



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 6, 2017

WOLFE BROTHERS INC
PO BOX 398
GRANDVIEW ID 83624

RE: Expiration of Water Supply Bank Rental Agreement for water rights: 2-7061, 61-12084

Renter,

This letter is to inform you that your rental agreement(s) to rent the above listed water rights from the Water Supply Bank (Bank) expired at the end of 2016.

Once the rental agreement concludes, any diversion or use of water under the rental agreement will no longer be authorized and, if occurring, may be subject to an enforcement action.

If you wish to rent water in the future, please download a rental application from: <http://idwr.idaho.gov>. You may submit rental applications on November 1 of the year prior to the intended use of rental water. **YOU ARE ENCOURAGED TO FILE AN APPLICATION AT LEAST 3 MONTHS PRIOR TO THE DATE YOU DESIRE TO USE RENTAL WATER.**

If you have any questions about this matter, please contact me at (208) 287-4918.

Sincerely,

A handwritten signature in black ink, appearing to read 'RB', followed by a horizontal line.

Remington Buyer
Water Supply Bank Coordinator

Enclosures:

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

RECEIVED

JAN 27 2016

DEPARTMENT OF
WATER RESOURCES

This is to certify that: WOLFE BROTHERS INC
C/O BILLY WOLFE
PO BOX 368
GRAND VIEW ID 83624
(208) 599-2691

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	Priority Date	Source	Tributary	Rented Rate	Annual Rented Volume	Acre Limit	Total Rented Acres
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61-12084	2/28/1968	Ground Water	N/A	0.48 cfs	186.8 af	40 ac	64 ac*
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Annual Rental Totals

0.48 cfs 186.8 af 40 ac 64 ac*

*The rental of this water is limited to the irrigation of 40 acres and 160 AF. The rental of extra acres is meant to provide additional rate on the 40 acres.

Term of Rental: **This rental is in effect from the day the Idaho Water Resource Board signs the rental agreement and shall be in effect until December 31, 2016.**

Rental Fee: **\$317.56**

The fee for rental of the above-described water is \$3,175.60. Because you have a private agreement with the water right owner with the above referenced water right(s) you are obligated to pay ten percent (\$317.56) to the Department for administrative costs only.

No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

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:

 William R. Wolfe V.P., Sect. 1-22-16
Signature of Renter Printed Name and Title* Date

Signature of Renter Printed Name and Title* Date

*Please provide title of signatory 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  Date 1/27/2016
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental Approved by IDWR  Date 1-27-2016

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	SE¼NW¼	Sec. 19	Twp 04S	Rge 7E	ELMORE County
GROUND WATER	SW¼SE¼	Sec. 19	Twp 04S	Rge 7E	ELMORE County

BENEFICIAL USE

IRRIGATION

SEASON OF USE

04/10 TO 09/30

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	7E	19											40						40

Total Acres: 40.0

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

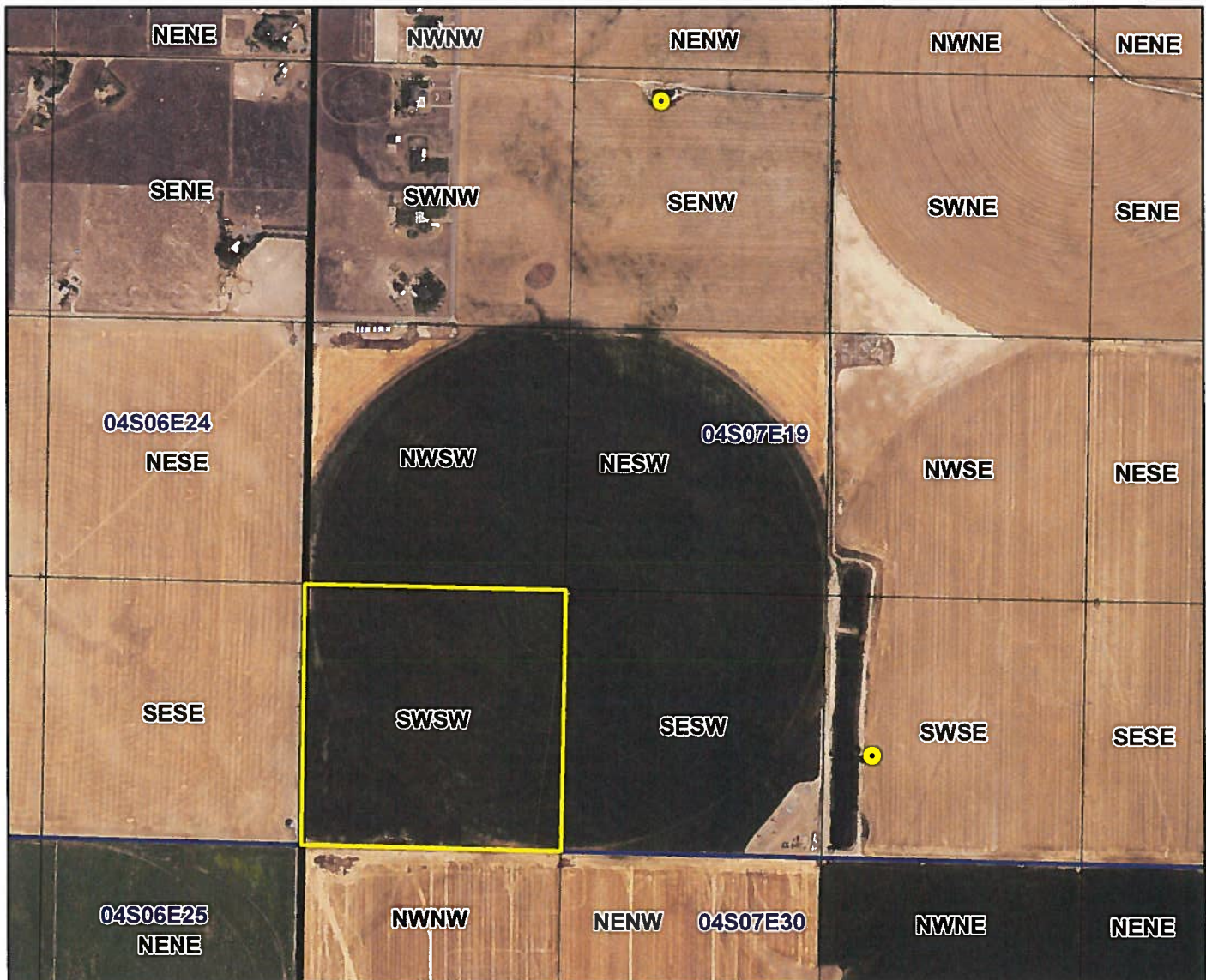
1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has filed to modify other water rights for irrigation of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
11. This rental agreement does not authorize the construction of a well.

12. 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.
13. The water right referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. Administrative fees will be paid based on the current rental rate.
14. The following rights are diverted through point(s) of diversion described above: 61-12085, 61-12086, and 61-12087.
15. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/10 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than April 17, 2001.

Idaho Water Resource Board Water Supply Bank Rental Agreement

Effective until December 31, 2016

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



2013 USDA-FSA Aerial Photography

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



0  Miles
0.25

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

OCT 16 2015

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant Name: Wolfe Brothers Inc.Is this application being submitted with a lease application as a lease/rental package? Yes ☒ No ☐

An *Application to Rent Water from the Board's Water Supply Bank* must be completed in accordance with the minimum requirement checklist below to be acceptable for processing by the Idaho Department of Water Resources (IDWR). 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.**

Applications to rent water should be submitted well in advance of the desired start date for the use of water. Rental applications may be submitted as early as November 1 of the year prior to the intended use of rental water. Rental applications submitted more than one year in advance of the proposed start date for water use will not be accepted and will be returned to applicants. Rental applications will not be processed if they are received after the end of the rental season of use.

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

For additional instructions on completing a rental application, visit the Department's website at www.idwr.idaho.gov.

Checked All Items as Either Attached (Yes) or Not Applicable (N/A)

YES

☒ Completed *Application to Rent Water from the Board's 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 |
| 3E | ☐ | ☒ Authorization from the owner/operator of the rental point(s) of diversion |
| 3G | ☒ | ☐ Water modeling to account for the impacts of the rental request |
| 3J | ☒ | ☐ Documents justifying a need to rent water for irrigation at a rate of flow greater than 0.02 cfs/acre |
| 3K | ☐ | ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☐ | ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ | ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

61-12084

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Wolfe Brothers Inc.

Mailing Address c/o Billy Wolfe, PO Box 368, Grand View, ID 83624

Email Address wolfebros@hughes.net

Phone Number 208-599-2691

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐

If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Lori Graves

Professional Title Water Rights Specialist

Organization SPF Water Engineering

Relationship to Applicant Consultant

Mailing Address 300 E. Mallard Dr., Ste. 350, Boise, ID 83706

Email Address lgraves@spfwater.com

Phone Number 208-383-4140

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use, and water diversion, delivery and distribution systems. Make sure the place of use is outlined with an obvious, bolded line. For irrigation purposes, note that the place of use outlined on your map cannot exceed the number of acres you are proposing to rent. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe the purpose of your rental request. Include any anticipated rates of water application, water use practices or number of stock (if any). If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of rental water required. Attach additional sheets if required and label it **Attachment 3A**:

A rental application was submitted with associated lease application 61-12084 12/23/2014, both requesting 5 years.

The rental application was limited to 1 year because the farm lease is renewed on a yearly basis. As a result, a new rental application and current farm lease agreement is required each year for rental of water right 61-12084.

B. Enter the desired and/or minimum necessary 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)	Acres (if applicable) (Acre)
0.48 CFS	186.8 AF	n/a CFS	n/a AF	64 AC

Sometimes water rights available for rent 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. Enter the proposed start date and latest possible start date for using rental water. Also provide the number of years you would like to rent water:

Proposed Start Date (month/day/year)	Latest Possible Start (month/day/year)	* Proposed Rental Duration (Max 5 Years)	** For multi-year rentals, indicate whether you desire to rent water for remaining years if a rental request cannot be approved for the first year?
4/10	n/a	5	☒ Yes, approve rental for all remaining future years. ☐ No, return rental request if first year is unapprovable.

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Subject to the availability of rentable water. A multi-year rental that cannot begin during the first year requested may be approved for some or all remaining years, depending on availability. Rental requests will be returned if no water is available to rent in the first and/or subsequent years of the rental request.

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

- D. Refer to the map you created in item 2 and specify the location of the point(s) of diversion (POD) from which rental water is proposed to be diverted:

Water Source	TWP	RGE	SEC	¼	¼	¼	County	Other water rights for the same purpose diverted from this POD
Ground Water	4S	7E	19		SE	NW	Elmore	61-12085, 61-12086, 61-12087
Ground Water	4S	7E	19		SW	SE	Elmore	61-12085, 61-12086, 61-12087

The entry in this grid must match the map from item 2 on the application.

- E. Do you own and/or possess the authority to divert water from the above POD(s)? Yes ☐ No ☒
If no, provide documentation from the owner/operator confirming your authorization to use the POD(s) and label it **Attachment 3E**.

- F. Do any POD(s) identified in Question 3D 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.

- G. Has water modeling been provided with your rental request? Yes ☐ No ☒

If yes, include as **Attachment 3G**. Otherwise please explain why modeling was not provided:

Rental applications that require modeling will be returned if modeling is not provided.

- H. Specify the proposed beneficial use: ☒ Irrigation ☐ Commercial ☐ Industrial ☐ Municipal
☐ Groundwater Recharge ☐ Mining ☐ Stockwater ☐ Other: _____

- I. Refer to the map you created in item 2 and specify below the places you propose to use water. If for irrigation, specify the number of acres to be irrigated per ¼ ¼ tract. Otherwise indicate usage by marking the ¼ ¼ tracts with the first letter of your proposed use identified above:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4S	7E	19											40					40	
The entry in this grid must match the map from item 2 on the application.																		Total Acres (for irrigation)	40

- J. For irrigation uses, do you propose a water diversion rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, explain the justification for this rate of flow and attach any supporting documents as **Attachment 3J**:

- 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. Describe your water distribution system and how water will be delivered from the POD(s) to the proposed POU(s):
Wells, pumps, sprinklers

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

M. List all other water rights and sources of water at the rental place of use for the same purpose and explain why additional water is required. Include privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company, or any other water deliver entity:
None

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights? Yes ☒ No ☐
If yes, specify below the water rights you are requesting to rent. Otherwise continue to Section 5 of this application form.

Please note: Diversion rates and volumes to be rented from a leased water right must be proportionate to the per acre diversion rates and per acre volume limits of the water right leased to the Bank. Applicants should query a water right's rental availability by reviewing active lease and rental documents, searchable via IDWR's website, to ensure all elements of a water right remain available in sufficient quantity to satisfy a rental request.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany the 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 with combined limits, applicants should request to rent against the combined limit diversion rate, volume or acre limits.

Elements of Water Rights Leased to the Bank (Contract Details)								Leased totals minus water actively engaged in rental agreement equals rental availability	Rental Request		
Water Right Number	Nature of Use	Water Source	Rate (CFS)	Volume (AF)	Acres (AC)	Start (year)	End (year)		Rate (CFS)	Vol. (AF)	Acres (AC)
61-12084	Irrigation	Ground Water	0.48	186.8	64				0.48	186.8	*64
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre that have been leased to the Water Supply Bank								TOTAL	0.48 CFS	186.8 AF	*64 AC

Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:
*Limited to 40 acres irrigation. See rental agreement approved for 2015 irrigation season. A copy of the owner's authorization for Wolfe Brothers' rental of water right 61-12084 is included as Attachment 3E.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- C. Does your rental request propose to change the nature of use for any water right(s) being requested? 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, as well as the new consumptive use amount for your proposed beneficial use. Attach a separate page if space is insufficient and label it **Attachment 4C**:

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☒
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs: See Part 3A above. The proposed pou is located in a restricted ground water area. Options for permanent water rights are limited, but will be aggressively pursued if the applicants are given the option to purchase the property.

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

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.


Signature of Applicant

William R. Wolfe
Printed Name of Applicant

10-12-2015
Date


Signature of Representative

LOKI GRAVES
Printed Name of Representative

10-14-2015
Date

Mail to:

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

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within the Eastern Snake Plain Aquifer (ESPA) and other selected administrative areas: If your proposed rental falls within the boundaries of the ESPA or other selected administrative area (as explained below) you must identify specific water rights leased into the Bank to use for your rental. Item 4 of the rental application can be used for this purpose. Use the information below to determine whether modeling the potential impacts of your proposed rental is necessary. If you submit an application to rent water from within the ESPA and/or a special administrative area and it is determined that your rental request requires water modeling, your rental request will be returned if water modeling is not provided.

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The application proposes the use of a regulated water source within an administrative area and the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources areas may include:

- A. Ground water within the Eastern Snake Plain Aquifer (ESPA);
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are within the same or adjacent model cells. If lease and rental POD(s) are separated by more than one model cell, however, groundwater modeling must be completed and submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting:

www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit www.idwr.idaho.gov/AboutIDWR/legal.htm for information on other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented is authorized to divert ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are sufficiently hydraulically connected. The ground water and surface water sources must have a direct and immediate hydraulic connection (at least 50 percent of the total depletion must be detectable in the original source in one day). The existing POD and proposed POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.



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

Re: Water Bank Rental Application for Wolfe Brothers Inc.

To Whom It May Concern:

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

Sincerely,

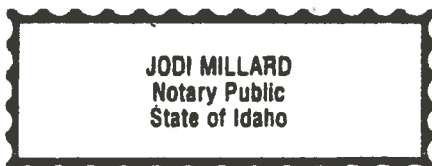

Name & Title, John & Ann Wind Trust

12-16-14
Date

State of Idaho)
County of CANYON) SS.

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


Notary Public



Residing at Nampa

My Commission Expires 6-1-2017

REAL ESTATE LEASE

This Lease agreement (this "Lease") is dated September 16, 2015, by and between Robert Baker Jr. and Bonnie Baker ("landlord) and Wolfe Brothers Inc. ("Tenant"). The Parties agrees as follow:

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

Legal Description: The legal description for the premises is:

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

Terms: The lease term will begin on October 1, 2015 and will terminate September 30, 2016.

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

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

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

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

Liability Insurance: Tenant shall maintain liability insurance on the Premises in total aggregate sun of at least \$1,000,000. Tenant shall deliver by March 1, 2016 appropriate evidence to Landlord as proof that

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

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

Tenant's obligations for maintenance shall include:

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

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

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

Monitor and maintain the dripper oil on the irrigation system

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

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

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

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

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

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

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

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

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

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

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

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

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

Landlord:

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

Tenant:

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

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

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

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

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

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

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

Landlord:

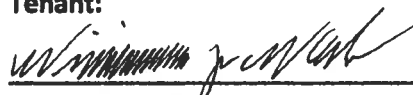


Bonnie Baker

Date

9/22/15

Tenant:



Wolfe Brothers Inc.

Date

9-17-2015



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 28, 2016

WOLFE BROTHERS INC
C/O BILLY WOLFE
PO BOX 368
GRAND VIEW ID 83624

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

Dear Renter:

Please find enclosed a receipt in the amount of **\$317.56** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 186.8 acre-feet of water for irrigation of 40.0 acres during 2016. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, the rental fee will be retained by the Department to offset administrative costs since you have a private agreement with the lessor of the right.

If you have any questions, please contact me at (208) 287-4933.

Sincerely,

 Steve Visosky
Water Resource Agent

Enclosures: Receipt No. C101463
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angie Grimm – IDWR Western Regional Office
Lori Graves – SPF Water 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 20, 2016

WOLFE BROTHERS INC
PO BOX 368
GRAND VIEW ID 83624

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

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$3,175.60** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 186.8 acre-feet. Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or \$317.56.**

Please send a check for \$317.56 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

If you have any questions, please contact me at (208) 287-4933.

Sincerely,

for

Steve Visosky
Water Resource Agent

Enclosures

c: IDWR Front Desk
Lori Graves – SPF Water Engineering

MEMORANDUM

To: Water Right(s): 61-12084
From: Steven Visosky
Date: January 5, 2016
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received a rental application on 10-16-2015 from the Wolfe Brothers Inc. (renters). This rental is part of a package to rent the entire amount of available leased water from right 61-12084. A private agreement has been made between the owner of water right 61-12084 (John and Ann Wind Trust) and the renters.

The Wolfe Brothers would like to rent all of the water available through 61-12084 for the entire five year lease period however they do not own the land associated with the rental POU. The current land owners associated with the rental POU (Robert and Bonnie Baker) prefer to only do an annual lease of the land. This is the second year of renting 61-12084 for the same POU. A transfer was done on 61-12084 in 2015 changing the location of the PODs. The 2016 lease contract with the landowner was submitted with an ending date of September 30, 2016 and the rental contract should reflect this date for the season of use.

The leased right only provides 0.01 cfs per acre and 2.9 AF per acre. The rental application is for 64 acres however the place of use is only 40 acres. The rented volume exceeds the headgate requirement for this area however renting the extra volume will allow the renter to have an increased rate which still does not achieve the standard 0.02 cfs per acre rate limit. The rental agreement should limit the volume to the headgate requirement of 4.0 AFA.

The rental point of diversion (POD) will share the same well as the right 61-12084, the rented right. There are two points of diversion for this rental and they are both shared with 61-12085, 61-12086, and 61-12087.

AUTHORITY TO FILE: William R. Wolfe signed the rental application. The Idaho Secretary of State listed William as the vice president of Wolfe Brothers, Inc. in November 2015. The renters do not own the POD however they did submit an agreement showing permission to access and use the water from the POD owners (John and Ann Wind Trust). See Purpose/Narrative about POU ownership.

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

INJURY TO OTHER WATER RIGHTS: No injury is apparent

ENLARGEMENT OF USE: No enlargement is evident through the rental.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The rental is within the Western Region. A request of feedback or concerns was sent to the Western Region on 1/08/16 and no response was returned as of 1/19/16.

Visosky, Steven

From: Visosky, Steven
Sent: Friday, January 08, 2016 9:10 AM
To: Van Dyke, Nick
Subject: Water Supply Bank rental review Wolfe Brothers
Attachments: Scanned Wolfe Brothers rental application.pdf; 2016 Wolfe Rental Review Memo.docx; 2016 Wolfe Brothers Rental Map.pdf

Nick,

We are processing the WSB rental for the Wolfe Brothers. I have attached the application, review, and map. Do you have any concerns or feedback with us moving forward with the rental?

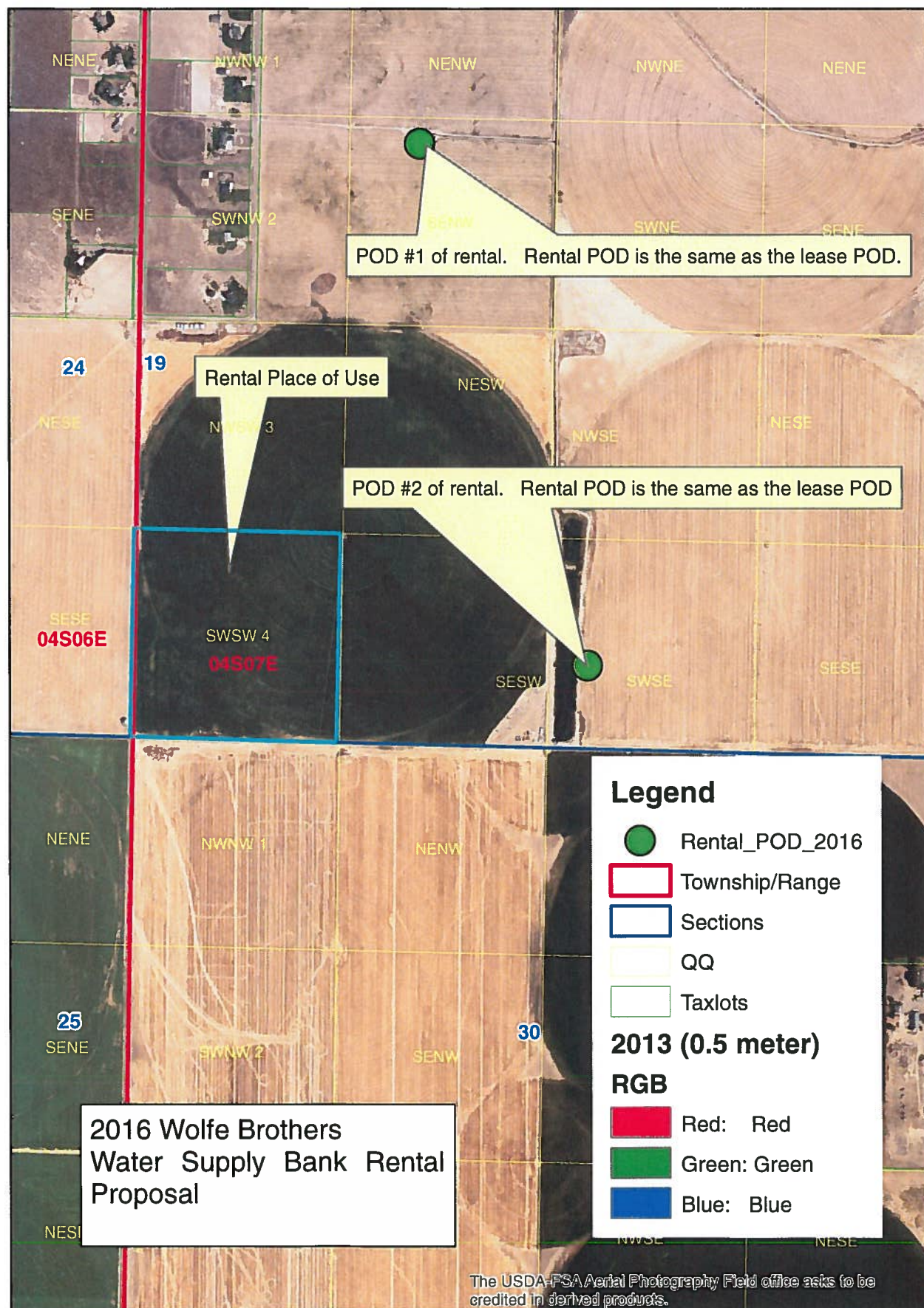
Thanks,

Steve Visosky

Water Resource Agent

Phone (208)287-4933

steven.visosky@idwr.idaho.gov



Visosky, Steven

From: Visosky, Steven
Sent: Tuesday, January 05, 2016 9:06 AM
To: 'Lori Graves'
Subject: RE: Wolfe Brothers - Water Supply Bank application question

Lori,

I understand the annual water supply bank rental requirement due to the yearly property lease but was just slightly confused with this year's rental application stating a 5 year proposed rental duration. Thanks for getting back.

Steven Visosky

Water Resource Agent
Phone (208)287-4933
steven.visosky@idwr.idaho.gov

From: Lori Graves [<mailto:LGraves@spfwater.com>]
Sent: Tuesday, January 05, 2016 8:46 AM
To: Visosky, Steven
Cc: Wolfe Brothers
Subject: RE: Wolfe Brothers - Water Supply Bank application question

We originally submitted a rental application with the attached authorization for 5 years, but because the subject property is leased on a yearly basis, the Department is requiring us to re-submit each year with a new farm lease agreement for the upcoming irrigation season.

From: Visosky, Steven [<mailto:Steven.Visosky@idwr.idaho.gov>]
Sent: Monday, January 04, 2016 3:43 PM
To: Lori Graves <LGraves@spfwater.com>
Subject: Wolfe Brothers - Water Supply Bank application question

Hello Lori Graves,

I am working on the Wolfe Brothers Water Supply Bank rental agreement and just wanted to make sure that this rental was intended for just a one year rental. I have read the file and understand that the Place of Use owner will only do a one year lease of the land to the Wolfe Brothers. We would not be able to process the Water Supply Bank lease for a longer period of time as the land lease agreement is only for one year however on your application question #3 C., you stated the proposed rental duration was 5 years?

I just wanted to make sure we were processing the rental the way you intended.

Thanks,

Steven Visosky

Water Resource Agent
Idaho Department of Water Resources
322 E Front St
PO Box 83720
Boise ID 83720-0098
Phone (208) 287-4933
Fax (208) 287-6700
steven.visosky@idwr.idaho.gov



RECEIVED

OCT 16 2015

DEPARTMENT OF
WATER RESOURCES

October 14, 2015

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

Subject: *Water Supply Bank Rental Application*

Dear Clay,

Per our phone conversation, enclosed on behalf of Wolfe Brothers Inc. is a rental application requesting 2nd year rental of water right 61-12084 currently leased to the Bank. Included as Attachment 3E is the water right owner's authorization for Wolfe Brothers rental of water right 61-12084 that was submitted and approved by the Department for only the 2015 irrigation season, although 5 years rental was originally requested. The Department is requiring Wolfe Brothers to submit a new rental application each season because their ag lease for the subject place of use is renewed on a yearly basis. Included as Attachment 3K is Wolfe Brothers ag lease for 2016.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Graves".

Lori Graves
Water Rights Specialist

Cc: Billy Wolfe

Enclosures

SPF file number: 1140.0010