alternative sites/routes, focus will be on areas away from leks and that do not provide breeding habitat characteristics, where feasible.

B. Livestock management and late brood rearing habitat.

- I. Due to the preference of forbs by domestic sheep, IDL will communicate and work with Lessee in sheep herd management within PHMAs and IHMAs, and on appropriate use of grazing management techniques, when possible, that promote and maintain a diversity of desirable annual and perennial forbs including:
 - a. Alternate or rotate areas for spring turnout.
 - b. Promote light, once-over use of vegetation, as opposed to repeated use during the same season by the same band or successive bands of sheep.
 - c. Ensure that foremen, herders and sheep camp tenders are informed of management and movement requirements, such as related to the avoidance of recent burns, burned area rehabilitation seedings or other restoration sites.
 - d. Employ open (loose) herding of sheep as opposed to tightly bunched sheep.
- II. Lessee agrees to manage grazing of riparian areas, meadows, springs, and seeps in a manner that promotes vegetation structure and composition appropriate to the site. IDL recognizes that in some cases, (e.g., enclosed meadows) the availability and quality of herbaceous species may be improved by periodic grazing use and would be addressed in the Grazing Management Plan approved by IDL.
- III. In agricultural fields where sage-grouse use has been documented or is likely, Lessees shall avoid or limit use of alfalfa by livestock after the last cutting, to provide residual alfalfa for use by sage-grouse broods. This section ONLY applies to agricultural fields under a Cropland Lease.

C. Livestock management during periods of drought.

IDL will cooperate with Lessee as needed during periods of drought to minimize the additional stress placed on herbaceous species. This is anticipated to reduce impacts on perennial herbaceous cover, plant species diversity and plant vigor.

D. Placement of salt and mineral supplements.

Lessee should place any salt or mineral supplements in existing disturbed sites, areas with reduced sagebrush cover, seedings or annual grass sites to reduce impacts to sage-grouse breeding habitat. Where feasible, Lessee should use salts or mineral supplements to improve management of livestock for the benefit of sage-grouse habitat.

E. Placement of fences and other structures.

- I. All fencing, corral, other infrastructure placement, construction, and any movement of existing fencing, corrals or other infrastructure within PHMAs and IHMAs requires IDL written approval (see Section 10 of this Lease) and may be subject to IDFG analysis prior to such written approval. IDL will work closely with IDFG to identify fences within PHMA and IHMA that need to be marked or moved to protect sage-grouse.
- II. IDL and Lessee agree to use USDA-NRCS Fence Collision Risk Tool data, as amended from time to time and local knowledge to determine low, medium or high risk levels around occupied leks. IDL and Lessee agree to cooperate in the flagging of new and existing wire fence segments, in high risk areas, with collision diverter markers as defined by USDA-NRCS design practice specifications. Examples of high risk areas include fencing with characteristics such as evidence of grouse fence strikes, gentle topography near a lek or fences that bisect winter concentration areas. IDL and Lessee agree to flag fences in riparian areas, near lek locations, and other sensitive areas specifically identified by either IDL or IDFG.
- III. In addition to the requirements of Section 11 of this Lease, IDL will consider the impacts on sage-grouse when determining whether to authorize the placement of new fences and structures. IDL will not approve construction of fencing and other structures within 1 km (0.62 mi) of occupied leks, as determined by IDFG, unless authorized in writing by IDFG. Lessee shall place tall structures including but not limited to corrals, loading facilities, water storage tanks, windmills etc., as far as possible from occupied leks to reduce opportunities for perching raptors. Careful consideration, based on local conditions, will be given by IDL when authorizing the placement of new fences or structures near other important seasonal habitats (winter-use areas, movement corridors etc.). In order to reduce potential impacts, fence markers will be used to mitigate mortality within areas identified by IDL, IDFG or Lessee.

F. Design and placement of water developments.

- I. In addition to the requirements of Sections 9 and 11 of this Lease, spring developments authorized by IDL will be designed to maintain or enhance the free-flowing characteristics of springs and wet meadows. IDL and Lessee agree to cooperate in the retrofit of all water developments during normal maintenance activities to maintain or enhance lentic, riparian properties and minimize annual maintenance.
- II. In addition to the requirements of Sections 9 and 11 of this Lease all livestock troughs and open water storage tanks authorized by IDL will be fitted with wildlife escape ramps / ladders to facilitate the use of and escape from troughs by sage-grouse and other wildlife. IDL and Lessee agree to cooperate in the installation and retrofit of troughs/tanks with wildlife escape ramps that meet USDA-NRCS practice design requirements and specifications.



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region • 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Website: www.idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

December 11, 2020

STATE OF IDAHO
PO BOX 83720
BOISE ID 83702

Re: Application for Transfer No(s). 84551, 84552, and 84553

Dear State of Idaho:

The Idaho Department of Water Resources (IDWR) is seeking written comment and/or recommendations from your agency regarding the above referenced water right application. A copy of the application is enclosed with this letter for your reference. Please review the application, complete the enclosed recommendation form, and submit your reply, if any, to this office by **January 4, 2021**.

If your agency desires to formally protest approval of this application, you may do so by filing a written protest along with a \$25.00 filing fee by 5:00 p.m. on January 4.

IDWR will assume your agency does not object to this application if a timely response is not received. Please contact me if you have any questions regarding the application. Thank you for your help.

Sincerely,

Denise Lauerman
Administrative Assistant

Enclosure(s)



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region • 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Website: www.idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

December 11, 2020

BLM
1387 S VINNELL WAY
BOISE ID 83709-1657

Re: Application for Transfer No(s). 84551, 84552, and 84553

Dear BLM:

The Idaho Department of Water Resources (IDWR) is seeking written comment and/or recommendations from your agency regarding the above referenced water right application. A copy of the application is enclosed with this letter for your reference. Please review the application, complete the enclosed recommendation form, and submit your reply, if any, to this office by **January 4, 2021**.

If your agency desires to formally protest approval of this application, you may do so by filing a written protest along with a \$25.00 filing fee by 5:00 p.m. on January 4.

IDWR will assume your agency does not object to this application if a timely response is not received. Please contact me if you have any questions regarding the application. Thank you for your help.

Sincerely,


Denise Lauerman
Administrative Assistant

Enclosure(s)



State of Idaho

DEPARTMENT OF WATER RESOURCES

WESTERN Region • 2735 W AIRPORT WAY • BOISE, ID 83705-5082

Phone: (208)334-2190 • Fax: (208)334-2348 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

December 11, 2020

L U RANCHING CO INC
C/O TIMOTHY C LOWRY
PO BOX 132
JORDAN VALLEY, OR 97910-0132

RE: Transfer No. 84551, 84552, and 84553

Dear Applicant(s):

The Department of Water Resources has received your water right transfer application. Please refer to the transfer number referenced above in all future correspondence regarding this transfer.

A legal notice of the application has been prepared and is scheduled for publication in the OWYHEE AVALANCHE on 12/16/2020 and 12/23/2020. Protests to this application may be submitted for a period ending ten (10) days after the second publication.

If the application is protested, you will be sent a copy of each protest. All protests must be resolved before the application can be considered for approval. If the protest(s) cannot be resolved voluntarily, the Department will conduct a conference and/or hearing on the matter.

If the application is not protested, the Department will process your application and notify you of any action taken on the application. If your application is approved, the Department will send you a copy of the approval document.

Please contact this office if you have any questions regarding the application.

Sincerely,

Denise Lauerma
Administrative Assistant

Lauerman, Denise

From: Lauerman, Denise
Sent: Friday, December 11, 2020 10:28 AM
To: 'office@owyheeavalanche.com'
Cc: 'jon@owyhee.com'
Subject: OWYHEE Legal Notice
Attachments: Owyhee Cover Letter.docx; Owyhee Legal Notice.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Good Morning Legal Clerk,

Hi, I'm Denise and I'll be sending the legal notices from this day forward. I'm the new girl!

Please see the attached ad for publication on 12/16/2020 and 12/23/2020.

Please confirm this is okay to publish as shown and **send confirmation and all other correspondence to this email.**

Thank you,

Denise Lauerman | *Administrative Assistant*
IDWR-Western Region
2735 W Airport Way, Boise ID 83705
(208).334.2190 | denise.lauerman@idwr.idaho.gov



State of Idaho

DEPARTMENT OF WATER RESOURCES

WESTERN Region • 2735 W AIRPORT WAY • BOISE, ID 83705-5082

Phone: (208)334-2190 • Fax: (208)334-2348 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

December 11, 2020

LEGAL NOTICE DEPARTMENT
OWYHEE AVALANCHE
PO BOX 97
HOMEDALE, ID 83628

RE: Transfer No. 84541, 84551, 84552, 84553

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 1/4/2021. Your cooperation is appreciated.

Sincerely,

Denise Lauerman
Administrative Assistant

Enclosure(s)

NOTICE OF PROPOSED CHANGE OF WATER RIGHT

TRANSFER NO. 84541

LANCE D GENNETTE and ALICE GENNETTE, 29685 HOT SPRINGS RD, BRUNEAU, ID 83604 has filed Application No. 84541 for changes to the following water rights within OWYHEE County(s): Right No(s). 51-25A; to see a full description of these rights and the proposed transfer, please see <https://research.idwr.idaho.gov/apps/waterrights/querynewtransfers>. The purpose of the transfer is to change a portion of the above rights as follows: The purpose of the transfer is to change the POU and reduce irrigation acres from 25 acres to 7.5 acres. Water will be used adjacent to the current place of use near Bruneau Idaho.

TRANSFER NO. 84551

L U RANCHING CO INC, C/O TIMOTHY C LOWRY PO BOX 132, JORDAN VALLEY, OR 97910-0132 has filed Application No. 84551 for changes to the following water rights within OWYHEE County(s): Right No(s). 55-10292A, 55-13846; to see a full description of these rights and the proposed transfer, please see <https://research.idwr.idaho.gov/apps/waterrights/querynewtransfers>. The purpose of the transfer is to change a portion of the above rights as follows: Transfer proposed adding PODs to water right 55-1029A to indicate the beginning and ending points of the stock water diversion areas. Transfer also proposes shifting the POUs for water rights 55-1029A and 55-13846. Transfer proposes stockwater use near the current places of use within sections 35, 26, 25, and 23 of T08S, R05W and section 1 of T09S, R05W

TRANSFER NO. 84552

L U RANCHING CO INC, C/O TIMOTHY C LOWRY PO BOX 132, JORDAN VALLEY, OR 97910-0132 has filed Application No. 84552 for changes to the following water rights within OWYHEE County(s): Right No(s). 55-10303A; to see a full description of these rights and the proposed transfer, please see <https://research.idwr.idaho.gov/apps/waterrights/querynewtransfers>. The purpose of the transfer is to change a portion of the above rights as follows: Transfer proposes adding two PODs to water right 55-10303A marking the beginning and ending points of the stock water diversion areas. Transfer also proposes shifting the POU of water right 55-10303A. Transfer proposes stockwater use near the current place of use within sections 12 and 36 of T09S, R05W,

TRANSFER NO. 84553

L U RANCHING CO INC, C/O TIMOTHY C LOWRY PO BOX 132, JORDAN VALLEY, OR 97910-0132 has filed Application No. 84553 for changes to the following water rights within OWYHEE County(s): Right No(s). 55-10288A; to see a full description of these rights and the proposed transfer, please see <https://research.idwr.idaho.gov/apps/waterrights/querynewtransfers>. The purpose of the transfer is to change a portion of the above rights as follows: Transfer proposes changing the PODs of water right 55-10288A indicating the beginning and ending points of the proposed stock water diversion areas. Transfer also proposes removing part of the POU of water right 55-10288A. Transfer proposes stockwater use on a portion of the current place of use within section 36 of T07S, R06W,

For additional information concerning the property location, contact Western Region office at (208)334-2190. Protests may be submitted based on the criteria of Idaho Code Sec. 42-222. Any protest against the proposed change must be filed with the Department of Water Resources, Western Region, 2735 W AIRPORT WAY, BOISE ID 83705-5082 together with a protest fee of \$25.00 for each application on or before 1/4/2021. The protestant must also send a copy of the protest to the applicant.

GARY SPACKMAN, Director

Published on 12/16/2020 and 12/23/2020