

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 123

This is to certify that:

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW, ID 83624

RECEIVED

MAR 08 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)
2-7061	4/9/1970	SNAKE RIVER	1.85	463.5	92.7	0.02	5.0
Rental Totals			1.85	463.5	92.7	0.02	5.0

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

Annual Rental Fee:

2017: \$7,879.50
2018 - 2019: \$9,270.00

The full fee for the rental of the above-described right is \$7,879.50 per year for years 2017 and \$9,270.00 per year for years 2018 - 2019. The rental fee includes an administrative fee of \$787.95 per year for 2017 and \$927.00 per year for years 2018 - 2020.

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.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT NO. 123

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

3-3-2017
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 3/9/2017

Rental approved by IDWR 

Date 3-9-2017

WATER SUPPLY BANK RENTAL AGREEMENT NO. 123

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER L9 (SESW) Sec. 34 Twp 05S Rge 04E OWYHEE County

Beneficial Use
IRRIGATION

Diversion Rate
1.85 CFS

Volume
463.5 AF

BENEFICIAL USE & SEASON OF USE

Water Right No.
2-7061

From
3/15

To
11/15

Diversion Rate
1.85 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	
05S	03E	33			40.5	29.2	10.1	4.0		8.9									92.7

Total Acres: 92.7

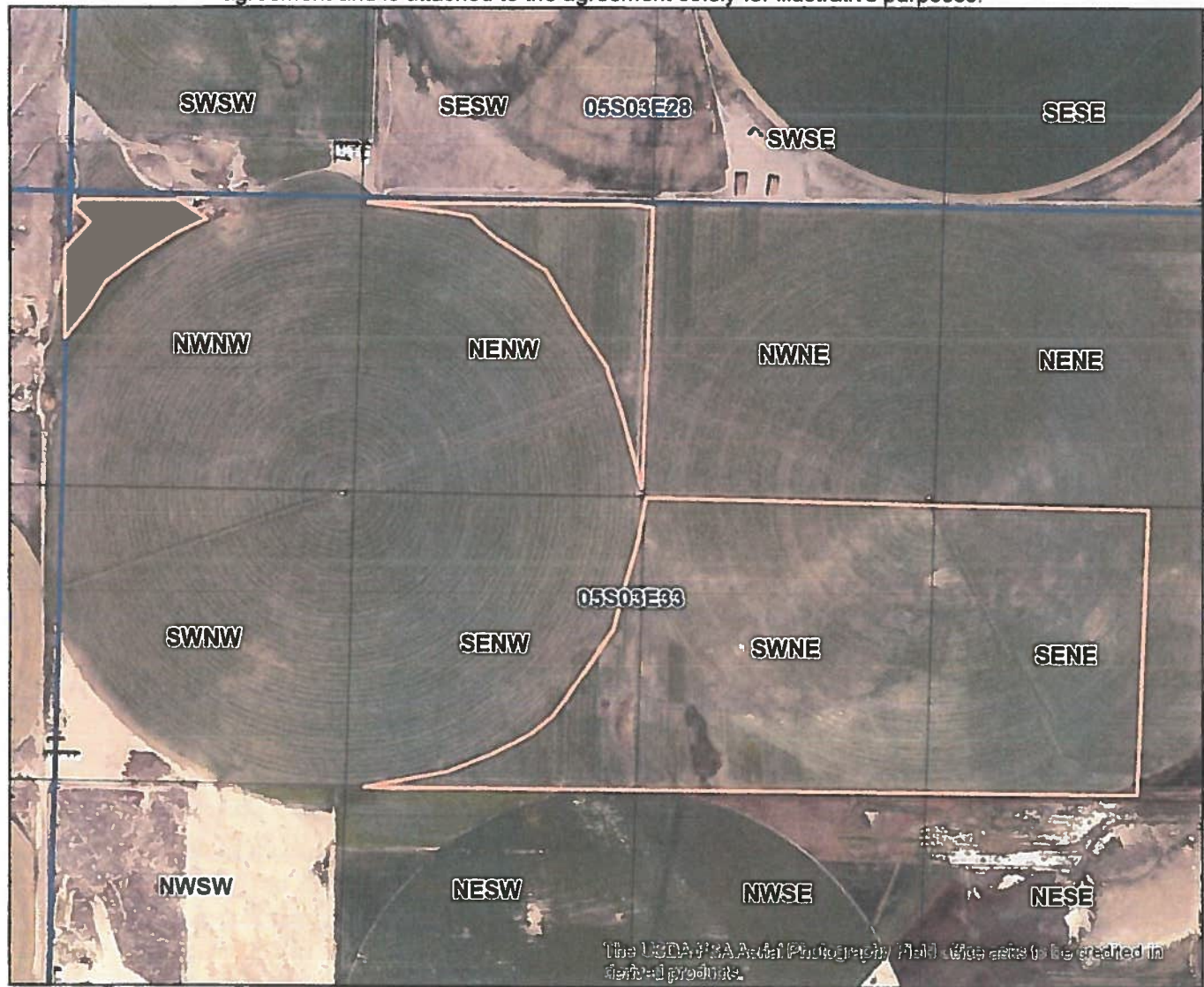
RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

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. The use of water for irrigation under this right may begin as early as March 1 provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early irrigation use and a priority date earlier than the date a partial decree is entered for this right.
9. The point of diversion described above is also known as the Bybee Lateral.
10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 5.0 afa per acre at the field headgate for irrigation of the place of use.
11. Use of water under this water right will be regulated by the watermaster of State Water District No. 02.

Idaho Water Resource Board
Water Supply Bank Rental Agreement No. 123
2-7061

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
-  Townships
-  PLS Sections
-  Quarter Quarters



0  Miles
0.25

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

RECEIVED

JAN 19 2017

DEPARTMENT OF
WATER RESOURCES

Applicant 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)

2-7061

6669

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Wolfe Brothers Inc.

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

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

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**:

Water was rented in 2014 from water right 2-7061 for three years because the because the farm lease is renewed on a three year basis. As a result, a new rental application and current farm lease agreement are being submitted for another three year term.

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)
1.85 CFS	463.5 AF	1.85 CFS	463.5 AF	92.7 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?	
3/15	4/1	☐ 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.

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):

Existing diversion for Bybee Canal

- 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
5S 4E S34 SWSESW, Lt 9	Snake River	See condition F06 for 2-7061

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 92.7 (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:

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)
2-7061	Irrigation	6.32	1580	316		1.85	463.5	92.7
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	1.85	463.5	92.7
						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 water right has been rented since 2014.

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. 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?

If yes, describe:

Yes ☐ No ☒

- 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

LORI GRAVES

Printed Name of Representative

1-18-2017

Date

Mail to:

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



Legend

 Proposed Acres 92.7

Wolfe Brothers Inc.
Water Bank Rental Application



0 750 1,500
Feet





AGRICULTURAL LEASE AGREEMENT SUMMARY

The following constitutes a summary of the terms of the Agricultural Lease Agreement entered into between Tenant and Landlord. This lease agreement supersedes all prior written and or oral agreements for the Whitted Farm and is legally binding between the parties. Should any conflict exist between this Summary and the Agricultural Lease Agreement, the Agricultural Lease Agreement shall be the controlling document.

A. FARM NAME:		Whitted Farm	
B. EFFECTIVE DATE:		November 2 nd , 2016	
C. TENANT:		Wolfe Brothers, Inc.	
	Phone:	(208) 834-3505	Fax: (208) 834-3506
	Email:	wolfebros@hughes.net	
	Address:	P.O. Box 398, Grand View, Idaho 83624	
D. LANDLORD:		Walker Plow Limited Partnership, LLP	
	Phone:	(208) 546-1194	Fax: (208) 493-8777
	Email:	garren@agproconsulting.net	
	Address:	2890 NW 11th Ave, Meridian, ID 83646	
E. POINT OF CONTACT			Garren Apple
F. COMMENCEMENT DATE:			November, 2 nd 2016
G. ENDING DATE:			December 31st, 2019
H. TERM:			Three (3) years
I. ANNUAL RENT:			One Hundred Seventy-Four Thousand Nine Hundred Twenty-Eight and 00/100 Dollars (\$174,928) or (\$200/cropland acre)
J. PROPERTY ACREAGE:			Eight Hundred Seventy-Four and 64/100 (874.64), FSA Cropland acres
K. LOCATION:			Owhyee County, Idaho

AGRICULTURAL LEASE AGREEMENT
Whitted Farm

THIS AGRICULTURAL LEASE AGREEMENT (this "Lease"), is made and entered into as of November, 2nd 2016 (the "Effective Date"), by and between Wolfe Brothers Inc. (the "Tenant") and Walker Plow Limited Partnership, LLP including its nominee, successors or assigns (the "Landlord"). Collectively, the Tenant and Landlord are referred to as the "Parties", or individually as a "Party".

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, Landlord and Tenant hereby agree as follows:

1. Leased Property: Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions set forth below, that certain real property located in the County of Owyhee, State of Idaho, consisting of approximately Eight Hundred Seventy-Four and 64/100 (874.64) acres, and all improvements, fixtures, equipment and personal property of Landlord currently located and used on such real property (collectively, the "Leased Property"), and more particularly described on Exhibit "A" and Exhibit "B" attached hereto and incorporated herein.

2. Term: The term of this Lease shall be for three (3) years, commencing on November, 2nd 2016, (the "Commencement Date"), and ending on December 31st, 2019 (the "Term"), unless earlier terminated as provided below.

3. Rent:

A. Tenant shall pay to Landlord a fixed annual rent (the "Rent"), in lawful money of the United States of America, without deduction or offset, in the amount of \$174,928. (\$200/cropland acre)

B. Payment of Rent shall be payable in advance and due in two equal payments of \$87,464. The first payment shall be due and payable on the first day of March of every calendar year throughout the term of this Lease and the second payment shall be due and payable on the first day of November of every calendar year throughout the term of this Lease. Such payments shall be hand-delivered or mailed postage-prepaid or via U.S. Certified Mail or in a comparable registered manner (to include, but not to be limited to, UPS, FedEx, etc.), to the offices of Ag Pro Consulting, LLC, located at 2890 NW, 11th Ave, Meridian, ID 83646. All Rent not paid on or before the dates set forth above shall be considered late. If not timely paid, and in addition to Landlord's other rights and remedies including without limitation the right to declare an event of default and immediately terminate this Lease, all unpaid Rent shall bear interest from its due date at the higher of

eighteen percent (18%) per annum, or the highest rate allowed by law, until all such amounts are paid in full.

4. Use of Leased Property: Subject to the Cropping Plan (defined below), the Leased Property is leased to Tenant for the sole purpose of planting, growing and harvesting climatically adapted crops. The Tenant may farm in combination with other tracts of farm land under the control of the Tenant. Such right does not constitute authority, however, to transfer FSA (defined below) crop base off of the Leased Property. Tenant shall deliver to Landlord within thirty (30) days from the Commencement Date, Tenant's proposed cropping plans and maps showing planting and acreage designations for water use monitoring and for longer term commitment consideration purposes (the "Cropping Plan"). The Cropping Plan shall be subject to the Landlord's prior written approval, which may be conditioned or withheld in Landlord's sole discretion. Tenant shall have no right to deviate from or modify the Cropping Plan without the prior written consent of Landlord. Tenant shall deliver to Landlord copies of any Farm Service Agency ("FSA") or other U.S. Department of Agriculture forms on acreage, soils, crop usage and yields within fifteen (15) days after such documents have been filed with the FSA, at no cost or expense to Landlord.

5. Good Husbandry - Compliance With Laws: Tenant shall conduct all of Tenant's operations and obligations set forth in this Lease in accordance with good husbandry and the best management practices of the county in which the Leased Property is located. Tenant shall, at Tenant's sole cost and expense, properly and promptly comply with any and all laws, permits, ordinances, rules, regulations, requirements and orders, currently in effect or as may be in effect at any time during the Term, of the national, state, county, municipal government, district or quasi-governmental agency or district, which may in any way apply to the use, maintenance or occupation, environmental or physical condition of, or operations on, the Leased Property, or the production of crops thereon, or the sale or other disposition of such crops (collectively, the "Laws"). If Tenant fails to comply with any Laws, then Landlord, without obligation to do so, may take all necessary steps to ensure compliance. In such event, Tenant shall reimburse Landlord, immediately upon demand, for all costs and expenses that Landlord incurs, including any additional charges, assessments or penalties levied or charged against Landlord by reason of Tenant's failure to comply with such Laws.

6. Hazardous and Other Substances:

A. Tenant shall not store, use or dispose of any Hazardous Substances on, near or in connection with the Leased Premises. The term "Hazardous Substances" shall mean any substance that has the characteristics of ignitability, corrosiveness, toxicity, reactivity or radioactivity or has other characteristics determined to render the substance dangerous to health, safety or the environment pursuant to any existing or subsequently enacted Law. Such term shall include, without limitation, substances defined as "hazardous material", "toxic substances", "hazardous waste", or "hazardous substances" in any Law, including without limitation petroleum. Tenant shall immediately notify Landlord of any inquiry, test, investigation or enforcement proceeding by or against Tenant or affecting the Leased Property concerning Hazardous Substances. If Tenant shall be required to submit information or written reports to any agency on or relating to any of the foregoing, Tenant shall concurrently provide Landlord with copies of such information or reports.

B. No herbicide, pesticide, fertilizer, poison or other chemical or substance, other than those approved by the United States Department of Agriculture and by the Idaho Department of Agriculture and any other similar and applicable governmental agencies, which regulate such substances, shall be stored on or applied to the Leased Property or crops growing thereon. Any and all such permitted materials and substances shall be applied in strict compliance with the labels or other directions furnished by the manufacturer of such materials and substances. No experimental poison, herbicide, pesticide, fertilizer or other chemical or substance shall be stored on or applied to the Leased Property, or the crops growing thereon, without the prior written consent of Landlord. Tenant shall keep complete and accurate records of the time, place and all other information and data pertaining to the quality, kind, use and method of application of such substances and furnish to Landlord accurate copies thereof immediately upon request. Tenant shall provide Landlord with a copy of Tenant's pesticide use permit and all other permits of any nature that Tenant maintains or applies for during the Term. Tenant shall not use pesticides or herbicides or any other substance or material on the Leased Property that will or may have residual effects beyond the Term, without the prior written consent of the Landlord.

C. At any time during the Term, Landlord shall have the right, but not the obligation, to appoint a consultant to conduct an investigation to: (i) determine whether Hazardous Substances are located on or about the Leased Property; (ii) determine the corrective measures, if any, required to remove such Hazardous Substances; and (iii) verify Tenant's compliance hereunder. Tenant shall provide access and reasonable assistance to any such consultant at the Leased Property. Tenant, at its expense, shall promptly comply with the recommendations of such consultant upon receiving notice thereof, and shall reimburse Landlord for the reasonable fees and expenses of such consultant upon Landlord's request therefor, provided such consultant determines the Hazardous Substances exist or corrective action is necessary due any act or omission of Tenant.

D. In all events, Tenant shall be solely responsible, at its sole cost and expense, for any requirements of mitigation or "clean-up" of any Hazardous Substances, chemicals or other material deposited or utilized by Tenant in breach of this Section 6 or without the express prior written consent of Landlord. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, cost, liabilities or losses that arise during or after the expiration of the Term or any renewal thereof as a result of any breach of this Section 6 by Tenant. The covenants and obligations of Tenant hereunder shall survive the expiration or earlier termination of this Lease.

7. Taxes and Assessments: Tenant shall pay, prior to delinquency, (i) all personal property taxes assessed against Tenant's personal property placed on or about the Leased Property during the Term; Tenant shall pay any annual water charges associated with irrigation of the Leased Property, including irrigation district tax assessments against the Leased Property. On demand, Tenant shall provide to Landlord satisfactory evidence of such payments. Landlord shall pay real property taxes on the Leased Property.

8. Insurance:

A. Tenant shall, at all times during the Term, maintain and keep in force policies of insurance, acceptable to and approved in advance by Landlord, with reputable insurance companies that adequately insure Landlord and Tenant against liability and property damage on or about the Leased Property, as determined in Landlord's sole but reasonable discretion.

B. Tenant shall maintain at a minimum the following insurance: (i) a "Comprehensive General Liability" policy providing coverage in the amount of at least \$1,000,000 per occurrence and \$2,000,000 aggregate per policy year for bodily injury, death and property damage combined as a single limit and such policy shall name the Landlord and its property manager as additional insureds; (ii) such Workmen's Compensation insurance as may be required under the Workmen's Compensation Safety Act of the State of Idaho; and (iii) insurance covering the replacement value of all equipment, fixtures and other personal property located or used on the Leased Property, including all irrigation equipment and pivots. Each such policy shall name the Landlord and its property manager as additional insureds.

C. Tenant shall, prior to the Commencement Date, provide Landlord with proof of insurance coverage acceptable to Landlord evidencing that the foregoing covenants of Tenant have been complied with, and each such policy of insurance shall provide that if the underlying insurance is canceled or changed during the term of such policy, the applicable insurance company shall notify Landlord in writing, and that no such cancellation or change shall become effective until ten (10) days from and after the date of receipt of such notice by Landlord.

D. If Tenant fails to procure and maintain the required insurance coverage, Landlord may but shall not be required to procure and maintain such insurance coverage at the expense of the Tenant. Tenant shall be in default under the terms of this Lease if such costs incurred by Landlord are not reimbursed by Tenant within ten (10) days of written demand.

9. Water:

A. Tenant shall have the exclusive use of and obligation to repair, maintain and replace any wells, pumps, motors, pumping equipment and irrigation pipe lines located on the Leased Property as of the Commencement Date and at any time thereafter, with any such use, repair, maintenance and replacement thereof being at Tenant's sole cost and expense. Tenant shall be entitled to use all water located on or delivered to the Leased Property; provided, however, that Tenant shall use such water only upon the Leased Property and Tenant shall not withdraw or use more than the permitted allotment, without the prior written consent of the Landlord.

B. NO PROVISION OF THIS LEASE SHALL BE CONSTRUED AS REQUIRING LANDLORD TO FURNISH OR GUARANTEE TO TENANT ANY AMOUNT OF WATER, IT BEING EXPRESSLY UNDERSTOOD THAT LANDLORD

MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER AS TO THE ADEQUACY OR QUALITY OF ANY PRESENT OR FUTURE SOURCE OF WATER.

Tenant's Initials: WJW

C. Tenant shall, at its sole cost and expense, maintain, repair and replace all ditches, drainages, pipelines and pumping plants, and perform any required renovation to any pipeline or other water delivery system, whether major or minor in nature, located on or serving the Leased Property. Tenant shall provide Landlord no less than forty-eight (48) hours written notice prior to performing any major repair or maintenance under this Section 10. In the event Tenant fails to perform any of its obligations under this Section 10, Landlord may but shall not be obligated to perform such obligations at the cost and expense of Tenant. Tenant shall reimburse Landlord for all such costs and expenses within ten (10) days of receiving written demand from Landlord.

D. All of the ditches, laterals and drains on the Leased Property, other than those under the jurisdiction of any irrigation district, reclamation district, or other public agency, shall be cleaned, maintained and kept free and clear of all weeds, soils and debris by Tenant and at Tenant's sole cost and expense.

E. Tenant acknowledges that certain water-related forms may be required by federal, state or municipal government or other entities, including but not limited to the applicable State department of water resources, or the applicable irrigation district/canal company. Tenant shall complete such forms and submit them when due, together with any fees due, and immediately forward a copy of each such report to Landlord.

10. Disclaimer of Warranty of Soil Quality: Landlord makes no representation or warranty of any kind as to the quality or suitability of the soil on the Leased Property. Tenant represents and warrants to Landlord that it has made an independent inspection of the soil on the Leased Property prior to the Commencement Date and is not relying upon any representation or warranty from Landlord as to soil quality, condition or suitability.

11. Defects in Leased Property: Tenant represents and warrants to Landlord that Tenant is fully familiar with and has inspected the Leased Property prior to the Commencement Date. Tenant is leasing the Leased Property "AS IS" with all defects and defaults, latent or otherwise, and Tenant accepts the Leased Property in its present condition, without any representation or warranty by Landlord as to its quality, condition or suitability.

12. Alterations:

A. Tenant shall not make, or permit to be made, any alterations or improvements to the Leased Property, including without limitation the addition of any electrical, plumbing or heating systems to any buildings, during the Term, without the prior written consent of Landlord.

B. Upon termination or expiration of this Lease, all improvements or alterations made by Tenant, other than those constituting trade fixtures, shall revert to Landlord, without any right in Tenant for reimbursement. In the event some or all of the improvements are classified as trade fixtures and are not removed prior to the termination or expiration of this Lease, all such trade fixtures not so removed shall revert to the Landlord within ten (10) days after Tenant's vacation of the Leased Property, without any right in Tenant to any reimbursement. Tenant shall provide Landlord with prior written notice of Tenant's intent to remove any fixture, trade or otherwise, and shall only remove the same if such removal can be completed without damage to the Leased Property.

13. Lease Subject to Existing Rights of Others: This Lease is subject to all existing easements, servitudes, licenses and right of way for canals, ditches, levees, roads, highways and telephone, telegraph and electric power line, railroads, pipelines and all other purposes, whether or not of record.

14. Quiet Enjoyment: Landlord hereby covenants and agrees that if Tenant pays the Rent as herein provided and otherwise performs its obligations hereunder, Tenant shall have the peaceful enjoyment of the Leased Property during the Term, without hindrance or interference from Landlord, except as otherwise provided herein. This Section 15 shall not negate Landlord's rights hereunder, including the right to enter the Leased Property or for Landlord's agents to inspect the same as provided herein.

15. Waste: Tenant shall not commit, or permit others to commit, any waste or nuisance upon the Leased Property, or commit or allow any other act thereon that could disturb the quiet enjoyment of Landlord, any other Tenant of Landlord, or other person properly upon the Leased Property or upon adjacent or nearby property.

16. Right of Entry, Inspection and Sale:

A. Landlord shall have the right to enter the Leased Property at all reasonable times during the Term, either in person or by agent or representative, for the purpose of exercising its rights hereunder and for the purposes of inspecting the Leased Property, posting notices of non-responsibility, continuing Tenant's compliance hereunder, and to place thereon at any time "For Sale" and/or "For Rent" signs. Landlord may enter the Leased Property for the purpose of making any alterations, repairs or improvements, which Landlord deems necessary or appropriate for maintenance or preservation of the Leased Property.

B. Tenant understands and agrees that Landlord may sell the Leased Property during the Term, and accordingly agrees that Landlord may have reasonable access to the Leased Property for the purpose of showing the Leased Property to prospective purchasers and/or for rental of the Leased Property upon termination of this Lease.

C. Tenant expressly waives any damages resulting from such entry or from the performance of such repairs or alterations, and such entry or alterations shall not be cause for any rebate of Rent herein.

17. Liens:

A. Tenant hereby agrees that Tenant shall not permit or suffer any liens of any kind to be filed against the Leased Property.

B. In the event that any lien is imposed or filed against the Leased Property, Tenant shall immediately notify Landlord in writing and shall either bond around such lien in an amount and on such terms as shall be acceptable to Landlord in its sole discretion or have such lien removed or released within thirty (30) days of the imposition or filing thereof. Tenant shall indemnify Landlord for any and all cost, expense or damage suffered or incurred by Landlord due to the imposition of any lien on the Leased Property.

C. Landlord acknowledges that Tenant may require crop financing related to the crops to be grown on the Leased Property. Landlord agrees that Tenant may hypothecate the crops grown by Tenant on the Leased Property, subject, however, to the prior written consent of the Landlord, and provided that such hypothecation shall be in form, content and on such terms as may be acceptable to the Landlord in its sole discretion. Any such liens shall in no event be for a term or period extending beyond the Term and Tenant shall satisfy any and all liens created by such crop financing before the end of the Term. In the event any such liens create a cloud upon Landlord's title, all costs and expenses, including attorneys' fees, required for the removal of the cloud, either before or after the termination of this Lease, shall be paid by Tenant. In no manner shall any security agreement or lien given or suffered by Tenant affect or in any manner be prior or superior to the security interest granted to Landlord in Section 7 above.

18. Indemnification: Tenant shall indemnify, save and hold Landlord harmless from all damages, injuries or claims relating to or arising from the Leased Property, or otherwise arising in connection with any act or omission of the Tenant. Landlord shall hold Tenant harmless for damages, injuries, or claims arising from the intentional misconduct by the Landlord or by its agents, officers, directors, members, managers, employees, or representatives in connection with the management of this Lease.

19. Landlord's Right to Perform Tenant's Obligations: In addition to Landlord's other express rights hereunder, if Tenant shall at any time fail to make any payment or perform any act on its part to be made or performed under this Lease, Landlord may, but shall not be obligated to, and without notice or demand and without waiving or releasing Tenant from any claim for damages or obligation under this Lease, make such payment or perform such other act to the extent Landlord may deem the same necessary or appropriate, and in connection therewith may pay expenses and employ contractors or agents, including without limitation legal counsel. All amounts so paid by Landlord and all expenses in connection therewith, together with interest thereon at the higher of eighteen percent (18%) per annum or the maximum rate permitted by law from the date of such payment until paid in full, shall be deemed additional Rent hereunder and shall be payable to Landlord immediately upon demand.

20. Assignment or Subletting: Neither this Lease nor any interest herein shall be assigned by Tenant, either voluntarily or by operation of law or otherwise, nor shall the Leased Property, or any part thereof, be sublet by Tenant without the prior written consent of Landlord,

which may be delayed, conditioned or withheld in Landlord's sole discretion. Any such assignment or subletting without such prior written consent of Landlord shall be void. Landlord shall have the absolute right to assign or transfer this Lease, or any rights to it, without the prior approval of Tenant.

21. Condition of Leased Property on Termination: At the expiration or earlier termination of this Lease, Tenant shall leave the Leased Property, including without limitation any and all fixtures, equipment and other personal property located thereon or used in connection therewith, in as good a condition or better than the condition of such property at the Commencement Date, subject to normal wear and tear, and free and clear of all liens, encumbrances, weeds, debris and Hazardous Substances.

22. Events of Default: The Parties agree that the following shall be deemed to be events of default ("events of default") under this Lease:

A. Tenant's failure to timely pay Rent or other moneys due hereunder, which event of default shall be deemed to be material and which shall require no additional notice from or action by Landlord; or

B. Tenant's failure to perform any of the other terms, covenants or conditions herein contained to be performed by Tenant, other than those covered by Section 22.A. above, and such failure to perform continues for a period of ten (10) days after written notice thereof to Tenant; or

C. Tenant's abandonment of the Leased Property; or

D. Any one of the following events:

(i) The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or

(ii) A general assignment by Tenant to a third party for the benefit of creditors, or

(iii) An action taken or suffered by Tenant under any insolvency or bankruptcy act, or

(iv) The levying of any writ of attachment or writ of execution against Tenant's interest in the Leased Property or any crops thereon, which shall not be satisfied or discharged by Tenant within ten (10) days from and after the date of levy or execution, or

(v) Tenant's material breach of any other agreement with Landlord or Tenant's material breach of any agreement with a third party relating in any way to the Leased Property or Tenant's performance under this Lease.

23. Remedies Upon an Event of Default: The Parties agree that in any such event of default, Landlord may pursue one or more or all of the remedies it may have at law or in equity, including without limitation the following:

A. Landlord shall without notice, have an immediate right to re-enter and to take possession of the Leased Property and eject all parties in possession therefrom, using such reasonable force for that purpose as may be necessary, without being liable for said re-entry or the use of such force, and the right to take possession of all crops, harvested or not harvested, and to continue to cultivate and/or to remove the same to a public warehouse or elsewhere at Tenant's expense. Landlord, at its election, shall become the owner of all crops of which it has taken possession, and shall not be obligated to compensate Tenant for such crops.

B. If Landlord elects to re-enter as provided above, or to take possession under legal proceedings or under any notice provided by law:

(i) Landlord may, without terminating this Lease, accelerate all Rent due for the remainder of the Term and at any time and from time to time relet the entire or any part of the Leased Property for such terms (which may extend beyond the Term) and at such rentals and other conditions as Landlord in its sole discretion deems advisable. Landlord shall also have the right to make necessary alterations and repairs to the Leased Property. On such reletting, Tenant shall be immediately liable to pay to Landlord the expenses of reletting and of making alterations and repairs incurred by Landlord and all other amounts due under this Lease. If Landlord relets part of the Leased Property, Landlord does not thereby waive any such remedies that may be available to Landlord on those portions of the Leased Property that have not been relet; or

(ii) Landlord, or its agents or assigns, or a receiver appointed at its insistence, may perform Tenant's duties under this Lease, including without limitation maintaining the Leased Property and growing, harvesting and marketing the crops contemplated by this Lease, and charge the proceeds of the crop with all reasonable costs of maintenance and husbandry.

C. The Landlord shall have the express right to have a receiver appointed to take control of and manage the Leased Property during the pendency of any action to evict Tenant from the Leased Property.

D. In addition to the benefits, rights and remedies contained in the provisions of this Lease, the Landlord shall also have the benefits, rights and remedies available to it under both the laws of the State of Idaho and the laws of the United States of America. Furthermore, Landlord reserves the right to terminate this Lease and all interests of Tenant, or of any other assignee or third-party in a creditor relationship with that of Tenant.

E. The specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any breach or threatened breach by Tenant of any covenant, agreement or condition of this Lease. The failure of

Landlord to insist in any one or more cases upon the strict performance or observance of any of the covenants, agreements or conditions of this Lease shall not be construed as a waiver or a relinquishment for the future of such covenant, agreement or condition. The waiver by Landlord of a breach of any term, covenant, agreement or condition contained in this Lease shall not be treated as a continuing waiver of such term, covenant, agreement or condition, or as a waiver of any future breach of the same or any other term, covenant, agreement or condition contained in this Lease.

F. The acceptance of Rent by Landlord shall not be treated as a waiver of a previous breach by Tenant of any term, covenant, agreement or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of a previous breach at the time of acceptance of Rent.

G. All rights and remedies of Landlord herein enumerated shall be cumulative, and none shall exclude any other remedies allowed at law or in equity.

H. Notices of events of default shall specify in reasonable detail the alleged default and the applicable Lease provision, and shall demand that Tenant perform the provisions of this Lease within the applicable period of time, except with respect to the payment of Rent which is payable when due and Landlord shall have no duty to provide notice of default or give the right to cure. No such notice shall be deemed a forfeiture or a termination of this Lease, unless Landlord expressly so elects in the notice.

24. Default of Landlord: Landlord shall not be deemed to be in default in the observance or performance of any covenants, conditions, agreements or provisions of this Lease on its part to be observed or performed, unless Landlord shall fail to remedy such default within thirty (30) days after written notice from Tenant specifying the nature of any such default, or, if default cannot be reasonably remedied within the said thirty (30) day period, Landlord shall not be deemed to be in default unless Landlord shall fail to initiate action to remedy such default within thirty (30) days after such written notice and to prosecute the same to completion with due diligence.

25. Landlord's Right to Sell or Cancel Lease:

A. Landlord, at its sole option, may sell the Leased Property subject to this Lease, or cancel this Lease and purchase the crop being grown on the Leased Property for a purchase price equal to the then-current market value of the existing unharvested crops located on the Leased Property and the pro-rated value of any existing alfalfa located on the Leased Property that has been planted by Tenant. With respect to alfalfa, the time period to be used in the calculation of such proration shall not exceed three (3) years from the date of initial planting.

B. If Landlord elects to cancel this Lease as set forth above, Landlord shall give Tenant written notification of this election.

C. Tenant agrees that Tenant shall vacate the Leased Property within thirty (30) days from the date Landlord provides written notification of its election to cancel.

D. Tenant acknowledges and agrees that in the event Tenant remains in possession of the Leased Property after the above referenced date, that Tenant shall be liable, in addition to attorney's fees and other costs expenses, to any and all damages resulting therefrom, including but not limited to, consequential damages.

E. Tenant further agrees that, in the event Landlord complies with the payment provisions of Section 25.A. above, that Tenant will release, indemnify and hold Landlord harmless for any and all damages to Tenant arising from Landlord's sale of the Leased Property.

26. Condemnation: If as a result of the exercise of the power of eminent domain (a "Proceeding"), the Leased Property in whole or in part shall be taken, this Lease and all right, title and interest of Tenant hereunder, shall terminate as to that part of the Leased Property so taken or conveyed as of the date of vesting of title pursuant to such Proceeding, and the Rent shall be equitably adjusted and prorated as of the date of such vesting. Landlord shall be entitled to and shall receive the total award made in such Proceeding, and Tenant hereby assigns such award to Landlord; provided, however, in the event some of the award is formally allocated to the crop being grown on the Leased Property, then the Tenant shall be entitled to receive the value of the award that is so formally allocated.

27. Damage/Destruction:

A. Should the Leased Property or any part thereof or any portion of the buildings or any fixtures contained therein or thereon be partially or completely destroyed by fire, flood, earthquake or other casualty, this Lease shall, upon the written election of Landlord, terminate. Landlord shall not be obligated in any way to restore the Leased Property in the event of any such damage or destruction.

B. In case of damage or destruction where this Lease is not terminated pursuant to Section 27.A. above, there shall be an abatement or reduction of future Rent between the date of damage or destruction and the date of completion of restoration, if any, based on the extent to which the damage or destruction actually interferes with Tenant's use of the Leased Property.

28. Hunting and Other Rights: All of the hunting rights and privileges and other recreational pursuits on the Leased Property are expressly reserved to Landlord and its invitees. Tenant shall not permit any hunting or other recreational activities on the Leased Property without the prior written consent of Landlord. Tenant shall post the Leased Property with "No Trespassing" and "No Hunting" signs in compliance with applicable Laws and shall otherwise use its best efforts to prevent third parties from trespassing on the Leased Property.

29. Oil, Gas and Minerals Rights: All rights in all minerals, including without limitation gravel, oil, gas and other hydrocarbons located on or under the Leased Property, are specifically reserved to Landlord and are specifically excluded from the Leased Property. Tenant expressly grants to Landlord, and to any lessee of oil, gas and mineral rights, and to Landlord's agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Leased Property during the Term for the exploration, drilling, mining, extraction and

processing of all minerals, oil, gas and other hydrocarbons on or under the Leased Property, all without compensation or credit to Tenant.

30. Expenses of Enforcement: Should any legal action be brought by either Party against the other for the enforcement of the provisions of this Lease, or by reason of any alleged breach, then the prevailing Party in such action shall be entitled to an award of costs and attorney's fees.

31. Notices: Any notice or demand to be given to Landlord or Tenant pursuant to the terms of this Lease, or by law, shall be deemed to be fully given or made when e-mailed or faxed, or when written and delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to such party as follows:

If to Landlord:

Walker Plow Limited Partnership, LLP c/o
Ag Pro Consulting, LLC
Phone: (208) 546-1194
E-mail: garren@agproconsulting.net
Address: 2890 NW 11th Ave
Meridian, ID 83646

If to Tenant:

Wolfe Brothers, Inc.
Phone: (208) 834-3505
Fax: (208) 834-3506
E-mail: wolfebros@hughes.net
Address: P.O. Box 398
Grand View, ID 83624

If either Party changes their address, the changing Party is under an obligation to immediately advise the non-changing Party of the new address by registered or certified mail, return receipt requested, postage prepaid as soon as is reasonable possible or by email.

32. Time of Essence; Materiality: Time is hereby expressly declared to be of the essence with respect to each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Lease.

33. Lease Binding on Successors: This Lease and each of its provisions shall be binding upon and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustee, successors and assigns of the Parties hereto.

34. Entire Agreement; Amendments: This Lease represents the sole and exclusive agreement between the Parties respecting their mutual rights and obligations against and to one another, regarding the subject matter hereof, and supersedes in all respects any prior agreement or agreements with reference to the subject matter hereof or otherwise, whether written or oral, and in no event shall either Party have any obligation or liability to the other or in respect to any other person except as expressly stated in this Lease. This Lease may only be amended by a written agreement executed by each Party.

35. Governing Law: This Lease is to be construed, interpreted and enforced pursuant to the laws of the State of Idaho. The parties agree that, should it be necessary to enforce any of the terms thereto, venue shall be properly held in a court of competent jurisdiction located in Owyhee County, Idaho.

36. Holding Over and Surrender: If Tenant remains in possession of the Leased Property after expiration of this Lease, such holding-over shall be construed as a tenancy from month-to-month, subject to all covenants and conditions of this Lease insofar as the same are applicable to month-to-month tenancy, with the exception that upon the commencement of such month-to-month tenancy the Rent shall be paid monthly and shall be calculated as follows: Each monthly Rent payment shall be equal to the amount of the original Rent, divided by 12 (to determine the monthly cost of the Lease), times two (2). The hold-over-cost amount shall be payable in advance on the first day of each month. Tenant hereby expressly waives any right to continued possession of the Leased Property that it may have pursuant to Idaho Code Section 6-303(2). The voluntary or other surrender by Tenant, or a mutual cancellation by Landlord and Tenant, of this Lease shall not constitute a merger, and such event shall, at Landlord's option, operate as an assignment to Landlord of any or all subleases. In the event Landlord does not take an assignment of all subleases of Tenant in writing, such subleases shall automatically terminate upon the expiration or earlier termination of this Lease.

37. Plowdown: Tenant shall cause the Leased Property to comply with all United States and Idaho Department of Agriculture abatement programs within the time frames specified therein. Upon expiration or earlier termination of this Lease, Tenant shall shred, pull and incorporate all crop residue into the soil or plow the residue into the fields, prior to vacating the Leased Property; provided, however, Tenant shall not destroy or otherwise disturb any perennial crops without the prior written direction of Landlord.

38. Subordination to Mortgage: This Lease is and shall be subject and subordinate to any and all mortgages, deeds of trust and land sale contracts now existing upon or that may be hereafter placed upon the Leased Property and to all advances made or to be made thereon and all renewals, modifications, consolidations, replacements or extensions thereof, and the lien of any such mortgages, deeds of trust and land sale contracts shall be superior to all rights hereby, and any such mortgages, deeds of trust and land leases shall be superior to all rights hereby or hereunder vested in Tenant to the full extent of all sums secured thereby; provided however, that any subsequent mortgage, deed of trust or land sale contract hereafter encumbering the Leased Property shall provide by its terms, or the holder of such mortgage, deed of trust or land sale contract shall by a separate agreement agree, that in the event of foreclosure of such mortgage, deed of trust or land sale contract, Tenant (as long as Tenant is not in default under this Lease) shall remain undisturbed under this Lease so long as Tenant complies with all of the terms, obligations and conditions hereunder. This provision shall be self-operative, and no further instrument of subordination shall be necessary to effectuate such subordination, and the recording of any such mortgage, deed of trust or land sale contract shall have preference and precedence and be superior and prior in lien to this Lease, irrespective of the date of recording. In confirmation of such subordination, Tenant shall upon request of Landlord or the holder of any such mortgage, deed of trust or land sale contract execute and deliver to Landlord within ten (10) days any instrument that Landlord or such holder may reasonably request.

39. Attornment: In the event any proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under, any mortgage, deed of trust or land sale contract covering the Leased Property, or in the event of any other transfer or sale of title to the Leased Property, Tenant shall attorn to the purchaser under any such sale, transfer or foreclosure and recognize such purchaser or transferee as the landlord under this Lease.

40. Estoppel Certificates: Tenant shall, within ten (10) days after written request of Landlord, execute, acknowledge and deliver to Landlord or to Landlord's mortgagee, or proposed purchaser of the Leased Property or any part thereof, any estoppel certificates requested by Landlord, from time to time, which estoppel certificates shall state: whether the Term has commenced and full Rent is accruing; whether there are any defaults by Landlord and, if so, the nature of such defaults; whether Rent has been paid more than thirty (30) days in advance; whether there are any liens, charges, or offsets against Rent due or to become due; and whether the address shown on such estoppel certificate is accurate.

41. Bankruptcy: Neither this Lease, nor any interest herein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy, or to any other receiver or assignee for the benefit of creditors or otherwise by operation of law.

42. Drug Free Property: Tenant, Tenant's family and Tenant's invitees shall not possess, consume, manufacture or sell any illicit drug on the Leased Property. Violation of this Lease provision shall be grounds for immediate termination of this Lease. Landlord shall have the right to report evidence of drug-related activity to local law enforcement, and the reporting of drug-related activity and the subsequent work of law enforcement shall not constitute interference with the Tenant's quiet use and enjoyment of the Leased Property.

43. Vehicles: Only vehicles maintained in operating condition and licensed may be parked on the Leased Property. No disabled vehicles, trailers, campers or boats may be parked or located on the Leased Property without Landlord's prior written consent.

44. Limitation of Landlord's Liability: The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to include only the owners at the time in question of the fee simple title to the Leased Property, and in the event of transfer of said fee simple estate, then the party conveying said fee simple estate shall be automatically relieved, after the date of such transfer, of all personal liability as respects the performance of any obligations on the part of Landlord contained in this Lease arising out of acts thereafter occurring or covenants thereafter to be performed, it being intended hereby that all the obligations contained in this Lease on the part of Landlord shall be binding upon Landlord, its successors and assigns, only during and in respect of their respective periods of ownership of said fee simple estate in the Leased Property.

45. Release and Waiver of Subrogation: Landlord shall not be liable for any damage or loss to fixtures, equipment, merchandise or other personal property of Tenant located anywhere in or on the Leased Property caused by fire, water, explosion, sewer backup or any other insurable hazards, regardless of the cause thereof, or any injury to or death of any person or persons who may at any time be using, occupying or visiting the Leased Property, and Tenant does hereby expressly release and hold Landlord harmless from any and all liability and agrees to indemnify and defend Landlord from such damages or loss. Landlord and Tenant hereby waive any and all rights of recovery against the other for loss of or damage to such waiving party or its property or the property of others if and to the extent such loss or damage is covered under any policy of insurance required to be carried by the terms of this Lease. To the extent that any of the risks or perils described in this Section 45 are in fact covered by insurance, each Party shall cause its insurance carriers to waive all rights of subrogation against the other Party.

46. Relationship of Parties: It is particularly acknowledged and agreed that this Lease shall not be deemed to be, nor intended to give rise to, a partnership, joint venture or any other relationship, except one of landlord/tenant.

47. Construction: For the purposes of this Lease, the singular pronoun shall include the plural pronoun; and the masculine pronoun shall include both the feminine and the neuter pronoun.

48. General: If any term or provision of this Lease or any application hereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such terms or provisions shall not be affected thereby. The captions of this Lease are for the convenience of reference only and shall not define or limit any of the terms or provisions hereof. All of the covenants of Tenant hereunder shall be deemed and construed to be "condition" to Landlord's obligations as well as "covenants", as though the words specifically expressing or imparting covenants and conditions were used in each separate instance.

49. Operating Costs: All costs incurred by Tenant in connection with Tenant's use, occupation and operations upon the Leased Property, including but not limited to, repair, replacement, and maintenance costs of the irrigation delivery system including without limitation all irrigation equipment, pumps ditches and liens, costs of preparing the Leased Property for planting of crops, costs of planting and harvesting crops, production costs, costs of tools and labor, costs of water diversion, pumping and delivery including related utilities, replacing all posts and rails on existing fences, the costs of building new fences, all electricity and other utilities used on or for the benefit of the Leased Property, shall be borne and paid by Tenant when due. Provided however, if any major capital expense is needed for the farm, the Parties shall agree to the project, its cost and who pays for what before commencement of such work

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Lease effective as of the day and year first set forth above.

LANDLORD:
Walker Plow Limited Partnership, LLP
By: Pinto Creek Management, Inc.
Its: General Partners

TENANT:
Wolfe Brothers, Inc.

By: Wayne Layton
Print: Wayne Layton
Its: Vice President
Date: 11-9-16

By: William R. Wolfe
Print: William R. Wolfe
Its: Vice President
Date: 11-9-2016

Exhibit "A"
Legal Description

Tract I

Township 5 South, Range 3 East, Boise Meridian, Owyhee County, Idaho

Section 20: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$

That portion of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ lying South of the Grand View Mutual Canal;

Section 28: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 29: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$

Tract II

Township 5 South, Range 3 East, Boise Meridian, Owyhee County, Idaho

Section 20: SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

Tract III

A tract of land in the Southwest Quarter of Section 21, Township 5 South, Range 3 East, Boise Meridian, more particularly described as follows:

Beginning at the Southwest section corner of Section 21, Township 5 South, Range 3 East, Boise Meridian, Owyhee County, Idaho, a concrete monument, the TRUE POINT OF BEGINNING;
thence

South 89 degrees 32' East along South section line of said Section 21 a distance of 2640 feet to an iron pin; thence

North 0 degrees 04' East 50 feet to centerline of Grand View Mutual Canal Company Main Canal; thence along centerline of said Canal as follows:

North 59 degrees 35' West 697 feet;

North 70 degrees 30' West 400 feet;

North 88 degrees 30' West 1,000 feet;

South 79 degrees 34' West 674 feet to a point on Centerline of Bridge on County Road;
thence

South 0 degrees 04' West along West section line of said Section 21 a distance of 420 feet to point of beginning.

Tract IV

North Half (N1/2) of Section 33 in Township 5 South, Range 3 East, Boise Meridian, Owyhee County, Idaho.

Exhibit "B"
Irrigation Equipment



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 10, 2017

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW ID 83624

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 2-7061**

Dear Renter:

Please find enclosed a receipt in the amount of **\$7,879.50** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 463.5 acre-feet of water for irrigation of 92.7 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, 90% or \$7,091.55 of the rental fee will be paid to the lessor(s) and 10% or \$787.95 will be retained by the Department to offset administrative costs.

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

Sincerely,

for Water Supply Bank

Enclosures: Receipt No. C103132
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angie Grimm – IDWR Western Regional Office
Rob Whitney – State Water District No. 02
Lori Graves – SPF Water Engineering
Bybee Lateral Water Users Assn



March 6, 2017

RECEIVED

MAR 08 2017

DEPARTMENT OF
WATER RESOURCES

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. 123 for rental of water right 2-7061. Included is check No. 116069 for the \$7,879.50 rental fee.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Graves", written in a cursive style.

Lori Graves
Water Rights Specialist

Cc: Billy Wolfe

Enclosures

SPF file number: 1320.0010



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

March 2, 2017

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW ID 83624

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 2-7061

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant:

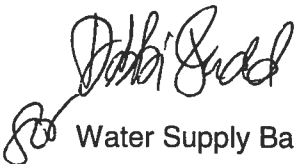
The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, 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 \$7,879.50 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 463.5 acre-feet. 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 \$7,879.50 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 \$7,091.55 of the rental fee will be paid to the lessor(s) and 10% or \$787.95 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

Webster, Clay

From: Whitney, Rob
Sent: Thursday, March 02, 2017 8:40 AM
To: Webster, Clay
Subject: RE: Watermaster and Regional Comment on WSB rental application for Wolfe Brothers Inc 2-7061

Looks ok to me.

R

From: Webster, Clay
Sent: Tuesday, February 21, 2017 8:27 AM
To: Whitney, Rob <Rob.Whitney@idwr.idaho.gov>; Grimm, Angie <Angie.Grimm@idwr.idaho.gov>
Subject: Watermaster and Regional Comment on WSB rental application for Wolfe Brothers Inc 2-7061

Rob and Angie,

We are currently processing this rental application. This has been in place since 2014. Do you have any concerns? Thanks

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

Webster, Clay

From: Grimm, Angie
Sent: Wednesday, March 01, 2017 3:06 PM
To: Webster, Clay
Cc: Whitney, Rob
Subject: RE: Watermaster and Regional Comment on WSB rental application for Wolfe Brothers Inc 2-7061

Clay,

No local area concerns come to mind from the regional perspective on this rental. Thank you for the opportunity to comment.

Regards,
Angie

From: Webster, Clay
Sent: Tuesday, February 21, 2017 8:27 AM
To: Whitney, Rob <Rob.Whitney@idwr.idaho.gov>; Grimm, Angie <Angie.Grimm@idwr.idaho.gov>
Subject: Watermaster and Regional Comment on WSB rental application for Wolfe Brothers Inc 2-7061

Rob and Angie,

We are currently processing this rental application. This has been in place since 2014. Do you have any concerns? Thanks

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

MEMORANDUM

To: Right 2-7061 Rental Agreement 123
From: Clay Webster
Date: February 22, 2017
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: The department received this application on 1/19/2017 from SPF Water engineering to rent 1.85 cfs and 463.5 af to irrigate 92.7 acres in section 33 of Twp 5S Rge 3E. This POU doesn't have a water right. This rental is a repeat of one that has been in place since 2014. The water will be diverted and delivered through the Bybee Lateral. Consent was requested and received from the Bybee Lateral Water Users Assn. on 2/17/2017.

The rental and the lease fall within the Trust Water area.

AUTHORITY TO FILE: The applicant, Wolfe Brothers is authorized to irrigate on land owned by Walker Plow Limited via an agricultural lease agreement that expires on 12/31/2019. This rental agreement is for 3 years, it coincides with the agricultural lease.

WATER RIGHT VALIDITY: Water right 2-7061 will be used to fulfill the rental. 2-7061 diverts from the same PD as the same water right that is being used on adjacent land under 2-2275, aka Bybee Ditch.

2-7061 has been idled per the lease agreement and has no validity issues since it has been in the bank for many years.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

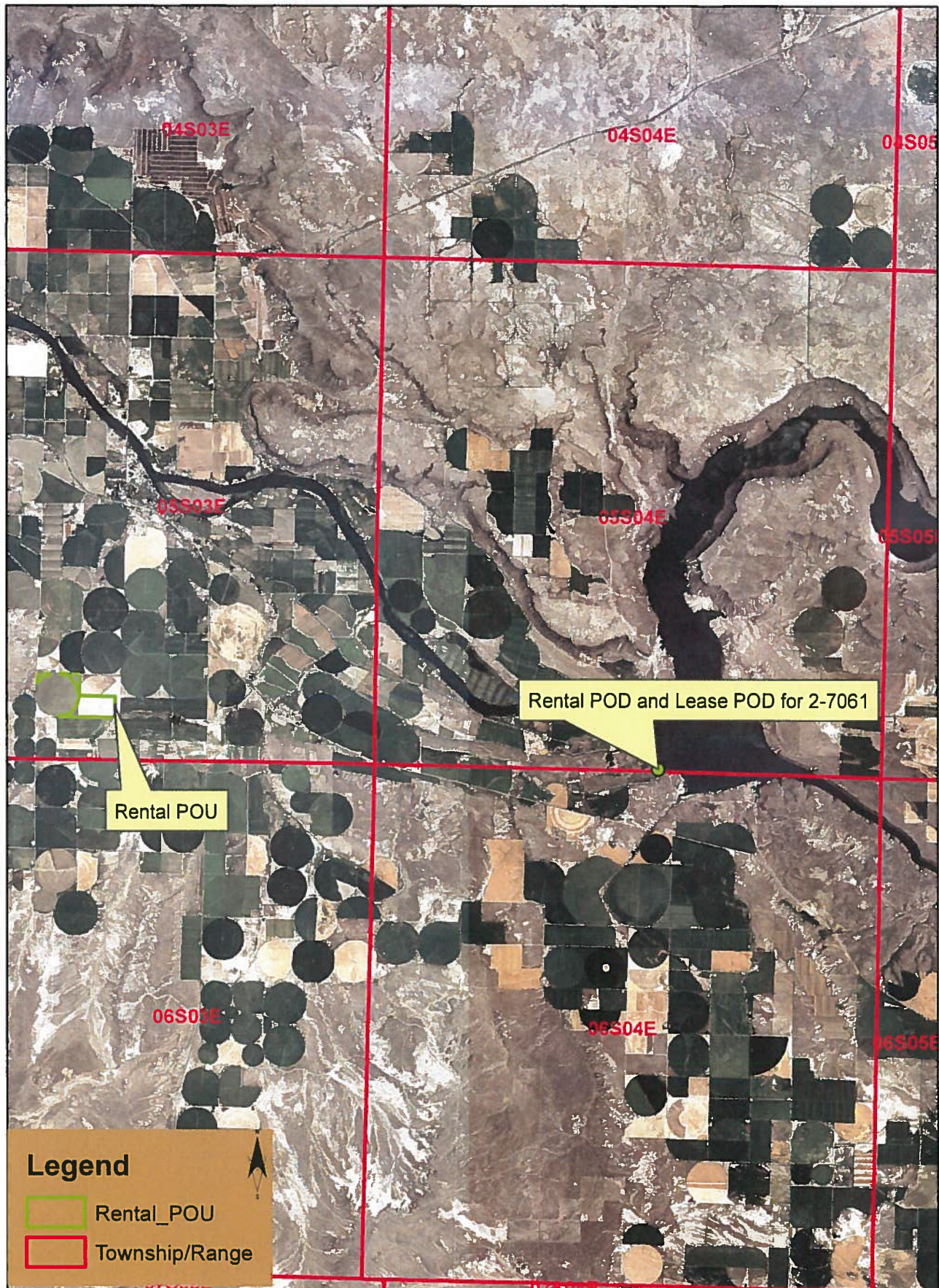
ENLARGEMENT OF USE: WR 2-2275 allows 0.02 cfs and 5.0 af per acre for the rest of the pivot. This rental will allow the same rate and volume per acre. I have no enlargement concerns.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: This rental falls within water District 02. Comments have been requested from the Watermaster and the regional office.

2017 Wolfe Brother Inc Rental 2-7061



Webster, Clay

From: Lori Graves <LGraves@spfwater.com>
Sent: Friday, February 17, 2017 8:23 AM
To: Webster, Clay
Subject: RE: WSB Rental Application for Wolfe Brothers 2-7061 Delivery Entity consent from Bybee Lateral
Attachments: Bybbel Authorization.jpg

Good Morning Clay,

Per your request, attached from Chris.

From: Webster, Clay [mailto:Clay.Webster@idwr.idaho.gov]
Sent: Tuesday, February 14, 2017 3:51 PM
To: Lori Graves <LGraves@spfwater.com>
Subject: WSB Rental Application for Wolfe Brothers 2-7061 Delivery Entity consent from Bybee Lateral

Lori,

I was reviewing this rental application and found that we do not have the delivery entity consent from the Bybee Lateral association. Could I get you to get that for me? The contact for the Bybee canal is;

Chris Alzola
PO Box 147
Mountain Home ID 83647
208-587-2789

Thanks

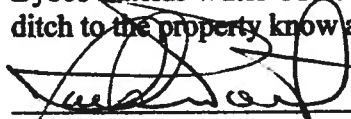
Sincerely,
Clay Webster
Water Resource Agent Sr.
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

RECEIVED
FEB 17 2017
DEPARTMENT OF
WATER RESOURCES

2-16-2017

Attn: Lori Graves
383-4140
lgraves@spfwater.com

Bybee Lateral Water Users Association will distribute irrigation water through a lateral ditch to the property know as Walker Plow rented by Wolfe Brothers Inc.



Jack Post, Secretary/Treasurer
Bybee Lateral Water Users Assn.



January 18, 2017

RECEIVED

JAN 19 2017

DEPARTMENT OF
WATER RESOURCES

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 another 3 years rental of water right 2-7061 currently leased to the Bank. Wolfe Brothers lease the ground under 3-year contract. Included as Attachment 3K is Wolfe Brothers ag lease for 2017 through 2019.

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 faint, circular official stamp.

Lori Graves
Water Rights Specialist

Cc: Billy Wolfe

Enclosures

SPF file number: 1320.0010