

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 119

This is to certify that:

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW, ID 83624

RECEIVED

MAR 06 2017

DEPARTMENT OF
WATER RESOURCES

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)
61-12084	2/28/1968	GROUND WATER	0.30	116.7	40.0	0.01	2.9
Rental Totals			0.30	116.7	40.0	0.01	2.9

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until September 30, 2017

Annual Rental Fee:

2017: \$198.39

The full fee for the rental of the above-described right is \$198.39 for 2017. The rental fee includes an administrative fee of \$198.39 for 2017. Note that the renter is obligated to pay only the administrative fees associated with the water right 61-12084.

Detailed water right conditions are attached.

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT NO. 119

MAR 13 2017

DEPARTMENT OF
WATER RESOURCES

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


Signature of Renter

2-27-2017
Date

William B Wolfe
Printed Name

Vice President
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, Acting Administrator
Idaho Water Resource Board

Date 3/13/2017

Rental approved by IDWR 

Date 3-13-2017

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT NO. 119

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

_____ Signature of Renter	2-27-2017 _____ Date
William R Wolfe _____ Printed Name	Vice President _____ 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, Acting Administrator Idaho Water Resource Board	Date _____
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Rental approved by IDWR _____	Date _____
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WATER SUPPLY BANK RENTAL AGREEMENT NO. 119

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER SENW Sec. 19, Twp 04S, Rge 07E, ELMORE County
GROUND WATER SWSE Sec. 19, Twp 04S, Rge 07E, ELMORE County

Beneficial Use Diversion Rate Volume
IRRIGATION 0.30 CFS 116.7AF

BENEFICIAL USE & SEASON OF USE

Water Right No. From To Diversion Rate
61-12084 04/10 10/20 0.30 CFS

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	07E	19											40.0 L4						40.0

Total Acres: 40.0

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 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.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. 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.
6. 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.
7. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
8. Unleased portions of right 61-12084 and water right 61-12086 when combined with this rental shall not exceed a total diversion rate of 6.95 cfs and a total annual maximum diversion volume of 2949.7 af at the field headgate.
9. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

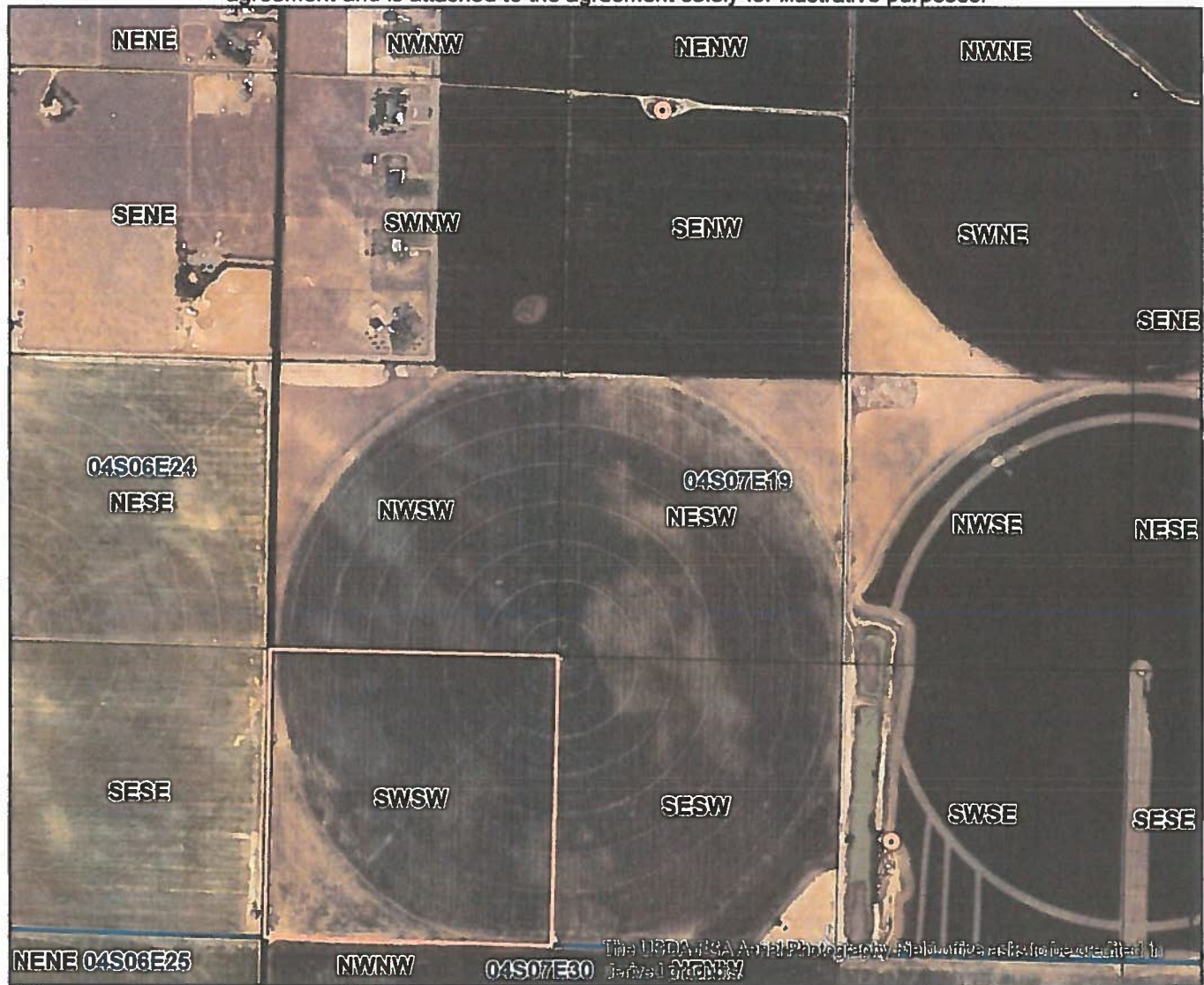
10. The following rights are diverted through points of diversion described above: 61-12084, 61-12086, 61-12085 & 61-12087.
11. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/10 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than April 17, 2001.
12. This rental agreement does not authorize the construction of a well.
13. 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. 161.



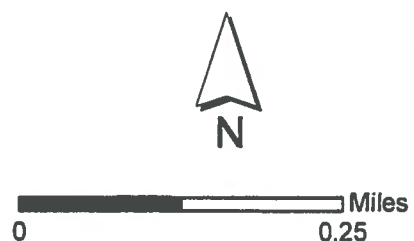
Idaho Water Resource Board
Water Supply Bank Rental Agreement No. 119
61-12084

Effective until December 31, 2017

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
-  Townships
-  PLS Sections
-  Quarter Quarters



STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK

RECEIVED

JAN 19 2017

DEPARTMENT OF
WATER RESOURCESApplicant Name: Wolfe Brothers Inc.

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)

61-12084

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Wolfe Brothers Inc.

Mailing Address c/o Billy Wolfe, PO Box 368 Grand View ID 83624
Street City State Zip Code
 Email Address wolfebros@hughes.net Phone Number 208-599-2691

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 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**:

A rental application was submitted with associated lease application 61-12084 12/23/2014, both requesting 5 years. The rental application was limited to 1 year because the farm lease is renewed on a yearly basis. As a result, a new rental application and current farm lease agreement is required each year for rental of 61-12084.

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

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.48 CFS	186.8 AF	n/a CFS	n/a AF	64 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?	
4/10	n/a	☒	☐	☐	☐	☐	☐ Process application as soon as possible	☐ Return application to applicant
		1	2	3	4	5		

* 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.

STATE OF IDAHO
WATER RESOURCE BOARD

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):

Wells, pumps, sprinklers

- 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
4S 7E 19 SENW	Ground Water	61-12085, 61-12086, 61-12087
4S 7E 19 SWSE	Ground Water	61-12085, 61-12086, 61-12087

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 40 (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:

None

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)
61-12084	Irrigation	0.48	186.8	64		0.48	186.8	*64
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.48	186.8	*64
						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**:

*Limited to 40 acres irrigation. See rental agreement approved for 2015 irrigation season. A copy of the owner's authorization for Wolfe Brothers' rental of water right 61-12084 is included as Attachment 3E.

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
WATER RESOURCE BOARD

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:

See Part 3A above. The proposed pou is located in a restricted ground water area. 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

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

William R Wolfe
Printed Name of Applicant

1-12-2017
Date

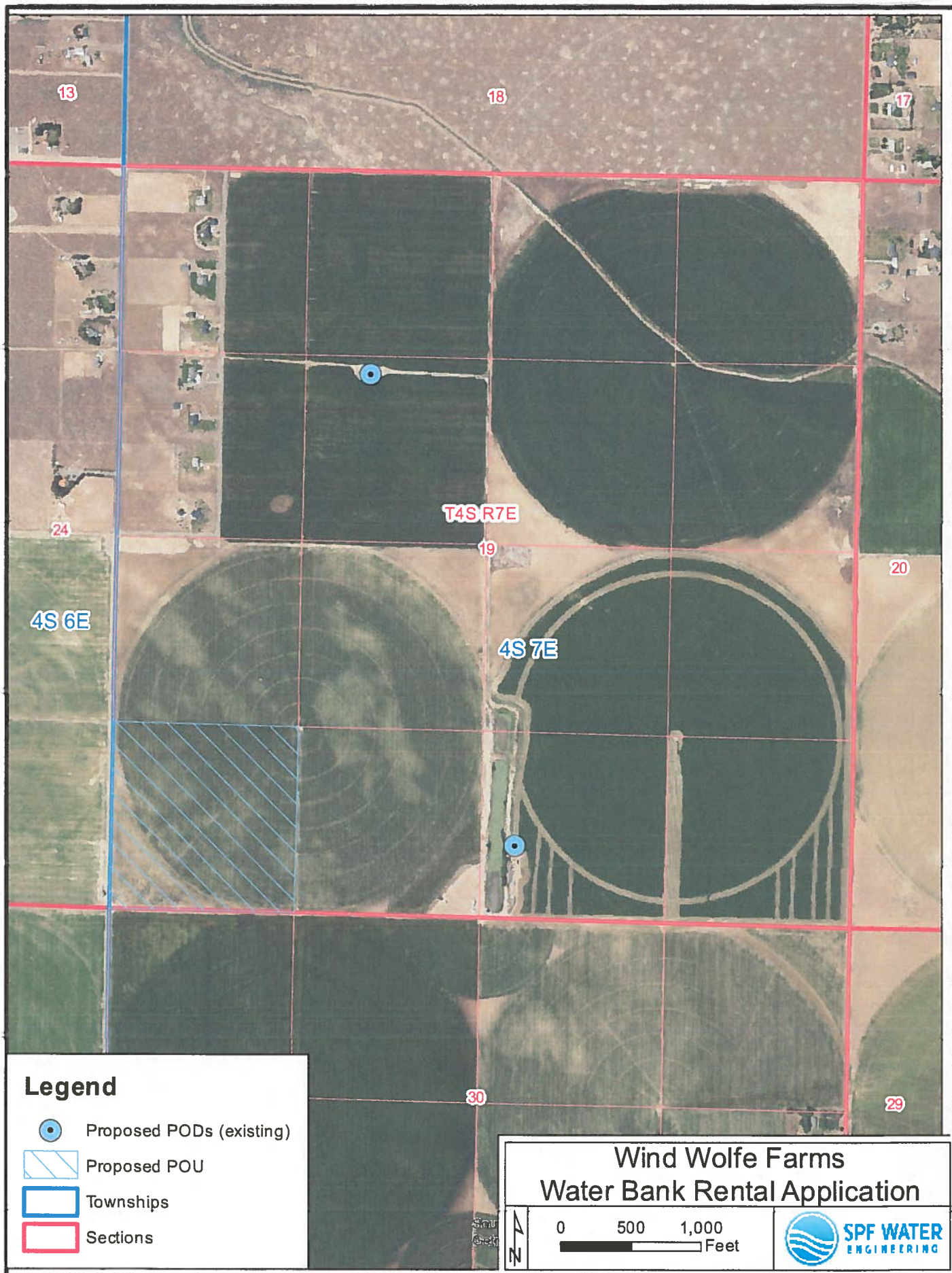

Signature of Representative

LOKI GRAVES
Printed Name of Representative

1-18-2017
Date

Mail to:

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



Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705

Re: Water Bank Rental Application for Wolfe Brothers Inc.

To Whom It May Concern:

John and Ann Wind Trust own the portions of water right 61-12084 that is being leased to the water bank. The Trust would like the Department to rent water from the leased acres to our business partner, Wolfe Brothers Inc., for irrigation of 40 acres in the SWSW, T4S, R7E, Section 19 that adjoin our farm. We authorize Wolfe Brothers Inc. to use our irrigation wells for diversion of the rented water. Please only charge Wolfe Brothers Inc. the Department's administrative costs associated with the rental transaction.

Sincerely,

John & Ann Wind
Name & Title, John & Ann Wind Trust

12-16-14
Date

State of Idaho)
County of CANYON) ss.

Subscribed and sworn (or affirmed) before me this 16TH day of DECEMBER, 2014

Jodi Millard
Notary Public



Residing at Nampa

My Commission Expires 6-1-2017

REAL ESTATE LEASE

This Lease agreement (this "Lease") is dated October 17, 2016, by and between Robert Baker Jr. and Bonnie Baker ("landlord") and Wolfe Brothers Inc. ("Tenant"). The Parties agrees as follow:

Premises: Landlord in consideration of the lease payments provided in this Lease leases to Tenant 40 acres of farmland ("the Premises"). The Premises are located near Mountain Home, Idaho.

Legal Description: The legal description for the premises is:

SW 1/4 of SE 1/4 of Sec T4 South 7 East

Terms: The lease term will begin on October 1, 2016 and will terminate September 30, 2017.

Lease Payments: Tenant shall pay the Landlord \$170.00 per acres totaling \$6,800.00 plus property taxes of \$195 for grand total of \$6,995.00 payable in 1 payment(s). The payment of \$6,995.00 will be due on October 1, 2015 payable of Robert M.L. Baker, Jr. Lease payments shall be made to the Landlord at: 73-185 Fiddleneck Lane, Palm Desert, CA, 92260 which address may be changed from time to time by the Landlord.

Possession: Tenant shall be entitled to possession on the first day of the term of the lease, and shall yields possession to landlord on the last day of the term of this Lease, unless otherwise agreed to by both parties in writing. At expiration of the term, Tenant shall remove its good and effects and peaceable yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

Use of Premises: Tenant may use the Premises only for the production of wheat, corn and barley. The Premises may be used for any other purpose only with prior written consent of Landlord which may not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises no later than the first day of the extended absence.

Property Insurance: Tenant shall maintain appropriate insurance for Premises and property located on the Premises. Landlord and Tenant shall each maintain appropriate insurance for their respective interest in Premises and property lactated on the Premises. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written noticed from insurer prior to any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on its own property.

Liability Insurance: Tenant shall maintain liability insurance on the Premises in total aggregate sun of at least \$1,000,000. Tenant shall deliver by March 1, 2017 appropriate evidence to Landlord as proof that

adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from insurer prior to any termination of such insurance policies.

Maintenance: The landlord will not be obligated for any maintenance on any of the property. All repair and upkeep of all major items of the sprinkler system and all items of maintenance not specifically delegated to the Tenant under this lease will be the responsibility of the Tenant.

Tenant's obligations for maintenance shall include:

The tenant will repair or replace equipment or property that is damaged or destroyed by himself, his employees, or anyone associated with

The repair and upkeep of all items relating to the sprinkler system

All items of maintenance not specifically delegated to the Landlord under this lease

Monitor and maintain the dripper oil on the irrigation system

Utilities and Service: Tenant shall be responsible for all utilities and service incurred in connection with the premises. Tenant will have the Idaho Power account switched into his name and billing address.

Taxes: Taxes attributable to the Premises or the use of the Premises shall be allocated follows:

Real estate Taxes: Tenant shall pay all real estate taxes and assessments for the Premises

Defaults: Tenant shall be in default of this lease if Tenant fails to fulfill any obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or no such sums or charges are designated as "additional rent." The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

Cumulative rights: The rights of the parties under this lease are cumulative, and shall not be constructed as exclusive unless otherwise required by law.

Non-sufficient Funds: Tenant shall be charged \$25.00 for each check that is returned to Landlord for lack of sufficient funds.

Access by Landlord to Premises: Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provided necessary services, or show the Premises to prospective buyer, mortgagees, tenant or workers. However, Landlord does not assume any liability for the care or supervision of Premises. As provided by law, in case of an emergency, Landlord may enter the Premises without Tenant's consent. During the last three

months of the Lease, or any extension of the Lease, Landlord shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants.

Indemnity Regarding Use of Premises: To the extent permitted by law, tenant agrees to indemnify, hold harmless and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.

Compliance with Regulations: Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters.

Arbitration: Any controversy or claim relating to this Lease, including the construction or application of this Lease, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

Ability to assign/Subletting: tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from ownership existing at the inception of this lease), nor assign, mortgage or pledge this Lease, without prior written consent of Landlord, which shall not be unreasonably withheld.

Notice: Notice under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follow:

Landlord:
Bonnie Baker
73-185 Fiddleneck Lane
Palm Desert, CA 92260
1-310-666-3518

Tenant:
Wolfe Brothers Inc.
P.O. Box 398
Grandview, ID 83624
1-208-834-3505

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notice mailed in accordance with the above provisions shall be deemed received on the third day after posting.

Governing Law: This Lease shall be construed in accordance with the laws of the State of Idaho.

Entire Agreement/Amendment: This Lease Agreement contains the entire agreement of the parties and there are no other promises, condition, understanding or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

Severability: If any portion of this lease shall be held to be invalid or unenforceable for any reason, remaining provision shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provisions, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

Waiver: The failure of either party to enforce any provisions of this lease shall not be construed as a waiver or limited of that party's right to subsequently enforce and compel strict compliance with ever provision of this lease.

Binding Effect: The provisions of this Lease shall be binding upon and inure to the benefit of parties and their respective legal representatives, successors and assigns.

Landlord:

Bonnie Baker

Date

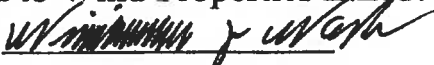
10-20-16

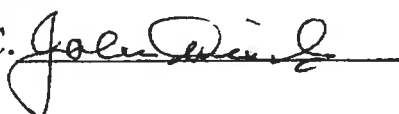
Tenant:

Wolfe Brothers Inc.

Date

10-18-16

Operating agreement 2016 This operating agreement is between John and Ann Wind on behalf of Wind properties L.L.C. and Jim and Billy Wolfe on behalf of Wolfe Brothers Inc. for the purpose of growing dairy feed or other agricultural products. This is a yearly agreement by consent of both parties. The lease begins Oct. 1 2016 and ends Dec. 31, 2017 and is renewable by consent of both parties. Responsibilities of parties involved. Wind will provide approximately 1150 acres of farmland and all irrigation equipment. Wind will pay all property taxes and will secure liability insurance of \$1,000,000.00 Wind will assume all financial liability for the pump, panels, electrical motors and main line. Wolfe brothers will provide their farming expertise and all farm equipment necessary and do all farm operation related work for growing and harvesting all crops. Wolfe Brothers will also secure liability insurance of \$1,000,000.00 minimum. Operating responsibilities. The operation will pay for seed and fertilizer needed for the farm operation and will be responsible for paying for 439 shares of canal water [if available] and the cost of all electricity used for the farming operation and all repairs and general maintenance for all pivots, hand and wheel lines, above ground main line. The operation shall set up an operating checking account on behalf of Wind Properties L.L.C. and Wolfe Brothers Inc. with each having a 50% interest. All crops harvested shall be sold with Liberty Ranch L.L.C. having the first right of refusal. All proceeds from the sale of products and all government and coop payments shall go in to this account and all costs incurred for the operation shall be paid out of this account. At the end of this lease [Dec. 31, 2017 or when all crops have been paid and settled up on] the balance of the account shall be divided 50/50 with 50% to be paid to Wolfe Brothers Inc. And 50% to be paid to Wind Properties L.L.C. Wolfe Brothers Inc. 

Wind Properties L.L.C. 



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

March 14, 2017

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW ID 83624

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 61-12084**

Dear Renter:

Please find enclosed a receipt in the amount of **\$198.39** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 116.7 acre-feet of water for irrigation of 40.0 acres during 2017. 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, the rental fee will be retained by the Department to offset administrative costs since you have a private agreement with the lessor of the right.

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

Sincerely,

 Water Supply Bank

Enclosures: Receipt No. C103117
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angie Grimm – IDWR Western Regional Office
Nick Miller – State Water District No. 161
Lori Graves – SPF Water Engineering



RECEIVED

MAR 13 2017

DEPARTMENT OF
WATER RESOURCES

March 9, 2017

Clay Webster
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Signed Water Supply Bank Rental Contract*

Dear Clay,

Enclosed is a signed rental contract that replaces the unsigned contract previously submitted. Thanks for your attention to this matter.

Please let me know if there are any further questions. Thanks Clay.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Graves", with a stylized, flowing script.

Lori Graves
Water Rights Specialist

Cc: Billy Wolfe

Enclosure

SPF file number: 1320.0010

Webster, Clay

From: Webster, Clay
Sent: Tuesday, February 14, 2017 12:37 PM
To: 'Lori Graves'
Subject: Wolfe Brothers Inc. Rental Application of 61-12084

Lori,

I am currently processing this rental application. The department has concerns of renting 64 acres worth of water to cover 40 acres (1/4) of a pivot. The concern is that the rental will enable enlarging the consumption over the entire pivot area. If there is a plan in place to ensure that the higher diversion rate and volume for the 40 acre place of use is not spread throughout the entire pivot system, then the department would consider approving the rental as proposed. The alternative to this is to approve the 40 acre rental POU with the proportionate rate and volume as the rest of the right. This would calculate to 0.30 cfs and 116.7 af for the 40 acre POU to avoid an enlargement issue. Let me know what you find out. Thanks.

Sincerely,
Clay Webster
Water Resource Agent Sr.
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)



RECEIVED

MAR 06 2017

DEPARTMENT OF
WATER RESOURCES

March 3, 2017

Clay Webster
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Water Supply Bank Rental Contract*

Dear Clay,

Enclosed on behalf of Wolfe Brothers Inc. is signed rental contract No. 119 for the 3rd year rental of water right 61-12084. Included is check No. 1477 for the 198.39 administrative fee.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Graves", is written over a horizontal line.

Lori Graves
Water Rights Specialist

Cc: Billy Wolfe

Enclosures

SPF file number: 1140.0010



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

February 21, 2017

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW ID 83624

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 61-12084**

*****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 **\$1,983.90** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 116.7 acre-feet. Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or \$198.39.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$198.39 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

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

Sincerely,


for Water Supply Bank

Enclosure

c: IDWR Front Desk
Lori Graves – SPF Water Engineering

MEMORANDUM

To: Water Right: 61-12084

From: Clay Webster

Date: March 2, 2017

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

PURPOSE/NARRATIVE: The Department received a rental application on 1/19/2017 from SPF Water Engineering on behalf of the Wolfe Brothers Inc. (renters) to rent 0.48 cfs and 186.8 af to irrigate 40.0 acres in the SWSW lot 4 of Twp 04S Rng 07E. This rental is part of a package to rent the entire amount of available leased water from right 61-12084. The department has concerns of renting 64 acres worth of water to cover 40 acres (1/4) of a pivot. The concern is that the rental will enable enlarging the consumption over the entire pivot area. The rental will be for 0.30 cfs and 116.7 af to cover the 40 acre POU. A private agreement has been made between the owner of water right 61-12084 (John and Ann Wind Trust) and the renters.

The Wolfe Brothers original application (in 2015) requested to rent all of the water available through 61-12084 for the entire five year lease period however they do not own the land associated with the rental POU. The current land owners associated with the rental POU (Robert and Bonnie Baker) prefer to only do an annual lease of the land. This is the third year of renting 61-12084 for the same POU. A transfer was done on 61-12084 in 2015 changing the location of the PODs. The 2017 land lease contract with the landowner was submitted with an ending date of September 30, 2017 and the rental contract should reflect this date for agreement end date.

The two rental points of diversion (PODs) will share the same well as the right 61-12084, the leased right.

AUTHORITY TO FILE: William R. Wolfe signed the rental application. The Idaho Secretary of State listed William as the vice president of Wolfe Brothers, Inc. in November 2016. The renters do not own the POD however they did submit an agreement showing permission to access and use the water from the POD owners (John and Ann Wind Trust). See Purpose/Narrative about POU ownership.

WATER RIGHT VALIDITY: Water Right 61-12084 was decreed in 2001. 64 acres of ground water were leased into the bank starting in 2015 for a period of five years. Aerial photography confirmed that the land leased into the bank has not been irrigated since leased.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: Since the leased right is being rented to complete the pivot located at the original leased WR's POU it only provides 0.01 cfs per acre and 2.9 AF per acre. The rate and volume will be the same as the right for the rest of the pivot. They have leased in the corners of the fields and completed a quarter of the pivot on the neighboring property. Combined limits were not reflected with 61-12086 on the lease. They will be added to the rental to avoid enlargement.

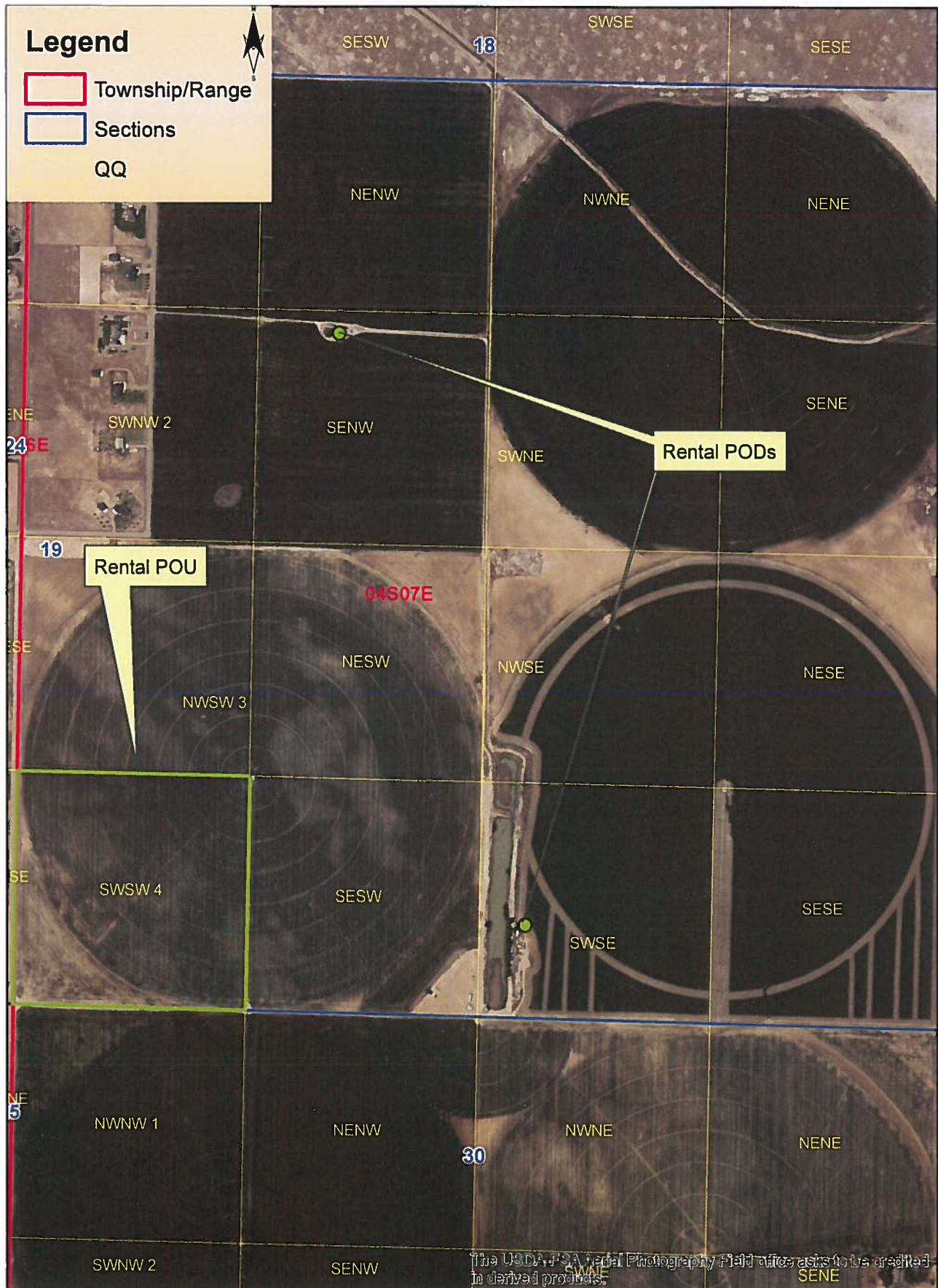
LOCAL PUBLIC INTEREST: Both the lease and rental points of diversion are within the Mountain Home Ground Water Management Area and the Trust Water Area. Review staff has no information to suggest this application is inconsistent with the local public interest.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The rental is within the Western Region and Water District 161. Comments were requested from the region and watermaster

on February 15, 2017 via e-mail. The region responded with no concerns. The watermaster has not responded as of the date of this memo.

2017 Wolfe Brother Rental 61-12084



The USDA, FSA, and National Photography Field office asks to be credited in derived products.

Webster, Clay

From: Grimm, Angie
Sent: Friday, February 17, 2017 10:21 AM
To: Webster, Clay
Cc: Miller, Nick
Subject: RE: Regional and Watermaster comments for WSB Rental application for Wolfe Brothers 61-12084

Clay,

No local area concerns come to mind from the regional perspective for this rental. I'll defer to Nick to provide WD 161 comments.

Regards,
Angie

From: Webster, Clay
Sent: Wednesday, February 15, 2017 8:45 AM
To: Miller, Nick <Nick.Miller@idwr.idaho.gov>; Grimm, Angie <Angie.Grimm@idwr.idaho.gov>
Subject: Regional and Watermaster comments for WSB Rental application for Wolfe Brothers 61-12084

Nick and Angie,

We are currently processing this rental application. This has been in place since 2015. Do you have any concerns?

Sincerely,
Clay Webster
Water Resource Agent Sr.
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

Webster, Clay

From: Webster, Clay
Sent: Tuesday, February 14, 2017 12:37 PM
To: 'Lori Graves'
Subject: Wolfe Brothers Inc. Rental Application of 61-12084

Lori,

I am currently processing this rental application. The department has concerns of renting 64 acres worth of water to cover 40 acres (1/4) of a pivot. The concern is that the rental will enable enlarging the consumption over the entire pivot area. If there is a plan in place to ensure that the higher diversion rate and volume for the 40 acre place of use is not spread throughout the entire pivot system, then the department would consider approving the rental as proposed. The alternative to this is to approve the 40 acre rental POU with the proportionate rate and volume as the rest of the right. This would calculate to 0.30 cfs and 116.7 af for the 40 acre POU to avoid an enlargement issue. Let me know what you find out. Thanks.

Sincerely,
Clay Webster
Water Resource Agent Sr.
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

Received
Phone call from
Lori Graves to proceed
with rental for 40 acres
with proportionate amounts.
on 2/15/2017 C Webster



SPF WATER
ENGINEERING

RECEIVED

JAN 19 2017

DEPARTMENT OF
WATER RESOURCES

January 18, 2017

Clay Webster
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Water Supply Bank Rental Application*

Dear Clay,

Enclosed on behalf of Wolfe Brothers Inc. is a rental application requesting 3rd year rental of water right 61-12084 currently leased to the Bank. Included as Attachment 3E is the water right owner's authorization for Wolfe Brothers rental of water right 61-12084 that was submitted and approved by the Department for only one irrigation season, although 5 years rental was originally requested. The Department is requiring Wolfe Brothers to submit a new rental application each season because their ag lease for the subject place of use is renewed on a yearly basis. Included as Attachment 3K is Wolfe Brothers ag lease for 2017.

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

Sincerely,

Lori Graves
Water Rights Specialist

Cc: Billy Wolfe

Enclosures

SPF file number: 1140.0010