

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 329

RECEIVED

MAY 23 2019

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

FRANK BACHMAN
PO BOX 186
BRUNEAU, ID 83604

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)
2-2356	9/3/1964	SNAKE RIVER	0.710	180.00	36.00	0.020	5.00
2-7071	11/7/1970	SNAKE RIVER	0.690	156.20	34.70	0.020	4.50
Combined Rental Totals			1.400	336.20	70.70	0.020	4.76

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2019. 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 2019, whichever occurs last.

Annual Rental Fee:

2019: \$6,724.00

The full fee for the rental of the above-described right(s) is \$6,724.00 for 2019. The rental fee includes an administrative fee of \$672.40 for 2019.

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	1.400	282.80	70.70	0.020	4.00
Combined Total	1.400	282.80	70.70	0.020	4.00

** The authorized water usage reflects a reduction from the water right elements rented, to account for a combined limited diversion volume of no more than 4.0 afa/ac.*

Detailed water right conditions are attached.

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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:

Frank L. Bachman 5-20-19
Signature of Renter Date

FRANK L. BACHMAN 5-20-19 Owner/Operator
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 Brian Patton 5/24/2019
BRIAN PATTON, Acting Administrator Date
Idaho Water Resource Board

Rental approved by IDWR Chg WDR 5-24-2019
Date

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WATER SUPPLY BANK RENTAL AGREEMENT No. 329

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER 1NESE Sec. 33, Twp 05S, Rge 06E, ELMORE County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
1.40 CFS

VOLUME
282.80 AF

SEASON OF USE

Water Right No.	From	To
2-2356	3/15	11/15
2-7071	3/15	11/15

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	
05S	06E	27											14.0	34.0			4.5		52.5
05S	06E	34						7.6							10.0				17.6

Total Acres: 70.1

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. Rights 2-2092B, 2-2124, 2-2277, 2-10497 and 2-10523 are also diverted through the point of diversion described above.

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10. The renter shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
11. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02, Snake River from Milner Dam to Murphy Gage.
12. Water use under this rental, when combined with all other rights, shall provide no more than 0.02 cfs per acre no more than 4.0 afa per acre at the field headgate, for the irrigation of a maximum of 491.1 acres.

Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 329

Effective until December 31, 2019

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



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



0 0.25 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JAN 09 2019

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant Name: Frank & Cindy Bachman

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)

2-2356

2-7071

1303

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Frank & Cindy Bachman

Mailing Address PO Box 186 Bruneau ID 83604
Street City State Zip Code
 Email Address febachman@copper.net Phone Number 208-845-2090

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 Lori Graves Professional Title Water Rights Specialist
 Organization SPF Water Engineering, LLC Relationship to Applicant Consultant
 Mailing Address 300 E. Mallard Dr., Ste 350, Boise, ID 83706
 Email Address lgraves@spfwater.com Phone Number 208-383-4140

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**:
Irrigation leased ground.

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)
1.4 CFS	336.2 AF	n/a CFS	n/a AF	70.7 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

* 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.

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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):
Existing pump station consisting of two 125-hp pumps; pressurized irrigation system.

- 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
T5S R6E S33 NESE	Snake River	2-2124, 2-2092B, 2-10497, 2-10523

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 70.7 (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: _____ (mm/dd) to: _____ (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:

Lands in S24 are part of a ppu for water rights 2-2277, 2-2092B and 2-2124. See the purchase and sale

agreement and maps in transfer file 80123 for explanation why additional water is needed for lands in S24.

**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)
2-2356	Irrigation	0.92	207	46		0.71	180.0	36
2-7071	Irrigation	0.75	190	34		0.69	156.2	34.7
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	1.4	336.2	70.7
						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**:

The above amounts listed in the WB request columns reflect applicants' previous rental contracts for the 2016, 2017 and 2018 irrigation seasons as determined by IDWR.

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**:

STATE OF IDAHO
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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:
Rental of the same water for the same lands approved for the 2016 through 2018 irrigation seasons. Options for permanent water rights are limited, but will be aggressively pursued if the applicants are given the option to purchase the property.

- 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.

- D. Additional Information
Water right owner has previously agreed to lease the subject water to applicants during the water rights' lease period.

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

FRANK L. BACHMAN
Printed Name of Applicant

1-3-19
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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

LICENSE AGREEMENT

**Frank and Cindy Bachman
C.J. Strike Project Lands – Irrigation Pump Station**

License No. 562

This License Agreement ("**License Agreement**"), is entered into as of this 13 day of May, 2016 ("**Effective Date**"), between Idaho Power Company, an Idaho corporation, its successors and assigns (collectively, "**Licensor**") and Frank L. and Cindy L. Bachman, husband and wife ("**Licensee**") with respect to the following:

A. Licensor owns that certain property located in Elmore County, State of Idaho, as described in **Exhibit A** attached hereto and made a part hereof ("**Licensor's Property**"). Licensor's Property is located within the C.J. Strike Hydroelectric Project No. 2055 ("**Project**") boundary, pursuant to license ("**Project License**") issued by the Federal Energy Regulatory Commission ("**FERC**").

B. Licensee desires non-exclusive use of a five-foot (5') wide linear portion of Licensor's Property described and depicted in **Exhibit B** attached hereto and made a part hereof ("**Licensed Area**") for the limited purpose of installing, operating and maintaining a new 12" diameter underground irrigation line ("**Licensee's Improvements**") that will extend from Licensee's property to the north to an existing irrigation pump on Licensor's Property, developed and operated pursuant to that certain Special Use Permit 2055-S-2013-01, by and between Idaho Power Company and Frank and Cindy Bachman, effective March 15, 2013.

C. Licensor is agreeable to such limited use of the Licensed Area subject to all of the terms and conditions herein.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of License.

a. Generally. Licensor grants to Licensee a non-exclusive license ("**License**") for the Term described in Section 3 below to use the Licensed Area for purposes of installing, operating, maintaining and repairing as necessary Licensee's Improvements, to include ingress and egress to Licensee's Facilities as provided in Section 4 below, subject to the terms and conditions hereof and for no other purpose whatsoever. This License is personal to Licensee, and solely for the benefit of Licensee. This License shall not be deemed to run with the land or in any other way create a perpetual interest in Licensee or Licensee's Agents, defined in Section 8 below, successors, or assigns or any person or entity other than Licensee.

b. Licensor's Reserved Rights. Licensor shall at all times have the full use of the Licensed Area for any purpose it desires, said rights being paramount to any rights or privileges of Licensee hereunder. Licensee's use of the Licensed Area is subordinate to Licensor's use of the Licensed Area and shall not at any time conflict with or impair Licensor's use of the same or Licensor's operations on the Licensor's Property or Licensed Area. Licensee

use of the same or Licensor's operations on the Licensor's Property or Licensed Area. Licensee also acknowledges and agrees that there are other users of the Licensed Area besides Licensor and Licensee, and Licensee's use of the Licensed Area is non-exclusive with such other users.

c. **Access to the Licensed Area.** To access the Licensed Area, Licensee shall be authorized to use that portion of Licensor's Property immediately adjacent to the Licensed Area, said use being subject to all of the terms and conditions of this License. In exercising its right of access to the Licensed Area, Licensee shall comply with any reasonable security procedures utilized by Licensor, and other conditions reasonably imposed by Licensor or of other licensees or occupants of Licensor's Property. If Licensee causes any damage to Licensor's Property, Licensee shall promptly repair the same to Licensor's satisfaction at Licensee's sole expense.

2. **Revocable.** This License may be revoked by Licensor and thereby terminated at any time and for any reason whatsoever in Licensor's sole and absolute discretion upon delivery of written notice to Licensee at the address provided in Section 12, below. This License shall be deemed revoked and terminated immediately upon delivery of such notice. Upon revocation, Licensee and Licensee's Agents shall immediately cease and desist all use of the Licensed Area and any access across and over Licensor's Property as provided in Section 3 below. Any continued use of the Licensed Area after revocation shall be considered a trespass over Licensor's private property.

3. **Term.** The term of this License shall commence on the Effective Date and shall continue in full force and effect until (i) the parties mutually agree to terminate this License, (ii) Licensee in its sole discretion terminates this License, (iii) Licensor terminates this License upon Licensee's default as provided in Section 14, below, (iv) Licensor terminates this License upon thirty (30) days' written notice to Licensee that this License is no longer consistent with the Project License, or (v) Licensor revokes this License pursuant to Section 2, above ("**Term**").

Upon cancellation or termination of this License, Licensee shall, within ninety (90) days, remove at Licensee's expense all of Licensee's Improvements from the Licensed Area, unless otherwise agreed upon by Licensee and Licensor in writing, and Licensee shall advise Licensee's Agents to immediately cease and desist in all use of the Licensed Area and access across and over the Licensor's Property. Any continued use of the Licensed Area or Licensor's Property after the termination of this License shall be considered trespass over the Licensor's Property. Licensee shall leave the Licensed Area in a condition at least as good as its condition prior to the execution of this License, ordinary wear and tear excepted. If Licensee fails to remove all of Licensee's Improvements within ninety (90) days, Licensor shall have the option at its sole discretion to take ownership of the improvements in place or to remove the improvements at the sole cost and expense of Licensee.

4. **AS IS/Assumption of Risk.** Licensee accepts the Licensed Area and Surrounding Areas (as defined in Section 8 below) in their "**AS IS**" condition together with all latent and patent defects and shall use the Licensed Area completely at its own risk. Licensor makes no representation as to the condition or the safety of Licensor's Property. Licensee and Licensee's Agents fully release and hold harmless Licensor and Licensor's Agents (as defined in Section 8 below) from and against any and all Claims (defined in Section 8 below) relating to Licensee's use of the Licensed Area or exercise of Licensee's rights under this License or the use of the Licensed Area by any other parties. Licensor shall not be liable for any Claims

relating to the use of the Licensed Area by other parties as contemplated in Section 1 above and Licensee shall use the Licensed Area non-exclusively along with other parties at its own risk. Furthermore, Licensee shall: (a) advise all of Licensee's Agents in writing that their use of the Licensed Area is subject to all of the provisions of this License Agreement, including, without limitation, the provisions of this Section 4, and their use of the Licensed Area shall constitute their absolute acceptance of all risks associated therewith and their agreement to all provisions hereof. The provisions of this Section 4 shall survive the expiration or termination of this License.

5. **No Duty of Licensors to Repair and/or Maintain.** Licensors shall have no duty to repair, maintain, or improve the Licensed Area or keep it in any sort of condition or repair. If, however, Licensors do undertake to repair, maintain, or improve the Licensed Area, Licensors shall have the right to require reasonable financial contributions from Licensee.

6. **Covenants, Conditions, and Restrictions.** Licensee's use of the Licensed Area is subject to all of the following covenants, conditions, and restrictions (in addition to all others set forth in this License Agreement):

a. **No Improvements.** Other than the Licensee's Improvements, no facilities, improvements, personal property, fixtures, buildings, structures, or any similar classification of property (collectively, "**Improvements**") may be placed on or around the Licensed Area by Licensee without Licensors' prior written consent which may be withheld in Licensors' sole and absolute discretion.

b. **Licensee's Obligations to Keep Licensed Area in Good Condition and Repair.** Licensee shall, at all times during the Term and at its expense, keep and maintain the Licensed Area in a good and safe condition and shall ensure that the Licensed Area does not have any unsafe conditions or hazards.

c. **Compliance with Rules and Laws.** Licensee shall promptly and at its sole expense comply with any requirements, rules, and regulations imposed by Licensors in connection with the use of the Licensed Area. Licensee, shall, at Licensee's sole expense, at all times comply with all applicable laws, rules, and regulations in connection with its use of the Licensed Area.

d. **FERC License Conditions.** Notwithstanding anything in this License to the contrary, Licensee acknowledges and agrees that the Licensed Area and Licensors' Property are within FERC Project boundaries and accordingly all uses, occupancies and rights of Licensee under this License are subject and subordinate to the terms and conditions of the Project License and to FERC regulations and orders. Licensee shall follow and comply with all Project License terms and conditions at its sole expense and shall be liable for any failure to do the same, including, but not limited to, the following terms and conditions:

(i) Licensee shall take all reasonable precautions to ensure that its use and occupancy of the Licensed Area and its exercise of all of its rights hereunder will occur in a manner that will protect the scenic, recreational, and environmental values of the Project.

(ii) Licensee's use of the Licensed Area and exercise of its rights hereunder shall not endanger health, create a nuisance, or otherwise be incompatible with overall recreational use of the Project.

(iii) Licensee shall not unduly restrict public access to Project waters.

(iv) FERC, Licensor, or their successors and assigns shall have the right to take reasonable remedial action to correct any violation of the terms and conditions of this License or of the Project License for the protection and enhancement of the Project's scenic, recreational and other environmental values. Remedial action may include terminating this License.

(v) Licensee understands that Licensor is under no obligation to maintain Project water levels at any particular level and Licensee shall have no claims whatsoever against Licensor for damages or injury to any persons or property resulting from any fluctuation in Project water levels.

(vi) Licensee shall comply with and satisfy such additional conditions for use and development, installation, and operation of Licensee's Improvements, and continued use of the Licensed Area, as set forth in **Exhibit C**, attached hereto and made a part hereof ("**Conditions of Use**").

7. Hazardous Materials. Without limiting the generality of any provisions of this License, Licensee shall not handle, use, accumulate, generate, dispose of, permit the presence, release or spill of, deposit, store, produce, transport or otherwise handle (said terms collectively being defined herein as "**Use**") any Hazardous Materials on the Licensed Area. Licensee shall not violate any Legal Requirement or applicable Environmental Laws (as hereinafter defined) applicable to the Licensor's Property or Licensee's use and occupancy of the Licensed Area, and Licensee shall fully comply with all such Legal Requirements and Environmental Laws during the entire term of the License. Licensee expressly assumes all liability for any violation of the provisions of this Section 7 and of any Legal Requirements or Environmental Laws.

Without limiting the generality of other provisions of this License, Licensee shall indemnify, defend, and hold harmless Licensor and Licensor's officers, directors, employees, contractors, and agents (collectively, "**Licensor's Agents**") from and against all actual and potential Claims, costs, damages, penalties, expenses, injunctive relief, or causes of action, and any diminution in value in the Licensed Area arising from Licensee's or Licensee's Agents' actions related to the following: (a) the release, discharge, spilling, leaking, or emitting of any Hazardous Material or Hazardous Substance from or onto the Licensed Area; (b) any handling, accumulation, use, generation, presence of, deposit, storage, production, or transportation or any other Use of any Hazardous Materials on the Licensed Area; and (c) any other violation of the provisions of this Section. The foregoing indemnification obligation applies also to all foreseeable and unforeseeable Claims and costs, any residual contamination affecting any natural resource or the environment, and the costs of any required or necessary investigation, assessment, testing, remediation, repair, cleanup, or detoxification of the Licensed Area.

"**Hazardous Material**" or "**Hazardous Substance**" means and includes any and/or all of the following: (a) any of the substances, materials, elements, or compounds that are contained in the list of hazardous substances or materials or related lists or classifications

adopted by the United States Environmental Protection Agency ("EPA") from time to time and/or the list of toxic pollutants or related lists or classifications designated by the United States Congress or the EPA from time to time; (b) any substances, materials, elements, or compounds affected by or regulated by any Environmental Laws as defined below; (c) any substances, materials, elements, or compounds that pose a risk to human or species health or the environment; (d) petroleum and/or its derivatives and products, asbestos and/or polychlorinated biphenyls (PCBs); and (e) any flammable or other explosives, radioactive materials, corrosive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, infectious materials or any other related substances, materials, elements or compounds as defined in (or affected or regulated by) any of the following (all of the following collectively being referred to as "**Environmental Laws**"): the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. § 6901 et. Seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1321, et. Seq.), the Federal Clean Air Act, as amended (42 U.S.C. § 7401, et. Seq.), the Toxic Substance Control Act, as amended (15 U.S.C. § 2601, et. Seq.), the Solid Waste Disposal Act, as amended (42 U.S.C. § 6991, et. Seq.), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. § 136, et seq.) and/or in the regulations adopted and publications promulgated pursuant to any of the foregoing, and/or any other federal, state, or local environmental law, statute, ordinance, code, rule, regulation, judgment, or decree now enacted or enacted after this date relating to pollution, toxins, hazardous materials, hazardous substances, protection of human and species health, and/or the environment, as any of the same may now or in the future be amended, supplemented, or modified.

"**Legal Requirements**" shall collectively refer to all laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, or licenses which now or at any time hereafter may be materially applicable (a) to the Licensed Area or Licensor's Property; (b) to any material use or condition of the Licensed Area, Licensor's Property, or any part thereof; or (c) to Licensee's use and occupancy of the Licensed Area. The Legal Requirements shall include, without limitation, all Environmental Laws as defined herein.

The provisions of this Section 7 shall survive the termination or expiration of this License.

8. Indemnification. Without limiting the generality of the provisions of Section 7, Licensee agrees to indemnify, defend, and hold Licensor and Licensor's Agents harmless from and against any and all suits, claims, demands, actions, proceedings, judgments, injuries, personal property damage, penalties, liabilities, damages, losses, costs, or expenses of any kind or nature whatsoever including without limitation attorneys fees and related costs (all of the foregoing collectively being referred to herein as "**Claims**") arising directly or indirectly, in whole or in part, out of any of the following: (a) any violation of this License Agreement by Licensee or any agents, contractors, subcontractors, independent contractors, visitors, employees, licensees, invitees, or guests of Licensee (collectively, "**Licensee's Agents**"); (b) any action (or failure to act), activities, uses and/or occupancy by Licensee and/or Licensee's Agents in, on, or about Licensed Area or any areas surrounding Licensed Area and Licensor's Property owned by Licensor ("**Surrounding Areas**"); (c) the exercise by Licensee or Licensee's Agents of any rights hereunder; (d) any personal injury, death, or damage to property arising in connection with the use or occupancy of the Licensed Area caused or suffered by Licensee or Licensee's

Agents; and (e) any hazardous or unsafe activities conducted by or conditions created by Licensee or Licensee's Agents at, on, or about Licensor's Property. The provisions of this Section 8 shall survive the termination, revocation, or expiration of this License Agreement.

9. Insurance.

a. Licensee (and all of Licensee's Agents, as a condition to using the Licensed Area) shall maintain, at all times during the term of this License, at least the following insurance:

(i) General Liability Insurance covering the Licensed Area, including (a) bodily injury liability and (b) property damage liability, with a combined single limit of not less than Two Million Dollars (\$2,000,000) each occurrence and in the aggregate. Such insurance shall provide for occurrence-based coverage and shall have such other terms, conditions, and endorsements of coverage as are deemed prudent by Licensor from time to time, including, without limitation, a pesticide application endorsement.

(ii) Automobile Liability Insurance with a combined single limit of at least Two Million Dollars (\$2,000,000).

(iii) Licensee shall also be responsible for insuring its personal property located on the Licensor's Property against perils covered by a fire and extended coverage property damage policy; Licensor shall not be liable to Licensee for any loss or damage to Licensee's Property, and there shall be no subrogated claim by Licensee's insurance carrier against Licensor. Licensee shall obtain from its insurer a waiver of subrogation in favor of Licensor.

b. Licensee shall cause each of its agents, independent contractors and subcontractors entering on the Licensor's Property to maintain, at all times during the term of this License, at least the following insurance:

(i) Commercial General Liability Insurance, including (a) bodily injury, (b) property damage, (c) contractual liability coverage covering its obligations of indemnity and defense, and (d) personal and advertising injury with a combined single limit of not less than Two Million Dollars (\$2,000,000) each occurrence and in the aggregate. Such insurance shall provide for occurrence-based coverage and shall have such other terms, conditions, and endorsements of coverage as are deemed prudent by Licensor from time to time.

(ii) Workers' Compensation Insurance and Employer's Liability Insurance of not less than One Million Dollars (\$1,000,000). When permitted by law, the insurance policies required under this Section 9 shall contain waivers of the insurer's subrogation rights against Licensor. Licensee shall reimburse Licensor for any costs (including tax audit assessments) incurred as a result of utilizing Licensee's agents, independent contractors, and/or subcontractors who are not recognized as insured by the state of Idaho.

(iii) Automobile Liability Insurance with a combined single limit of at least Two Million Dollars (\$2,000,000).

Insurance required under this Section 9 shall: (a) be issued on a U.S. policy by one (1) or more carriers acceptable to Licensor and licensed to do business in the state where services are rendered; (b) name Licensor as an additional insured or loss-payee, as its interests may appear; (c) not be able to be canceled or materially changed unless Licensor is given written notice of such cancellation or change at least thirty (30) days in advance; (d) provide for severability of interests; and (e) provide primary coverage. Prior to Licensee's use or occupation of the Licensed Area, Licensee shall provide Licensor with a Certificate of Insurance evidencing the coverage required hereunder, mailed in accordance with Section 12 below.

10. Licensee's Agents. All of Licensee's Agents shall use the Licensed Area only in strict accordance with all of the terms and conditions of this License and Licensee shall be liable for any failure of Licensee's Agents to abide by the same and such failure shall constitute a breach of this License Agreement by Licensee.

11. No Agency or Partnership. This License Agreement shall not be construed or deemed to create or give rise to any partnership, joint venture, agency, or employer-employee relationship between the parties hereto.

12. Notices and Delivery. Any notice, demand, request, consent or approval given under this License Agreement shall be in writing and shall be deemed given and delivered on the date when personally delivered or, if mailed, four (4) days after deposit in the United States mail, in a sealed envelope, by registered or certified mail, return receipt requested, with postage prepaid, addressed to the appropriate party at the address set forth below:

LICENSOR:

Idaho Power Company
Corporate Real Estate Dept.
P.O. Box 70
Boise, ID 83707
Phone: (208) 388-5272

LICENSEE:

Frank & Cindy Bachman
c/o Lynn Bachman
Bachman Land and Livestock, LLC
30233 Hot Springs Road
Bruneau, ID 83604
Phone: 208-845-2125
Email: ltcattle@hotmail.com

The above addresses for Licensor and Licensee shall be effective unless and until changed by written notice given to the other party. The parties acknowledge and agree that the phone numbers provided above are for convenience purposes only but that notices hereunder must be personally delivered or mailed as provided above.

13. Assignment or Transfers. This License shall not be assigned or transferred, nor shall any portion of said Licensed Area be sublet, by Licensee without Licensor's prior written consent which consent shall not be unreasonably withheld.

14. Default. Licensee shall be deemed in default under this License if any of the following shall occur:

a. Licensee fails to comply with any of the covenants, terms, or conditions of this License, and such failure continues for twenty (20) days after Licensee's receipt of written notice thereof from Licensor, provided however that if the nature of the default is such that the same cannot reasonably be cured within said twenty (20) day period, Licensee shall not be deemed to be in default if Licensee, within such 20-day period, commences cure of such default and thereafter diligently prosecutes the same to completion;

b. Licensee assigns this License or any interest herein or sublets all or any part of the Licensed Area without Licensor's prior written consent; or

c. Licensee abandons the Licensed Area.

15. Remedies. In the event of any default by Licensee, Licensor shall have the right to terminate this License, in which case the provisions of Section 3 (Term) above will apply.

16. Relocation. If Licensor, in its sole and absolute discretion, wishes to develop the Licensed Area or Licensor's Property or change the operation or use of the same or relocate any facilities currently existing on Licensor's Property and such development or change or relocation necessitates, in Licensor's reasonable opinion, the relocation of Licensee's Improvements, then Licensor shall give Licensee ninety (90) days prior written notice of the need for such relocation ("**Relocation Notice**"). Licensee shall, at Licensee's sole expense, relocate Licensee's Improvements (and fully restore the Licensed Area to the condition that existed prior to the commencement of this License, reasonable wear and tear excepted) within such 90 day period to an alternate location on Licensor's Property acceptable to Licensor. Upon such relocation, the parties shall amend this License to change the definition of the Licensed Area to the relocated site. Licensee's obligations, to include any license fees, shall not be suspended or abated in the event of any relocation of Licensee's Facilities, nor shall Licensor be liable for any interference with Licensee's operations as a result of relocation.

17. Miscellaneous.

a. **Severability.** If any provision of the License Agreement is held to be invalid or unenforceable by a court of competent jurisdiction with respect to any party, the remainder of this License Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable shall not be affected, each provision of this License Agreement shall be valid and enforceable to the fullest extent permitted by law.

b. **Binding Effect.** Each party represents and warrants that said party has full power and authority, and the person(s) executing this License Agreement have full power and authority, to execute and deliver this License Agreement, and that this License Agreement constitutes a valid and binding obligation of each party, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other laws affecting the enforcement of creditor's rights generally and by general equitable principles (whether enforcement is sought in proceedings in equity or at law). This License Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

c. **Waivers.** No provision of this License Agreement shall be deemed to have been waived by a party unless the waiver is in writing and signed by the party against

whom enforcement of the waiver is attempted. No custom or practice which may develop between the parties in the implementation or administration of the terms of this License Agreement shall be construed to waive or lessen any right to insist upon strict performance of the terms of this License Agreement.

d. **Governing Law.** This License Agreement shall be governed by and construed in accordance with the laws of the State in which the Licensed Area is located.

e. **Attorneys' Fees and Costs.** In the event of any litigation between the parties to this Agreement in connection with the interpretation or enforcement of this Agreement, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees, and all other litigation related expenses, including, without limitation, court costs, expert fees, investigation, discovery, and travel fees (whether incurred at the trial, appellate or administrative level). All such fees shall be deemed to have accrued as of the commencement of such action and shall be in such amounts as the court or administrative body may judge reasonable, all of which may be incorporated into and be a part of any judgment or decision rendered in such litigation.

f. **Survival.** Terms and conditions of this License Agreement, which by their sense and context survive the termination, cancellation, or expiration of this License Agreement will so survive.

g. **Entire Agreement; Amendments.** This License Agreement constitutes the entire agreement and understanding between the parties regarding Licensee's use of the Licensed Area and supersedes all prior and contemporaneous offers, negotiations, and other agreements concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth herein. Any amendments to this License Agreement must be in writing and executed by duly authorized representatives of both parties.

h. **No Presumptions Regarding Preparation of License Agreement.** The parties acknowledge and agree that each of the parties has been represented by counsel or has had full opportunity to consult with counsel and that each of the parties has participated in the negotiation and drafting of this License Agreement. Accordingly it is the intention and agreement of the parties that the language, terms, and conditions of this License Agreement are not to be construed in any way against or in favor of any party hereto by reason of the roles and responsibilities of the parties or their counsel in connection with the preparation of this License Agreement.

i. **Section Headings.** The headings and captions of the paragraphs and sections of this License Agreement, and table of contents and/or index if included, are for convenience and reference only and in no way define, describe, or limit the scope or intent of this License Agreement or any of the provisions hereof.

j. **Exhibits.** All exhibits referenced herein are attached to the License Agreement and incorporated into the terms of the License Agreement.

[Signatures appear on next page.]

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the date first set forth above.

LICENSOR:

**IDAHO POWER COMPANY,
AN IDAHO CORPORATION**

By: 
Ivan Sim
Corporate Real Estate Director

Date: 5/28/16

LICENSEE:

**FRANK L. AND CINDY L. BACHMAN,
HUSBAND AND WIFE**

By: 
Frank L. Bachman

Date: 5-13-16

By: 
Cindy L. Bachman

Date: 5-13-16

LIST OF EXHIBITS:

Exhibit A – Description of Licensor's Property

Exhibit B – Description of Licensed Area

Exhibit C – Conditions of Use

EXHIBIT A
Licensor's Property

A parcel of real property, being a portion of Lots 1 and 2, Section 33, Township 5 South, Range 6 East, Boise Meridian, Elmore County, Idaho, being more particularly described below:

[Refer to attached deed and legal description.]

Excepting therefrom any property Licensor has conveyed to others.

WARRANTY DEED

THIS INDENTURE, Made this 20th day of June, in the year of our Lord one thousand nine hundred and fifty-two, between E L STEVENS, a widower, and BYRON STEVENS, a bachelor, of County of Elmore, State of Idaho, the parties of the first part, and IDAHO POWER COMPANY, a corporation, with its principal place of business in Boise, County of Ada, State of Idaho, the party of the second part.

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) lawful money of the United States of America, and other valuable considerations, to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained and sold, and by these presents do grant, bargain, sell, convey and confirm unto the said party of the second part, and to its successors and assigns forever, all of the following described real estate, situated in County of Elmore, State of Idaho, to-wit:

Lots One (1), Two (2), Three (3) and Four (4) of Section 32, Township 5 South, Range 6 East, Boise Meridian, and that part of the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of said Section 32, described as follows:

Beginning at the southwest corner of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$), thence north along the west line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) to the northwest corner of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$); thence east along north line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) 200 feet, more or less; thence South 54° 38' East 890 feet, more or less; thence South 75° 39' East 430 feet, more or less, to the east line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$); thence south along the east line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) to southeast corner of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$); thence west along the south line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) to the place of beginning; also

Lots One (1), Two (2), Three (3) and Four (4) of Section 31, Township 5 South, Range 6 East, Boise Meridian; also

Lots One (1), Two (2) and Three (3) of Section 30, Township 5 South, Range 6 East, Boise Meridian, and that part of Lot Four (4), the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) and the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section 30, described as follows:

Beginning at the northwest corner of said Lot Four (4); thence east along the north line of said Lot Four (4) to the south one-quarter corner of Section 19; thence South 19° 27' West 231.7 feet; thence South 3° 24' East 318.2 feet; thence South 16° 32' East 488.4 feet; thence South 27° 53' East 319.9 feet; thence South 32° 26' East 50 feet, more or less, to the north line of said Lot Three (3); thence east along the north line of said Lot Three (3) 1300 feet, more or less, to a point in the north line of said Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$); thence South 28° 36' West 590 feet, more or less, to the west line of said Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$); thence south along the west line of said Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) 840 feet, more or less; to a point in the west line of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$); thence South 17° 06' East 340 feet, more or less; thence South 26° 08' East 720.5 feet; thence South 11° 39' West 300 feet, more or less, to south line of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$); thence west along the south line of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) to the southeast corner of said Lot Two (2); thence continuing west along the south line of said Lot Two (2) to the west bank of Snake River; thence northerly along the west bank of Snake River to the place of beginning; also

Lot Four (4) of Section 33, Township 5 South, Range 6 East, Boise Meridian, and that part of Lot One (1), Lot Two (2) and Lot Three (3) of said Section 33, described as follows:

Beginning at the northwest corner of said Lot Three (3), thence east along the north line of said Lot Three (3) 740 feet, more or less; thence South 66° 06' East 620 feet, more or less; thence North 60° 44' East 200.6 feet; thence North 8° 52' East 1065.1 feet; thence North 79° 04' East 1688.7 feet; thence North 82° 17' East 795.4 feet to the east line of said Lot One (1); thence south along the east line of said Lot One (1) to the north bank of Snake River; thence southwesterly along the north bank of Snake River to the west line of said Lot Three (3); thence north along the west line of said Lot Three (3) to the place of beginning; also

That part of Lot Four (4) and the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 34, Township 5 South, Range 6 East, Boise Meridian, described as follows:

Beginning at a point on the west line of said Lot 4, which is south 2689.8 feet from the northwest corner of said Section 34; thence North 82° 17' East 248.3 feet; thence North 48° 25' East 1206.9 feet; thence South 72° 15' East 240 feet, more or less, to the east line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$); thence south along the east line of said Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) to the northeast corner of said Lot Four (4); thence south along the east line of said Lot Four (4) to the north bank of Snake River; thence northwesterly along the north bank of Snake River to the west line of said Lot Four (4); thence north along the west line of said Lot Four (4) to the place of beginning; also

That part of Lot One (1) of Section 16, Township 5 South, Range 5 East, Boise Meridian, described as follows:

Beginning at a point in the west line of said Lot One (1), which is 18.7 feet south of the northwest corner of said Lot One (1); thence South 73° 33' East 929.4 feet; thence North 57° 39' East 297.4 feet; thence South 44° 09' East 250 feet, more or less, to the east line of said Lot One (1); thence south along the east line of said Lot One (1) 250 feet, more or less; thence South 51° 45' West 700 feet, more or less; thence South 18° 21' East 340 feet, more or less, to the south line of said Lot One (1); thence west along the south line of said Lot One (1) to north bank of Snake River; thence northwesterly along the north bank of Snake River to the west line of said Lot One (1); thence north along the west line of said Lot One (1) to the place of beginning.

TOGETHER, With all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all estate, right, title and interest in and to the said property, as well in law as in equity, of the said parties of the first part.

TO HAVE AND TO HOLD, All and singular the above mentioned and described premises, together with the appurtenances, unto the party of the second part, and to its successors and assigns forever and the said parties of the first part, and their heirs, the said premises in the quiet and peaceable possession of the said party of the second part, its successors and assigns, against the said parties of the first part, and their heirs, and against all and every person and persons whomsoever, lawfully claiming or to claim the same shall and will WARRANT and by these presents forever DEFEND.

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.



E L Stevens (Seal)

Byron Stevens (Seal)

STATE OF IDAHO)
County of Elmore) ss

On this 20th day of June in the year 1952, before me J H Petersen, a Notary Public in and for said State, personally appeared E L STEVENS and BYRON STEVENS, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

J H Petersen
Notary Public for the State of Idaho,
Residing at Boise, Idaho.

(Notarial Seal)

Warranty Deed

E. L. Stevenson

et al

Idaho Power Co.

STATE OF IDAHO, } ss.
County of Elmore

I hereby certify that this instrument was filed for record at request of

James E. Bruce Jr.

at 15 minutes past 9
o'clock P. M., this 24

day of July A. D., 1952

It is a like, and duly recorded in Book

51 of Warranty Deeds

at Page 60

James E. Bruce Jr.
Ex Officio Recorder,

By Deputy,

Fees \$ 1.50

Idaho Power Co.
Attention - James E. Bruce Jr.
Boise, Idaho

EXHIBIT B

Page 1 of 2

Licensed Area

The Licensed Area is comprised of a 10' wide strip of land for installation of an underground 12" diameter irrigation pipeline to extend northward from an existing pump station located on Licensor's Property to Licensee's property, as depicted on the attached drawing.

[Refer to attached drawing.]

EXHIBIT B - PAGE 2 OF 2

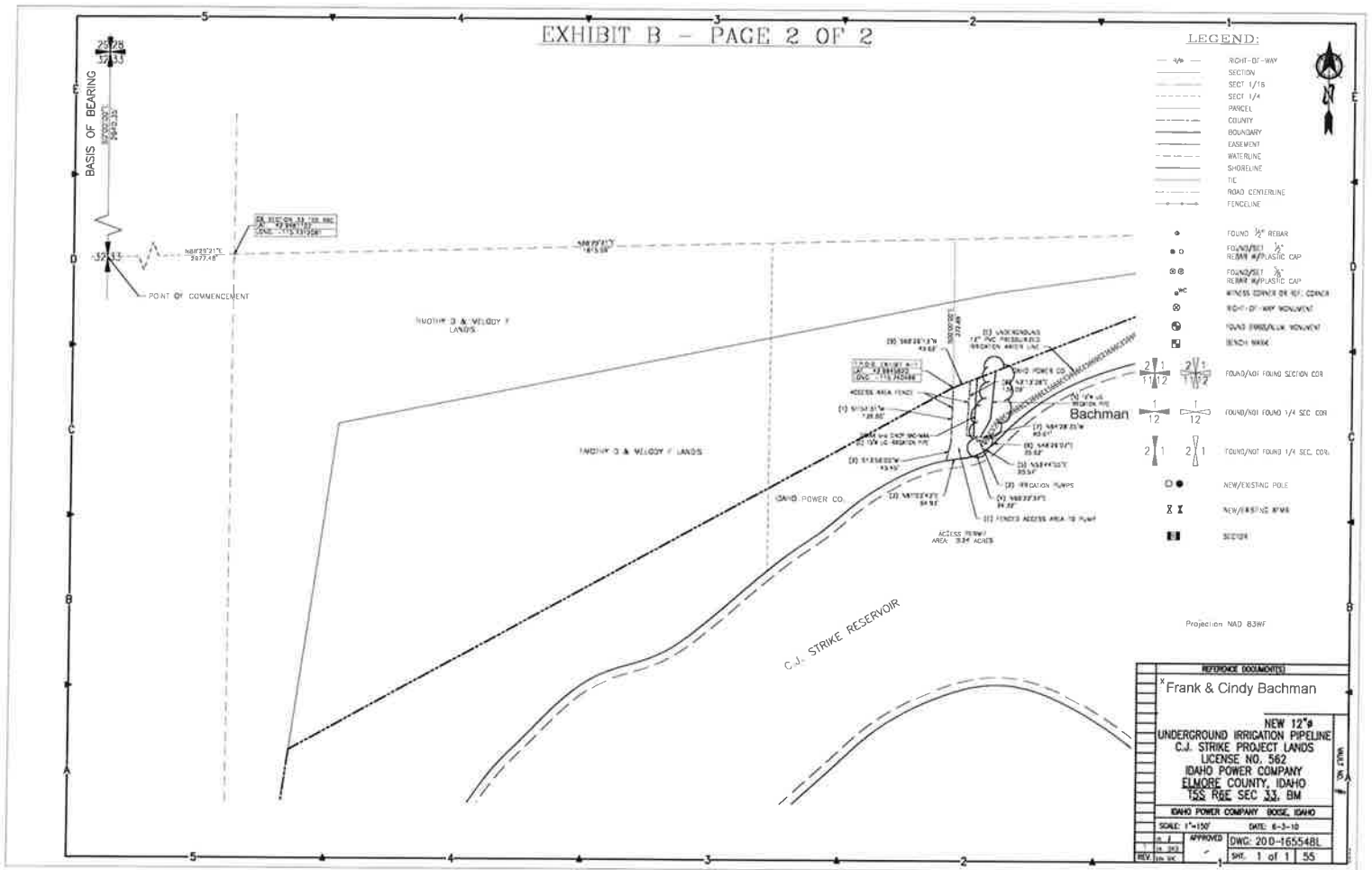


EXHIBIT C

Conditions of Use

1. **Soil Disturbance/Revegetation.** During the Term of this License, and any renewal Term, if Licensee's activity on the Licensor's Property or the Licensed Area results in disturbed soils and/or plant damage, Licensee shall, at Licensee's sole cost and expense, reseed any disturbed areas using a planting/seed mix approved by Licensor and in a manner approved by Licensor. Licensor, at Licensor's sole discretion, may require Licensee to develop and implement a revegetation plan that is agreeable to both parties. To facilitate revegetation, Licensee shall stockpile material excavated during installation or maintenance activities and shall use said material as backfill for the excavated area. Any excess material shall be disposed at an offsite location outside the Project boundary and the Licensor's Property. Should Licensee's revegetation efforts for any disturbed area fail, Licensee, upon receipt of an invoice from Licensor, agrees to reimburse Licensor for Licensor's time and materials used for revegetation.

2. **Shoreline Stabilization.** Licensee shall install stone rip rap to ensure structural stabilization of any shoreline areas that are disturbed as a result of Licensee's or Licensee's Agents use of the Licensed Area or Licensor's Property. Licensee shall employ all reasonable measures to avoid shoreline erosion caused by its equipment and employees and shall monitor the shoreline areas of the Licensed Area to ensure operation, maintenance and or repair activities do not contribute to future shoreline erosion or destabilization. Should Licensor or Licensee identify any shoreline erosion or destabilization adjacent to the Licensed Area, Licensor shall set forth remediation measures which Licensee shall immediately institute to remediate any erosion or destabilization. Licensee's trucks shall not drive below the high water line of the reservoir adjacent to the Licensed Area.

3. **Storage on Licensed Area.** Licensee shall not store building, construction and/or pumping materials or machinery on the Licensed Area. Licensee shall dispose of all materials, to include screened aquatic vegetation, silt, or other spoils associated with Licensee's construction, operation, maintenance or repair of the Licensed Area and Licensee's Improvements, outside the Licensed Area, Licensor's Property and FERC Project Boundary.

4. **Weed and Noxious Weed Control.** Licensee, at its sole cost and expense, shall be responsible for maintenance and upkeep of the Licensed Area, to include the control of weeds and noxious weeds in accordance with local, state and federal laws and regulations. Licensee shall, at its sole cost and expense, control noxious weeds in the Project Waters immediately adjacent to the Licensed Area. Licensor is available to assist with the control of noxious weeds on the Licensed Area, provided Licensee requests Licensor's assistance to control noxious weeds and pays Licensor for all time and materials costs. Licensee is responsible for monitoring and removing aquatic weeds from the Licensed Area and Project Waters adjacent to the Licensed Area and disposing of any such aquatic weeds at an offsite location.

5. Cultural Resource Protection. Licensee shall comply with the following stipulations for the protection of cultural resources on the Licensed Area and Licensors Property:

a. Licensee shall restrict all construction, operations, maintenance, and repair activities to the Licensed Area.

b. Subsequent to installation of Licensee's Improvements, Licensee's activities for the continued operation, maintenance and repair of Licensee's Improvements within the Licensed Area shall be limited to pedestrian and vehicular access (excluding heavy or tracked equipment unless heavy or tracked equipment is necessary to repair replace or reconstruct any of Licensee's Improvements during the term of this License, in which case Licensee will obtain Licensors prior approval for each such use).

c. Any modification, alteration, or addition to Licensee's Improvements shall comply with and be approved by Licensors pursuant to the project approval process defined in the Idaho Power Company C.J. Strike Historic Properties Management Plan ("HPMP"). Licensee agrees to request Licensors approval for any modification, alteration, or addition to Licensee's Improvements or change of use of the Licensed Area by submittal of a proposal to Licensors, prepared by Licensee in accordance with the requirements set forth in the HPMP. The HPMP process may take a minimum of ninety (90) days, possibly more, and shall conclude upon completion of Licensors consultation with the Idaho State Historic Preservation Office ("SHPO"). The scope of Licensee's proposal may require additional cultural resources investigations within the Licensed Area which may increase the time necessary for project approval.

d. If in the course of carrying out allowed activities (section 5b, above), or activities proposed and approved hereunder pursuant to the HPMP (section 5c, above), should Licensee observe cultural materials (e.g.: stone tools, pottery, human skeletal remains, buried archaeological features of any type (fire pits, hearths, anthropogenic soils, ash or soil stains), or other prehistoric or historic artifacts), Licensee shall immediately cease all activity in the area of the discovery and shall notify Licensors Cultural Resource Manager at (208) 388-2200. Licensee and Licensee's Agents may not resume work in the area of any such discovery until Licensors Cultural Resource Manager grants clearance to proceed, in writing.

6. Power Line Installation.

a. All power lines to the Licensed Area and Licensee's Improvements shall be installed below ground from the point any power line begins to run parallel to the shoreline of the Project waters and continuing to Licensee's Improvements. A minimum of twelve inches (12") of separation shall be maintained between Idaho Power installed conduits/cables and any other buried pipes, conduits or cables. Sized, secondary containment must be provided at Licensee's pump station around the pad mounted electric transformer location. Idaho Power Underground Distributions standards shall be adhered to for construction and maintenance.

b. To protect waterfowl and other avian species, all above ground distribution power lines to the Licensed Area and Licensee's Improvements shall incorporate any necessary standard avian protection measures, which shall include, but may not be limited to, avian deflectors.

7. Agency Review and Conditions. Pursuant to FERC License requirements, Licensor has submitted Licensee's proposed use and plans for the Licensed Area and Licensee's Improvements to federal, state, and local agencies (collectively, "Agencies") for review and approval. Licensee agrees to comply with any conditions set forth by the Agencies, and acknowledges that any such conditions may be in addition to the terms and conditions set forth herein.

This is to certify that this is a true and correct copy of this document, the original of which is on file with the Idaho Department of Lands (IDL).

Cedric Smith
IDL Representative

12-13-16
Date



FARMING LEASE
No. C600006
BACHMAN LAND & LIVESTOCK, LLC

SUMMARY OF LEASE PROVISIONS:

Lessor: STATE OF IDAHO
By and through the State Board of Land Commissioners
300 North 6th Street, Suite 103
PO Box 83720
Boise ID 83720-0050

Lessee: Bachman Land & Livestock, LLC
30233 Hot Springs Rd
Bruneau ID 83804

Lease Term: Commencement: January 1, 2017
Expiration: December 31, 2026

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

FARMING:

Irrigation 63 acres at \$60.00 per acre

GRAZING:

Number of AUMs by Class for Billing

Cattle	20
Acres	63

Rent terms are more particularly described in Section 2. Rental Rate and Modification of Rent of the Lease Provisions.

Leased Premises Legal Description:

See Attachment B

The Lessor, in consideration of the rental paid and the covenants, conditions and restrictions hereinafter set forth, in the Lease (including the Lease Provisions, Signature Page and all Attachments, including any Special Terms and Conditions), does hereby lease and demise unto the Lessee the lands (Leased Premises) described in Attachment B for the uses specified herein.

Primary Use of Leased Premises:

Farming

Bond:

N/A

Liability Insurance:

N/A

Lease Index:

SUMMARY OF LEASE PROVISIONS
LEASE PROVISIONS
SIGNATURE PAGE
ATTACHMENT A – SPECIAL TERMS AND CONDITIONS
ATTACHMENT B – LEASED PREMISES LEGAL DESCRIPTION
ATTACHMENT C – SITE MAP(S)
ATTACHMENT D – REPORTS

LEASE PROVISIONS

1. Use of Premise.

- A. **Farming Use.** The Lessee is authorized to use the number of acres identified on this lease as cropland. The location and management of said acres shall be designated in this written Lease. Said use shall be in accordance with this Lease, the Lessee's approved Summary of Lease Provisions, Lease Provisions, and all Attachments, including any Special Terms and Conditions attached hereto. No use of the leased land for cropping purposes shall occur prior to the final approval of the written Lease by Lessor. Lessee shall pay to Lessor an additional rental for the identified acres of cropland whether cultivated or not in an amount determined by Lessor pursuant to Lessor's current cropland rental policy, along with the annual base rental payment as set forth in *Section 2. Rental Rate and Modification of Rent* of these Lease Provisions.
- B. **Grazing Use.** The Lessee is authorized to use the number of acres identified on this lease for grazing domestic livestock at the identified rate. The location and management of grazing livestock shall be designated in this written Lease. Said use shall be in accordance with this Lease, the Lessee's approved Summary of Lease Provisions, Lease Provisions, and all Attachments, including any Special Terms and Conditions attached hereto. No use of the leased land for grazing purposes shall occur prior to the final approval of the written Lease by Lessor.

2. Rental Rate and Modification of Rent.

- A. **Annual Rent Payment.** Lessee agrees to pay to Lessor, in lawful money of the United States, each year's rent for every acre and/or AUM covered by this Lease, in an amount to be calculated pursuant to Lessor's most current formulas for each applicable use at the time the rental is calculated or recalculated. The rent shall be payable on or before the annual rental payment due date of each successive year. Lessee shall pay the annual rental to Lessor without abatement, offset, or deduction of any kind, unless otherwise authorized by the Lessor through a completed Lease Adjustment form provided by the Lessor. Lessor reserves the right to increase or decrease the annual rent. Lessee will be notified one hundred eighty (180) calendar days in advance of the due date of any increase in rental.
- B. **Late Payment Charge.** In the event any rent due hereunder is not paid in full when due, Lessee shall pay, in addition to such rent, a late charge in the first calendar month of such delinquency the amount of Twenty-five Dollars (\$25.00) or one percent (1%) of the unpaid rent, whichever is greater. For each subsequent calendar month of such delinquency, Lessee shall pay an additional late charge equal to one percent (1%) of the then unpaid delinquency. The parties acknowledge and agree that the late charge described herein is a reasonable attempt to estimate and to compensate Lessor for higher administration costs associated with administering such late payments and is not intended as a penalty. By assessing this late charge, Lessor does not waive any right to declare a breach and to pursue any right or remedy available to Lessor by reason of such breach, after expiration of any applicable notice or cure period.
- C. **Lien.** The amount of the rent, late charge, and interest shall constitute a lien in favor of the State of Idaho against all of Lessee's improvements and other property on the Leased Premises, including, but not limited to, crops and livestock.

3. Lease Provisions and Special Terms and Conditions.

- A. **Lease Provisions and Special Terms and Conditions.** Prior to issuance of this Lease, Lessee and Lessor must agree to written Lease Provisions and any Special Terms and Conditions. The content of the Lease Provisions and any Special Terms and Conditions shall address all activities that may take place under this Lease and include, but not be limited to, farming, the construction of improvements, the vegetation, noxious weed control and other factors identified by Lessor as necessary for inclusion in the Lease Provisions and any Special Terms and Conditions based on the specific characteristics of the Leased Premises and/or of Lessee's use of the Leased Premises.
- B. **Modification of Lease Provisions and Special Terms and Conditions.** Lessor may review and modify any Lease Provisions or any Special Terms and Conditions upon changes in conditions, laws, or regulations,

provided that Lessor shall give Lessee thirty (30) calendar days notice of any such modifications prior to the effective date thereof. Prior to Lessee instituting any changes, Lessee must submit, in writing, the proposed changes to Lessor for approval. No changes shall occur prior to Lessor's written approval of the amended Lease Provisions and any Special Terms and Conditions. Modifications mutually agreeable to both Lessor and Lessee may be made at any time.

- C. **Compliance Required.** Lessee shall abide by all Lease Provisions and any Special Terms and Conditions. If Lessee fails to abide by all Lease Provisions and any Special Terms and Conditions, Lessee will be deemed in breach of this Lease and the Lease will be subject to cancellation in accordance with *Section 17. Lessee's Default*, of these Lease Provisions.
- D. **Reimbursement for Non-Standard Administrative Costs.** The Lessee shall reimburse the Lessor for administrative costs incurred to address issues of compliance. Lessor's request for payment to Lessee will include a detailed description of the work completed and actual expense incurred.
- E. See Attachment A of this Lease for any Special Terms and Conditions in effect as of the date of execution of this Lease.

4. Subleasing or Assignment.

- A. **Written Approval Required.** Lessee shall not sublease or authorize another person to use any part of Lessee's interest under this Lease, or assign this Lease, without the prior written consent of Lessor to be evidenced by Lessor's execution of consent forms provided by Lessor for that purpose. Any request for approval of a sublease or assignment must be in writing, complying with the statutes or rules governing subleasing, and accompanied by a copy of the proposed sublease agreement and the appropriate processing fee. Lessor may withhold consent for any reason. Any attempt by Lessee to sublease Lessee's interest in the Leased Premises or any part of the Leased Premises or to assign this Lease, shall be void unless Lessor has given such prior written consent. No request for Lessor's approval of any assignment or sublease will be considered unless all rent due has been paid in full, and Lessee is in good standing under the terms of the Lease. No sublease will act as a release of Lessee's obligations hereunder unless Lessor executes a separate written release of Lessee. Lessor has no obligation to so release Lessee, and Lessor can withhold such release at Lessor's sole discretion. Any sublease or assignment will be subject to, but not limited to, to the existing Lease Provisions and any Special Terms and Conditions. The sublease cannot go beyond the Lease expiration date.
- B. **Additional Rental Due.** In the event the Leased Premises is subleased in accordance with all terms and conditions of *Section 4. Subleasing or Assignment* of these Lease Provisions, for an amount greater than the base rental, Lessee shall in addition to Lessee's annual base rental pay to Lessor an amount equal to one-half (1/2) the difference between Lessee's base rental rate herein established, and the rental rate paid by Sublessee.
- C. **Improvements.** Upon approved sublease or assignment, ownership of any existing Lessee-owned improvements under this Lease must be separately negotiated between Lessee and such Sublessee or Assignee.
- D. **Copies to be Filed.** Copies of all assignments, subleases, pasturage or any other agreement of any kind or nature involving the use of the Leased Premises by another person shall be timely filed with Lessor.

5. Leasehold Mortgage.

Lessee shall not mortgage, pledge or otherwise dispose of Lessee's interest in the Lease, or any portion thereof, without prior written consent of Lessor. Lessee shall use mortgage or deed of trust forms provided by Lessor, and shall submit completed forms and appropriate fee to Lessor for review and approval. The term of a mortgage agreement shall not exceed the Lease term. Lessor may accept or reject a leasehold mortgage at its discretion.

6. Environmental, Safety and Sanitary Requirements.

- A. **No Hazardous Materials.** Lessee shall neither commit nor permit the use, placement, transport or disposal of any hazardous waste, including, but not limited to, petroleum products, such as oil, gasoline, or any other substance that is or is suspected to be a hazardous substance or material on the Leased Premises except the customary use associated with weed and pest control, machinery, equipment and vehicles. Lessee shall be responsible, and shall pay all costs for the removal or other appropriate remedial action regarding any hazardous waste, substances, or materials which Lessee may have caused to be introduced on the Leased Premises. Any such remediation or removal or storage must be conducted in accordance with applicable federal, state, or local law, regulation, rule or ordinance and Lessee shall immediately, upon the introduction of any hazardous waste, substances or materials onto the Leased Premises, contact the Idaho Department of Environmental Quality (DEQ) and enter into a consent order for remediation with DEQ, provided however, Lessee shall not forestall commencing any necessary remediation while negotiating the terms of any consent order with DEQ, unless Lessee is so authorized in writing by Lessor. In event of introduction of any hazardous waste, substances or materials, Lessor may also require Lessee to enter into consent orders or other agreements with any other relevant agency. Lessee shall indemnify, defend and hold Lessor harmless from all costs, expenses, damages or fines relating to pollution and hazardous materials including, without limiting the generality of the foregoing, attorney fees and costs of defense or of enforcement of Lessor's rights hereunder. The amount of any costs incurred by Lessor due to Lessee's violation of this provision shall constitute a lien in favor of the State of Idaho against all of the Lessee's improvements and other property on the Leased Premises including, but not limited to, crops.
- B. **Fire and Safety Regulations.** Lessee shall comply with all applicable federal, state and local laws, rules, regulations and ordinances for fire protection and prevention. Lessee agrees to keep the Leased Premises free from fire hazards as determined by Lessor. Lessee is prohibited from burning garbage or household trash and any burning on the land, including the burning of wood, weeds or other debris, but excepting campfires necessary for the use under this Lease, requires the prior written permission of Lessor. Any burning must comply with applicable federal, state or local law, regulation, rule or ordinance.
- C. **Sanitary Requirements.** Concerning activities authorized under this Lease, Lessee shall at all times keep the Leased Premises in a clean and sanitary condition, free of trash, garbage and litter so the Leased Premises is maintained in the same or better condition as when this Lease was issued. Lessee shall not dispose of sewage except in conformity with applicable federal, state, and local law, rules and regulations pertinent to Lessee's use and shall dispose of sewage on the Leased Premises only if specifically authorized by Lessor. The Lessee shall not store trash on the Leased Premises nor transport trash, garbage, litter or debris onto the Leased Premises. Lessee shall dispose of all trash, garbage and carcasses in conformity with all legal requirements. Lessee is responsible for all costs associated with sewage, garbage and litter disposal.

7. No Warranty of Suitability - Quiet Enjoyment - Public Use.

- A. **No Warranty.** Lessee acknowledges that neither Lessor nor any agent of Lessor has made any representation or warranty with respect to the Leased Premises or concerning the suitability of the Leased Premises for the uses intended by Lessee. Lessee acknowledges that it has accepted the Leased Premises in an AS IS CONDITION, accepting any and all known or unknown faults therein.
- B. **Quiet Enjoyment.** Lessor agrees that Lessee, upon payment of the rent and performing the terms of this Lease, may quietly have, hold and enjoy the Leased Premises, for the purposes and uses allowed hereunder, during the term hereof. Lessee acknowledges that the Lease is non-exclusive, and Lessor retains the right to use of the Leased Premises, or to grant rights to others for use of the Leased Premises, to the extent any such use does not materially interfere with Lessee's purpose and uses allowed hereunder, unless otherwise provided for in this Lease.
- C. **Public Use.** Lessee must allow the general public the right to use the Leased Premises for any lawful use available to the public for lands owned by the State of Idaho. However, nothing in this Lease authorizes or purports to authorize trespass on private lands to reach state-owned lands, including the Leased Premises. Public use of State lands shall not be restricted without prior written approval of Lessor. This Lease is not an exclusive control lease as described under Idaho Code § 36-1603(b).

8. Water Right and Water Use.

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

9. Noxious Weeds.

- A. The Lessee shall cooperate with Lessor or any other agency authorized to undertake programs for control or eradication of noxious weeds. Lessee shall take measures to control noxious weeds on the Leased Premises in accordance with Title 22, Chapter 24, Idaho Code, except those resulting from activities beyond the Lessee's control. Costs for control of noxious weeds on the Leased Premises shall be the responsibility of the Lessee, unless otherwise provided for in the Special Terms and Conditions included in Attachment A.
- B. The Lessee shall ensure that prior to moving onto the Leased Premises that all equipment is free of noxious weeds and their seeds as defined by the Idaho Department of Agriculture and local Coordinated Weed Management Area. Cleaning of contaminated equipment and vehicles shall not take place on any state endowment land, including the Leased Premises.
- C. All straw and forage used for livestock feed, with the exception of that grown on the Leased Premises or on Lessee's immediately adjacent land, must be certified in accordance with the Idaho Department of Agriculture Forage and Straw Certification Rules (IDAPA 02.06.31) and must be certified as Idaho State Noxious Weed Free.

10. Construction of Improvements.

- A. **Permit Required.** Lessee shall not construct or reconstruct, initiate or place improvements or structures of any character (herein referred to as "improvements") on or to the Leased Premises without the prior expressed, and written permission of Lessor. Said permission shall be in the form of a permit issued by Lessor, and shall be required for any improvement or structure on the Leased Premises including, but not limited to, range improvements, buildings or other structures, water developments, fences, vegetation

treatment, or the clearing of land. Lessee shall submit project plans to the Lessor. If the project plans are approved and permitted in writing by Lessor, then Lessee shall construct and implement the improvements in full compliance with the approved plans, the permit and all applicable building codes, rules and laws. Permitted improvements shall be the property of Lessee, unless otherwise provided in the permit or this Lease. Failure to obtain a written permit prior to construction and implementation of any improvement will be considered a trespass violation and may result in cancellation of the Lease or cause the Lessor to initiate proceedings to recover damages as provided for in IDAPA 20.03.14. Any improvement associated with the uses authorized in this Lease and placed on endowment land prior to January 1, 1970 is considered grandfathered and properly authorized even though there may be no documentation of authorization.

- B. **Condition of Improvements.** At all times during the term of this Lease, Lessee shall keep all improvements in good repair and functional condition to the satisfaction of Lessor. Any and all fences shall be neat, stock-proof, lawful fences and gates.
- C. **Maintenance of Improvements.** Lessee may be required to remove or reconstruct improvements in poor or non-servicable condition. Existing maintenance agreements on lands acquired from the federal government shall remain in effect until amended by the parties involved. If maintenance is not being accomplished, Lessor shall provide a letter to Lessee informing Lessee of the violation of the Lease. If work is not begun within thirty (30) calendar days and completed in a timeframe specified by the Lessor, Lessor may contract repairs and bill Lessee for actual costs incurred.
- D. **Removing Improvements.** Lessee shall not remove, relocate or otherwise alter any improvements without prior written permission from Lessor.
- E. **Cost of Improvements.** Any permitted improvement constructed by or at the request of Lessee, shall be constructed at Lessee's own expense, unless Lessor and Lessee shall have entered into a prior written cost sharing agreement for construction of such improvement.
- F. **Permitted Improvements At Lease Expiration/Termination.** Upon expiration or termination of this Lease for any reason, other than a default by Lessee, and in the event Lessor leases the Leased Premises to a new lessee, Lessor shall require the new lessee to pay Lessee the then existing value of the permitted improvements in accordance with the then existing statutes and rules. Said value shall be determined through a valuation conducted by Lessor or by Lessee's documented cost of construction if the improvement was authorized after July 1, 2009. Improvement payments shall be first applied towards any rent or other monies due to Lessor before being disbursed to Lessee. Lessor does not hereby agree or become obligated to pay any such value to Lessee, such obligation shall be solely on the subsequent lessee, if any. Any improvement which Lessee is entitled or required to remove upon expiration of the Lease must be removed within six (6) months of the expiration of the Lease, otherwise it is deemed abandoned and title to such abandoned improvement shall vest in the State of Idaho. Provided, however, Lessor may authorize, in writing, prior to the expiration of the six (6) month time period, additional time for removal of improvement(s) by Lessee. Failure of Lessee to remove any such improvement within the extended time period established by Lessor shall constitute an abandonment of Lessee's rights to such improvement.
- G. **Improvements Not Approved.** At any time during the term of the Lease, or upon expiration or termination of this Lease for any reason, Lessor may require, at Lessor's sole discretion, that Lessee remove any improvement placed on the Leased Premises without a prior permit from Lessor. The full cost of such removal, including the restoration of the Leased Premises, shall be solely Lessee's. In the event Lessor does not elect to require such removal, Lessee's failure to secure such permit shall constitute forfeiture. Title to any improvement placed on the Leased Premises without a permit from Lessor shall, at Lessor's option, immediately vest in Lessor without waiver of Lessor's right to require removal of the same by Lessee.
- H. **Lessor's Removal of Improvement.** Lessor may, at its discretion, remove or have removed the abandoned or non-permitted improvement and Lessee shall be responsible for the full cost of removal and restoration of the Leased Premises. Nothing in this section of the Lease shall relieve Lessee from the obligation to remove any improvement as required by Lessor under other terms within this Lease or the permit authorizing the improvement.

11. No Liens.

Lessee will not permit or suffer any liens of any kind or nature to be effected on or enforced against the Leased Premises, including, but not limited to, any mechanics' liens or material suppliers' liens for any work done or materials furnished on the Leased Premises at Lessee's instance or request. Lessee shall ensure that full payment is made for any and all materials joined or affixed to the Leased Premises pursuant to this Lease and for any and all persons who perform labor on the land.

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

- A. **Sale.** Lessor may sell all or any portion of the Leased Premises during the term of this Lease. Lessor will notify Lessee that the Leased Premises are being considered for sale at the time the proposed sale is scheduled for submission to the Land Board for approval. Lessee will be notified of a scheduled sale at least thirty (30) calendar days prior to sale date. Lessee shall deliver immediate possession of the land sold unto Lessor, or to the person or party as may be specified in writing by Lessor or Lessor's designee, unless the land remains subject to the Lease, or unless Lessee is to be permitted to harvest a growing crop before surrendering possession. When creditable improvements are present, and Lessee delivers possession of the land, Lessor shall value them in accordance with Idaho Code § 58-313, or the then existing applicable statute or rule, and Lessee shall be paid for the improvements by the purchaser on the day of sale. Lessee shall have the rights provided by *Section 10. Construction of Improvements, F. Permitted Improvements At Lease Expiration/Termination* of these Lease Provisions, and the then existing statutes or rules with respect to compensation for permitted improvements placed upon the Leased Premises by Lessee.
- B. **Consent To Land Exchange.** Lessee acknowledges that the Leased Premises, or any portion thereof, may be the subject of a future land exchange by Lessor, and Lessee hereby consents to the inclusion of any such land, or portion thereof, in any land exchange deemed necessary or appropriate by Lessor. This consent is given in compliance with Idaho Code § 58-138. In the event Lessor chooses to include the Leased Premises, or any portion thereof, in any proposed land exchange in the future, Lessor shall provide Lessee with at least thirty (30) days written notice from the Director of the Department of Lands. Upon the consummation of the proposed land exchange, that portion of lands included within the exchange shall be deleted from this Lease, and Lessee's lease payment obligation for the ensuing year shall be reduced proportionately. Lessee shall be entitled to continue to use the lands included within any such exchange for the balance of the year in which the exchange occurs unless otherwise notified in writing by Lessor, in which event the lease payment for such year shall be prorated.
- C. **Change in Use.** The Lease may be cancelled in whole or in part upon one hundred eighty (180) calendar days written notice by Lessor if the use of the Leased Premises is to be changed to any other use that is incompatible with the use authorized by this Lease, as designated by Lessor. In the event of early cancellation due to change in land use, Lessee will be entitled to a prorata refund of the premium bid for a conflicted lease.

13. Relationship of the Parties.

Lessee is not an officer, employee or agent of Lessor. In no event shall any official, officer, employee or agent of Lessor or of the State of Idaho be in any way personally liable or responsible for any covenant or obligation contained in this Lease, express or implied, nor for any statement, representation or warranty made in connection herewith.

14. Reservations by Lessor.

Lessor expressly reserves and excepts the following rights:

- A. To enter upon the Leased Premises, or any portion thereof, during the term of this Lease for any purpose, including, but not limited to, the purpose of inspecting the Leased Premises.
- B. All rights not expressly granted to Lessee under this Lease, including, but not limited to, all rights to timber, oil and gas, geothermal rights, mineral rights, easements and rights-of-way, water, and fee title to the Leased Premises, and title to all appurtenances and improvements placed thereon by Lessor.

- C. To grant easements and rights-of-way over and across the Leased Premises. Lessor shall coordinate with Lessee before processing any easement applications on the Leased Premises. The grantee of such easement shall, before exercising the same, pay Lessee the reasonable value of any permitted improvements and any growing and immature crops, if crops or improvements are impacted by the easement. Said value shall be determined by Lessor's valuation.
- D. To issue other leases on the Leased Premises. Such other leases may be for any purpose deemed appropriate by Lessor, including, but not limited to, the exploration and development of oil, gas, geothermal and mineral resources as provided by Title 47, Idaho Code. In the event any such other lease is granted by Lessor, the other lessee shall, before exercising the same, pay Lessee the reasonable value of any permitted improvements and any growing and immature crops, if crops or improvements are impacted by the other lease. Said value shall be determined by Lessor's valuation. If the other lease conflicts with the grazing use or makes consumptive use of forages, the grazing rental will be adjusted to reflect such loss of use.
- E. To require that changes be made in the use under this Lease, and/or to the improvements on the Leased Premises, including, but not limited to, the sanitation or other facilities for the protection of public health, safety, preservation of property or water quality.
- F. To reserve as Lessor's sole property any and all water appurtenant to Lessor's land or from any source arising thereon and to hold water rights for any beneficial use that may be developed as a result of this Lease, and as further provided in *Section 8. Water Right and Water Use* of these Lease Provisions.
- G. Rights of ingress, egress, and access, over and across the Leased Premises for Lessor and its lessees, permittees, contractors, and assigns on existing roads, or on suitable alternative roads provided by Lessee.
- H. To change the use of the Leased Premises, in whole or in part, for other uses that will better achieve the objective of Lessor. Upon a change in use this Lease may, at Lessor's discretion, be terminated in whole or as to the affected part. In the event of any such termination due to a change in use, the provisions of *Section 10. Construction of Improvements* of these Lease Provisions, relating to compensation for permitted improvements shall apply.
- I. To sell timber on the Leased Premises or otherwise conduct forest management activities, Lessor reserves the right to restrict or prohibit grazing use on all or portions of the Leased Premises for timber management purposes. Lessee will be given not less than one hundred eighty (180) calendar days written notice of any such restrictions or termination of grazing use, together with a map of the restricted area.
- J. To restrict or prohibit grazing on all or any portion thereof of the Leased Premises in response to emergency conditions such as, but not limited to, fires, flooding and drought.
- K. To sell all or any portion of the Leased Premises at any time during the term of this Lease, and as further provided in *Section 12. Sale, Exchange or Change-in-Use of Leased Premises* of these Lease Provisions.
- L. To harvest seed from plants on land not under a farming lease. Lessor will coordinate the harvesting activities with Lessee to minimize impacts on farming operations.
- M. To close roads for road protection, wildlife protection or administrative purposes. Planned road closures will be reviewed with Lessee prior to action by Lessor.
- N. To claim all permanent improvements placed upon the Leased Premises remaining after six (6) months in cases of abandonment by Lessee or to take possession immediately in cases of cancellation upon breach of any of the conditions of the Lease. No improvements will be disposed of by Lessor until all appeals have been exhausted.

15. Indemnification.

Lessee shall indemnify, defend and hold harmless Lessor, the State of Idaho, its officers, agents and employees from and against any liability, claims, actions, damages, costs, expenses or losses, including reasonable attorney's fees and costs caused by or arising out of the performance, acts or omissions of Lessee, Lessee's agents, officers or employees, or persons using the Leased Premises with Lessee's permission, or otherwise arising out of Lessee's use or occupation of the Leased Premises; or arising from the failure of the same to comply with any applicable state, federal, local, law, statute, rule, regulation, act, or provision of this Lease. This duty to indemnify, defend and hold harmless shall encompass any claims which include or allege negligence of Lessor, its agents, officers or employees other than claims which arise solely out of negligence on the part of Lessor, and this duty shall survive the termination or expiration of this Lease.

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

Unless otherwise provided, Lessee shall pay all water charges, fees, assessments or taxes of whatsoever nature that may be legally levied or assessed against the Leased Premises herein described, or any portion thereof or on any improvements thereto. If the same is not paid, it shall constitute a lien in favor of the State of Idaho against all improvements, or crops growing on the Leased Premises.

17. Lessee's Default.

- A. Lessee's Failure to Comply. Lessee's failure to comply with the Lease Provisions and any Special Terms and Conditions shall be a breach giving rise to a basis for termination of the Lease. Lessor shall provide Lessee thirty (30) calendar days written notice of the cancellation and, if applicable, the corrective action required of Lessee. The notice shall specify a reasonable time to make a correction or cure the violation or breach, if such breach is subject to correction or cure. If the corrective action or cure is not taken within the specified time or does not occur, then the Lease shall be automatically terminated on the date specified in the written cancellation notice without any further notice or demand, unless otherwise agreed by Lessor in writing. Lessee shall not, while in default, remove any of the improvements, or crops thereon, whether crops are harvested or not unless directed by Lessor. In addition to the rights and remedies specifically granted to Lessor under this Lease, Lessor shall have such other rights and remedies against Lessee as are available at law or in equity, and Lessor's pursuit of any particular remedy for breach shall not, in and of itself, constitute a waiver or relinquishment of any other compatible claim of Lessor against Lessee.
- B. Lessor's Performance Upon Lessee Default. In the event Lessee fails to perform any act or do anything which Lessee is required to do under the terms of this Lease, Lessor shall have the right, but not the obligation, to perform on behalf of Lessee, any such action. Lessee shall immediately reimburse Lessor for all costs and expenses, including attorney fees, (including fees from the Office of the Attorney General of the State of Idaho), incurred by Lessor in performing any such act or thing. Lessee's obligation to pay costs hereunder shall be deemed to be additional rent fully due and payable on demand from Lessor.

18. Surrender of Land.

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

19. Cancellation By Mutual Agreement.

Leases may be cancelled by mutual agreement between the Lessor and the Lessee. The Lessor will not unreasonably withhold approval of a request for cancellation by a Lessee.

20. Notices.

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

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

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

21. Waiver.

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

22. Attorneys' Fees and Costs.

In the event Lessor initiates a legal proceeding of any kind instituted under this Lease or to obtain performance of any kind under this Lease, and Lessor prevails, Lessor shall be awarded such additional sums as the court may adjudge for reasonable attorney's fees (including fees from the Office of the Attorney General of the State of Idaho) and to pay all costs and disbursements incurred in such proceeding, including, but not limited to, accountants' fees and fees of appraisers or other experts.

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

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

24. Miscellaneous.

- A. **No Trespass.** Lessee shall not allow Lessee's livestock to graze or run at large over any lands of Lessor in a manner not approved within the Lease Terms and Special Provisions, nor shall Lessee authorize any other person to graze or run livestock over Lessor's lands without the express written consent of Lessor.
- B. **Appraisals and Valuations.** Any appraisal or valuation by Lessor called for in this Lease shall be done by Lessor in accordance with applicable state law and regulations, and the then existing policy of Lessor.

- C. **Subject to Existing Leases/Easements.** This Lease is expressly subject to any right-of-way, easement, lease or contract, including, but not limited to, any present or future timber sale contract, that are now in force and effect or that may hereafter be granted relating to the Leased Premises.
- D. **Timber.** This Lease does not authorize Lessee to cut any timber growing on the Leased Premises. Any unauthorized use of such timber by the Lessee or with his knowledge or consent, shall work a forfeiture of this Lease without notice, and said Lessee shall be responsible for damages in the amount of treble the value of the timber used or taken and all other damages. Said timber value to be determined by Lessor.
- E. **Modification.** This Lease may be modified only by a fully executed Lease Adjustment on a form provided by Lessor.
- F. **Binding on Heirs and Successors.** This Lease, including the Lease Provisions and any Special Terms and Conditions, shall inure to the benefit and be binding upon the heirs, executors, successors, sublessees, and assigns of the parties.
- G. **Lessee's Non-Discrimination.** Lessee shall not discriminate against any person because of race, creed, religion, color, sex, national origin or disability.
- H. **Entire Agreement.** This Lease, including the Summary of Lease Provisions, the Lease Provisions, the Signature Page and all Attachments attached hereto, contains the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements. The execution of this Lease has not been induced by either party, or any agent of either party, by representations, promises or undertakings not expressed herein and, further, there are no collateral agreements, stipulations, covenants, promises, inducements or undertakings whatsoever between the respective parties concerning this Lease except those which are expressly contained herein.
- I. **Governing Law and Forum.** This Lease shall be construed in accordance with and governed by the laws of the State of Idaho and the parties consent to the jurisdiction of Idaho State courts located in Ada County in the event of any dispute with respect to this Lease.
- J. **Severability.** In the event any provision of this Lease shall be held invalid or unenforceable according to law, for any reason whatsoever, then the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.
- K. **Counterparts.** This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

This Lease, including the Summary of Lease Provisions, Lease Provisions, Signature Page, and all Attachments, is made and entered into by and between the State of Idaho, acting by and through the State Board of Land Commissioners and Bachman Land & Livestock, LLC.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

LESSEE SIGNATURES

x Bachman Land and Livestock LLC
(Lessee/Company)

x [Signature]
(Lessee/Company)

x _____
(Lessee/Company)

x _____
(Lessee/Company)

STATE OF Idaho)
COUNTY OF Owyhee) ss

BARBARA FOUST
(SEAL) STATE OF IDAHO
NOTARY PUBLIC

On this 28th day of November, in the year 2016, before me, Barbara Foust, a Notary Public, personally appeared Lynn L. Bachman, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged that he (she) (they) executed the same.

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

Notary Public: Barbara Foust
Commission expires: _____

MY COMMISSION EXPIRES
October 3, 2017

BOARDED THROUGH NOTARY PUBLIC UNDERWRITERS

LESSOR SIGNATURES

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

[Signature]
Secretary of the State of Idaho

[Signature]
President of the State Board of Land Commissioners
and Governor of the State of Idaho

[Signature]
Director Department of Lands

STATE OF IDAHO)
COUNTY OF ADA) ss



On this 12th day of December, in the year 2016, before me, Vanessa Wilson, a Notary Public in and for said State, personally appeared C. L. "Butch" Otter, known to me to be the president of the State Board of Land Commissioners of the State of Idaho and the Governor of the State of Idaho; and Lawrence E. Denney, known to me to be the Secretary of the State of Idaho and Thomas M. Schultz, Jr., known to me to be the Director, that executed the within instrument, and acknowledged to me that the State Board of Land Commissioners of the State of Idaho and the State of Idaho executed the same.

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

Notary Public: Vanessa Wilson
Commission expires: 8-11-2020



**Attachment A
SPECIAL TERMS AND CONDITIONS**

SPECIAL TERMS AND CONDITIONS

Lease Number: C600006
Lease Applicant: Bachman Land & Livestock, LLC
Legal Description: T05S. R06E. Section 27
Acres: 63

The following Management Provision is a summary of the grazing and/or cropland management strategy agreed to by the Lessee and Idaho Department of Lands to address identified resource concerns and management objectives.

Vegetation Area Management:

Prior to end of lease C600006 on December 31, 2026, Lessee will reseed leased parcel with crested wheatgrass (*Agropyron cristatum*) or Siberian wheatgrass (*Agropyron fragile*) at eight (8) pounds per acre of pure live seed and Sandberg bluegrass (*Poa Secunda*) at two (2) pounds per acre of pure live seed.

Noxious Weed Control:

The lessee will work with the IDL and the local Coordinated Weed Management Association to control noxious weeds on state land.

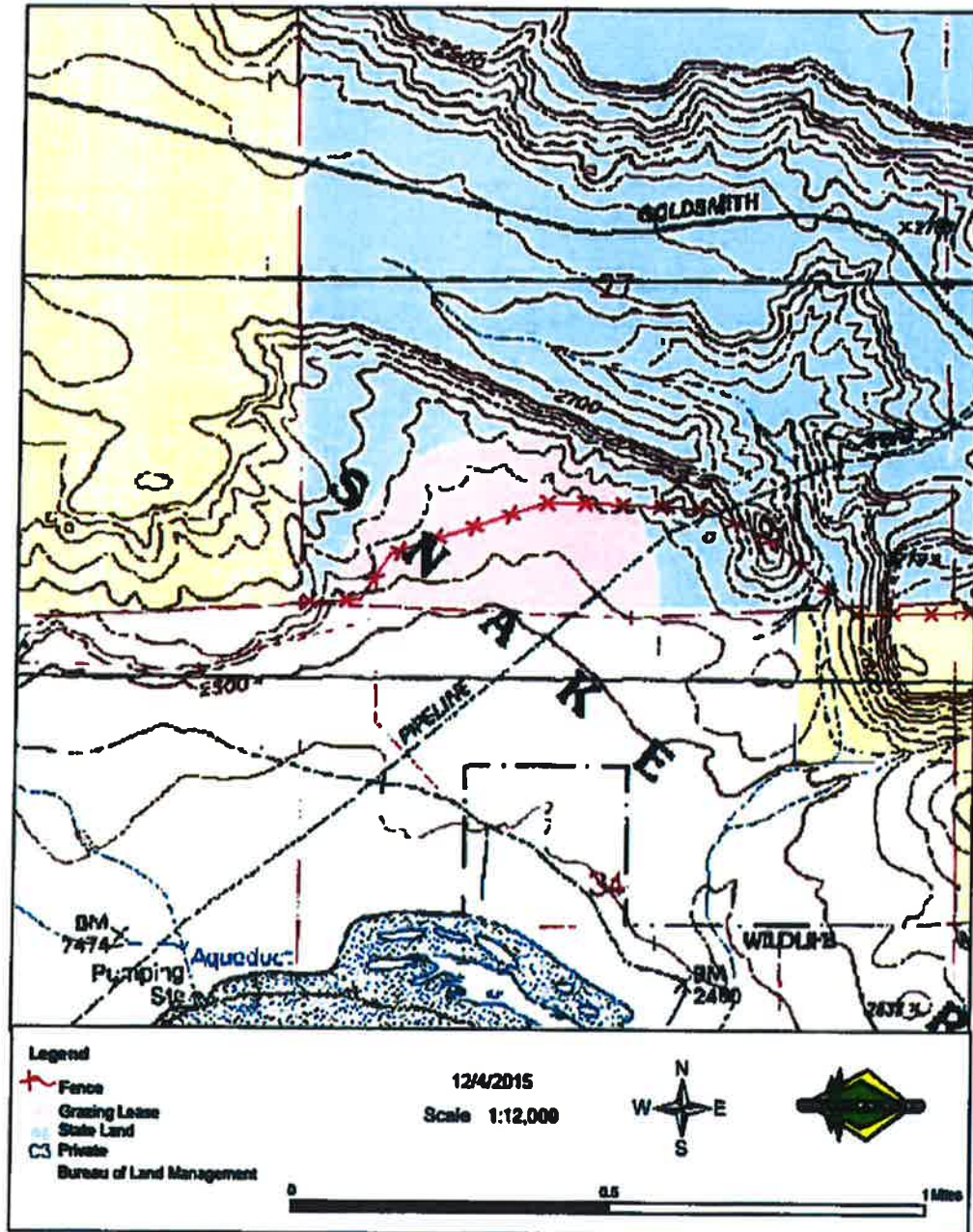
Attachment B
LEASED PREMISES LEGAL DESCRIPTION

TWN	RNG	SEC	Legal Description	County	Endowment	Acres	Irrigated Acres	AUMS
05S	06E	27	PTS S2SW, PTS SWSE	Elmore	NS	63	63	20

Attachment C SITE MAP(S)

MAP #1

C600006
T05S06E Sec 27



Attachment D
ANNUAL CROP PRODUCTION REPORT

REPORTING YEAR 2016

Lease No.: C600006 Lessee Name: Buchan Land and Livestock LLC
FSA Office: _____ Farm Number: _____ Tract No(s): _____

Please fill out the information below as it applies to your lease/farm. On the back of this form, please explain your cropping schedule/rotation plan for the next two years.

CONSERVATION RESERVE PROGRAM (CRP)

Acres of State Lease in CRP: _____ Annual Payment / acre: _____

CROPS PLANTED ON LEASE IN 20

NONE (explain): _____ (fallow, enrolled in CRP, etc.)

Dryland – acres: _____ Yield: _____

Irrigated – acres: 6.3 Yield: 6.5 Ton

CROP 1 – type: Alfalfa Hay (wheat, barley, hay, etc.)

Dryland – acres: _____ Yield: _____

Irrigated – acres: _____ Yield: _____

CROP 3 – type: _____ (wheat, barley, hay, etc.)

Dryland – acres: _____ Yield: _____

Irrigated – acres: _____ Yield: _____

FEDERAL PAYMENTS FOR ACRES IN LEASE IN 20 (Production Flexibility Contract)

Wheat – acres: _____ Yield: _____ Payment Rate: _____

Barley – acres: _____ Yield: _____ Payment Rate: _____

Specify if Other Crop:

_____ – acres: _____ Yield: _____ Payment Rate: _____

_____ – acres: _____ Yield: _____ Payment Rate: _____

SIGNED: _____

LESSEE

DATE

4/28/16 11/28/16

***** Area and Bureau Office Use Only *****

Form Distribution: 1) Bureau Copy
2) Area Copy

(IDL DATE STAMP)

FARM LEASE

LEASE, made this 12 day of April, 2018, between TIMOTHY D. LANDIS and MELODY F. LANDIS, husband and wife, whose address is 20028 Highway 51, Mountain Home, Idaho 83647, hereinafter designated in the singular and by masculine gender as the "Owner", and BACHMAN LAND & LIVESTOCK, LLC, an Idaho limited liability company, whose address is 30233 Hot Spring Road, Bruneau, Idaho 83604, hereinafter designated as the "Lessee".

IN CONSIDERATION OF the covenants and agreements herein mentioned to be kept and performed by the Lessee, the Owner hereby leases, lets and demises unto the said Lessee real property located in the County of Elmore, State of Idaho, that is particularly described in Exhibit A that is attached hereto and by this reference made a part hereof and that is depicted on Exhibit B that is attached hereto and by this reference made a part hereof as Pivots Numbers 1, 2 and 3, and Field Number 1, hereinafter sometimes referred to as the "Leased Premises".

TO HAVE AND TO HOLD the same unto the said Lessee subject to the terms and conditions herein provided.

1. TERM. The term of this lease shall commence on the date hereof and shall end on December 31, 2022, or on the date harvest is completed by Lessee and its crops removed from the premises for the 2022 farming season, if Lessee's crops are not removed prior to December 31, 2012.

2. RENT. (a) Rent for 2018 and 2019. The Lessee shall pay to the Owner as rent for the Leased Premises for the years 2018 and 2019 the sum of [REDACTED] per farmable acre per year for each year of the term of this lease. There is approximately two hundred (200) farmable acres. The Lessee shall pay the sum of [REDACTED] to the Owner on or before the 15th day of April of

each year of the lease term for 2018 and 2019 and the balance of the rent due for that year on or before the 15th day of December of that year. The parties shall determine the exact amount of farmable acres prior to the 15th day of December of each year of this lease and the Lessee shall pay to the Owner the balance due for the annual lease payment based on the amount of farmable acres on or before the 15th day of December of each year of this lease.

(b) Rent for 2020, 2021 and 2022. The Lessee shall pay to the Owner as rent for the Leased Premises for the years 2020, 2021 and 2022 the sum of [REDACTED] per farmable acre per year for each year of the term of this lease. There is approximately two hundred (200) farmable acres. The Lessee shall pay the sum of [REDACTED] to the Owner on or before the 15th day of April of each year of the lease terms for 2020, 2021 and 2022 and the balance of the rent due for that year on or before the 15th day of December of that year. The parties shall determine the exact amount of farmable acres prior to the 15th day of December of each year of this lease and the Lessee shall pay to the Owner the balance due for the annual lease payment based on the amount of farmable acres on or before the 15th day of December of each year of this lease.

3. MAINTENANCE OF IRRIGATION EQUIPMENT. The Owner shall maintain all irrigation equipment at his own expense, provided however, that Lessee shall repair or replace all irrigation equipment damaged or lost by it, its employees or agents. If any necessary repairs or replacements to any irrigation equipment are not made by the Owner within 24 hours after the need for such repairs or replacements become known to him, then in that event, the Lessee shall have the right to make the necessary repairs or replacements, and the cost and expense thereof shall be borne by the Owner and the Owner shall immediately reimburse the Lessee for any expenses paid by the Lessee in making any such repairs or replacements. Any repairs or replacements to irrigation equipment necessitated by the negligent acts of the Lessee, its agents,

servants or employees shall be made promptly by the Lessee at its own expense. In the event that the Lessee shall make any payments, perform any acts, or cause any acts to be performed for or on behalf of the Owner that the Owner should have performed pursuant to this lease, then the Lessee may deduct the cost thereof or the reasonable value thereof together with interest from the date paid at the rate of seven percent (7%) per annum from rent when next due. Lessee shall notify Owner of this option when taken and shall give a full accounting of all amounts paid or of the reasonable value of the acts so paid or performed. Lessee shall make no repairs or replacements of a non-emergency nature on Owner's behalf without the prior written approval of Owner, which approval shall not be unreasonably withheld.

4. ELECTRICAL POWER COSTS. The Owner shall pay all costs of electrical power for the irrigation pump and system that supplies irrigation water to the Leased Premises and shall hold Lessee harmless therefrom.

5. LABOR AND EQUIPMENT. Lessee shall furnish at its own expense all labor, machinery, equipment and implements necessary to till, farm and cultivate the farming land in a good and farmer-like manner and according to the usual course of husbandry.

6. CROPS AND SEED. All seeds for sowing and planting crops on the Leased Premises shall be furnished at the sole expense of Lessee. Unless specifically stated herein, all costs stemming from the production and harvest of said crops are the responsibility of Lessee.

7. GRAZING OF LIVESTOCK. Lessee shall be allowed to harvest growing crops and any crop aftermath by the grazing of its livestock on the Leased Premises. Crop aftermath shall include anything in the field at the end of the growing season, including but not limited to corn stalks, alfalfa stubble, bean chaff and wheat regrowth.

8. REAL PROPERTY TAXES. The Owner shall pay all ad valorem taxes levied and

assessed against the Leased Premises and property during the term of this lease.

9. RETURN OF PROPERTY. At the termination of this Lease as provided above, or earlier in the event of default, Lessee agrees to peacefully surrender all of the real and personal property subject to this Lease in as good a condition as when accepted by Lessee, normal wear and tear from the ordinary use thereof excepted. Further, Lessee at the termination of the Lease will have all of its property removed from the Leased Premises.

10. INSURANCE. Lessee shall provide liability insurance in the amount of [REDACTED] with Owner as an additional named insured to protect Owner from any claim of liability for injury or loss arising out of Lessee's farming of the property, use of the equipment, or any act related to Lessee's farming operation. Lessee shall be responsible for insuring its own property used on the farm or in its farming operation.

11. PROPER FARMING PRACTICES. Lessee shall apply accepted farming practices and care of the Leased Premises. Lessee shall apply chemicals and fertilizers according to the existing labels, laws and regulations, and in a manner so as not to cause harm to the land, water or adjoining lands. Lessee will not store on the property any hazardous substances as so defined by Federal, State, or local laws and regulations. Lessee shall use all products on the farm in a manner in compliance with all local, State and Federal laws and regulations. Lessee will use the property for farming only and for no other purpose.

12. TITLE TO CROPS. Title to all crops shall be in and remain in the name of the Lessee. So long as the Lessee is not in default in the lease payments provided for in this lease, the Owner shall have no interest in the crops grown on the leased premises and shall place no liens of any kind on said crops.

13. PUMP STATION. It is understood by the parties that there is a pump station located in

U.S. Government Lot 1, Section 33, Township 5 South, Range 6 East, Boise Meridian that provides irrigation water from the Snake River to the Leased Premises. The Owner shall pay sixty-six percent (66%) of all electrical power costs to run the pump station and shall pay sixty-six percent (66%) of the replacement, repair and maintenance costs of the pump station.

14. NO PARTNERSHIP CREATED. This Lease shall not be construed as creating the relationship of partners, joint venturers, principal and agent, or any other form of joint enterprise between the Owner and Lessee. Neither party shall be liable for any debts or obligations incurred by the other, nor shall either party have authority to bind the other in any contract with third parties.

15. NO ASSIGNMENT OR SUBLEASE WITHOUT PRIOR WRITTEN APPROVAL. The Lessee shall not assign this lease nor sublease any part of the Leased Premises without first obtaining the prior written consent of the Owner, which consent shall not be unreasonably withheld.

16. DEFAULT OR BREACH. Each of the following events shall constitute a default or breach of the Lease by Lessee:

(a) If Lessee shall file a petition in bankruptcy court for insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act or shall make an assignment for the benefit of creditors;

(b) If an involuntary proceeding under any bankruptcy law or insolvency act shall be instituted against Lessee, if a receiver or trustee shall be appointed for all or part of the property of Lessee, and such proceeding shall not be dismissed or the receivership or trusteeship shall not be vacated within ten (10) days after the institution of any such appointment;

(c) If Lessee fails to pay the lease payments to Owner as provided herein;

(d) If Lessee shall fail to perform or comply with any of the conditions and terms of this Lease;

(e) If Lessee shall vacate or abandon the Leased Premises;

(f) If Lessee fails to take possession of the Leased Premises at the time set forth herein or within ten (10) days after notice the Leased Premises is available for occupancy; and

(g) If Lessee fails to comply with any law, ordinance, regulation or restrictions applicable to use of the land and farming on the property that is subject to this Lease, after notice as provided below.

17. REMEDIES FOR DEFAULT. If default be made in the performance of any of the terms and conditions hereof to be kept and performed by the Lessee, the Owner or his assigns shall first give the Lessee thirty (30) days' notice in writing specifying wherein the Lessee has failed to comply with the terms hereof and which said notice shall be delivered to the Lessee personally or may be sent to the Lessee by registered or certified mail, addressed to the Lessee at the address provided herein. If sent by mail, said notice shall be deemed served upon the Lessee upon the date it is deposited in the United States mail with postage prepaid, certified or registered and addressed as above mentioned. If Lessee fails to correct such default within said thirty-day period, then the Owner or his assigns may without further notice declare this Lease terminated and re-enter and retake possession of the Leased Premises, with or without process of law, and may remove the Lessee or any other persons occupying said premises, and Lessee agrees that in case of such default it will immediately deliver up peaceable possession of the Leased Premises to the Owner or his assigns upon demand. If the Owner retakes possession of said premises for default of the Lessee in complying with the terms hereof after notice as mentioned above, then the Owner may do or perform all things agreed to be done by the Lessee, remaining undone, and

the Owner may retain or sell sufficient of the crops produced upon said premises that would have otherwise belonged to the Lessee if it had performed the conditions hereof, to pay for all costs and expenses of every kind incurred by the Owner in performing the things left undone by the Lessee, and the residue remaining, if any, of such crops necessary to provide Lessee with its proportionate share of the crops shall belong to the Lessee after all conditions are fulfilled. The remedies herein mentioned shall be construed as cumulative and not as alternative or exclusive.

18. ATTORNEY'S EMPLOYMENT. The parties acknowledge that this agreement was prepared by the attorney for the Lessee. The Owner is advised to seek the advice of independent counsel if he so desires.

19. ATTORNEY'S FEES. In the event it becomes necessary for either of the parties hereto to place this Lease in the hands of an attorney for enforcement of their rights hereunder after default of the other Party, or to institute suit for enforcement of their rights hereunder after such default, then the defaulting Party agrees, in either case, to pay a reasonable attorney's fee, including paralegal fees, incurred by the other party, in addition to other damages allowed by law. The defaulting party further agrees to pay to the non-defaulting party any fees incurred by the non-defaulting party to send notice of default to the defaulting party in the sum of [REDACTED]. The payment of such cost shall be made before the notice of default is cured.

20. GOVERNING LAW. This Lease shall be governed by the laws of the State of Idaho regardless of the forum or venue of any dispute hereunder.

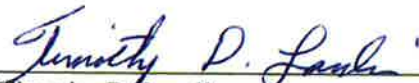
21. PARAGRAPH HEADINGS. Paragraph headings in this Lease are for the convenience of the parties only, and are not to be construed as a part of this Lease or in any way limiting or amplifying the provisions thereof.

22. COVENANT. The Owner hereby covenants that the Lessee performing the terms and

conditions hereof shall peacefully and quietly have, hold and enjoy the said Leased Premises and property during the term hereof.

23. HEIRS, SUCCESSORS AND ASSIGNS. The terms and conditions of the Lease shall extend to and be binding upon the heirs, administrators, successors, executors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, said parties have hereunto set their hands the day and year in this agreement first above written.



Timothy D. Landis



Melody F. Landis

OWNER,

Bachman Land & Livestock, LLC,
an Idaho limited liability company,

By 

Lynn L. Bachman, Member/Manager

LESSEE.

STATE OF IDAHO,)
) ss.
COUNTY OF Elmore)

On this 12 day of April, 2018, before me, the undersigned, a Notary Public in and for said state, personally appeared TIMOTHY D. LANDIS and MELODY F. LANDIS, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

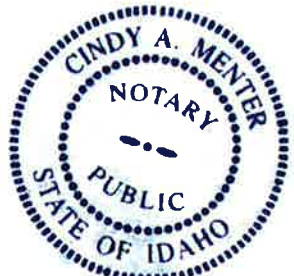
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.


Notary Public for Idaho,
Residing at: mtn. Home, Idaho.
My commission expires: Aug 7, 2019.

STATE OF IDAHO,)
) ss.
COUNTY OF Elmore)

On this 12 day of April, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared Lynn L. Bachman, known to me, to be the member/manager of Bachman Land & Livestock, LLC, the limited liability company that executed the foregoing instrument and acknowledged to me that said limited liability company executed the same.

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


Notary Public for Idaho,
Residing at: mtn. Home, Id
My commission expires: Aug. 7, 2019.



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 24, 2019

FRANK BACHMAN
PO BOX 186
BRUNEAU ID 83604

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 2-2356 and 2-7071, AGREEMENT 329**

Dear Renter:

Please find enclosed a receipt in the amount of **\$6,724.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 336.2 acre-feet of water for irrigation of 70.1 acres during 2019. 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 \$6,051.60 of the rental fee will be paid to the lessor(s) and 10% or \$672.40 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


Debbie Seall
Water Supply Bank

Enclosures: Receipt No. C106882
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Nick Miller – IDWR Western Regional Office
Rob Whitney – State Water District No. 02
Jes Erling – IDWR
Lori Graves – SPF Water Engineering



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 13, 2019

FRANK BACHMAN
PO BOX 186
BRUNEAU ID 83604

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 2-2356 and 2-7071, AGREEMENT 329

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 \$6,724.00 was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 336.2 acre-feet.

Please send a check for \$6,724.00 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 \$6,051.60 of the rental fee will be paid to the lessor(s) and 10% or \$672.40 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

Water Supply Bank

Enclosure

c: IDWR Front Desk
Lori Graves – SPF Water Engineering

Memorandum

To: Water Rights 2-2356 and 2-7071

From: Remington Buyer

Date: April 23, 2019

Re: Water Supply Bank Rental Application 1303 for Agreement 329

Purpose/Narrative: Application received January 9, 2019, from Frank and Cindy Bachman, through their representative Lori Graves of SPF Engineering, requesting a 2019 irrigation rental with Snake River water. This rental is effectively a renewal of rental agreement 243, which expired in 2018.

Authority to File: The applicants either own the land, or have land use lease agreements with the owners of land where the irrigation rental will take place. Copies of land use access and lease agreements were provided with the application. No concerns about authority to file.

Water Right Validity/Forfeiture Evaluation: The water rights requested are valid and leased to the Bank.

Injury Evaluation: Injury to prior appropriations are not apparent per this rental review.

Enlargement of Use: The rental place of use includes lands to which no water rights are appurtenant, as well as lands upon which irrigation water rights 2-2124, 2-2092B and 2-2277, as well as 2-10497 and 2-10523 are located. Additively, rights 2124, 2092B and 2277 authorize irrigation of 299 acres within a 403 acre permissible place of use (PPU), with a combined limited per-acre diversion rate and volume of 0.018 cfs and 4.0 afa, while rights 2-10497 and 10523 authorize irrigation of 188 acres within a 222 acre PPU, with a combined limited diversion rate and volume of 0.016 cfs and 4.0 afa.

A review of 2018 satellite imagery indicates approximately 309 acres were irrigated within the 403 acre PPU for rights 2124, 2029B and 2277, while 149 acres were irrigated within the 222 acre PPU for rights 10497 and 10523, and 40 acres were irrigated on lands not already covered by water rights. Thus, a sum total of 498 acres appears to have been irrigated during 2018, of which 458 would have been under existing water rights, and 40 acres would have been under a rental. This seems to be inconsistent with past rental agreements which authorized 70.1 acres of additional irrigation. However, it is possible that the purpose of the rental is to authorize an increased diversion rate, to achieve 0.02 cfs/ac across the entire water right/rental area, which might better explain how water is being used under the rental.

Presuming a diversion rate of 0.02 cfs/ac was required for irrigation of all lands in 2018, water rights 2124, 2029B and 2277 authorized irrigation of 271 acres, while rights 10497 and 10523 authorized irrigation of 150 acres. The sum total of both water right stacks could have authorized irrigation of 421 acres at 0.02 cfs/ac, which is 77 acres less than the approximately 498 acres observed irrigated during 2018. These 77 acres are more or less equivalent to the 70.1 acres authorized to be irrigated under rental agreement 243.

In light of the above, it is presumed the purpose of this rental is to authorize increased diversion of Snake River water, to provide a maximum diversion rate high enough to satisfy irrigation of approximately 498 acres at 0.02 cfs/ac. An enlargement in water use will be avoided provided that no more than 491.7 acres are irrigated, with a maximum diversion rate and volume of 9.83 cfs and 1966.8 af.

Local Public Interest: Staff are not aware of any information indicating this rental is contrary to any local public interests.

Beneficial Use/Conservation of Water Resources: Irrigation is a beneficial use and the 0.02 cfs/ac and 4.0 afa/ac diversion rates and volumes are standard for the conservation of water resources.

Department/Watermaster Comments: Western region and Water District 2 comments will be requested.

Water Supply Bank Evaluation: Provided favorable comments are received from Water District 2 and IDWR's Western Regional Office, it is proposed this rental be approved.

Buyer, Remington

From: Buyer, Remington
Sent: Tuesday, April 23, 2019 1:08 PM
To: Miller, Nick; Whitney, Rob
Cc: Webster, Clay
Subject: WSB Rental App 1303
Attachments: Rental.pdf; Rental Review Memo.docx; Draft Rental Agreement.docx

Nick, Rob,

Frank and Cindy Bachman filed through SPF Engineering a WSB rental application, to authorize irrigation of additional acres on lands they farm with Snake River water, south of Mountain Home. The 2019 rental is effectively a renewal of rentals they've filed previously in 2016, 2017 and 2018. It appears they are renting additional water rights to achieve a higher diversion rate to authorize irrigation of approximately 500 acres, at 0.02 cfs/ac.

My rental review memo, map and draft rental agreement are attached. Please advise if you have any questions, comments or concerns.

Thank you,

Remington



SPF WATER
ENGINEERING

RECEIVED

JAN 09 2019

**DEPARTMENT OF
WATER RESOURCES**

January 8, 2019

Mary Condon
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Water Supply Bank Rental Application*

Dear Mary,

Enclosed on behalf of Frank and Cindy Bachman is a rental application requesting another year rental of water rights 2-2356 and 2-7071 currently leased to the Bank. These are the same rights the applicants rented in 2016, 2017 and 2018. The 2018 rental agreement set to expire is number 243. under rental agreement 130. The water right owner has previously agreed to rent the subject water to the applicants during the water rights' lease period.

Please let me know if there are any questions. Thanks Mary.

Sincerely,

Lori Graves
Water Rights Specialist

Cc: Lynn Bachman

Enclosures

SPF file number: 1152.0010