STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
MAY 22 2020
DEPT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 432

This is to certify that:

BITTERSWEET RANCH LLC
C/O DAREN O BITTER
1344 N 1900 E
TERRETON, ID 83450-5209

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
21-13202	7/13/1974	GROUND WATER	0.20	31.0	10.2	0.02	2.5
Rental Totals			**0.20**	**31.0**	**10.2**	**0.02**	**2.5**

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2021. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2020, whichever occurs last.

Annual Rental Fee:

2020 - 2022: $510.00 annually

The full fee for the rental of the above-described right(s) is $620.00 per year for years 2020 - 2020 and $510.00 per year for years 2021 - 2020 and $700.00 for 2022. The rental fee includes an administrative fee of $62.00 per year for years 2020 - 2020 and $51.00 per year for years 2021 - 2020 and $70.00 for 2022.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	0.2	25.5	10.2	0.02	2.5
Combined Total	0.2	25.5	10.2	0.02	2.5

**** The authorized water usage reflects a reduction from the water right elements rented, to avoid otherwise necessary mitigation and probable injury to other water rights.***

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 432

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Signature of Renter _____ Date 5/19/20

DAREN BITTER _____ Manager
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By _____ Date 07/29/20
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR _____ Date 07/29/20

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 432

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NESE Sec. 2, Twp 05N, Rge 34E, JEFFERSON County

BENEFICIAL USE	DIVERSION RATE	VOLUME
IRRIGATION	0.20 CFS	25.5 AF

SEASON OF USE

Water Right No.	From	To
21-13202	4/1	10/31

EXCEPT FOR THE FOLLOWING:

Water Right No.	From	To	
21-13202	4/1	11/1	0.470 CFS

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	34E	1							4.8 L4	5.4 L3									10.2

Total Acres: 10.2

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

WATER SUPPLY BANK RENTAL AGREEMENT No. 432

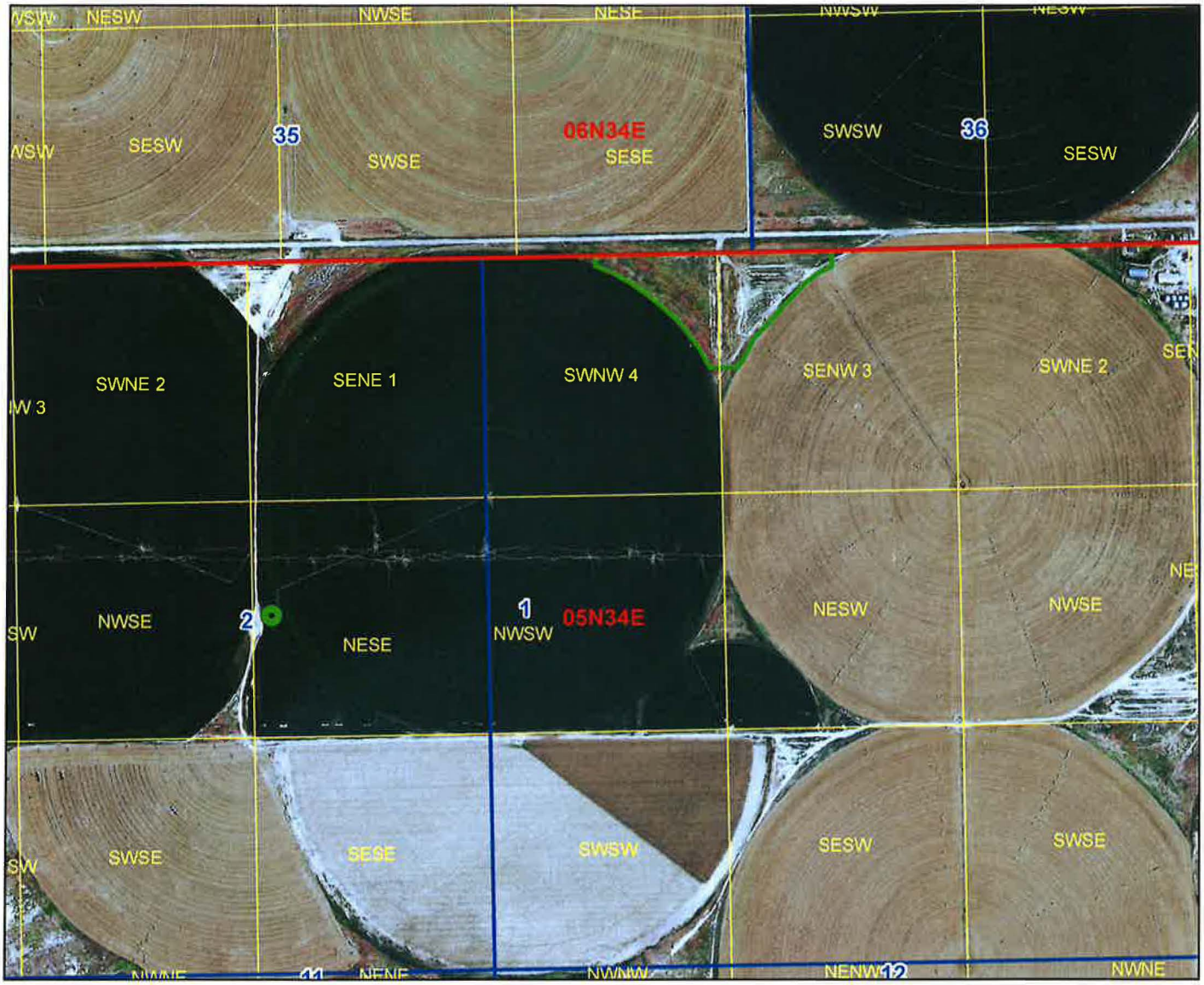
9. Right Nos. 21-12336, 21-12337, 21-7029A, 21-7035 and 21-7053 are also diverted through point of diversion described above.
10. Pursuant to Idaho Code § 42-1412(6), this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.
11. Use of water under this agreement may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 110.
12. This rental agreement does not authorize the construction of a well.
13. Prior to December 31 of each year, the Board may review this rental agreement to determine whether it is consistent with the management plan that may be approved for the Eastern Snake Plain Aquifer Ground Water Management Area ("ESPA GWMA Plan") pursuant to Idaho Code § 42-233b. The Board may cancel this rental agreement if the Board determines it is not consistent with the ESPA GWMA plan. If this rental agreement is canceled, the cancellation shall not take effect until December 31 of the year in which the rental agreement is canceled.
14. Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
15. Prior to the diversion and use of water under this rental, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
16. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 2.5 afa per acre at the field headgate for irrigation of the place of use.

Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 432

Effective until December 31, 2022

This map depicts the **irrigation rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



N

- Authorized Rental Point of Diversion
- Authorized Rental Place of Use
- Township/Range
- Sections
- QQ

0 0.125 0.25 0.5 Miles

Form 42-1761-2 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO RENT WATER FROM THE BOARD'S WATER SUPPLY BANK

RECEIVED
MAR 10 2020
DEPARTMENT OF WATER RESOURCES

Applicant Name: BITTERSWEET RANCH LLC

Is this application being submitted with a lease application as a lease/rental package? Yes ☐ No ☑
If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

		Yes	
		☑	Completed *Application to Rent Water from the Board's Water Supply Bank*
		☑	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank
Attachment	**N/A**	**Yes**	
2		☑	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	☐	☑	Detailed information on a proposed use of rental water
3F	☑	☐	Authorization from the owner/operator of the rental point(s) of diversion
3H	☐	☑	Water modeling to account for the impacts of the rental request
3J	☑	☐	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	☐	☑	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☐	☑	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☑	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

21-13202

1064

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant BITTERSWEET RANCH LLC

Mailing Address 1344 N. 1900 E. (Street) TERRETON (City) ID (State) 83450 (Zip Code)

Email Address bitterfarms@gmail.com Phone Number (208) 317-6080

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☐ No ☑
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative _____ Professional Title _____

Organization _____ Relationship to Applicant _____

Mailing Address _____

Email Address _____ Phone Number _____

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2.**

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

This property of the proposed rental POU has a small pivot on it but no authorized water right. The land was irrigated in 2018 but under a cease and desist order issued in January of 2019 was not irrigated during 2019.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.2 CFS	35.0 AF	0.2 CFS	35.0 AF	10.2 AC

* ***Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.***

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
		☐ 1	☐ 2	☑ 3	☐ 4	☐ 5	☑ Process application as soon as possible	☐ Return application to applicant
04/01/2020	05/01/2020							

* ***The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.***

** ***Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.***

Application to Rent Water (Continued)

D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):
A deep well that provides water to multiple pivots. Each individual pivot can be turned on or off as deemed necessary. The proposed place of use is within this system and can be shut off if deemed necessary.

E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
05N 34E Sec 2 SWNESE	GROUND WATER	31-7029A, 31-7035, 31-7053, 31-12336, 31-12337

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☑
If yes, include documented consent as **Attachment 3F**.

G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☑ No ☐
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

H. Has water modeling been provided with your rental request? Yes ☑ N/A ☐
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

☑ Irrigation 10.2 (number of acres) Duration: Subject to IDWR standard seasons of use

☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)

☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)

☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)

☐ Other: _____ from: 04/01 (mm/dd) to: 10/31 (mm/dd)

J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☑
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☑
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights? Yes ☑ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. **If no,** continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via IDWR's website.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
21-13202	Ground Water	0.47	70.2	23.4		0.2	35.0	10.2
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					**TOTAL**	0.2	35.0	10.2
						CFS	AF	AC

****Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.***

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented? Yes ☐ No ☑

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☑

If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

Brown Maple LLC made a rental request in May of 2019 in response to E2019-1379 but the request was abandoned by the applicant before a formalized agreement was made. I am the new lessee of the property owned by Brown Maple LLC.

B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☑

If yes, describe:

C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☑

If yes, describe the date and location of the NOV.

E2019-1379 was resolved by cease and desist action.

D. Additional Information

DECLARATION

I hereby assert that 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. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant	Printed Name of Applicant	Date
	DAREN BITTER	3/5/20
Signature of Representative	Printed Name of Representative	Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit https://idwr.maps.arcgis.com/home/ to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.

BITTERSWEET PROPOSED WR RENTAL USE



Water Rigth POU

Township/Range

Sections

QQ

Proposed POU

Authorized POD

0 750 1,500 3,000 Feet

N

One-Way Analysis of Independent Transfers

New Water Right (GModelo):

WR No	Div Rate (CFS)	Con Vol (AFA)	No of Irr Acres	Priority Date	POD Location	Dedicated Vol AFA	Dedicated Vol AFT	Model Node
Transfer 1: Proposed Steady State Impacts following Transfer								
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP082075
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP068066
Transfer 1: Worst Case Transient State Impacts following Transfer								
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP082075
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP068066

Impact by Reach (AF/Trimester)

	Ashton to Rexburg	Heise to Shelley	Shelley to Nr Blckft	Nr Blckft To Neeley	Neeley to Minidoka	Dev Wbl To Buhl	Buhl to Kspr	Kspr	Kspr to Malad	Malad	Malad to Bancroft
	9.44	1.26	0.22	0.58	0.00	0.01	0.01	0.01	0.00	0.00	0.00
	9.44	1.26	0.22	0.58	0.00	0.01	0.01	0.01	0.00	0.00	0.00
	9.44	1.26	0.22	0.58	0.00	0.01	0.01	0.01	0.00	0.00	0.00
	9.44	1.81	1.56	3.94	0.01	0.04	0.04	0.02	0.01	0.01	0.00

Steady State Analysis	Mitigation Check 1 - >10% of Historical:	0.0%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Check 2: > 2 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Mitigation Check 3 - >10% of Total:	81.8%	10.9%	1.9%	5.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
	Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
	Mitigation Vol. Req'd (ac-ft):	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transient State Analysis	Mitigation Check 1 - >10% of Historical:	0.0%	43.4%	599.9%	581.3%	183.5%	231.7%	238.1%	235.9%	234.5%	227.5%	220.5%
	Mitigation Check 2: > 2.01 AF/T:	0.0	0.5	1.3	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Mitigation Required?:	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO
	Mitigation Vol. Req'd (ac-ft)	0.0	0.5	1.3	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0

d Me

Not Used

WR No	Div Rate (CFS)	Con Vol (AFA)	No of Irr Acres	Priority Date	POD Location	Dedicated Vol AFA	Dedicated Vol AFT	Model Node
Transfer: Proposed Steady State Impacts following Transfer								
Transfer 1: Worst Case Transient State Impacts following Transfer								
0	0	0	0	1/0/1900	0	0.0	0	0
0	0	0	0	1/0/1900	0	0.0	0	0

Impact by Reach (AF/Trimester)

	Ashton to Rexburg	Heise to Shelley	Shelley to Nr Blckft	Nr Blckft To Neeley	Neeley to Minidoka	Dev Wbl To Buhl	Buhl to Kspr	Kspr	Kspr to Malad	Malad	Malad to Bancroft

Steady State Analysis	Mitigation Check 1 - >10% of Historical:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Check 2: > 2 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Mitigation Check 3 - >10% of Total:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
	Mitigation Vol. Req'd (ac-ft):	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transient State Analysis	Mitigation Check 1 - >10% of Historical:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Check 2: > 2.01 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
	Mitigation Vol. Req'd (ac-ft):	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Not Used

No	Div Rate (CFS)	Con Vol (AFA)	No of Irr Acres	Priority Date	POD Location	Dedicated Vol AFA	Dedicated Vol AFT	Model Node
Transfer: Proposed Steady State Impacts following Transfer								
35-12915	0.41	110.9	27.7	10/31/1986		110.9	37.0	SP053158
35-12915	0.41	110.9	27.7	10/31/1986	0	110.9	37.0	SP081159
Transfer: Worst Case Transient State Impacts following Transfer								
35-12915	0.41	110.9	27.7	10/31/1986	0	110.9	37.0	SP053158
35-12915	0.41	110.9	27.7	10/31/1986	0	110.9	37.0	SP081159

Impact by Reach (AF/Trimester)

	Ashton to Rexburg	Heise to Shelley	Shelley to Nr Blckft	Nr Blckft To Neeley	Neeley to Minidoka	Dev Wbl To Buhl	Buhl to Kspr	Kspr	Kspr to Malad	Malad	Malad to Bancroft

Steady State Analysis	Mitigation Check 1 - >10% of Historical:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Check 2: > 2 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Mitigation Check 3 - >10% of Total:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
	Mitigation Vol. Req'd (ac-ft):	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transient State Analysis	Mitigation Check 1 - >10% of Historical:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mitigation Check 2: > 2.01 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
	Mitigation Vol. Req'd (ac-ft)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

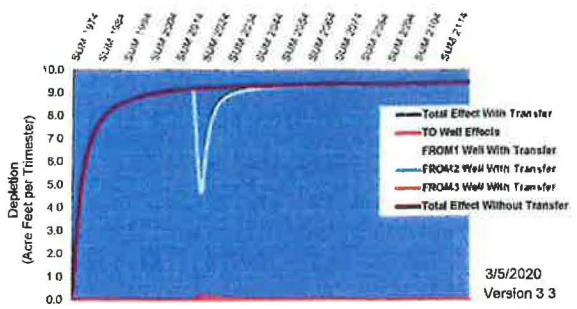
Not Used

WR No	Div Rate	Con Vol	No of Irr	Priority	POD	Dedicated Vol	Model

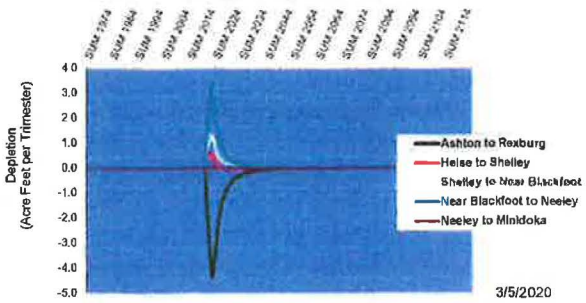
Impact by Reach (AF/Trimester)

Ashton to	Heise to	Shelley to	Nr Blckft To	Neeley to	Dev Wbl To	Buhl to	Kspr	Kspr to	Malad	Malad to

Hydrologic Response--Ashton to Rexburg
Customer Name: Bittersweet Transfer No:

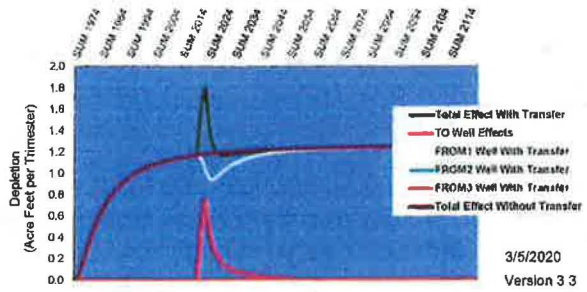


Net Transfer Effect Above Milner
(Total Effect With Transfer - Total Effect Without Transfer)

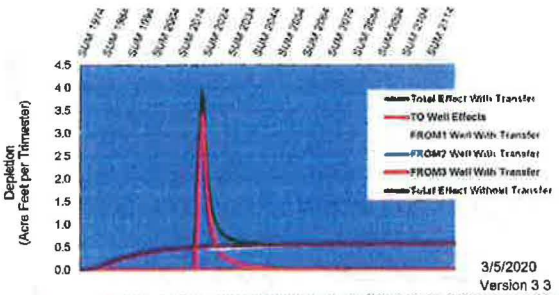


Customer Name: Bittersweet Transfer No:

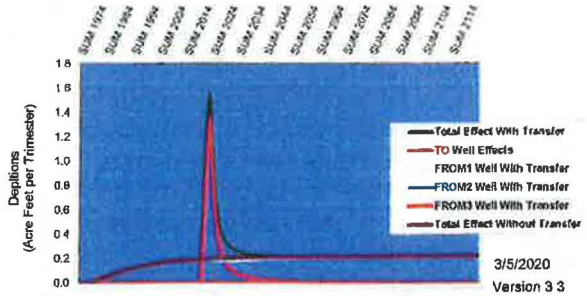
Hydrologic Response--Heise to Shelley
Customer Name: Bittersweet Transfer No:



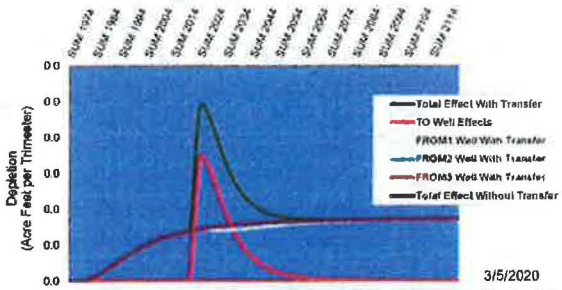
Hydrologic Response-- Near Blackfoot to Neeley
Customer Name: Bittersweet Transfer No:



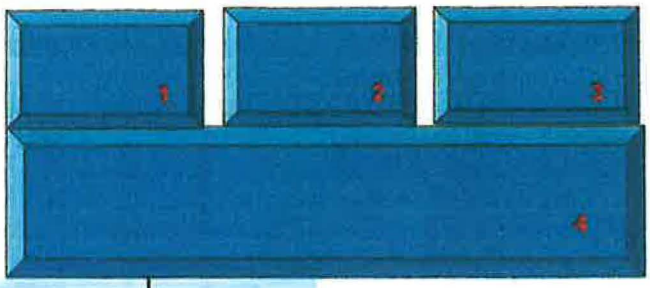
Hydrologic Response--Shelley to Near Blackfoot
Customer Name: Bittersweet Transfer No:



Hydrologic Response-- Neeley to Minidoka
Customer Name: Bittersweet Transfer No:



Cells this color are set up for user entries



ENTER STARTING DATE FOR SIMULATION. THEN PUSH "UPDATE DATES" BUTTON		TRANSFER NO:	
YEAR	1974	TRANSFER NAME:	
SEASON	SUMMER	Bittersweet	

ENTER CELL LOCATIONS:	'TO' CELL	'FROM1' CELL	'FROM2' CELL	'FROM3' CELL
ROW	45	51		
COLUMN	154	196		

TRIMESTER OF ACTIVITY	TO WELL	FROM1 WELL		FROM2 WELL		FROM3 WELL	
	Projected Use AF/TRIMESTER	With Transfer AF/TRIMESTER	Without Transfer AF/TRIMESTER	With Transfer AF/TRIMESTER	Without Transfer AF/TRIMESTER	With Transfer AF/TRIMESTER	Without Transfer AF/TRIMESTER
SUM 1974	0	12	12	0	0	0	0
WIN 1974	0	12	12	0	0	0	0
SPR 1975	0	12	12	0	0	0	0
SUM 1975	0	12	12	0	0	0	0
WIN 1975	0	12	12	0	0	0	0
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WIN 1979	0	12	12	0	0	0	0
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WIN 1981	0	12	12	0	0	0	0
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WIN 1982	0	12	12	0	0	0	0
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WIN 1983	0	12	12	0	0	0	0
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WIN 1984	0	12	12	0	0	0	0
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WIN 1985	0	12	12	0	0	0	0
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SUM 1988	0	12	12	0	0	0	0
WIN 1988	0	12	12	0	0	0	0
SPR 1989	0	12	12	0	0	0	0
SUM 1989	0	12	12	0	0	0	0

WIN 1989	0	12	12	0	0	0	0
SPR 1990	0	12	12	0	0	0	0
SUM 1990	0	12	12	0	0	0	0
WIN 1990	0	12	12	0	0	0	0
SPR 1991	0	12	12	0	0	0	0
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WIN 2007	0	12	12	0	0	0	0
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WIN 2008	0	12	12	0	0	0	0
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WIN 2013	0	12	12	0	0	0	0
SPR 2014	0	12	12	0	0	0	0
SUM 2014	0	12	12	0	0	0	0

WIN 2014	0	12	12	0	0	0	0
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WIN 2015	0	12	12	0	0	0	0
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WIN 2039	0	12	12	0	0	0	0
SPR 2040	0	12	12	0	0	0	0
SUM 2040	0	12	12	0	0	0	0
WIN 2040	0	12	12	0	0	0	0

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700
Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

July 30, 2020

BITTERSWEET RANCH LLC
C/O DAREN O BITTER
1344 N 1900 E
TERRETON, ID 83450-5209

RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 21-13202, AGREEMENT 432

Dear Renter:

Please find enclosed a receipt in the amount of **$700.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 31 acre-feet of water for irrigation of 10.2 acres during 2020. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or $630.00 of the rental fee will be paid to the lessor(s) and 10% or $70.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Verkerk

Water Supply Bank

Enclosures: Receipt No. C108805
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office
Blake Jordan – State Water District No. 100
Cherie Palmer - IDWR Compliance Bureau E2019-1379

Dalgleish, Alex

From: Dalgleish, Alex
Sent: Thursday, July 30, 2020 9:12 AM
To: Marston, Sascha
Subject: 2020 Bittersweet Ranch LLC Rental Refund
Attachments: Refund Memo.docx

Sascha,

Please see the attached refund memo.

Thanks,

Alex Dalgleish
Water Resource Agent
Phone (208) 287-4913
alex.dalgleish@idwr.idaho.gov

MEMORANDUM

TO: Sascha Marston

FROM: Alex Dalgleish

DATE: 7/30/2020

RE: Refund

Bittersweet Ranch LLC paid $700 for the rental of water right 21-13202 on 5/22/2020. The fee for renting water rights from the Water Supply Bank is based on $20/acre foot (AF) of water. The rentable AF was incorrectly determined and needed to be reduced from 31 AF to 25.5. Therefore, the rental fee was overpaid and a partial refund should be issued.

Please issue a $190 refund as follows:

TO

BITTERSWEET RANCH LLC
C/O DARREN O BITTER
1344 N 1900 E
TERRETON ID 83450-5209

TEL. 208-317-6080

RECEIPT

Receipt no.C108805

Copy: app # 21-13202

Dalgleish, Alex

From: Daren Bitter <bitterfarms@gmail.com>
Sent: Friday, July 17, 2020 12:25 PM
To: Dalgleish, Alex
Subject: Re: Bittersweet Ranch Rental Adjustment
Attachments: Water rent on Johnson place 7.17.20.pdf

Here is the signed rental agreement. Thanks

Daren

On Mon, Jul 13, 2020 at 1:01 PM Dalgleish, Alex <Alex.Dalgleish@idwr.idaho.gov> wrote:

Mr. Bitter,

On behalf of the request by Bittersweet Ranch LLC to rent water from leased right 21-13202, the Department needed to make a change to the rental agreement you recently signed and returned. I wanted to ensure that the change was ok with you.

The rental agreement was changed to reduce the volume per acre from 3.0 acre-feet (AF) to 2.5 AF. Based on the rented 10.2 acres, the reduced rented volume is now 25.5 AF instead of 31 AF (10.2*2.5=25.5). This reduction was necessary due to the modeling showing that any volume/acre amount higher would require mitigation. The rental fee for water is based on the volume rented. Because the Department has already received a $700 payment to rent for 2020, if you are satisfied with the changes, the Department would issue you a partial refund of $190. (25.5 AF*$20/AF= $510 instead of $700).

I have attached the updated rental agreement.

Thank you,

Alex Dalgleish

Water Resource Agent

Phone (208) 287-4913

alex.dalgleish@idwr.idaho.gov

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES1

This is to certify that:

BITTERSWEET RANCH LLC
C/O DAREN O BITTER
1344 N 1900 E
TERRETON, ID 83450-5209

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
21-13202	7/13/1974	GROUND WATER	0.20	31.0	10.2	0.02	2.5
Rental Totals			**0.20**	**31.0**	**10.2**	**0.02**	**2.5**

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2021. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2020, whichever occurs last.

Annual Rental Fee:

2020 - 2021: $510.00 annually

The full fee for the rental of the above-described right(s) is $510.00 per year for years 2020 – 2021.The rental fee includes an administrative fee of $51.00 per year for years 2020 – 2021.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	0.2	25.5	10.2	0.02	2.5
Combined Total	0.2	25.5	10.2	0.02	2.5

**** The authorized water usage reflects a reduction from the water right elements rented, to avoid otherwise necessary mitigation and probable injury to other water rights.***

Detailed water right conditions are attached.

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Signature of Renter [signature] Date 7/12/20

DAREN BITTER - Manager
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By Date
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NESE Sec. 2, Twp 05N, Rge 34E, JEFFERSON County

BENEFICIAL USE	DIVERSION RATE	VOLUME
IRRIGATION	0.20 CFS	25.5 AF

SEASON OF USE

Water Right No.	From	To
21-13202	4/1	10/31

EXCEPT FOR THE FOLLOWING:

Water Right No.	From	To	
21-13202	4/1	11/1	0.470 CFS

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	34E	1							4.8 L4	5.4 L3									10.2

Total Acres: 10.2

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.

2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.

3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.

4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.

5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.

6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.

7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.

8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

9. Right Nos. 21-12336, 21-12337, 21-7029A, 21-7035 and 21-7053 are also diverted through point of diversion described above.

10. Pursuant to Idaho Code § 42-1412(6), this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.

11. Use of water under this agreement may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 110.

12. This rental agreement does not authorize the construction of a well.

13. Prior to December 31 of each year, the Board may review this rental agreement to determine whether it is consistent with the management plan that may be approved for the Eastern Snake Plain Aquifer Ground Water Management Area ("ESPA GWMA Plan") pursuant to Idaho Code § 42-233b. The Board may cancel this rental agreement if the Board determines it is not consistent with the ESPA GWMA plan. If this rental agreement is canceled, the cancellation shall not take effect until December 31 of the year in which the rental agreement is canceled.

14. Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.

15. Prior to the diversion and use of water under this rental, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.

16. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 2.5 afa per acre at the field headgate for irrigation of the place of use.

State of Idaho
DEPARTMENT OF WATER RESOURCES
322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700
Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

May 8, 2020

BITTERSWEET RANCH LLC
C/O DAREN O BITTER
1344 N 1900 E
TERRETON, ID 83450-5209

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 21-13202, AGREEMENT 432

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of $700.00 was calculated based on the current rental rate of $20.00 per acre-foot times a diversion volume of 31.0 acre-feet.

Please send a check for $700.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement**, **within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or $630.00 of the rental fee will be paid to the lessor(s) and 10% or $70.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

for Water Supply Bank

Enclosure

c: IDWR Front Desk

Hersley, Jean

From: Daren <bitterfarms@gmail.com>
Sent: Monday, May 4, 2020 5:24 AM
To: Dalgleish, Alex
Subject: Re: Rental Application

Alex, a 2 year rental term is sufficient. Thanks for your help, daren

Sent from my iPad

On Apr 29, 2020, at 11:33 AM, Dalgleish, Alex <Alex.Dalgleish@idwr.idaho.gov> wrote:

> Daren,
>
> Another issue came up with the rental application that is related to the requested volume. Again, the application requests to rent 0.2 cfs, 35 AF and 10.2 acres from right 21-13202. After looking at the modeling included with the application, it appears that mitigation of 1.4 AF per trimester would be necessary based on 35 AF (35/ 3 = 11.6/ trimester, which is rounded to 12 in the application modeling).
>
> I ran the modeling at 12AF/trimester as well and the outcome also showed that mitigation of a similar 1.3 AF per trimester would be necessary.
>
> You responded this morning stating that 31 AF would be sufficient for the rental. I ran the model at the reduced rate of 10 AF/trimester (based on 31 AF/ 3= 10.33, rounded to 10), and mitigation of 0.9 AF would still be required.
>
> However, in an attempt try and avoid mitigation, I ran the model again at 10AF/trimester, but for a 2 year rental term. The modeling and analysis showed that mitigation would not be required if the rental requests a 2 year term.
>
> Please let me know if a 2 year rental is sufficient or if Bittersweet Ranch would rather have a 3 year term, in which case, information is necessary to account for how mitigation will be offset.
>
> Best,
>
> Alex Dalgleish
> *Water Resource Agent*
> *Phone (208) 287-4913*
> *alex.dalgleish@idwr.idaho.gov*

From: Daren [mailto:bitterfarms@gmail.com]
Sent: Wednesday, April 29, 2020 7:04 AM
To: Dalgleish, Alex <Alex.Dalgleish@idwr.idaho.gov>
Subject: Re: Rental Application

We only need the 31AF/10.2=3AF/acre. So the cost every year then will be $620.

Is that right??? Will you be sending me the bill?? Thanks Daren

Sent from my iPad

On Apr 27, 2020, at 5:47 PM, Dalgleish, Alex <Alex.Dalgleish@idwr.idaho.gov> wrote:

> Bittersweet Ranch LLC,
>
> On behalf of the Water Supply Bank rental application, an adjustment is necessary to the proposed rental amounts.
>
> The application requests to rent .2 cfs, 35.0 AF and 10.2 acres from right 21-13202. However, the amounts of 0.47 cfs, 70.2 Af and 23.4 acres were leased into the Bank from this right. The leased volume/acre equates to 3.0 AF (70.2 AF/23.4 acres= 3.0 AF/acre) The rental request to use 3.5 AF/acre (35.0 AF/10.2 acres= 3.5 AF/acre).
>
> In order to avoid enlargement through the rental, you'll need to rent more acres or decrease the requested volume. Increasing the requested acres to 11.6 (35 AF/11.6 acres= 3.0 af/acre) or decreasing the requested rental volume to 31 AF (31AF/10.2 acres= 3 AF/acre) will conform to the leased amount of 3.0 AF/acre.
>
> If you choose to decrease the volume requested, the rental fee will be reduced. (The current rental fee is $20/ AF of water).
>
> I will hold the rental application from further processing. If no response is received within 30 days, your application may be returned and will not be processed.
>
> Best,
>
> Alex Dalgleish
> *Water Resource Agent*
> *Phone (208) 287-4913*
> *alex.dalgleish@idwr.idaho.gov*

MEMORANDUM FOR AGREEMENT # 432

To: Water Right(s) 21-13202

From: Alex Dalgleish

Date: 7/13/2020

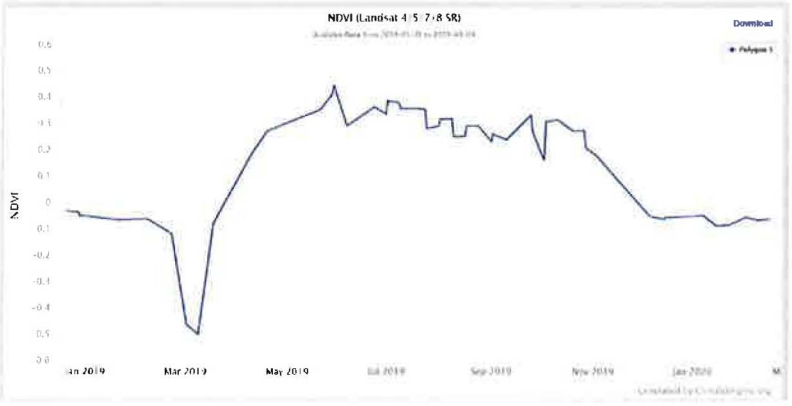
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

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PURPOSE/NARRATIVE: The Department received this rental application on 3/10/2020 from Bittersweet Ranch LLC (BR). The application requests to rent groundwater for irrigation from leased right 21-13202. The full amounts of water right 21-13202 (0.47 cfs, 70.2 AF and 23.4) were leased into the Bank from 2019 through 2023. This rental requests to rent 0.2 cfs, 35.0 AF and 10.2 acres from 21-13202 for a 3 year term, from 2020 through 2022.

AUTHORITY TO FILE: The application was signed by Daren Bitter. A search of the ISOS website indicates that Mr. Bitter is the registered agent for the BR and that the business currently holds an active status.
According to Jefferson County parcel records, Brown Maple LLC (BM) owns the property at the proposed place of use (POU) and point of diversion (POD). Mr. Bitter indicates on the rental application that he is the newest lessee of the POD/POU property owned by BM. However, no agreement between BM and BR was included with the application. A formal agreement authorizing the applicant to use the property at the POD/POU was requested on 3/26/2020. An agreement was received by email on 4/9/2020 and shows that BR is authorized to use the land owned by BM.
The rental application goes on to state that BM submitted a rental request in May of 2019 in response to an enforcement order (E2019-1379). Though, the rental request was abandoned by the applicant before a formalized rental (agreement # 358) was made. According to Department records, enforcement No. E2019-1379 has been resolved as it was observed from 2019 satellite imagery that irrigation had ceased on the 18 acres in question. There are no concerns with the authority to file.

WATER RIGHT VALIDITY: Leased right 21-13202 is currently owned by Unit 2 LLC and was decreed on 11/02/2011 for irrigation use. The right was leased into the Bank in 2019 and expires at the end of 2023. Utilizing Climate Engine data from 2019, it is clear the owner of right 21-13202 has been compliant with the lease. A screen shot from Climate Engine is included below. There are no concerns with the validity of the leased right.



INJURY TO OTHER WATER RIGHTS: The leased and rental POD's are both located within the ESPA. The application included water modeling which indicated that a total of 3.4 AF would need to be mitigated near the Blackfoot to Neeley reach. Modeling was run by the Department and it verified the same 3.4 AF of mitigation would be necessary in order to prevent injury. Both the modeling included with the application and that run by the Department were at the rental request of 12 AF/ trimester (35 AF/3= 11.6 per trimester rounded to 12 AF).
Multiple modeling scenarios were run to try and get an outcome where mitigation would not be necessary. Ultimately, running the model at the consumptive use volume of 8.5 AF/trimester (rounded to 9AF/trimester) and at a reduced term of two years produced an outcome where mitigation was not required. Injury to other rights is does not seem apparent when using the consumptive use volume of 2.5 AF/acre for right 21-13202.

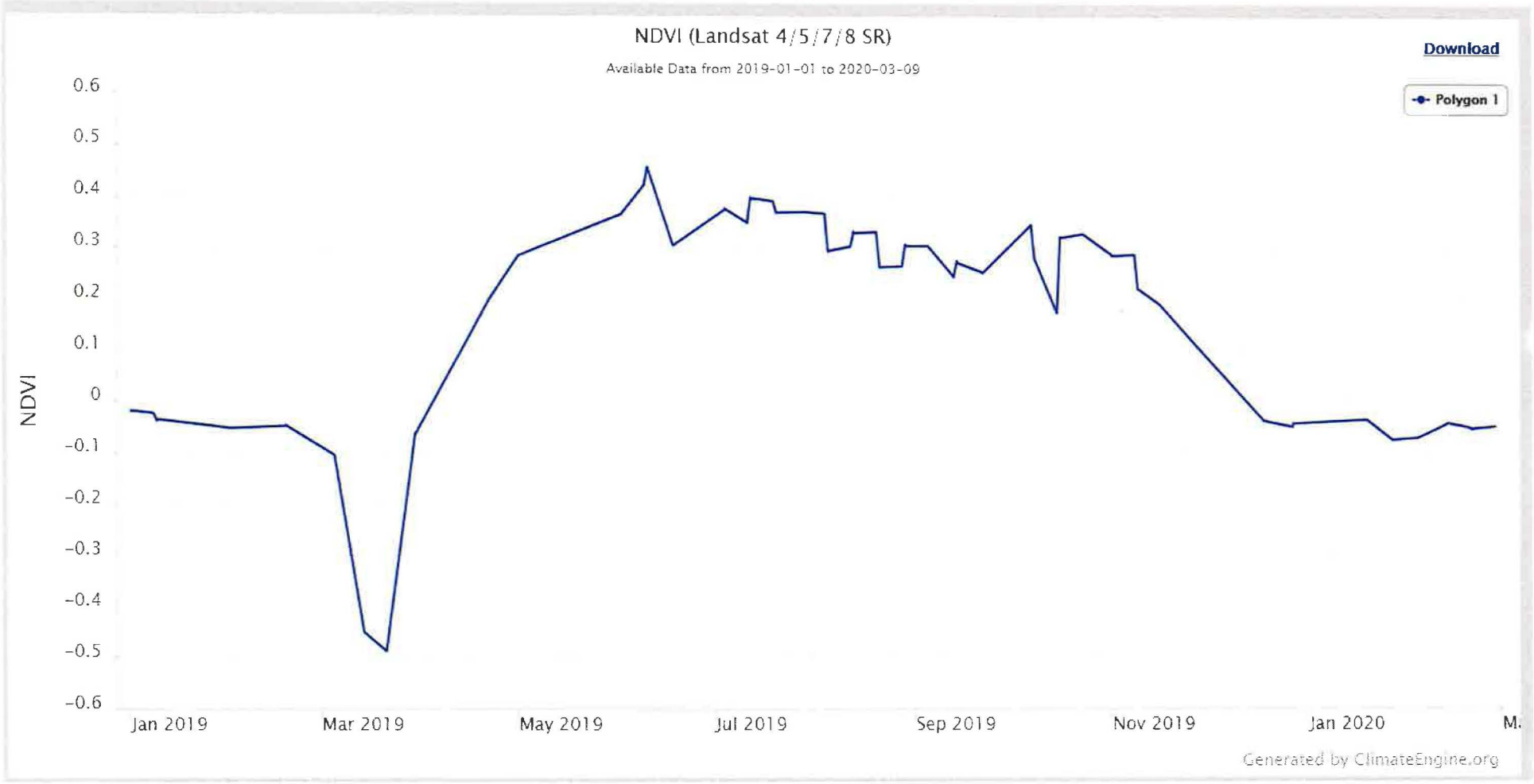
ENLARGEMENT OF USE: The rental POU is not irrigated with any existing water rights or permits. There are pivots beyond the southern end of the rental POU that are covered by water rights 31-11353, 31-12336, 31-12337, 31-2433, 31-7029A, 31-7035 and 31-7053.
The proposed rental POD is also used by the majority these rights (31-12336, 31-12337, 31-7029A, 31-7035 and 31-7053). All of these rights are limited to 0.02 cfs/acre and 3.5 AF/acre. Water right 21-13202 is fully leased to the Bank for .47cfs, 70.2 AF and 23.4 acres which equates to 0.02 cfs/acre and 3.0 AF/acre. The rental amounts requested of 0.2 cfs, 10.2 acres and 35.0 maintain the appropriate rate per acre (0.2cfs/10.2 acres=0.02 but go beyond the 3.0 AF/acre leased in from 21-13202. Renting 35 AF over 10.2 acres is 3.5 AF/acre would be an enlargement of the leased right.
An email was sent to the applicant on 4/27/20 requesting that the applicant adjust the proposed rental amounts. Either additional acres or a decreased volume would need to be rented from 21-13202 to maintain the 3.0 AF/acre. Response was received on 4/29/20 and the applicant clarified that a reduced volume of 31 AF would be sufficient for the rental which would equate to 3.0 AF/acre (31 AF/10.2 acres= 3.03 AF/acre). Although renting at 3.0 AF may not enlarge 21-13202, in order to prevent injury and the necessity for mitigation efforts as discussed in the injury section above, the rental will be limited to 2.5 AF/acre. This reduced volume of 2.5 AF/acre is also acceptable since it is lower than the leased volume of 3.0 af/acre.

The Department ran the model again but at the reduced volume of 31 AF (10 AF/trimester) for a 3 year term and mitigation was shown to still be necessary near the Blackfoot to Neeley Reach of the Snake River. Attempting to model the consumptive use of right 21-13202 at 8.5 (rounded to 9AF/trimester) over a two year rental term showed that mitigation would not be required. 8.5 AF per trimester was derived from the 10.2 acres requested by rental *2.5 AF/acre=25.5, 25.5/3=8.5). On 4/29, an email was sent to the applicant requesting if two year rental term would be sufficient or to conversely provide documentation as to how they would mitigate to prevent injury. The applicant responded on 5/4/20 and clarified that a 2 year rental at 31AF would be sufficient.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the rental POD is subject to Water District # 110. Comments were submitted to watermaster Blake Jordan and Eastern region on 4/13/2020. Eastern responded the same day with no concerns and watermaster Blake Jordan did not respond with comments.


NDVI (Landsat 4/5/7/8 SR)
Available Data from 2019-01-01 to 2020-03-09
Download
Polygon 1
NDVI
0.6
0.5
0.4
0.3
0.2
0.1
0
-0.1
-0.2
-0.3
-0.4
-0.5
-0.6
Jan 2019
Mar 2019
May 2019
Jul 2019
Sep 2019
Nov 2019
Jan 2020
M.
Generated by ClimateEngine.org

Hersley, Jean

From: Cefalo, James
Sent: Monday, April 13, 2020 3:51 PM
To: Dalgleish, Alex
Subject: RE: Bittersweet Ranch LLC Rental Application 1664

Alex,

I don't have any concerns with the proposed WSB rental.

James

From: Dalgleish, Alex
Sent: Monday, April 13, 2020 3:03 PM
To: Jordan, Blake <Blake.Jordan@idwr.idaho.gov>; Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: Bittersweet Ranch LLC Rental Application 1664

Gentlemen,

I have a rental in the ESPA. Please review the attached documents and respond with concerns or comments by April 27th. No response and I will presume that there are no concerns.

Due to working at home, I had to upload photos of the application and it is too large to send over email.

You can find the application at N:\WRDocs\WSB\WSB PROCESSING DOCUMENTS\2020 Lease-Rentals\Rentals\Bittersweet Ranch LLC

Thank you,

Alex Dalgleish
Water Resource Agent
Phone (208) 287-4913
alex.dalgleish@idwr.idaho.gov

Hersley, Jean

From: Dalgleish, Alex
Sent: Monday, April 13, 2020 3:02 PM
To: Jordan, Blake; Cefalo, James
Subject: Bittersweet Ranch LLC Rental Application 1664
Attachments: Move Map Bittersweet Ranch LLC.pdf; Bittersweet Ranch LLC Rental Review Memo.docx; Etransfer Bittersweet.xlsm; MAT.xls

Gentlemen,

I have a rental in the ESPA. Please review the attached documents and respond with concerns or comments by April 27th. No response and I will presume that there are no concerns.

Due to working at home, I had to upload photos of the application and it is too large to send over email.

You can find the application at N:\WRDocs\WSB\WSB PROCESSING DOCUMENTS\2020 Lease-Rentals\Rentals\Bittersweet Ranch LLC

Thank you,

Alex Dalgleish
Water Resource Agent
Phone (208) 287-4913
alex.dalgleish@idwr.idaho.gov

Hersley, Jean

From: Daren Bitter <bitterfarms@gmail.com>
Sent: Thursday, April 9, 2020 1:52 PM
To: Dalgleish, Alex
Subject: Brown Maple LLC Lease
Attachments: 2019.09.23 Brown Maple - Bittersweet Ranch Farm Lease Agreement (fully executed).pdf

Hi Alex,

I have attached a copy of the lease from Brown Maple LLC to BitterSweet Ranch. Please let me know if you have any questions. Thanks

Mark Bitter

FARM LEASE AGREEMENT
Brown Maple, LLC – Bittersweet Ranch, LLC

This Farm Lease Agreement ("**Lease**") is entered into and effective as of the 23 day of September 2019 ("**Effective Date**") between Brown Maple, LLC ("**Landlord**") and Bittersweet Ranch, LLC ("**Tenant**").

Prior to the Effective Date, the Leased Property (as defined below) was leased to Brett Jensen ("**Jensen**").

Jensen asked to terminate his lease for all Leased Property as of September 22, 2019, except for the potato storage facility which he desires to continue to lease through August 15, 2020.

Landlord agreed to terminate Jensen's lease as of September 22, 2019, except for the potato storage facility, which Jensen will continue to lease through August 15, 2020.

Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, the Leased Property as of the dates, and under the terms and conditions, set forth below.

In consideration of the mutual promises, covenants, conditions, and agreements hereinafter set forth, Landlord, Tenant, and Personal Guarantor (as defined below), intending to be legally bound hereby, agree as follows:

Section 1. Agreement to Lease

1.1 Leased Property. As of the Effective Date, Landlord leases to Tenant, and Tenant leases from Landlord, the real property described in Exhibit A.1 hereto (the "**Real Property – Part 1**"), all water rights associated with the Real Property – Part A.1 as described in Exhibit B.1 hereto (the "**Water Rights**"), and the personal property described in Exhibit C.1 hereto (the "**Personal Property – Part 1**") (collectively the "**Leased Property – Part 1**"). As of August 16, 2020, in addition to the Leased Property – Part 1, Landlord leases to Tenant, and Tenant leases from Landlord, the real property described in Exhibit A.2 hereto (the "**Real Property – Part 2**"), and the personal property described in Exhibit C.2 hereto (the "**Personal Property – Part 2**") (collectively the "**Leased Property – Part 2**"). The Real Property – Part 1 and the Real Property – Part 2 are collectively the "**Real Property**". The Personal Property – Part 1 and the Personal Property – Part 2 are collectively the "**Personal Property**". The Leased Property – Part 1 and the Leased Property – Part 2 are collectively the "**Leased Property**". This Lease excludes any interest in oil, gas, or other minerals, hunting and outdoor recreation rights, and solar and wind energy rights, all of which are reserved for Landlord. Landlord represents that it is the sole owner of the Leased Property.

1.2 Purpose. This Lease is for the express purpose of growing, harvesting and storing crops from the Leased Property and for such uses as are reasonably incident thereto. Tenant shall not use the Leased Property for any other purpose without Landlord's prior written consent.

1.3 No Partnership. No partnership or joint venture is created or intended to be created between Landlord and Tenant in connection with this Lease, and Landlord will have no obligation with respect to Tenant's debts or other liabilities and no interest in Tenant's profits.

Section 2. Term

2.1 Term. The term of this Lease will commence on the Effective Date. The term of Lessee's lease of the Leased Property – Part 1 will terminate on December 31, 2021, and the term of Lessee's lease of the Leased Property – Part 2 will terminate on August 15, 2022, unless terminated earlier pursuant to

the provisions of this Lease. The phrase "**Lease Year**" shall mean a period of twelve (12) consecutive calendar months beginning January 1 and ending December 31 except that the first Lease Year shall begin on the Effective Date and shall end on December 31, 2020. Each succeeding Lease Year shall commence upon expiration of the prior Lease Year.

2.2 First Right to Re-lease the Property. If the Tenant has faithfully met the terms and conditions of this Lease and is not currently in default and the Lease has not been previously terminated, Landlord and Tenant will enter into a lease re-negotiating period that will commence 180 days prior to the expiration of this Lease and last for 90 days. If a new lease has not been re-negotiated within the lease re-negotiating period, landlord may obtain a lease commitment from a third party that includes the material terms of such lease. If a lease commitment that is acceptable to Landlord is received from a third party during the last 90 days of the term, the tenant shall have 10 business days to accept terms of the third-party lease commitment. If the Tenant has not notified the Landlord in writing of its acceptance of those terms before the end of 10 business days, the landlord may enter into a lease with others.

Section 3. Rent; Guaranty.

3.1 Rent. From the Effective Date through the end of the first Lease Year, Tenant shall pay rent ("**Rent**") to Landlord for Leased Property – Part 1 in the amount of **$289,920.00** [$320.00 per irrigated acre multiplied by 906 irrigated acres equals $289,920.00] and for Leased Property – Part 2, Tenant shall pay Rent to Landlord in the amount of $70,000.00 [$0.35 per 100 lb. sack multiplied by 200,000 sack storage capacity equals $70,000.00]. For the second Lease Year, Tenant shall pay Rent to Landlord for Leased Property – Part 1 in the amount of **$250,056.00** [$276.00 per irrigated acre multiplied by 906 irrigated acres equals $250,056.00] and for Leased Property – Part 2, Tenant shall pay Rent to Landlord in the amount of $70,000.00 [$0.35 per 100 lb. sack multiplied by 200,000 sack storage capacity equals $70,000.00].

Rent will be calculated based on the number of acres authorized for irrigation under the water rights appurtenant to the Property, irrespective of the number of acres actually irrigated, and the number of 100 lb. potato sacks that the storage facilities are capable of properly storing, irrespective of the number of sacks actually stored.

3.2 Payment. The Rent will be paid annually as follows:

2020 Lease Year: 50% or $144,960.00 for the Leased Property – Part 1, will be due and payable on or before March 1, 2020 and the balance of $144,960.00 will be due on or before October 1, 2020. 100% of the Leased Property – Part 2 rent, or $70,000.00, will be due and payable on or before October 1, 2020.

2021 Lease Year: 50% or $125,028.00 for the Leased Property – Part 1, will be due and payable on or before March 1, 2021 and the balance of $125,028.00 will be due on or before October 1, 2021. 100% of the Leased Property – Part 2 rent, or $70,000.00, will be due and payable on or before October 1, 2021.

3.3 Late Payment Penalty. If any Rent owing under this Lease is not paid in full within 10 days after the due date, there shall be added thereto an additional sum equal to five percent (5%) of the delinquent Rent. In addition, delinquent Rent will accrue interest at the rate of eighteen percent (18%) per annum until paid in full.

3.4 Personal Guaranty. As additional consideration for Landlord to enter into the Lease, Daren Bitter ("**Personal Guarantor**") hereby unconditionally guarantees the payment of Rent by Tenant and the performance of Tenant of all of the financial duties and financial obligations under the Lease. Personal

Guarantor also agrees that Landlord is not first required to enforce against Tenant or any other person any liability, obligation, or duty guaranteed by this Lease before seeking enforcement thereof against Personal Guarantor. This personal guaranty shall not be recorded but shall remain an obligation of Personal Guarantor for the term of the Lease.

3.5 Security Interest. Tenant hereby grants a secured interest to Landlord in the following described collateral, and authorizes Landlord to prepare and file, without Tenant's signature, any necessary documents to perfect such security interest in the following collateral: (a) all crops grown on the Real Property and all proceeds therefrom; (b) all government payments relating to the crops grown on the Real Property, (c) all proceeds from the sale, destruction, loss or other disposition of any and all crops grown on the Real Property, including but not limited to insurance proceeds; (d) all accounts, instruments, monies, payments, rights to payment and all other rights arising out of the sale or other disposition of crops grown on the Property; and (e) all products and produce of any of the foregoing described types of collateral.

Section 4. Landlord Obligations.

4.1 Taxes and Assessments. Landlord will pay all assessments, taxes, and fees levied against the Leased Property.

4.2 Maintenance. Landlord will pay the portion of maintenance and repair costs exceeding $2,500 per occurrence for which Landlord has given written consent pursuant to section 5.3 of this Lease.

4.3 Loss Replacement. Landlord will replace or repair as promptly as is reasonable under the circumstances any Personal Property used by Tenant that may be destroyed or damaged by fire, flood, or other cause beyond the control of Tenant.

4.4 Possession. So long as Tenant timely pays Rent and performs and observes all other terms and conditions of this Lease, Tenant will at all times during the Term of this Lease peaceably and quietly have the possession, use, and enjoyment of the Leased Property without any disturbance from Landlord or from any other person claiming through Landlord.

Section 5. Tenant Obligations.

5.1 Farming Practices. Tenant will farm, cultivate, maintain, operate, and use the Leased Property consistent with the best agricultural practices employed by the farming industry in the area where the Leased Property is located. Tenant will refrain from practices that will cause erosion to the Leased Property in excess of local standards. Tenant will utilize the Leased Property in compliance, at all times, with all federal, state, and other governmental laws, regulations, statutes, ordinances, and directives which may now or hereafter apply to the Leased Property or Tenant's use of the Leased Property; including, but not limited to those related to (a) hazardous or toxic materials; (b) pollution control; (c) environmental and conservation matters, regardless of whether such requirements are part of a government subsidy program; (d) water use, surface water, groundwater, wetlands, waterways or watersheds (e) pesticides, herbicides, fertilizers or chemicals; (f) record keeping and reporting; (g) the Worker Protection Standard for Agricultural Pesticides issued by the United States Environmental Protection Agency; (h) the Endangered Species Act; (i) the Clean Water Act; or (j) storage and use of fuel and oil on the Leased Property. Tenant further agrees to use only federal and state approved pesticides, fertilizers and chemicals, with such use to be in strict compliance with federal, state and locally permitted concentrations, and in compliance with all manufacturers label instructions, agricultural use requirements, precautionary statements and warnings. Tenant will use the utmost care in the handling and application of any pesticides, fertilizers and chemicals to protect all persons who may enter upon the Leased

Property; will dispose of all pesticide, fertilizer and chemical containers only in a lawful manner; and will not dump, bury or burn said containers, or any other debris, trash or waste upon the Leased Property.

5.2 Harvesting of Crops. Tenant will harvest all crops in proper season. A failure to do so will constitute breach of this Lease, in which case Landlord may (a) terminate this Lease by providing written notice of termination to Tenant, and/or (b) enter upon the Leased Property and properly care for and harvest said crops and charge the cost to Tenant as Additional Rent.

5.3 Maintenance. Tenant will be responsible to maintain and repair the Leased Property in as good or better condition as it existed at the commencement of the Lease, subject to Landlord's approval of maintenance and repair costs exceeding $2,500. Tenant will pay all costs to repair damage to the Leased Property caused by the negligence of Tenant, its employees, agents, subcontractors, or invitees. For all other maintenance and repair costs, Tenant will pay for all such costs up to $2,500 per occurrence. Tenant will not undertake any maintenance or repair costs exceeding $2,500 per occurrence without first obtaining Landlord's written consent, in which case, if consent is given, Landlord will pay for the full repair cost. Landlord may approve or decline maintenance and repair costs exceeding $2,500 in its sole discretion. Tenant's maintenance and repair obligation includes, but is not limited to, (a) buildings, storage facilities, equipment, and personal property located on the Leased Property; (b) irrigation wells, pumps, motors, pipes, sprinklers, weirs, and other irrigation infrastructure; (c) weed control and protection of desirable vegetation such as grass, shrubs, and trees; (d) fences, roads, ditches, and other improvements to the Leased Property; and (e) not plowing or otherwise disturbing permanent vegetation without the consent of Landlord.

5.4 Annual Report. Between the conclusion of each farming season and the following first day of February, Tenant will furnish to Landlord a signed written report of the farming operations for that farming year containing the following information:

(a) Number of acres planted to each crop and number of acres set aside for participation in any government program, to be reported on a map of the Leased Property drawn to scale showing the location and area of each use.

(b) Average yield per acre for each crop harvested and for each cutting of alfalfa and total benefit payments received from participation in any government farm program.

(c) Kind and quantity per acre of any fertilizer applied and identification of the land area on which it was applied.

(d) Kind and quantity per acre of herbicide and pesticide applied and identification of the land area on which it was applied.

(e) Any soil tests conducted during the crop year and identification of the land area on which the soil test information applied.

5.5 Utilities. Tenant will pay all charges of public or private utility companies for utility services furnished to the Leased Property. If Tenant fails to timely pay such utility charges, Landlord may, at Landlord's election, pay same and in such event Tenant will repay to Landlord, upon demand, such amount as Additional Rent.

5.6 Water Rights. Tenant will comply with the terms and conditions of the Water Rights and maintain such water rights in good standing in accordance with applicable law. Tenant acknowledges and agrees that, before entering this Lease, it has conducted any due diligence it deems necessary with respect to the Water Rights and the terms, conditions, and charges associated with the use of such rights. Landlord does not guarantee a continuous or adequate water supply, and Tenant accepts the risk of any

water shortages. Tenant will comply with all water diversion restrictions imposed by any ground water district, irrigation district, canal company, or other irrigation entity. If the irrigation entity imposes any penalty as a result of Tenant's diversions of water under the Water Rights, Tenant will pay such penalty to the entity. For the purpose of determining compliance with groundwater diversion restrictions under a ground water district mitigation plan, Tenant may, with the approval of the district, combine its water diversions on the Leased Property with its water diversions on other properties owned or managed by Tenant within the district. However, at no time will Tenant's annual water diversions under the Water Rights exceed the limit imposed by the district by more than five percent (5%). Tenant represents and warrants that its diversion of groundwater under the Water Rights will, at the termination of this Lease, be less than or equal to the diversion limit imposed by the district. In the event Tenant's diversion of groundwater exceeds such limit at the termination of this Lease, Tenant will pay to Landlord a water overuse penalty equal of $275 per acre-foot of overuse.

5.7 Liens. Tenant shall pay when due all claims for work done on the Leased Property, and for services rendered or material furnished to Tenant in connection with farming the Leased Property. Tenant will keep the Leased Property and the crops free of any liens arising out of the failure to pay such claims or arising out of any other activity of Tenant. If the Leased Property, improvements, or crops are subjected to any lien because of the activities of Tenant, and such lien is not discharged within thirty (30) days following the date Tenant first learns of the lien, then Landlord may discharge the lien and recover the cost from Tenant on demand, plus interest at the rate of eighteen percent (18%) per annum from the date of expenditure. Such action by Landlord will not constitute a waiver of any right or remedy that Landlord may have on account of Tenant's default. If Tenant in good faith elects to contest the lien, then Tenant will, on Landlord's written request, deposit cash or sufficient corporate surety bond or other security reasonably satisfactory to Landlord to discharge the lien plus costs and interest.

5.8 Indemnification. Tenant agrees to defend, indemnify, and hold harmless Landlord and its affiliates, and all of its respective officers, directors, agents, and employees (each an "**Indemnified Party**"), for and against any and all claims, demands, liabilities, losses, damages, actions, judgments, costs, expenses, fines, and reasonable attorneys' fees (collectively, "**Claims**"): (i) incurred by any Indemnified Party as a result of a breach of this Lease by Tenant; or (ii) asserted by a third party against any Indemnified Party arising out of, related to, or in connection with: (A) any breach of this Lease by Tenant; (B) any damage to or loss or destruction of any real or tangible personal property in the possession or under the control of Tenant; (C) Tenant's negligent acts, omissions, and/or willful misconduct; (D) the death or bodily injury of any agent, employee, subcontractor, customer, business invitee, or business visitor of Tenant; or (E) any violation by Tenant of any federal, state, or local laws, regulations, ordinances, or orders. The Indemnified Party shall give prompt written notice to Tenant of any event giving rise to any alleged right of indemnification hereunder, but the failure to give such notice shall not bar an indemnification claim hereunder unless such failure materially prejudices Tenant in defending the Claim. Notwithstanding anything to the contrary in this Lease, and to the extent permitted by law, the indemnification provisions hereof shall not be deemed to waive or limit any other rights or remedies available to an Indemnified Party at law or in equity, and the foregoing indemnification obligations shall remain in effect following the termination or expiration of this Lease.

5.9 Insurance. Tenant, at its sole cost and expense, will maintain adequate insurance coverage to protect Landlord from any losses that arise out of Tenant's obligations under this Lease. Such insurance shall include, at a minimum, commercial general liability in an amount not less than $1,000,000 per occurrence and $1,000,000 in the aggregate; statutory workers' compensation insurance or equivalent as prescribed by applicable law; statutory disability benefits insurance or equivalent as prescribed by applicable law; employer's liability insurance covering bodily injury each occurrence (in an amount not less than $500,000), occupational disease each occurrence (in an amount not less than $500,000), and occupational disease aggregate (in an amount not less than $500,000); comprehensive automobile liability

covering all vehicles that Tenant owns, hires, or leases in an amount not less than $1,000,000 (combined single limit for bodily injury and property damage), or in such greater amount as may be required by the laws applicable to Tenant; and umbrella coverage in the amount of $5,000,000 per occurrence in excess of the insurance coverage described above. All insurance maintained under this Lease shall be provided by U.S.-domiciled companies rated A+ or better in the most current issue of the A.M. Best's Rating Guide. Landlord will be named as an additional insured on Tenant's liability insurance policies pertaining to the Leased Property. Upon request, Tenant will furnish Landlord with certificates of insurance showing that the required insurance is in force and satisfies all requirements stated in this Lease.

5.10 Subordination and Attornment. In the event Landlord desires to finance the Leased Property during the Term, Tenant agrees to execute acts of subordination and attornment, making this Lease subordinate and inferior to any mortgage or mortgages which Landlord may give upon the Leased Property during the Term and Tenant does hereby expressly subordinate this Lease to any such mortgages and agrees to so attorn so that it will not be necessary for Tenant to execute an act of subordination or attornment at the time the mortgage is granted.

Section 6. Government Programs

6.1 Crop Production & Soil Conservation Programs. Tenant may enter into any state or federal agricultural crop production program or soil conservation program only with Landlord's written consent. Tenant will have the right to such payments during the Term of the lease.

6.2 Agricultural Crop Bases. The Real Property is presently subject to crop bases for the growing of specified crops under regulations of the United States Department of Agriculture. Tenant covenants and agrees that it will perform every act necessary and proper to maintain such crop bases and any other crop bases which may, at any time during the Term, be established for the growing of crops upon the Real Property so that such crop bases will be undiminished and without penalty in future years.

Section 7. Default; Remedies

7.1 Tenant Default. Each of the following will be deemed a default by Tenant and a breach of this Lease:

(a) Failure to pay Rent, or any part thereof, when due.

(b) Failure to perform any of the terms, covenants, conditions, agreements, and provisions in this Lease that are obligations of Tenant. For a failure other than the payment of Rent, if the failure cannot reasonably be cured within ten (10) days after Tenant receives written notice of default pursuant to section 7.2 then Landlord and Tenant shall agree upon a reasonable time to cure such default, not to exceed ninety (90) days after the written notice of default from Landlord, and Tenant shall take action with diligence and continuity to cure the default by such date.

(c) Abandonment of the Leased Property by Tenant.

(d) Assignment of this Lease by Tenant without Landlord's prior written approval.

(e) Adjudication of Tenant as a bankrupt, making by Tenant of a general assignment for benefit of creditors, taking by Tenant of the benefit of any insolvency law, the appointment of a permanent receiver or trustee in bankruptcy for Tenant's property, or the appointment of a temporary receiver or trustee for Tenant's property which is not vacated or set aside within thirty (30) days after such appointment.

7.2 Termination upon Tenant Default. In the event of any default by Tenant, Landlord may at any time serve a written notice of default upon Tenant. If Tenant does not cure the default within ten (10) days after delivery of such notice, this Lease shall automatically terminate at midnight ten (10) days after delivery of such notice unless Landlord specifies a later termination date in such notice.

7.3 Reentry by Landlord. If this Lease is terminated by reason of Tenant's default, Landlord may immediately reenter and resume possession of the Leased Property and remove all persons and property therefrom by reasonable and necessary force without being liable for any damages therefor.

7.4 Right to Relet. If this Lease is terminated by reason of Tenant's default, Landlord may relet the whole or any portion of the Leased Property for any period of time, for any Rent which Landlord may deem reasonable, to any tenant which Landlord may deem suitable, and for any use and purpose which Landlord may deem appropriate. Landlord shall in no event be required to pay Tenant any surplus of Rent received by Landlord upon reletting the Leased Property in excess of the Rent provided in this Lease.

7.5 Measure of Damage. In the event this Lease is terminated by reason of Tenant's default, Tenant will pay to Landlord the following:

(a) All expenses incurred by Landlord in recovering possession of the Leased Property, all reasonable costs and charges for the care and maintenance of the Leased Property while vacant, and all reasonable costs and charges for reletting the Leased Property, which shall be due and payable by Tenant to Landlord at such time such expenses are incurred by Landlord.

(b) A sum equal to the amount of all Rent due under this Lease less fifty percent (50%) of the net Rent, if any, collected by Landlord on reletting the Leased Property, which shall be due and payable by Tenant to Landlord on the dates on which the Rent reserved in this Lease would have become due and payable.

(c) All other damages incurred by Landlord.

(d) Reasonable attorneys' fees incurred by Landlord as a result of Tenant's default.

(e) Interest on the aforesaid sums, from the dates due, at the rate of eighteen percent (18%) per annum.

Section 8. Representations and Warranties

Landlord makes no guarantee or representation regarding the production or carrying capacity of the Leased Property. Tenant represents and warrants that Tenant has made his or her own determination of the value and condition of the Leased Property, and that Tenant accepts the Leased Property in its present condition, AS IS, WHERE IS, WITH ALL FAULTS, and without any representation or warranty, express or implied, except as otherwise set forth in this Lease.

Section 9. Capital Improvements

Any capital improvement project (excluding standard maintenance or repairs of infrastructure or equipment) proposed by the Tenant shall be subject to the prior written consent of Landlord. If Tenant desires to perform capital improvements not funded by Landlord, but approved by Landlord, Tenant may complete the improvement at Tenant's expense and the improvement shall become part of the Property. Tenant will not be reimbursed for such improvements which shall remain with the Property upon termination of the Lease.

Section 10. Surrender of Leased Property

10.1 Possession. Upon termination of this Lease, Tenant will peaceably surrender possession of the Leased Property to Landlord without further demand or notice.

10.2 Removal of Portable Buildings. Tenant shall have the right to remove from the Leased Property any portable buildings that Tenant places upon the Leased Property at Tenant's own expense. Such moving must be completed by termination of the Lease unless additional time is granted in writing by Landlord. Landlord will in no way be responsible for property owned by Tenant. If such property is not removed, it will be considered abandoned and Tenant shall claim no further interest in it except by written agreement between Landlord and Tenant. Any expenses incurred by Landlord to remove property abandoned by Tenant shall be charged to Tenant as Additional Rent.

10.3 Holdover. Tenant has no right to holdover tenancy. If Tenant withholds possession of the Leased Property after the date of termination, Tenant shall pay to Landlord the sum of three thousand dollars ($3,000) for each day Tenant remains in possession thereafter as liquidated damages, until such time as Tenant vacates the Leased Property.

10.4 Right of Entry. Landlord reserves the right to enter the Leased Property at any reasonable time to inspect the property and make improvements as Landlord deems necessary. Upon notice of termination of this Lease, Tenant agrees to permit Landlord or Landlord's Tenant or agent to enter the Leased Property to do customary operations.

Section 11. General Provisions.

11.1 Entire Agreement. This Lease sets forth the entire understanding and statement of the relationship between the parties and supersedes, and hereby renders null and void, all previous or contemporaneous oral or written proposals, negotiations, arrangements, understandings, agreements, guidelines, representations, warranties, terms, conditions, covenants, and any other communication between the parties, including their respective officers, employees, agents, or affiliates, relating to the subject matter of this Lease.

11.2 Amendment. No amendment, change, or modification of any of the terms, provisions, or conditions of this Lease shall be effective unless such amendment is clearly identified as an amendment to this Lease, made in writing and signed by authorized personnel of both Landlord and Tenant.

11.3 Waiver by Landlord. The failure of Landlord to enforce any term, covenant, condition, or agreement hereof by reason of its breach by Tenant after notice thereof is given shall not be deemed to avoid or affect the right of Landlord to enforce the same term, covenant, condition, or agreement on the occasion of a subsequent default or breach.

11.4 Assignment. Tenant does not have the right to assign this Lease or sublet the whole or any part of the Leased Property unless Landlord's prior written consent therefor is first obtained, except that Tenant may sublet the real property described in Exhibit A.3 to Brett Jensen; provided, that Tenant shall remain fully responsible for Landlord for the terms and conditions of this Agreement. Assignment of this Lease shall not operate to release Tenant from liability thereunder.

11.5 Notices. All statements, invoices, payments, notices, demands, requests, and payments from one party to another shall, unless otherwise specified herein, be (a) delivered personally, (b) sent by certified mail or reliable overnight courier service, postage prepaid, to the addresses stated below, or (c) sent by email to the addresses stated below. Notice sent by certified mail shall be deemed delivered three (3) days after deposit in the United States mail. Notice sent by email shall be deemed delivered only if the designated recipient acknowledges receipt thereof via a reply email (not to include auto-reply emails).

(a) **To Landlord:** Skye Root

2854 S. Featherly Way, Suite 104
Boise, ID 83709
skye@rootagadvisory.com

with a copy to: Brown Maple, LLC
One Embarcadero Center, Suite 3860
San Francisco, CA 94111
brown.maple@homesteadcapital.com

(b) **To Tenant:** Bittersweet Ranch, LLC
ATTN: Daren Bitter
1344 N 1900 E
Terreton, ID 83450-5209
bitterfarms@gmail.com

11.6 Legal Advice. Each party has received or had ample opportunity to receive independent legal advice from its attorneys with respect to the advisability of executing this Lease and the meaning of the provisions of this Lease and fully understands this Lease. The provisions of this Lease shall be construed as to the fair meaning and not for or against any party based upon any attribution of such party as the sole source of the language in question regardless of which party performed the drafting hereof.

11.7 Successors in Interest. Each covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, and assigns of the parties hereto.

11.8 Time of the Essence. Time shall be of the essence as to all dates and times of performance of this Lease.

11.9 Construction. Words and phrases used in this Lease shall be construed as in the single or plural number, and as masculine, feminine, or neuter gender, according to the context. The paragraph headings in this Lease are for convenience only and in no way define or limit the scope or intent of any provisions of this Lease.

11.10 Severability. If any part of this Lease is adjudged invalid or unenforceable, such adjudication shall not affect the validity or enforceability of this Lease as a whole or any part thereof not adjudged invalid or unenforceable.

11.11 Counterparts. This Lease may be executed in any number of counterparts, which when taken together shall constitute one and the same instrument.

11.12 Governing Law. This Lease shall be governed by and construed in accordance with the substantive laws of the state in which the Leased Property is located, without giving effect to any conflict of law principles that may require the application of the laws of another jurisdiction.

11.13 Time Computation. Unless otherwise provided herein, in computing a period of days for performance or payment as provided hereunder, the first day shall be excluded and the last day shall be included. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall extend to include the next day which is not a Saturday, Sunday, or a legal holiday. Any performance or payment which is taken or made under this Lease must be taken or made not later than 6:00 p.m. (Boise, Idaho time) on the last day of the applicable period specified.

11.14 Waiver of Jury Trial. EACH OF THE PARTIES IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER

BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS LEASE OR THE PERFORMANCE OR ENFORCEMENT HEREOF.

[Signature Page Follows]

BROWN MAPLE, LLC:

By: Patrick Trainor
Patrick Trainor, Authorized Officer

BITTERSWEET RANCH, LLC:

By: Daren Bitter
Name: Daren Bitter

PERSONAL GUARANTOR:

Daren Bitter

Name: Daren Bitter

Exhibit A – Leased Property

Exhibit B – Water Rights

Exhibit C – Personal Property

EXHIBIT A

Leased Property: Legal Description

Leased Property – Part 1

TRACT 1:

Beginning 195 feet West of the Northeast corner of Lot 4 in Section 6, Township 5 North, Range 35 East, Boise Meridian, Jefferson County, Idaho, thence West 320 feet; thence South 250 feet; thence East 320 feet; thence North 250 feet of the point of beginning

TRACT 2:

Lots 4, 5 and 6 in Section 6, Township 5 North, Range 35 East of the Boise Meridian, Jefferson County, Idaho.

EXCEPTING THEREFROM: Beginning at the Northeast corner of Lot 4, thence West 515 feet; thence South 250 feet; thence East 320 feet; thence North 35 feet; thence East 195 feet; thence North 215 feet to the point of beginning.

TRACT 3:

Lot 1 in Section 7, Township 5 North, Range 35 East, Boise Meridian, Jefferson County, Idaho.

TRACT 4:

Lots 1, 2, 3 and 4 and the South Half of Section 1, Township 5 North, Range 34 East of the Boise Meridian, Jefferson County, Idaho.

EXCEPTING THEREFROM: Non-irrigated portion of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 1, Township 5 North, Range 34 East of the Boise Meridian, Jefferson County, Idaho.

TRACT 5:

Lots 1, 2 and 3; the Southeast Quarter; the East Half of the Southwest Quarter of Section 2, Township 5 North, Range 34 East of the Boise Meridian, Jefferson County, Idaho.

TRACT 6:

The East Half of the Northeast Quarter; the Northwest Quarter of the Northeast Quarter; the Northeast Quarter of the Northwest Quarter of Section 12, Township 5 North, Range 34 East of the Boise Meridian, Jefferson County, Idaho.

EXHIBIT A.2 Real Property – Part 2

Leased Real Property – Part 2: The two white potato storages located in the SW1/4 of the NE1/4 of the SE1/4 of Section 1, Township 5 North, Range 34 East, Boise Meridien, Idaho, Jefferson County.

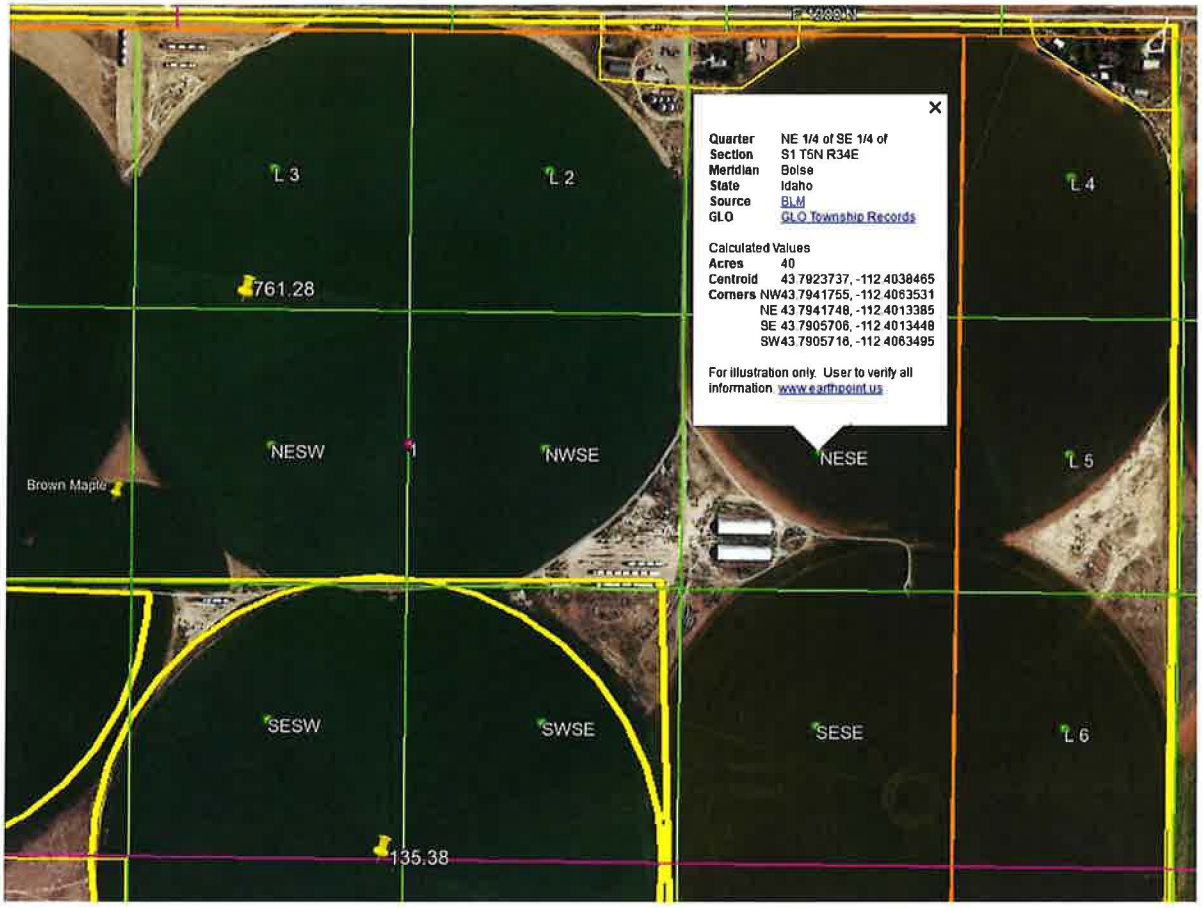


EXHIBIT B

Water Rights

Basin	Sequence	Priority Date	Div. Rate (cfs)	Source	Water Use
31	2433	3/6/1967	4.31	GROUND WATER	IRRIGATION
31	7029A	1/23/1970	1.6	GROUND WATER	IRRIGATION
31	7035	5/12/1970	1.6	GROUND WATER	IRRIGATION
31	7053	8/18/1971	4.76	GROUND WATER	IRRIGATION
31	7159	3/18/1975	3.94	GROUND WATER	IRRIGATION
31	11353	4/1/1980	0.31	GROUND WATER	IRRIGATION
31	11354	4/1/1980	0.32	GROUND WATER	IRRIGATION
31	12336	3/6/1967	0.14	GROUND WATER	IRRIGATION
31	12337	3/18/1975	0.06	GROUND WATER	IRRIGATION

EXHIBIT C

Personal Property

Personal Property – Part 1

All wells, irrigation equipment, pipes, electrical service, water inlets, and any and all equipment owned by Lessor and used for the irrigation of crops on the property, whether purchased with the Property or separately purchased and constructed by Lessor.

Lessor does not own any fertilizer tanks and injection equipment; such property is owned and operated by Lessee.

Personal Property – Part 2

Lessor does not own any fertilizer tanks and injection equipment; such property is owned and operated by Lessee.

Bitter Sweet Ranch

DAREN BITTER

208 317-6080

1344 N. 1900 E.

Teeton ID

83450