



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

December 5, 2017

OWYHEE FARMING CO LLC
PO BOX 3350
PASCO WA 99302

RESPONSE DEADLINE
1/31/2018

RE: Water Supply Bank Rental Agreement Rental Fees for 2018

Dear Renter,

The following are rental fees associated with your active Water Supply Bank rental agreements for 2018:

Rental Agreement	Start	End	Water Right	Rental Volume (AF)	Total Rental Fee	Owner Fee (90%)	Admin Fee (10%)	Rental Fee Due Date
86	2017	2019	2-10434	1,000.0	\$20,000.00	\$18,000.00	\$2,000.00	12/31/2017

Our records indicate that payment has not yet been fully received for 2018 rentals of the above water rights. If you have not already done so, please remit payment of **\$20,000.00** prior to the due dates above and enclose a copy of this letter with your payment.

If you have questions about your rental, you can contact me at 208-287-4918.

Regards,

Remington Buyer
Water Supply Bank Coordinator

CC: GREG SULLIVAN - BROCKWAY ENGINEERING PLLC

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 86

This is to certify that:

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

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)
2-10434	2/25/1963	SNAKE RIVER	5.00	1,000.0	250.0	0.02	4.0
Rental Totals			5.00	1,000.0	250.0	0.02	4.0

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: \$17,000.00
2018: \$20,000.00
2019 : \$20,000.00

The full fee for the rental of the above-described right(s) is \$17,000.00 for 2017 and \$20,000.00 per year for years 2018 - 2019. The rental fee includes an administrative fee of \$1,700.00 for 2017 and \$2,000.00 per year for years 2018 - 2019.

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

Total Water Use Authorized Under Rental Agreement 86

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	5.00	1000.0	250.0	0.02	4.0
Total	5.00	1000.0	250.0	0.02	4.0

Detailed water right conditions are attached.

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

FEB 06 2017

WATER SUPPLY BANK RENTAL AGREEMENT

DEPARTMENT OF
WATER RESOURCES

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

Frank Tiegs 1/27/17
Signature of Renter Date

Frank Tiegs Managing Member
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 02/07/2017
BRIAN PATTON, Acting Administrator Date
Idaho Water Resource Board

Rental approved by IDWR Cheryl Weber 02-07-2017
Date

WATER SUPPLY BANK RENTAL AGREEMENT NO. 86

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
5.00 CFS

Volume
1000.0 AF

BENEFICIAL USE & SEASON OF USE

Water Right No. 2-10434 **From** 4/1 **To** 10/31 **Diversion Rate** 5.00 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	16							38.0	23.5	23.2	35.6	1.2	0.1					121.6
06S	08E	17	12.9			11.4			10.2	32.1	29.1	28.6			4.1				128.4

Total Acres: 250.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
6. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date. 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. 02.

10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
11. The period of use for the irrigation 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 of this approval.
12. This right is limited to the irrigation of 250 acres within the place of use described above in a single irrigation season.
13. This right does not grant any right-of-way or easement across the land of another.
14. 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.



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)

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)

2-10434

**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)
5.0 CFS	1000 AF	5.0 CFS	1000 AF	250 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 250.0 (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)
2-10434	Irrigation	5.0	1000	250		5.0	1000	250
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	5.0	1000.0	250
						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:
Trying to purchase permanent 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

Anyhee Farming Company, LLC
Printed Name of Applicant

Date

Signature of Representative

Frank Hoge Managing Member 12-8-2016
Printed Name of Representative Date

Mail to:

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



0 1,250 2,500 5,000 Feet

HOODCO FARM

Rental Map

Midnight Sun Water Rights 800.0 Acres

Midnight Sun Rental 486.6 Acres

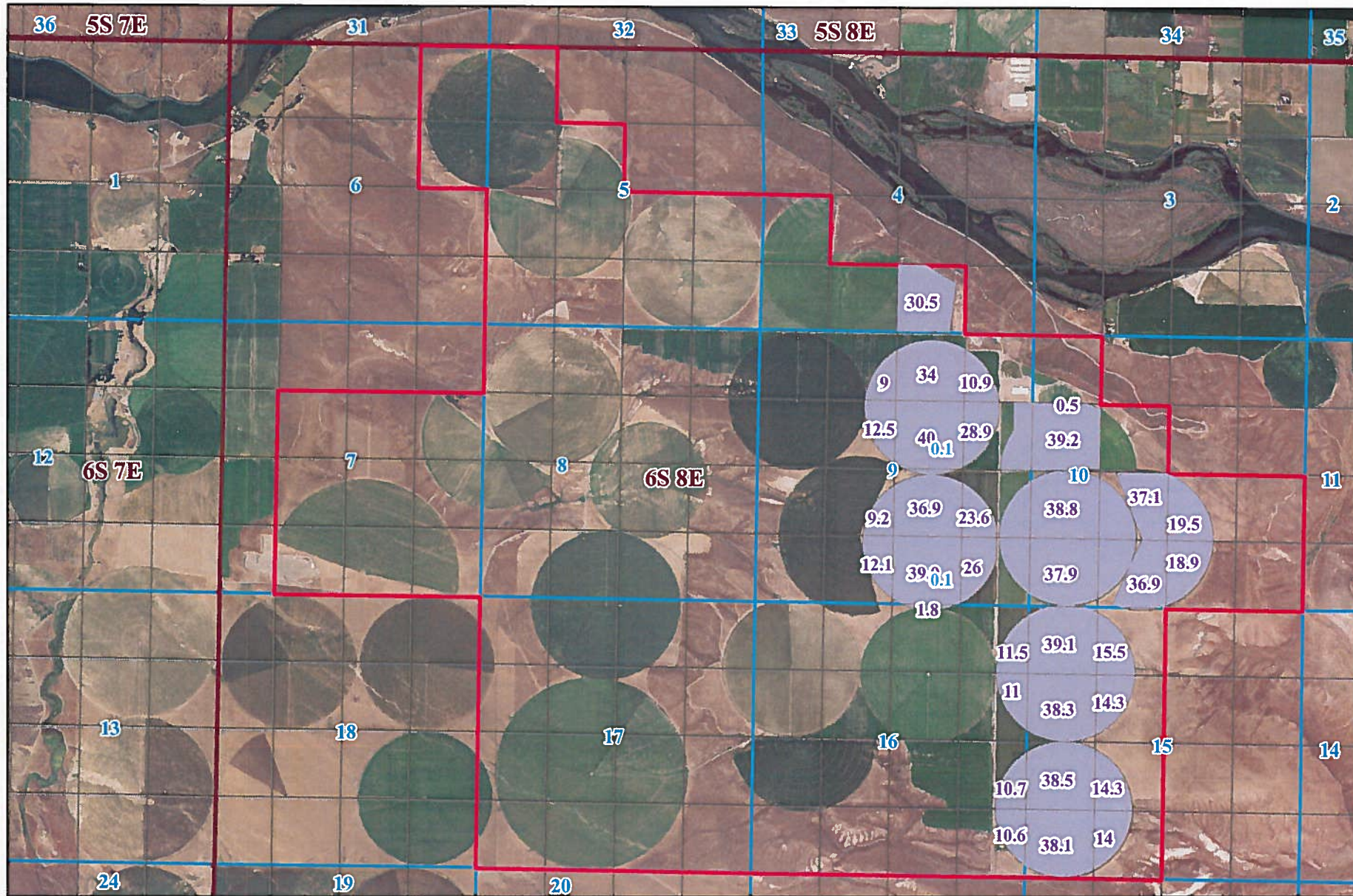
Owhyee Farming Rental 250 Acres and 1328.0 Acres

NAIP 2015 AERIAL

Legend

- Hoodco Farm Midnight Sun Rental
- Hoodco Farm

N



HOODCO FARM

Rental Map

Midnight Sun Water Rights 800.0 Acres

Midnight Sun Rental 486.6 Acres

Owhyee Farming Rental 250 Acres and 1328.0 Acres

NAIP 2015 AERIAL

BROCKWAY ENGINEERING, PLLC.
GWS -Date: 12/9/2016

Legend

- Hoodco WR POU QQ
- Hoodco Farm

N

Exhibit A

Owyhee Farming Company, LLC
Rental Analysis
Brockway Engineering
Greg Sullivan

Water Rights 2-2280, 2-7019B, 2-7019D, 2-7022B, 2-7023B, 2-7102B

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
65	8E	4															30.5	
		5															0	
		6															0	
		7															0	
		8															0	
		9	10.9	34	40	28.9	9			12.5	9.2			12.1	23.6	36.9	39.9	26
		10						0.5	39.2		37.1	38.8	37.9	36.9		19.5	18.9	228.8
		15					15.5	39.1	38.3	14.3	14.3	38.5	38.1	14				212.1
		16	11.5	1.8		11									10.7		10.6	45.6
		17																0

30.5
0
0
0
0
283
228.8
212.1
45.6
0
800

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
65	8E	4																
		5																
		6																
		7																
		8	20.1	15.5														
		9	4	5.1	0.1	10	15.9	1.3						15.1	1.3	0.1	13.1	35.6
		10									0.8	1.3						66
		15					0.7	1.1			1							2.1
		16	14.3	0.7	0.4	13.4		0.7	14.9					26.3	23	5.6	6	2.8
		17			20.3						11.2		14.5	38.4	1.8	40.1	26	105.3
																		152.3

112.8
9.7
0
0
35.6
66
2.1
2.8
105.3
152.3

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
65	8E	4																
		5					34.1	33.2	24.9		38.4	32.3	5.1	6.2	31.9	35.1	32.3	31
		6	27.9	26.9														304.5
		7				26.3					16.5			16.2	22.6	26.5	29.2	54.8
		8	10.5		23	13.9	30.2	29.7	38.1	38.3	13.6	22.3	4.1	36.4	7.6	39.8	29.3	160.5
		9	3.3				14.3	37.8	39.6	20.7	28.9	21.2	21.5	25.6				336.8
		10					1.6											212.9
		15																1.6
		16	12.6	36.4	38.9	13.7	30	39.9		1.4								0
		17		32.2	2		39.5	6		4.3								172.9

0
304.5
54.8
160.5
336.8
212.9
1.6
0
172.9
84

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
65	8E	4																
		5																
		6																
		7																
		8																
		9																
		10																
		15																
		16																
		17	12.9			11.4					38	23.6	23.2	35.6	1.2	0.1		121.7

0
0
0
0
0
0
0
0
0
121.7
128.3

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
65	8E	4	0	0	0	0	0	0	0	0	0	33.1	39.8	39.9	0	0	30.5	0
		5	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
		6	27.9	26.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		7	0	0	0	26.3	0	0	0	0	16.5	0	0	16.2	22.6	26.5	29.2	23.2
		8	30.6	15.5	23	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
		9	18.2	39.1	40.1	38.9	39.2	39.1	39.6	33.2	38.1	21.2	21.5	37.7	38.7	38.2	40	39.1
		10	0	0	0	0	0	2.1	39.2	0	37.1	39.6	39.2	36.9	0	19.5	18.9	0
		15	0	0	0	0	15.5	39.8	39.4	14.3	14.3	39.5	38.1	14	0	0	0	0
		16	38.4	38.9	39.3	38.1	30	39.9	38.7	39.9	23.2	35.6	1.2	0.1	37	23	5.6	16.6
		17	12.9	32.2	22.3	11.4	39.5	6	10.1	36.4	40.3	28.6	14.5	38.4	5.9	40.1	26	0

143.3
314.2
54.8
160.5
372.4
561.9
232.5
214.9
445.5
364.6

Acres to be Rented 2864.6

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: Correct in this box if needed. 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: ID W 98608		6. Annual Report must be signed.* Signature: TIM TIPPETT Name (type or print): TIM TIPPETT Date: 12/14/2015 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,

finer, 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 warranty 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-judgement

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 TIERPS, 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



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 8, 2017

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

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 2-10434**

Dear Renter:

Please find enclosed a receipt in the amount of **\$17,000.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 1,000.0 acre-feet of water for irrigation of 250.0 acres during 2017. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$15,300.00 of the rental fee will be paid to the lessor(s) and 10% or \$1,700.00 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

Enclosures: Receipt No. C102985
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

January 27, 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 NO. 2-10434**

*****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 \$17,000.00 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 1,000.0 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 \$17,000.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$15,300.00 of the rental fee will be paid to the lessor(s) and 10% or \$1,700.00 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

Enclosure

c: IDWR Front Desk
Greg Sullivan - Brockway Engineering PLLC

MEMORANDUM

To: Right(s) 2-10434

From: Michele Edl

Date: January 24, 2017

Re: Review & Analysis of Owyhee Farming Co's Application to Rent Water (for 250 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 WR 2-10434 for three years: 2017-2019. The right is available to rent for the duration requested.

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 1217.8 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. The rental application package provided a copy of the current land lease agreement between Midnight Sun and Owyhee Farming. That 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 parent right of 2-10434 was accepted into the WSB for an indefinite period beginning in 1991. During the 2015 season, the owners of the child rights were contacted and they agreed to extend the term of the lease for 4 more years or through 2019. The right is fully leased to the WSB.

A review of recent aerial photography shows that the POU for Right 2-10434 has been irrigated. The right holder has shares from NSCC and comingles them with the wastewater authorized by Right 37-8588 to irrigate those acres. Because this right (2-10434) was leased to the bank prior to the development of 37-8588, (the permit was issued in 1992) the two rights were not likely used together. In essence 2-10434 is considered severed from the land, but in the WSB and available to rent.

With the approval of this rental agreement, the rental availability of the right has been exhausted.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

Although nominally within the Trust Water Rights area, Right 2-10434 has a 1963 priority date, precedes the Swan Falls Agreement and so 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 was requested and received from both Western Region and the watermaster. Neither are opposed to this rental.

Edl, Michele

From: Whitney, Rob
Sent: Tuesday, January 24, 2017 7:55 AM
To: Edl, Michele
Subject: RE: Request for comment Owyhee Farming 250 acres

Michele,

I don't have any concerns about this rental.

RW

From: Edl, Michele
Sent: Monday, January 23, 2017 11:54 AM
To: Grimm, Angie <Angie.Grimm@idwr.idaho.gov>; Whitney, Rob <Rob.Whitney@idwr.idaho.gov>
Subject: Request for comment Owyhee Farming 250 acres

Angie and Rob

I have completed my review of the smaller of the two WSB rentals for Owyhee Farming. This rental is part 2 of 3. You have already seen part 1 of 3, the Midnight Sun WSB rental for 486.6 acres of water which will end in 2020.

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). The maps are very good illustrations of the whole. Tiegs and Sullivan name the farm Hoodco which explains the map legends and titles.

This rental is 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. I hope to complete my review of that one tomorrow.

Please let me know if you have any concerns about this 250 acre rental.

Thank you as always.

Michele

Edl, Michele

From: Grimm, Angie
Sent: Monday, January 23, 2017 1:57 PM
To: Edl, Michele; Whitney, Rob
Subject: RE: Request for comment Owyhee Farming 250 acres

Michele,

No local area comments come to mind, from the regional perspective, on this. As always, thank you for the opportunity to comment.

Regards,
Angie

From: Edl, Michele
Sent: Monday, January 23, 2017 11:54 AM
To: Grimm, Angie <Angie.Grimm@idwr.idaho.gov>; Whitney, Rob <Rob.Whitney@idwr.idaho.gov>
Subject: Request for comment Owyhee Farming 250 acres

Angie and Rob

I have completed my review of the smaller of the two WSB rentals for Owyhee Farming. This rental is part 2 of 3. You have already seen part 1 of 3, the Midnight Sun WSB rental for 486.6 acres of water which will end in 2020.

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). The maps are very good illustrations of the whole. Tiegs and Sullivan name the farm Hoodco which explains the map legends and titles.

This rental is 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. I hope to complete my review of that one tomorrow.

Please let me know if you have any concerns about this 250 acre rental.

Thank you as always.

Michele

Edl, Michele

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Monday, January 23, 2017 2:44 PM
To: Edl, Michele
Subject: Hoodco Farm Rental

Michele,

Based on the conversation with the Idaho Water Supply and the need to update the current rental application for 1328.0 acres. It came to my understanding that a transfer was approved on this farm the supplied addition permanent water. Therefore, it is necessary to reduce the proposed rental acres amount. Please remove the 17.6 acre rental from water right 2-2376. Please reduce the rental from water right 2-7237A to a diversion rate of 4.05 cfs, an annual volume of 1012.0 afa and an acre amount of 202.4 acres.

Thank you,

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

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			
02-10434	1000.0	\$15,300.00	\$1,700.00	\$17,000.00	5.00	250.00	\$18,000.00	\$2,000.00	\$20,000.00
Total	1000.0	\$15,300.00	\$1,700.00	\$17,000.00	5.00	250.00	\$18,000.00	\$2,000.00	\$20,000.00
calculated by Michele Edl									
02-10434	rate	volume	acre	af/ac	cfs/ac				
le	5	1000	250	4.00	0.020				
a	5	1000	250						
Owyhee Farming Co rental	5	1000	250	4.00	0.020				
remaining	0	0	0				HG = 4.0		
							SOU 3/15-11/15		

Edl, Michele

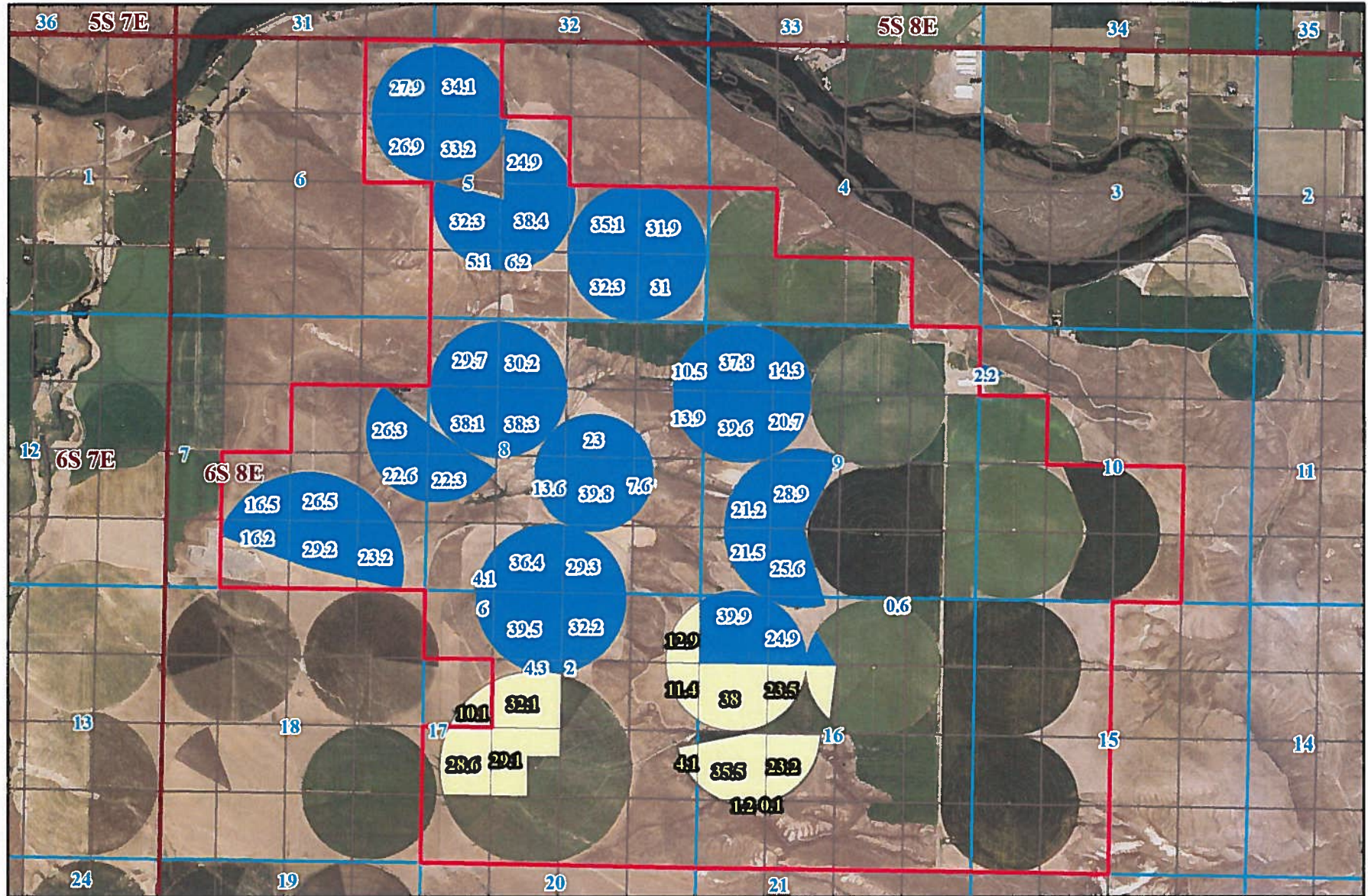
From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Wednesday, January 18, 2017 1:10 PM
To: 'Hal Anderson'; Edl, Michele
Subject: FW: Midnight Sun PPU
Attachments: Midnight Sun WRs and Rental.jpg; Owhyee Farm Rentals.jpg; Exhibit A.pdf

Michele,

I double checked the current PPU on the Midnight Sun Farm and the PPU boundary does not match property boundaries very well. There are some Midnight Sun property that is excluded from the PPU that should be included and there is some BLM property included in the PPU that should be excluded. So I had to adjust the rentals POU's and the 911 acre POU for the water rights again. Since the water right PPU must stay within the PPU I had to move some acres around and replace them with rented water. Only two QQ were ultimately affected by this change. Sec 10 NWNW and Sec 16 NENW.

Hopefully everything is right now. I have no idea how the recent transfer was approved without someone at IDWR catching these property ownership issues. I did adjust the PPU on my shapes to match the Midnight Sun properties. But, my PPU does not match the IDWR PPU shape for the water rights owned by Midnight Sun.

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



0 1,250 2,500 5,000 Feet

HOODCO FARM

Rental Map

Midnight Sun Water Rights 911.0 Acres

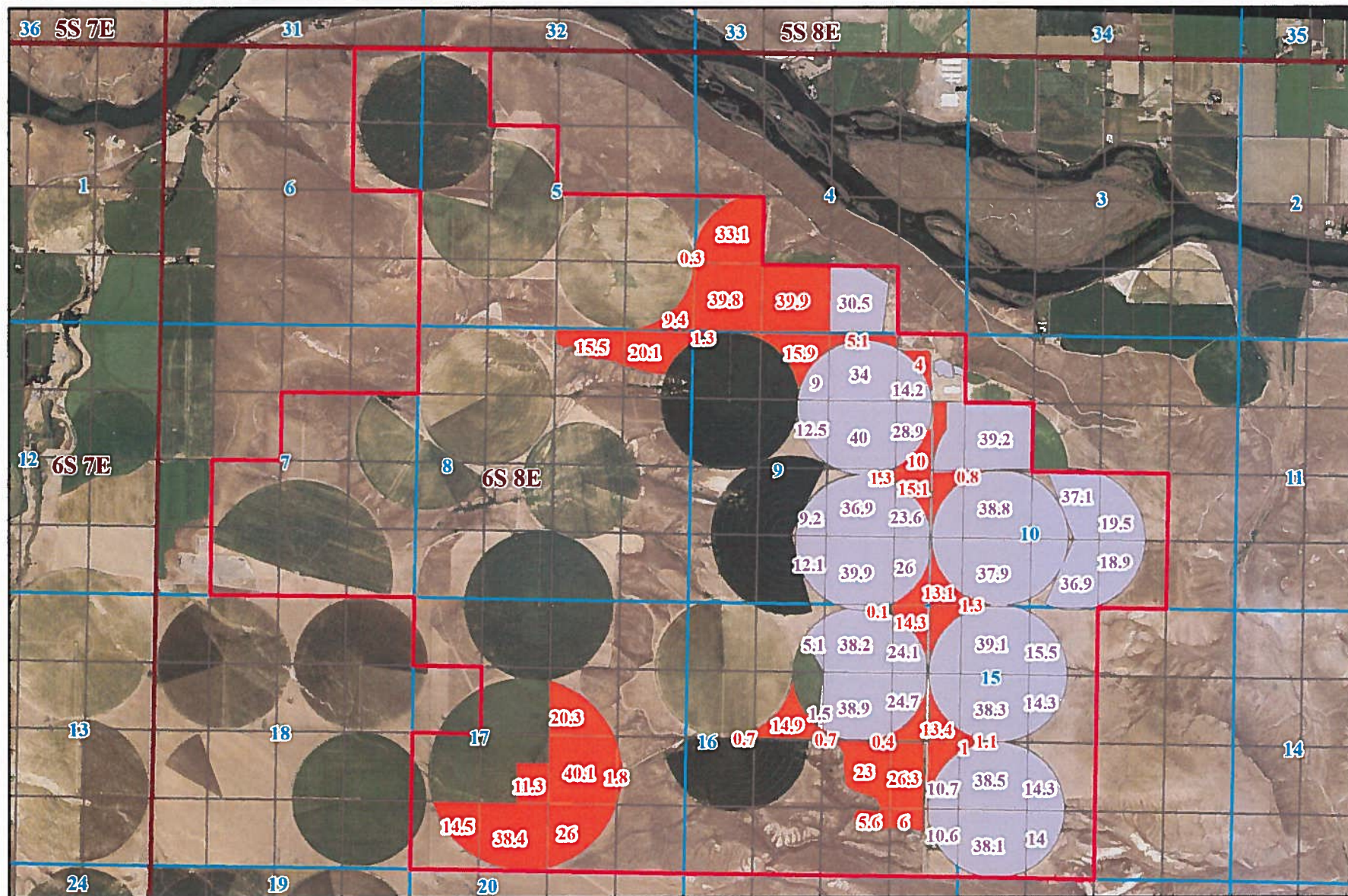
Midnight Sun Rental 486.6 Acres

Owhyee Farming Rental 250 Acres and 1217.8 Acres

NAIP 2015 AERIAL

Legend

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



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 WR POU QQ
- Hoodco Farm Midnight Sun Rental

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

CERTIFIED 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:

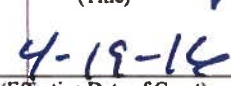
For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, 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)	 _____ (Signature of BLM Authorized Officer)
 _____ (Title)	 _____ (Title)
 _____ (Date)	 _____ (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.