

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 91

RECEIVED
FEB 15 2017

This is to certify that:

OWYHEE FARMING CO LLC
FRANK TIEGS PO BOX 3350
PASCO, WA 99302

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)
2-7064	4/23/1970	SNAKE RIVER	6.36	1,590.0	318.0	0.02	5.0
2-7237A	12/23/1976	SNAKE RIVER	4.05	1,012.0	202.3	0.02	5.0
2-10181	4/9/1970	SNAKE RIVER	3.20	640.0	160.0	0.02	4.0
2-10189	2/25/1963	SNAKE RIVER	2.83	473.6	141.5	0.02	3.4
2-10450	2/25/1963	SNAKE RIVER	7.92	1,584.0	396.0	0.02	4.0
Combined Rental Totals			24.36	5,299.6	1,217.8	0.02	4.4

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2017.

Annual Rental Fee:

2017: \$90,093.20

The full fee for the rental of the above-described right(s) is \$90,093.20 for 2017. The rental fee includes an administrative fee of \$9,009.32 for 2017.

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

Total Water Use Authorized Under Rental Agreement 91

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	24.36	*4871.2	1217.8	0.02	*4.0
Combined Total	24.36	*4871.2	1217.8	0.02	*4.0

** The authorized water usage reflects a reduction from the water right elements rented to account for the reduced standard headgate volume at the rental place-of-use.*

Detailed water right conditions are attached.

SUPPORT DATA
IN FILE # 2-7064

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT NO. 91

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:

Frederick managing member
Signature of Renter

2-6-2017
Date

Printed Name

Title

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

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

By *Brian Patton*
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 2/15/2017

Rental approved by IDWR *Cheryl Weber*

Date 2-15-2017

WATER SUPPLY BANK RENTAL AGREEMENT NO. 91

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER

SESE

Sec. 4, Twp 06S, Rge 08E,

OWYHEE County

Beneficial Use
IRRIGATION

Diversion Rate
24.36 CFS

Volume
5299.6 AF

BENEFICIAL USE & SEASON OF USE

Water Right No.	From	To	Diversion Rate
2-10189	4/1	10/31	2.83 CFS
2-7064	3/15	11/15	6.36 CFS
2-10181	3/15	11/15	3.20 CFS
2-7237A	3/15	11/15	4.05 CFS
2-10450	4/1	10/31	7.92 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	
06S	08E	5						34.1	33.2	24.9	38.4	32.3	5.1	6.2	31.9	35.1	32.3	31.0	304.5
								L4											
06S	08E	6	27.9			26.9													54.8
			L1																
06S	08E	7				26.3					16.5			16.2	22.6	26.5	29.2	23.2	160.5
06S	08E	8	10.5		23.0	13.9	30.2	29.7	38.1	38.3	13.6	22.3	4.1	36.4	7.6	39.8	29.3		336.8
06S	08E	9					14.3	37.8	39.6	20.7	28.9	21.2	21.5	25.6					209.6
06S	08E	10						2.2											2.2
06S	08E	16		0.6			24.9	39.9											65.4
06S	08E	17		32.2	2.0		39.5	6.0		4.3									84.0

Total Acres: 1,217.8

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. This rental for mitigation by non-use may be ineffective if the mitigating water right is not in priority.
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 right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
9. 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. 2.
10. Rights 2-7064, 2-7237A, 2-10181, 2-10189, and 2-10450 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 lands above.
11. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
12. The period of use for irrigation under right 2-10189 and described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree was entered for this right.
13. The following rights are diverted through point(s) of diversion described above: 2-10053, 2-7022B, 2-7019B, 2-2260, 2-7102B, 2-7023B, 2-10510 and 2-10442.

Idaho Water Resource Board

Water Supply Bank Rental Agreement

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



Miles
 0 0.25

Effective until December 31, 2017

05S08E31 SESE NWSW 05S08E32 05S08E33 SESE 05S08E34

NENW NWNW NENE NWNW NENW NWNE NENE NWNE NENE NWNW

SENE SWNE SENE SWNW SENW SWNE SENE SWNW SENE SENE

06S08E6 06S08E5 06S08E4 06S08E3

NESW NWSE NESE NWSW NESW NWSE NESE NWSW NESW NWSE

SESW SWSE SESE SWSW SESW SWSE SESE SWSW SESW SWSE SESE

NENW NWNW NENE NWNW NENW NWNE NENE NWNW NENW NWNE NENE NWNW

SENE SWNE SENE SWNW SENW SWNE SENE SWNW SENW SWNE SENE SWNW

06S08E7 06S08E8 06S08E9 06S08E10

NESW NWSE NESE NWSW NESW NWSE NESE NWSW NESW NWSE NESE NWSW

SESW SWSE SESE SWSW SESW SWSE SESE SWSW SESW SWSE SESE SWSW

NENW NWNW NENE NWNW NENW NWNE NENE NWNW NENW NWNE NENE NWNW

06S08E18 06S08E17 06S08E16 06S08E15

SENE SWNE SENE SWNW SENW SWNE SENE SWNW SENW SWNE SENE SWNW

The USDA-FSA Aerial Photography Field Office asks to be credited in derived products.

-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



A horizontal scale bar with a black segment on the left and a white segment on the right, labeled "0" and "0.25" respectively, with the word "Miles" at the end.

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

DEC 13 2016

**DEPARTMENT OF
WATER RESOURCES**

Applicant Name: Owhyee Farming Company, LLC

Is this application being submitted with a lease application as a lease/rental package?

Yes ☐ No ☒

If yes, specify companion water rights in Section 4

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

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

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

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

MINIMUM REQUIREMENT CHECKLIST			
Check All Items as Either Attached (Yes) or Not Applicable (N/A)			
Attachment N/A Yes			
Yes			
☒ Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>			
☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank			
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)			
2-2376 ✓	2-7237A	2-10189 ✓	
2-7064	2-10181	2-10450	

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Owhyee Farming Company, LLC

Mailing Address P.O. Box 3350 Pasco, WA 99302

Street

City

State

Zip Code

Email Address _____

Phone Number 509-545-4545

- 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 Greg Sullivan

Professional Title Engineer

Organization Brockway Engineering

Relationship to Applicant Consultant

Mailing Address 2016 North Washington St Ste 4 Twin Falls, Idaho 83301

Email Address greg.sullivan@brockwayeng.com

Phone Number 208-736-8543

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**:

The rental water will be used for irrigation purposes.

- 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)
26.56 CFS	5312.0 AF	26.56 CFS	5312.0 AF	1328 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?	
04/01/2017	6/01/2017	☐ 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 structures, mainlines and delivery systems

- 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
06S08E Sec 4 SESE	Snake River	

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 1328.0 (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:

2-7019B, 2-2109D, 2-7022D, 2-7023B, 2-7102B and 2-2260

**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)
2-2376	Irrigation	.41	112.5	22.5		0.35	70.0	17.6
2-7064	Irrigation					6.36	1590.0	318
2-7237A	Irrigation					5.9	1475.0	295
2-10181	Irrigation					3.2	640.0	160
2-10189	Irrigation					2.83	473.6	141.5
2-10450	Irrigation					7.92	1584.0	396.0
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	26.56	5312	1328
						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**:

N/A

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:

The previous owner was unwilling to sell the water rights. The new owner will be approached to purchase the water rights.

- 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

Printed Name of Applicant

Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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



State of Idaho

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 16, 2017

OWYHEE FARMING CO LLC
FRANK TIEGS
PO BOX 3350
PASCO WA 99302

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 2-7064, 2-7237A, 2-10181, 2-10189, and 2-10450**

Dear Renter:

Please find enclosed a receipt in the amount of **\$90,093.20** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 5,299.6 acre-feet of water for irrigation of 1,217.8 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 \$81,083.88 of the rental fee will be paid to the lessor(s) and 10% or \$9,009.32 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. C103031
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angie Grimm – IDWR Western Regional Office
Rob Whitney – State Water District No. 02
Greg Sullivan – Brockway Engineering



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 2, 2017

OWYHEE FARMING CO LLC
FRANK TIEGS
PO BOX 3350
PASCO WA 99302

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 2-7064, 2-7237A, 2-10181, 2-10189, and 2-10450**

*****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 \$90,093.20 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 5,299.6 acre-feet.

Please send a check for \$90,093.20 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 \$81,083.88 of the rental fee will be paid to the lessor(s) and 10% or \$9,009.32 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
Greg Sullivan-Brockway Engineering PLLC

Edl, Michele

From: Whitney, Rob
Sent: Tuesday, January 24, 2017 3:17 PM
To: Edl, Michele
Subject: RE: Request for comment Owyhee Farming 1217.8 acres

Michele,

No concerns, please proceed.

RW

From: Edl, Michele
Sent: Tuesday, January 24, 2017 2:50 PM
To: Grimm, Angie <Angie.Grimm@idwr.idaho.gov>; Whitney, Rob <Rob.Whitney@idwr.idaho.gov>
Subject: FW: Request for comment Owyhee Farming 1217.8 acres

Angie and Rob

I have completed my review of the last of the WSB rentals for Owyhee Farming-Midnight Sun. This rental is part 3 of 3. You have already seen part 1 of 3, the Midnight Sun WSB rental for 486.6 acres of water (ending in 2020) and part 2 of 3, the Owyhee Farming WSB rental for 250 acre (ending in 2019)..

I have attached a copy of my review memo and two maps created by Greg Sullivan the consultant for Owyhee Farming (the Frank Tiegs portion). These are the same maps as I provided to you for the Owyhee Farming 250 acre rental. They are good illustrations of the whole. Tiegs and Sullivan name the farm Hoodco which explains the map legends and titles.

The 250 acre Hoodco 2017 Rental 2, is colored light yellow and ends in 2019.

The final rental, part 3 of 3, is Hoodco 2017 Rental QQ and is colored blue. Four of the five WRs have new owners as of November 2016. The new owners, Crown Farm Outback LLC, have severed the water rights from the land AND requested that they be released from the WSB December 31, 2017. So although the rental application proposed a 4 year duration for the rental, it will be authorized for 2017 only.

Jes Erling and I discussed these 3 rental applications briefly this morning. He and I know that another transfer is needed to clarify the POD(s) and Jes has an idea of what he needs to look from the pump station this summer.

Please let me know if you have any concerns about this rental.

Thank you as always.

Michele

MEMORANDUM

To: Right(s) 2-7064, 2-7237A, 2-10181, 2-10189 and 2-10450

From: Michele Edl

Date: January 24, 2017

Re: Review & Analysis of Owyhee Farming Co's Application to Rent Water (for 1217.8 acres) from the State Water Supply Bank

PURPOSE/NARRATIVE: On December 13, 2016, Greg Sullivan (engineer, Brockway Engineering PLLC) submitted a WSB rental application on behalf of Owhyee Farming Company LLC. That entity doesn't exist and is likely a typo of Owyhee Farming Company LLC. The application proposed to rent the above rights for four years: 2017-2020. However, the first four of the five rights listed above have recently changed ownership. The new water right owners have severed the water from the land and requested that the rights be removed from the WSB on December 31, 2017. Therefore, this rental agreement is limited to 2017 only.

To cover all of the irrigated acreage seen in recent aerial photography, this application should be processed in conjunction with two other 2017 applications to rent from the WSB. They are: an application submitted by Hal Anderson on behalf of Midnight Sun Inc VIII requesting rental water for 486.6 acres; and another rental application submitted by Greg Sullivan on behalf of Owhyee Farming Company (again a misspelling of Owyhee Farming Company) requesting 250 acres worth of water.

AUTHORITY TO FILE: According to available Owyhee County taxlot information, the proposed place-of-use is property is owned by Midnight Sun Inc VIII. A copy of the current land lease agreement between Midnight Sun and Owyhee Farming was located in the companion 250 acre rental request. That land lease agreement expires in 2017 but there is an option to renew for two additional years.

Both Midnight Sun Inc VIII and Owyhee Farming Company LLC are listed with IDSOS. Frank Tiegs (managing partner, Owyhee Farming Company LLC) signed the rental application.

The proposed rental point-of-diversion is existing pumping station WMIS #1001455, (UBS Indian Hills). The pumping station is located on BLM property and on the southern bank of the Snake River. It is the authorized POD for the following water rights: 2-10053, 2-7022B, 2-7019B, 2-2260, 2-7102B, 2-7023B, 2-10510 and 2-10442.

I requested and received a copy of the BLM documents which authorize Midnight Sun's access to the POD.

WATER RIGHT VALIDITY: The five proposed rights have been in the WSB many years.

A review of recent aerial photography shows that irrigation at each of the respective POUs for 2-7064, 2-7237A, 2-10181, and 2-10189 has been idled.

But the PPU for Right 2-10450 has been irrigated. That PPU has several other water rights appurtenant to it, and the owner of the PPU property is not the owner of Right 2-10450. Similar to the other four rights, Right 2-10450 appears to have been severed from any land, but is leased to the bank and available to rent.

With the approval of this rental agreement, the rental availability of Water Rights 2-7064, 2-10181, 2-10189 and 2-10450 have been exhausted.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

Although nominally within the Trust Water Rights area, all of the rights have priority dates which precede the Swan Falls Agreement and so they will not be curtailed to meet minimum streamflow.

ENLARGEMENT OF USE: No enlargement is anticipated.

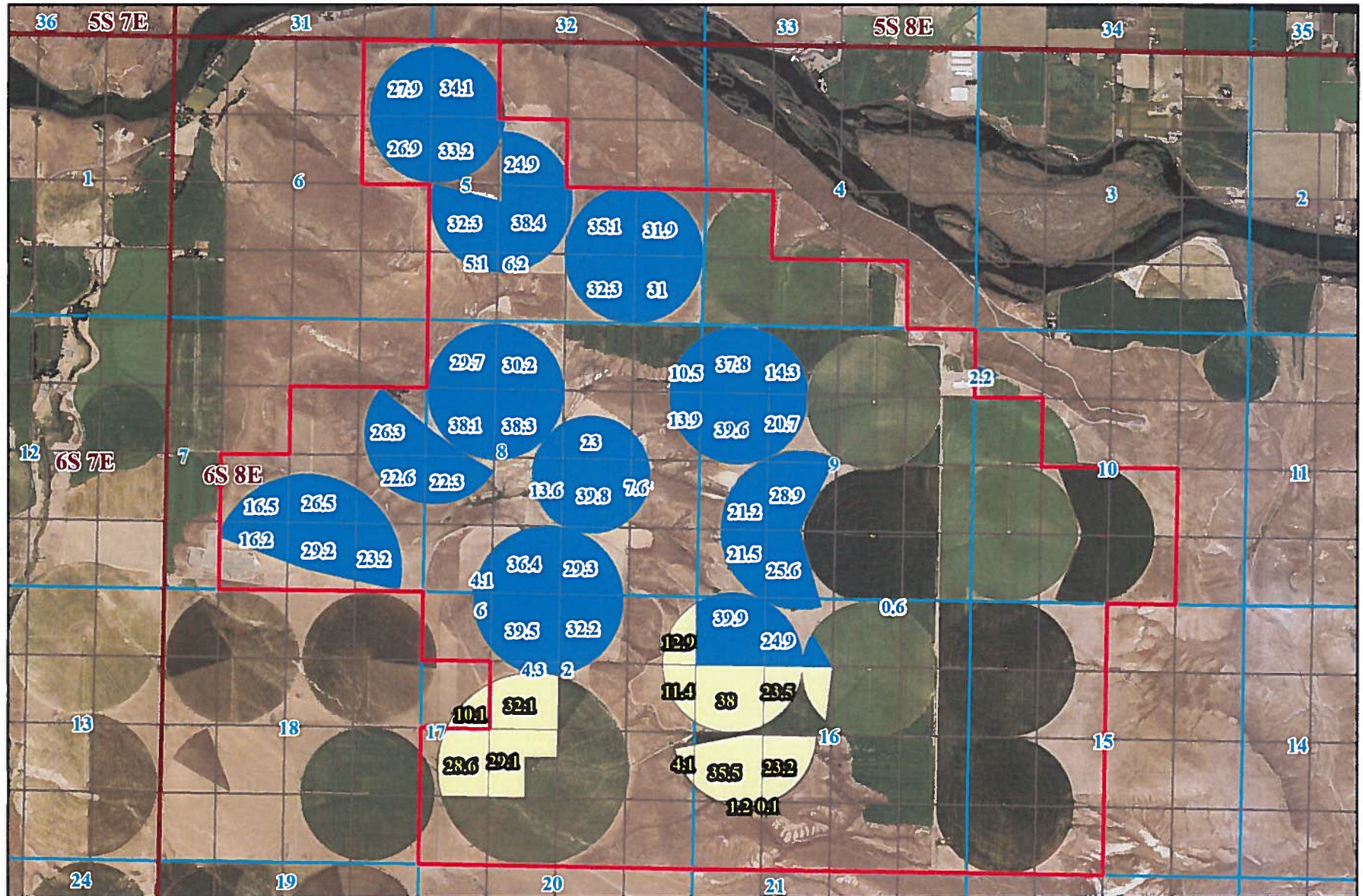
There is no change in NOU but the lease and rental locations do not have the same standard SOU. The rental rate and volume have been made proportionate to the leased elements of the right.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The rented rights are subject to Water District #2. Comment will be requested from Western Region and the watermaster.

☐ Hoodco Farm PPU
☐ Hoodco WR POU QQ
☐ Hoodco Farm Midnight Sun Rental



0 1,250 2,500 5,000 Feet

HOODCO FARM

Rental Map

Midnight Sun Water Rights 911.0 Acres

Midnight Sun Rental 486.6 Acres

Owhyee Farming Rental 250 Acres and 1217.8 Acres

NAIP 2015 AERIAL

Legend

- Hoodco Farm PPU
- Hoodco 2017 Rental QQ
- Hoodco 2017 Rental 2

Water Right No.	Rented Vol (AF)	Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$17 (2017)	Rental Amounts		Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$20 (2018-2022)
					Rate	Acres			
02-7064	1590.0	\$24,327.00	\$2,703.00	\$27,030.00	6.36	318.0	\$28,620.00	\$3,180.00	\$31,800.00
02-7237A	1012.0	\$15,483.60	\$1,720.40	\$17,204.00	4.05	202.3	\$18,216.00	\$2,024.00	\$20,240.00
02-10181	640.0	\$9,792.00	\$1,088.00	\$10,880.00	3.20	160.0	\$11,520.00	\$1,280.00	\$12,800.00
02-10189	473.6	\$7,246.08	\$805.12	\$8,051.20	2.83	141.5	\$8,524.80	\$947.20	\$9,472.00
02-10450	1584.0	\$24,235.20	\$2,692.80	\$26,928.00	7.92	396.0	\$28,512.00	\$3,168.00	\$31,680.00
Total	5299.6	\$81,083.88	\$9,009.32	\$90,093.20	24.36	1217.80	\$95,392.80	\$10,599.20	\$105,992.00
calculated by Michele Edl									
02-7064	rate	volume	acre	af/ac	cfs/ac	OC processed; release WR Dec 2017			
decreed	6.36	1590	318	5.00	0.020				
leased	6.36	1590	318	5.00	0.020				
available	6.36	1590	318	5.00	0.020				
Owyhee Farming Co	6.36	1590	318	5.00	0.020	HG = 4.0 in this location			
remaining	0	0	0	0	0				
Owyhee Farming use	6.36	1272	318	4.00	0.02				
02-7237A	rate	volume	acre	af/ac	cfs/ac	OC processed; release WR Dec 2017			
decreed	5.9	1475	295	5.00	0.020				
leased	5.9	1475	295	5.00	0.020				
available	5.9	1475	295	5.00	0.020				
Owyhee Farming Co	4.05	1012	202.3	5.002	0.0200	HG = 4.0 in this location			
remaining	1.85	463	92.7	4.99	0.020				
Owyhee Farming use	4.05	809.2	202.3	4.00	0.020				
02-10181	rate	volume	acre	af/ac	cfs/ac	OC processed; release WR Dec 2017			
decreed	3.2	640	160	4.00	0.020				
leased	3.2	640	160	4.00	0.020				
available	3.2	640	160	4.00	0.020				
Owyhee Farming Co	3.2	640	160	4.00	0.020				
remaining	0	0	0	0	0				
02-10189	rate	volume	acre	af/ac	cfs/ac	OC processed; release WR Dec 2017			
decreed	2.83	473.6	141.5	3.35	0.020				
leased	2.83	473.6	141.5	3.35					
available	2.83	473.6	141.5	3.35					
Owyhee Farming Co	2.83	473.6	141.5	3.35	0.020				
remaining	0	0	0						
02-10450	rate	volume	acre	af/ac	cfs/ac				
decreed	15	3000	750	4.00	0.020				
leased	15	3000	750	4.00	0.020				
Flying H	7.08	1416	354	4.00	0.020	rented until 2020			
available	7.92	1584	396	4.00	0.020				
Owyhee Farming Co	7.92	1584	396	4.00	0.020				
remaining	0	0	0	0	0				
total rental									
total use	24.36	4778.8	1217.8	3.92	0.020				

No. W 98608		Due no later than Dec 31, 2015 Annual Report Form		2. Registered Agent and Address (NO PO BOX)	
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		1. Mailing Address: <u>Correct in this box if needed.</u> OWYHEE FARMING COMPANY, LLC FRANK TIEGS PO BOX 3350 PASCO WA 99302 USA		RICHARD F GOODSON 877 MAIN STREET STE 1000 BOISE ID 83702	
				3. New Registered Agent Signature:*	
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.					
Office Held	Name	Street or PO Address	City	State	Country Postal Code
MEMBER	PASCO FARMING INC	PO BOX 3350	PASCO	WA	USA 99302
5. Organized Under the Laws of:		6. Annual Report must be signed.*			
ID W 98608		Signature: TIM TIPPETT		Date: 12/14/2015	
		Name (type or print): TIM TIPPETT		Title: VICE PRESIDENT	
Processed 12/14/2015		* Electronically provided signatures are accepted as original signatures.			

LEASE AND SECURITY AGREEMENT

THIS LEASE AND SECURITY AGREEMENT, made this 14th day of July 2015 by and between **Midnight Sun, Inc. VIII**, hereinafter referred to as "Lessor", and **Owyhee Farming Company LLC**, hereinafter referred to as "Lessee".

WITNESSETH:

1. **PROPERTY.** Lessor leases to Lessee the Property in Owyhee County, Idaho, described in Exhibit A attached here to, also referred to as **MSI(8)68, Danskin (Hood Co) Farm**, together with all water rights and irrigation equipment and improvements located thereon, described in Exhibit B, hereinafter referred to as "Demised Premises". The Demised Premises may be used only for agricultural and related purposes. The Lessor reserves for itself all oil, gas, hydrocarbon, geothermal, mineral, recreational and hunting rights.
2. **TERM.** The term of this lease shall be for the period **commencing November 1, 2015, and expiring on October 31, 2017 (2 crop years)**, provided that Lessee shall have up to thirty (30) days after expiration to complete the harvest of any annual crops then growing on said Demised Premises.
3. Provided that Lessee is not in breach of this Lease, Lessee shall have the option to extend this Lease for an additional two year (2-year) term (the "Option Term") by giving Lessor written notice of Lessee's election to exercise such option at least ninety (90) days prior to the expiration of the initial term of this Lease. All of the terms and conditions of this Lease shall continue to apply during the Option Term; however, the annual rent shall be adjusted to reflect the fair market rent for such property for the Option Term. Following Lessee's exercise of the Option Term, the parties agree to meet and to negotiate in good faith in order to arrive at the fair market rent for the Option Terms. If the parties are unable to reach agreement as to such rent within thirty (30) days of the expiration of the initial term of this Lease, then all of Lessee's rights in connection with the option to extend this Lease for the Option Term shall terminate and shall be of no further force or effect.
4. **CASH RENT.**
 - 4.1. Lessee agrees to pay as annual rental the sum of [REDACTED], plus all sales taxes imposed upon the rental herein provided, payable as follows, to wit:

For the Lease Years ending 2016 & 2017:

(1) [REDACTED] due on or before December 1, 2015 &
(2) [REDACTED] due on or before December 1, 2016.
 - 4.2. Lessee agrees to submit a cropping plan for approval on or before April 1 showing the location, number of acres and crops to be planted during the term of the Lease on the Demised Premises. It is agreed that the crops and acreages listed on that plan will be planted unless an amended plan is submitted and approved by Lessor in writing prior to planting. Lessee also agrees to annually report the actual acres and yield of each crop harvested no later than December 1.
 - 4.3. Any amounts due and unpaid hereunder shall bear interest at the annual rate of 12%, or the highest rate permitted under Idaho law, whichever is less, from the date due until the date received by Lessor. All amounts paid in excess of the cash rents stated herein are deemed to be additional rent under the terms of this Lease. Such delay interest shall be payable along with the delinquent rental payment. Unless otherwise directed by Lessor all rental and other amounts due hereunder shall be payable to **Midnight Sun, Inc. VIII** and delivered to UBS AgriVest LLC, P.O. Box 53, Nampa, ID 83653.
5. **LESSOR SHALL:**
 - 5.1. Pay all state and county real estate taxes on the Demised Premises.
 - 5.2. Warrant and defend the Lessee's possession against any and all persons as long as this lease remains in effect and the Lessee is not in default under the terms of this Lease.
 - 5.3. Pay the reasonable cost to repair and/or maintain the underground parts and portions of the existing irrigation pumps and pipelines, unless the repairs are the result of damages to the equipment and pipelines caused by negligence or intentional acts on the part of the Lessee in which case the Lessee shall pay the reasonable cost to repair the damaged equipment and pipelines. For purposes of this paragraph, major repair expenses shall be those repair items in excess of [REDACTED] occurrence.

6. **LESSEE SHALL:**

- 6.1. Farm said Demised Premises and care for and cultivate said crops and land in a good and farmerlike manner, and in accordance with the best standards of Owyhee County, and keep said Demised Premises and the whole thereof, free and clear of weeds and noxious plants, and further, mow all roadsides, ditch banks, and fence rows between the dates of April 15 and November 1, and disk all set aside and fallow lands not planted to subject to FSA requirements.
- 6.2. Comply with and abide by all of the mandatory provisions and regulations of any acreage control or crop support program set forth by the United States Government, and maintain the base acreages on said Demised Premises at not less than the same number of base acres as existed at the inception of this Lease as established by the United States Government.
- 6.3. Use the Demised Premises solely for lawful purposes. Lessee shall, at all times in the use of the Demised Premises and in the performance of this Lease, comply with all laws, ordinances, decrees, orders, rules, and regulations, including but not limited to all environmental laws, statutes, rules, regulations, and ordinances, of any lawful authority, agency or governmental unit having jurisdiction over the Demised Premises.
- 6.4. If a Conservation Plan has been required on the Demised Premises, then a copy of such plan will be provided to the Lessor for Lessor's prior approval. Lessee agrees to strictly abide by the terms, requirements and conditions of the Conservation Plan approved by Lessor.
- 6.5. Comply with State Workmen's Compensation requirements on all employees.
- 6.6. Furnish at its own cost and expense, all finance, labor, tools, power, utilities, irrigation water, fuel, materials, supplies, machinery and equipment necessary or convenient in the farming of said Demised Premises, and in the production, harvest and sale of the crops grown thereon.
- 6.7. At all times during the term of this Lease and at Lessee's expense, Lessee will procure, maintain and keep in force general public liability insurance of not less than One Million Dollars (\$1,000,000.00) insuring against bodily injury, death, or property damage occurring on or about the Demised Premises as the result of the Lessee's occupancy and farming of the Demised Premises; and name the Lessor and UBS AgriVest LLC as additional insured and furnish Lessor with a copy of the endorsement and of all renewals and replacement policies.
- 6.8. Maintain federal crop insurance on all insurable crops grown and assign all rights under the insurance proceeds to Lessor in the case of a default under any of the terms and conditions of the Lease.
- 6.9. Pay all expenses and liabilities incurred in farming the Demised Premises and not allow any liens to attach to or be filed against said Demised Premises as a result of the Lessee's farming or operation thereof.
- 6.10. Lessee shall keep the improvements on the Demised Premises insured against physical loss by fire and such other coverages as are covered by the extended coverage endorsement (with Lessor named as an additional insured, and provide Lessor with a copy of the insurance policy covering the improvements).
- 6.11. Lessee shall be obligated to disk all the cropland on the Demised Premises at the termination of the lease.
- 6.12. Lessee will strictly follow label restrictions in the use of pesticides, herbicides, fertilizers and other toxic or hazardous substances. Lessee shall handle and dispose of all hazardous substances in a manner approved by the U.S. Environmental Protection Agency and applicable state laws and regulations.
- 6.13. Lessee shall not apply any pesticide, herbicide or chemical product on the Demised Premises which may leave a residue that will adversely affect the growing of crops which may be planted on the Demised Premises following the termination of this lease. Upon the termination of this lease, Lessee shall furnish to Lessor a written list of the chemicals applied to the Demised Premises, the quantity and dates of application. Lessee shall also use care in the application of chemicals to the crops grown on the Demised Premises so as to avoid damage to crops grown on adjacent parcels of land owned by third parties. Lessee shall indemnify and hold harmless the Lessor from any claims, liability, penalties,

finest, loss, damage or expenses, including attorney's fees, resulting from the Lessee's use, application, or storage of chemicals, pesticides, or herbicides on the Demised Premises.

- 6.14. No toxic or hazardous substances will be disposed of on the Demised Premises; however, all hazardous substances will be disposed of in a manner approved by applicable County, State and Federal Environmental Protection Agency regulations.
- 6.15. Lessee will not bury any tanks, equipment or substances of any type on the premises without the prior written consent of the Lessor.
- 6.16. Global Positioning. Any and all data obtained through global positioning on the property is jointly owned by Lessor and Lessee. Lessee agrees to provide to Lessor or Lessor's agent, a copy of any and all global positioning information they have on paper, computer disk(s), or other electronic media.
7. **SALE OF DEMISED PREMISES.** In the event that Lessor enters into a sale agreement with regard to all or any portion of the demised premises during the term of this lease, then Lessor shall give Lessee notice of the intended sale and the expected date of closing. In the event the sale closes, the lease shall expire at the end of the crop year during which the notice is first received, and possession of individual tracts shall revert to Lessor as harvest is substantially completed on each tract. Once Lessee receives such notice of intended sale, Lessee shall not perform any additional work in preparation of the succeeding crop year, such as seeding or fertilizing, without the specific, written permission of Lessor.
8. **CONDEMNATION.** In the event of the appropriation or condemnation by any competent authority, for a public or quasi-public use or purpose, of the entire Demised Premises, then and in that event, the term of this Lease shall cease and terminate from the date when the possession of the Demised Premises shall be required for such use or purpose. In the event of such an appropriation or of an appropriation of only part of the Demised Premises, there shall be no apportionment of the award, but the entire award shall go to the Lessor. The current rental shall, however, be prorated.
9. LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE DEMISED PREMISES, THE LOCATION OF ITS BOUNDARIES, OR AS TO THE FITNESS OR SUITABILITY OF THE DEMISED PREMISES FOR ANY USE WHICH LESSEE MAY INTEND TO MAKE THEREOF AND LESSEE ACCEPTS THE DEMISED PREMISES IN "AS IS" CONDITION.
10. **LESSOR'S ACCESS.** Lessor or persons designated by Lessor shall have access to said Demised Premises at all times for the purpose of inspecting the same and crops growing thereon.
11. **ASSIGNMENT AND SUBLETTING.** Lessee shall not, without first obtaining the written consent of the Lessor, assign this Lease, or any interest herein, or sublet all or any part of the Demised Premises. The Lessor may withhold its consent to the assignment of this Lease, and to any sublease, in its sole and absolute discretion. In the event of a permitted assignment or subletting, Lessee shall remain liable for the prompt payment of all rent required to be paid hereunder and for the performance of all of the terms, covenants and conditions herein undertaken by Lessee.
12. **WATER.** Lessee shall have the right to pump and use the underground flow of water and any Snake River water that may be available to the Demised Premises for use on the Demised Premises only. Neither party shall be liable for the failure or shortage thereof, nor for the failure of gas, electrical or other power or energy. The Lessee agrees to make reasonable use of the water available to said Demised Premises, and, except in emergencies, to prevent the waste of the same. The Lessor does not warrant the initial or continued accessibility or supply of the irrigation water or its suitability for any purpose.
13. **RE-ENTRY.** In the event Lessee neglects or abandons the crops growing on the Demised Premises or any fallow land or "set-aside" land, Lessor or persons designated by Lessor shall have the right to immediately re-enter upon the Demised Premises and care for, grow and harvest the crops and/or care for the fallow land or "set-aside" land, and charge against Lessee's interest, if any, in said crops or charge Lessee the additional cost for all expenses incurred by Lessor in caring for, growing and/or harvesting said neglected or abandoned crops or fallow land or "set-aside" land.
14. **ATTORNEY'S FEES: EXPENSES.** Lessee agrees to pay upon demand all of Lessor's costs and expenses, including attorneys' fees and Lessor's legal expenses incurred in connection with the enforcement of this Lease & Security Agreement. Lessor may pay someone else to help enforce this Agreement and Lessee shall pay the costs and expenses of such enforcement. Costs and expenses include Lessor's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment

24. **NOTICES.** Any and all notices or demands by or from Lessor to Lessee, or Lessee to Lessor shall be in writing. They shall be served either personally or by certified mail or by telegraphic method. If served personally, service shall be conclusively deemed made at the time of service. If served by certified mail, service shall be conclusively deemed made 48 hours after deposit thereof in the United States mail, postage prepaid, addressed to the party to whom such notice or demand is to be given as hereafter provided. If served by telegraphic method, notice shall be conclusively deemed made at the time the telegraphic agency shall confirm to the sender delivery thereof to the addressee.

Any notice or demand to Lessor shall be given unto it at:

Midnight Sun, Inc. VIII
c/o UBS AgriVest LLC
10 State House Square, 15th floor
Hartford, CT 06103-3600
Attn: James B. McCandless

and to:
Midnight Sun, Inc. VIII
c/o UBS AgriVest LLC
P.O. Box 53
Nampa, ID 83653
Attn: Charles W. Bryan, Jr.

Any notice or demand to Lessee shall be given unto it at:

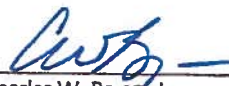
Owyhee Farming Company, LLC
c/o Frank Tiegs & Lance D. Funk
P.O. Box 3110
Pasco, WA. 99302

Said addresses may be changed from time to time by notice given in accordance with the provisions of this paragraph.

25. **TERMINATION.** On the last day of the term of this Lease, or on sooner termination as herein provided, Lessee shall peaceably and quietly leave and yield to the Lessor the Demised Premises together with the appurtenances all in good working order, condition and repair, reasonable wear and tear and damage caused by fire or other unavoidable casualty, and permitted alterations excepted. All permits and approvals which may be in the name of Lessee shall forthwith be assigned or transferred to Lessor. If Lessor leases all or any portion of the Demised Premises to another party after termination, the new Lessee or Lessees shall be entitled to take possession of the Demised Premises immediately following Lessee's completion of harvest thereon, notwithstanding the termination date.
26. This Lease shall be construed according to the laws of the State of Idaho.
27. Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

LESSOR:
MIDNIGHT SUN, INC. VIII

By: 
Charles W. Bryan, Jr.
Vice President

LESSEE:
OWYHEE FARMING COMPANY LLC

By:  Managing member
Frank Tiegs

By: _____
Lance D. Funk

STATE OF IDAHO)

) ss. (City)

COUNTY OF CANYON)

On this the 13th day of July 2015, before me, Stephanie Przemielewski, the undersigned officer, personally appeared Charles W. Bryan, Jr., who acknowledged himself to be the Vice President of Midnight Sun, Inc. VIII, a corporation, and that he, as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand.



Steph Przemielewski
Notary Public in and for the State of Idaho

My Commission expires:
04/17/2020

STATE OF WASHINGTON

) ss. (City)

COUNTY OF FRANKLIN

On this the 24th day of August, 2015, before me, Tim M. Tippet, the undersigned officer, personally appeared FRANK TIER, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.



Tim M. Tippet
Notary Public

My Commission Expires:
5-9-17

STATE OF _____)

) ss. (City)

COUNTY OF _____)

On this the _____ day of _____, 20____, before me, _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Notary Public

My Commission Expires:

EXHIBIT "B"

IRRIGATION EQUIPMENT

Eleven (11) Zimmatic pivots, 7 to 8 tower, new in 2012

River Pump Station:

500 hp Motor Pump (pump #4) US Motor Titan II
500 hp Motor Pump (pump #3) US Motor Titan II
500 hp Motor Pump (pump #2) US Motor Titan II
500 hp Motor Pump (pump #1) US Motor Titan II

Distribution Station:

125 HP Marathon Motor Berkeley Pump
150 HP Baldor Motor Berkeley Pump
150 HP Baldor Motor Berkeley Pump
125 HP Marathon Motor Berkeley Pump
100 HP Baldor Motor Berkeley Pump
100 HP Baldor Motor Berkeley Pump

Approximately 18,400 feet 12-20" buried PVC mainline
Approximately 1320 feet 24" above-ground mainline

Edl, Michele

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Monday, January 23, 2017 11:22 AM
To: Edl, Michele
Subject: Hoodco
Attachments: Hoodco 2017 Rental QQ.dbf; Hoodco 2017 Rental QQ.prj; Hoodco 2017 Rental QQ.sbn;
Hoodco 2017 Rental QQ.sbx; Hoodco 2017 Rental QQ.shp; Hoodco 2017 Rental QQ.shp.xml;
Hoodco 2017 Rental QQ.shx

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

Exhibit A

Owyhee Farming Company, LLC
Rental Analysis
Brockway Engineering
Greg Sullivan

Water Rights 2-2260, 2-7019B, 2-7019D, 2-7022B, 2-7023B, 2-7102B, 2-10422, 2-10510

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
6S	8E	4										0.0	0.0	0.0			30.5		30.5
		5			0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
		6	0.0			0.0									0.0				0
		7			0.0	0.0				0.0	0.0			0.0	0.0	0.0	0.0	0.0	0
		8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
		9	14.2	34.0	40.0	28.9	9.0	0.0	0.0	12.5	9.2	0.0	0.0	12.1	23.6	36.9	39.9	26.0	286.3
		10						0.0	39.2	0.0	37.1	38.8	37.9	36.9		19.5	18.9		228.3
		15					15.5	39.1	38.3	14.3	14.3	38.5	38.1	14.0					212.1
		16	24.1	38.2	38.9	24.7	5.1	0.0	0.0	1.5	0.0	0.0	0.0	0.0	10.7	0.0	0.0	10.6	153.8
		17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
																			911

Water Bank Rental Acres From Midnight Sun

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
6S	8E	4										33.1	39.8	39.9			0.0		112.8
		5			0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	9.4	9.7
		6	0.0			0.0									0.0				0
		7			0.0	0.0				0.0	0.0			0.0	0.0	0.0	0.0	0.0	0
		8	20.1	15.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.6
		9	4.0	5.1	0.0	10.0	15.9	1.3	0.0	0.0	0.0	0.0	0.0	0.0	15.1	1.3	0.0	13.1	65.8
		10						0.0	0.0	0.0	0.0	0.8	1.3	0.0		0.0	0.0		2.1
		15					0.0	0.7	1.1	0.0	0.0	1.0	0.0	0.0					2.8
		16	14.3	0.1	1.1	13.4	0.0	0.0	0.7	14.9	0.0	0.0	0.0	0.0	26.3	23.0	5.6	6.0	105.4
		17	0.0	0.0	20.3	0.0	0.0	0.0	0.0	0.0	11.3	0.0	14.5	38.4	1.8	40.1	26.0	0.0	152.4
																			Acres to be Rented 486.6

Water Bank Rental Acres From Owyhee Farming

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
6S	8E	4										0.0	0.0	0.0			0.0		0
		5			0.0		0.0	34.1	33.2	24.9	38.4	32.3	5.1	6.2	31.9	35.1	32.3	31.0	304.5
		6	27.9			26.9									0.0				54.8
		7			0.0	26.3				0.0	16.5			16.2	22.6	26.5	29.2	23.2	160.5
		8	10.5	0.0	23.0	13.9	30.2	29.7	38.1	38.3	13.6	22.3	4.1	36.4	7.6	39.8	29.3	0.0	336.8
		9	0.0	0.0	0.0	0.0	14.3	37.8	39.6	20.7	28.9	21.2	21.5	25.6	0.0	0.0	0.0	0.0	209.6
		10						2.2	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0		2.2
		15					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0
		16	0.0	0.6	0.0	0.0	24.9	39.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	65.4
		17	0.0	32.2	2.0	0.0	39.5	6.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	84
																			Acres to be Rented 1217.8

Exhibit A

Owyhee Farming Company, LLC

Rental Analysis

Brockway Engineering

Greg Sullivan

Water Bank Rental Acres From Owyhee Farming

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
6S	8E	4										0.0	0.0	0.0			0.0		0
		5			0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
		6	0.0			0.0									0.0				0
		7			0.0	0.0				0.0	0.0			0.0	0.0	0.0	0.0	0.0	0
		8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
		9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
		10						0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0		0
		15					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0
		16	0.0	0.0	0.0	0.0	0.0	0.0	38.0	23.5	23.2	35.6	1.2	0.1	0.0	0.0	0.0	0.0	121.6
		17	12.9	0.0	0.0	11.4	0.0	0.0	10.2	32.1	29.1	28.6	0.0	0.0	4.1	0.0	0.0	0.0	128.4
Acres to be Rented																			250.0

Total Acres Irrigated

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
6S	8E	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.1	39.8	39.9	0.0	0.0	30.5	0.0	143.3
		5	0.0	0.0	0.0	0.0	0.0	34.1	33.2	24.9	38.4	32.3	5.1	6.2	32.2	35.1	32.3	40.4	314.2
		6	27.9	0.0	0.0	26.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	54.8
		7	0.0	0.0	0.0	26.3	0.0	0.0	0.0	0.0	16.5	0.0	0.0	16.2	22.6	26.5	29.2	23.2	160.5
		8	30.6	15.5	23.0	13.9	30.2	29.7	38.1	38.3	13.6	22.3	4.1	36.4	7.6	39.8	29.3	0.0	372.4
		9	18.2	39.1	40.0	38.9	39.2	39.1	39.6	33.2	38.1	21.2	21.5	37.7	38.7	38.2	39.9	39.1	561.7
		10	0.0	0.0	0.0	0.0	0.0	2.2	39.2	0.0	37.1	39.6	39.2	36.9	0.0	19.5	18.9	0.0	232.6
		15	0.0	0.0	0.0	0.0	15.5	39.8	39.4	14.3	14.3	39.5	38.1	14.0	0.0	0.0	0.0	0.0	214.9
		16	38.4	38.9	40.0	38.1	30.0	39.9	38.7	39.9	23.2	35.6	1.2	0.1	37.0	23.0	5.6	16.6	446.2
		17	12.9	32.2	22.3	11.4	39.5	6.0	10.2	36.4	40.4	28.6	14.5	38.4	5.9	40.1	26.0	0.0	364.8
Acres to be Rented																			2865.4

Edl, Michele

From: Hal Anderson <hal@idahowaterengineering.com>
Sent: Wednesday, January 18, 2017 11:23 AM
To: Edl, Michele
Cc: 'Greg Sullivan'; charles.bryan@ubs.com
Subject: FW: Midnight Sun authorization to access POD
Attachments: BLM Assignment of RoW.pdf; BLM RoW.pdf

Michele,

Here is the BLM Assignment of Right of Way for Midnight Sun that you were looking for. Let me know if you need anything else. --Hal

Hal N. Anderson

Managing Partner

Idaho Water Engineering

2918 N. El Rancho Place, Boise ID. 83704

Website: www.idahowaterengineering.com

e-mail: hal@idahowaterengineering.com

Office: (208) 378-1513

Cell: (208) 830-5525

Fax: (888) 538-7703

From: charles.bryan@ubs.com [<mailto:charles.bryan@ubs.com>]
Sent: Wednesday, January 18, 2017 8:26 AM
To: hal@idahowaterengineering.com
Subject: RE: Midnight Sun authorization to access POD

Here you go Hal.

Thanks,
Charlie

Charles W Bryan Jr, Director
UBS Farmland Investors LLC
1314 12th Ave South, Ste 5
Nampa, ID 83651
(208) 466-0419 office
(208) 899-1419 cell
charles.bryan@ubs.com

From: Hal Anderson [<mailto:hal@idahowaterengineering.com>]
Sent: Tuesday, January 17, 2017 7:26 PM
To: Bryan, Charles
Subject: FW: Midnight Sun authorization to access POD

Charlie,

I have not done any work for Qwyhee Farming so I am not aware of what they have done on the transfer. Did you say you purchased these rights and if so do you have any documentation of an easement agreement? --Hal

From: Edl, Michele [<mailto:Michele.Edl@idwr.idaho.gov>]
Sent: Tuesday, January 17, 2017 10:34 AM

To: hal@idahowaterengineering.com, Greg Sullivan <greg.sullivan@brockwayeng.com>

Subject: Midnight Sun authorization to access POD

Mr. Anderson, Mr. Sullivan,

Midnight Sun and its tenant Owyhee Farming, access water from the Snake River at pumping station point-of-diversion that appears to be located on BLM property. So far, I haven't been able to locate a new easement agreement or the assignment of an existing easement agreement which authorizes that access.

Do either of you have knowledge of an easement agreement? Can you provide me a copy for the water rights files?

Thank you.

Michele Edl



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
BUREAU OF LAND MANAGEMENT
Jarbidge Field Office
2878 Addison Ave. East
Twin Falls, Idaho 83301



In Reply Refer To:
2800/21930
(IDT010) P

April 20, 2016

CERTIFEID MAIL: Hand Delivered
RETURN RECEIPT REQUESTED

Decision

Midnight Sun VIII	:	
Attn: Charles Bryan	:	Assignment/Amendment
PO Box 53	:	IDI- 21930
Nampa, ID 83653	:	

Assignment Approved
Right-of-Way Grant Amended
Rental Determined
Monitoring Fee Determined

The Bureau of Land Management (BLM), Jarbidge Field Office received an application requesting approval of the formal assignment of the right-of-way (ROW) identified as IDI-21930 from Danskin Cattle LLC., to Midnight Sun VIII. The application also requested to amend the ROW to include an additional pipeline for irrigation purposes within the ROW.

The BLM has completed a review of both requests. This ROW grant authorizes the operation and maintenance of : a pump facility measuring 100 ft. x 150 ft., an access road and turnaround measuring 30 ft. x 850 ft., a building for a domestic well and pump site measuring 10 ft. x 16 ft. and 3 pipelines; 1) pipeline (domestic purposes) measuring 4 in. diameter by 1250 ft. long, 2) pipeline (irrigation purposes) 30 in. diameter by 1250 ft. long , and 3) ROW amended to include - pipeline (irrigation purposes) measuring 20 in. by 1250 ft. long. All 3 pipelines will be located within the right 30 ft. wide x 1250 ft. in length.

Midnight Sun VIII also applied to amend their application to construct a 20 in. pipeline x 1250 ft. in length adjacent to the existing 30 in. x 1250 ft. pipeline for irrigation purposes.

Boise Meridian, Idaho
T. 6 S., R. 8 E., Section 3, lot 12.

T. 6 S., R. 8 E., Section 4, lot 8 (portions of).
Totaling approximately 1.79 acres.

All of the paperwork and fees have been received for the assignment. The rental balance due for the years 2016-2025 was received from Midnight Sun VIII on April 20, 2016. Therefore, the assignment of the ROW is approved. Midnight Sun VIII is now the official holder and the interest previously held by Cattle LLC., is hereby terminated.

Enclosed is a copy of your ROW grant, serial number IDI-21930 with an expiration date of December 31, 2045. The advance rental is determined to be \$525.26 for a ten year period (5/1/2016 through 12/31/2025). The monitoring fee has been determined to be a category 3 with a fee of \$806.00. Both payments were received on April 20, 2016.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form ID 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) or 43 CFR 2804.1 for stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except at otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- 1) The relative harm to the parties if the stay is granted or denied,
- 2) The likelihood of the appellant's success on the merits,
- 3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- 4) Whether the public interest favors granting the stay.

If you have any questions please contact Lisa Claxton, Realty Specialist at (208) 736-2360 or by email lclaxton@blm.gov.


Elliot Traher
Field Manager

Enclosure: Form 1842-1 (2 pp)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT

Issuing Office
JARBIDGE FIELD OFFICE

Serial Number
IDI-21930

1. A (right-of-way) (permit) is hereby granted pursuant to:

- a. ☒ Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761);
- b. ☐ Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185);
- c. ☐ Other (*describe*) _____

2. Nature of Interest:

- a. By this instrument, the holder:

Midnight Sun VIII
PO Box 53
Nampa, ID 83653

receives a right to construct, operate, maintain, and terminate: a pump facility measuring 100 ft. x 150 ft., an access road and turnaround measuring 30 ft. x 850 ft., a building for a domestic well and pump site measuring 10 ft. x 16 ft. and 3 pipelines; 1) pipeline (domestic purposes) measuring 4 in. diameter by 1250 ft. long, 2) pipeline (irrigation purposes) 30 in. diameter by 1250 ft. long, and 3) pipeline (irrigation purposes) measuring 20 in. by 1250 ft. long. All 3 pipelines are located within the right 30 ft. wide x 1250 ft. in length on public lands described as follows:

Boise Meridian,
T. 6 S., R. 8 E.,
Sec. 3: Lot 12, (portion of).
Sec. 4: Lot 8, (portion of)

- b. The right-of-way or permit area granted herein is: **contains about 1.79 acres**, more or less.
- c. This instrument shall terminate on **December 31, 2045, about 30 years** from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
- d. This instrument ☒ may ☐ may not be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of the renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
- e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of

sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2800 and 2880.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d) or as directed by the authorized officer.
- c. Each grant issued pursuant to the authority of paragraph (1)(a) for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.
- d. The stipulations, plans, maps, or designs set forth in exhibits **A (Stipulations)** and **B (Right-of-Way Map)**, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- f. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.



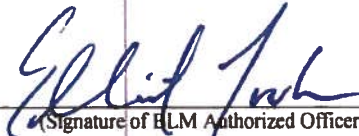
(Signature of Holder)

Vice President

(Title)

4/19/16

(Date)



(Signature of BLM Authorized Officer)

Field Manager

(Title)

4-19-16

(Effective Date of Grant)

**RIGHT-OF-WAY GRANT
IDI-21930 EXHIBIT A
STIPULATIONS**

Site Specific Stipulations

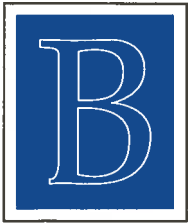
1. The Holder is responsible to place an absorbent pad at pump site in case of spill.
2. The painting of any facilities related to this ROW must be approved by the Authorized Officer in advance to ensure that proposed colors are compatible with the surrounding viewshed and BLM's Visual Resource Management guidelines.
3. Refueling during construction would not occur within the ROW.
4. The Holder is responsible to construct two water bars on each approach to the pump facility, in an effort to control sediment and erosion. The water bars shall be designed (per USFS enclosure), constructed and maintained to provide an effective cross drainage for road surface water. Water bars should not extend beyond the road prism. Only material which resist rutting, prevents erosion and downstream sedimentation shall be placed in water bars.

General Terms

5. The Holder shall conduct all activities associated with the construction, operation, maintenance, and termination of the ROW within the authorized limits of the ROW.
6. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant or permit.
7. The authorized officer may suspend or terminate in whole, or in part, any notice to proceed which has been issued when, in his judgment, conditions arise which result in the approved terms and conditions being inadequate to protect the public health and safety or to protect the environment.
8. 60 days prior to expiration or relinquishment of the ROW, the Holder shall contact the authorized officer to arrange a joint inspection of the ROW. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the Holder's commencement of any termination activities.
9. There is reserved to the Secretary of the Interior, or his/her lawful delegate, the right to grant additional ROW or permits for compatible uses on, over, under or adjacent to the land involved in this grant.
10. The Holder shall notify the authorized officer of any change of mailing address within 30 days of such change.
11. If any emergency repair activity results in disturbance outside a previously disturbed area and/or the existing ROW boundary, the Holder will notify the authorized officer within 3 days of the occurrence. Upon review, the authorized officer may conclude the emergency repair activity is a substantial deviation. Substantial deviations require an amendment.
12. The Holder shall protect all survey monuments found within the ROW. Survey monuments include, but are not limited to, General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U.S. Coastal and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any of the above, the Holder shall immediately report the incident, in writing, to the authorized officer and the respective installing authority if known. Where General Land Office or Bureau of Land Management survey monuments or references are obliterated during Holder's operations, the Holder shall secure the services of a registered land surveyor or Bureau cadastral surveyor to restore the disturbed monument and references using surveying procedures found in the Manual of Surveying Instructions for the Survey of the Public Lands of the United States, latest edition. The Holder shall record such survey in the appropriate county and send a copy to the authorized officer. If the Bureau cadastral surveyors or other Federal surveyors are used to restore the disturbed survey monument, the Holder shall be responsible for the survey cost.
13. The Holder shall permit free and unrestricted public access upon the ROW for all lawful purposes except for those specific areas designated as restricted by the authorized officer to protect the public, wildlife, livestock, or facilities constructed within the ROW.

14. No signs or advertising devices shall be placed on the ROW or on adjacent public lands, except those posted by or at the direction of the authorized officer.
15. The Holder shall conduct all activities associated with the operation and termination of the ROW within the authorized limits of the ROW. If at any time the Holder wishes to reconstruct, remodel or relocate any portion of the ROW, or the improvements, in a manner that has been determined to be a substantial deviation, prior written authorization must be obtained from the authorized officer.
16. Right-of-Way shall be maintained in a sanitary condition at all times; waste materials at those sites shall be disposed of promptly at an appropriate waste disposal site. 'Waste' means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ash, and equipment that are a result of the Holder's activities
17. Holder shall comply with the applicable Federal and State Laws and regulations concerning the use of pesticides (i.e. insecticides, herbicides, fungicides, rodenticide, and other similar substances) in all activities/operations under this grant. Pesticides shall be used only in accordance with their registered uses and within the limitations imposed by the Secretary of the Interior. Prior to the use of pesticides, the Holder shall obtain from the authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer. Pesticides shall not be permanently stored on public lands authorized for use under this grant. Applicator(s) shall hold a current applicator's license or be under the direct supervision of a licensed applicator.
18. The Holder shall inform the authorized officer within 48 hours of any accidents on Federal lands that require reporting to the Department of Transportation as required by 49 CFR Part 195 (hazardous liquids transported by pipeline).
19. Construction and/or maintenance-related traffic shall be restricted to routes approved by the authorized officer. New access roads or cross-country vehicle travel will not be permitted unless prior written approval is given by the authorized officer. Authorized roads used by the Holder shall be rehabilitated or maintained when construction activities are complete.
20. During conditions of extreme fire danger or when the State of Idaho and/or the Idaho State Director issues a fire restriction order, operations shall be limited or suspended in specific areas, or additional measures may be required by the authorized officer.
21. In accordance with 43 CFR 2805.12(d) (or subsequent revisions), the Holder shall do everything reasonable to prevent and suppress wildfires on or in the immediate vicinity of the ROW. The Holder will immediately report fires to the BLM authorized officer or Fire Dispatch (insert phone number here) and take all necessary fire suppression actions, when safe to do so, with their personnel and equipment on any fires they cause to ignite.
22. Pursuant to 43 CFR 10, the Holder of this authorization must immediately notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4 (c) and (d), the Holder must stop activities in the vicinity of the discovery and protect it until notified to proceed by the authorized officer. The BLM Authorized Officer will determine avoidance, protection or mitigation measures in consultation with the Holder, Idaho SHPO, and affected Tribes. Costs associated with the discovery, evaluation, protection or mitigation of the discovery shall be the responsibility of the Holder.
23. Operations and maintenance within the ROW shall comply with the most current nest management guidelines provided by the U.S. Fish and Wildlife Service (USFWS) as clarified in ID-IB-2010-039, or most recent guidance.
24. The Holder shall be responsible for weed control, including noxious weeds and non-native invasive plants that result from construction, use, or maintenance authorized in the Holder's ROW grant. The Holder must coordinate with the Authorized Officer and/or local authorities for acceptable weed control measures (within limits imposed in the grant stipulations) prior to implementing weed treatments. If herbicides are to be used for weed control, the applicator(s) shall hold a current State of Idaho applicator's license or be under the direct supervision of a licensed applicator.
25. The Holder is responsible for ensuring the undercarriages of equipment and/or vehicles used within the ROW are free of all soil and plant material prior to operating on public lands to reduce the establishment of new invasive, non-native species and/or the spread of existing species to new areas.

26. The Holder shall seed all disturbed areas with an agreed upon seed mixture, using an agreed upon method suitable for the location. Seeding shall be repeated if a satisfactory stand is not obtained as determined by the authorizing officer upon evaluation after the 2016 growing season.



BROCKWAY
ENGINEERING
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Hydraulics

Hydrology

Water Resources

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DEC 13 2016

DEPARTMENT OF
WATER RESOURCES

December 9, 2016

Michele Edl
Idaho Department of Water Resources
Water Supply Bank
P.O. Box 83720
Boise, ID 83720-0098

Re: Rental Applications for Owyhee Farming Company, LLC

Dear Mrs. Edl:

Owyhee Farming Company, LLC desires to rent 250.0 acres and 1328.0 acres of irrigation water from the Idaho Water Supply Bank. Water rights 2-2376, 2-7064, 2-7237A, 2-10181, 2-10189, 2-10450 and 2-10434 are the water rights proposed to be rented.

All of the fore mention water rights are surface water rights with the Snake River as the source of water. There is currently a series of booster pumps and a pen stock that provides irrigation water for 2-7019B, 2-1019D, 2-7022B, 2-7023B, 2-7102B and 2-2260 from the Snake River to the distribution system. A new 206 map for these water rights is attached to this letter.

A long term lease has been signed by Owyhee Farming Company, LLC and Midnight Sun, Inc VIII. Midnight Sun, Inc VIII owns the POD and the property that the irrigation water is to be rented on. It is proposed that the rental agreements are made for a 3 and 4 year periods starting in 2017.

Midnight Sun, Inc VIII has also submitted a rental application for 486.6 acres. I map identifying the location of those acres are attached to this letter.

Sincerely,



Greg Sullivan, M.S., Engineer

Cc: Frank Tiegs

Enc: Maps identifying the 250.0, 1328.0 and 486.6 acres to be rented from the Idaho Water Supply Bank, Certificate of Organization Limited Liability Company, Farm Lease Agreement

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