

WATER SUPPLY BANK RENTAL AGREEMENT

FEB 23 2015

Page 1 of 4

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:


Signature of Renter

William A. Wolfe V.P.
Printed Name and Title*

2-20-15
Date

Signature of Renter

Printed Name and Title*

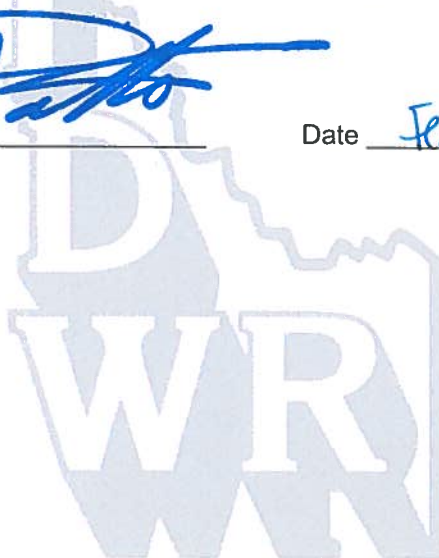
Date

*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 
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date February 23, 2015



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

WATER USE DETAILS

RECEIVED

FEB 23 2015

DEPARTMENT OF
WATER RESOURCES

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	NE¼NE¼	Sec. 19	Twp 04S	Rge 7E	ELMORE County
GROUND WATER	SE¼NW¼	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						40.0

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 action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
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. The use of water for irrigation under this right may begin as early as March 15, provided other elements of the right are not exceeded. The use of water before April 10 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
11. The following right is diverted through point of diversion described above: 61-12086





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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 24, 2015

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

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 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 acres during 2015. 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(s).

If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s): Receipt No. C099947
Rental Agreement (copy)

c: Sascha Marston – Fiscal

Lori Graves – SPF Water Engineering LLC



State of Idaho

DEPARTMENT OF WATER RESOURCES

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GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 13, 2015

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

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 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.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to March 15 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 \$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) 287-4910.

Sincerely,

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s)

c: IDWR Front Desk
Lori Graves- SPF Water Engineering LLC



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

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February 13, 2015

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

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

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant:

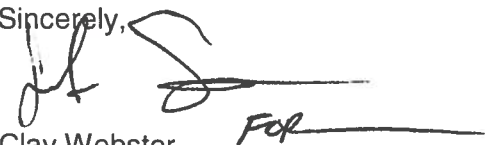
The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, 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.

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If you have any questions, please contact me at (208) 287-4910.

Sincerely,



Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s)

c: IDWR Front Desk
Lori Graves- SPF Water Engineering LLC

MEMORANDUM

To: Water Rights: 61-12084
From: Sandy Thiel
Date: February 9, 2015
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE:

The Department received a lease/rental package on December 24, 2014. The John and Ann Wind Trust proposes to lease 64 acres of ground water into the bank for 5 years. Wolfe Brothers Inc. submitted an application to rent 40 acres for 5 years from the Winds, who own the adjoining farm. The Wolfes have a real estate agreement to rent the land they plan to irrigate. This Wind's lease will terminate September 30, 2015. Based on the real estate agreement, the water supply bank rental will be limited to 1 year. The Wolfe's representative Lori Graves sent an email confirming the change to the rental agreement from 5 years to 1 (see attached). The Wolfes plan to submit their rental application each year in November

The rental point of diversion will share the same well as right 61-12084, the rented right. Rights 61-12085, 61-12086 and 61-12087 also share the point of diversion.

The Wolfe Brothers original application requested 40 acres. However, the leased right only provides 0.01 cfs per acres and 2.9 AF per acre. I contacted Lori Graves of SPF and asked if the Wolfes wanted to rent the entire 64 acres worth of water. Based on the rental of 40 acres of right 61-12084 the applicants requested 0.3 cfs and 116.7 AF. The rental of the additional 24 acres will increase the rate by 0.19 cfs and 70 AF. The final rate and volume will be the same as the lease 0.48 cfs and 186.8 AF. The rented volume exceeds the headgate requirement for this area; however, renting the extra volume will allow them to have the increased rate which still does not achieve the 0.02 per acre.

The Winds and the Wolfes have a private agreement. The Wolfes will only pay the administrative fee portion of the rental. I accepted the rental of the additional acres based upon an email from Lori Graves (see attached).

AUTHORITY TO FILE: According to tax records the property at the proposed rental place of use belongs to Robert Baker. The rental application included a real estate lease agreement between Bonnie Barker and the Wolfe Brothers Inc. William Wolfe signed the rental application. The Secretary of State listed William as the vice president of Wolfe Brothers in November 2014.

WATER RIGHT VALIDITY: The water right was decreed in 2001. There is evidence of irrigation on Landsat imagery.

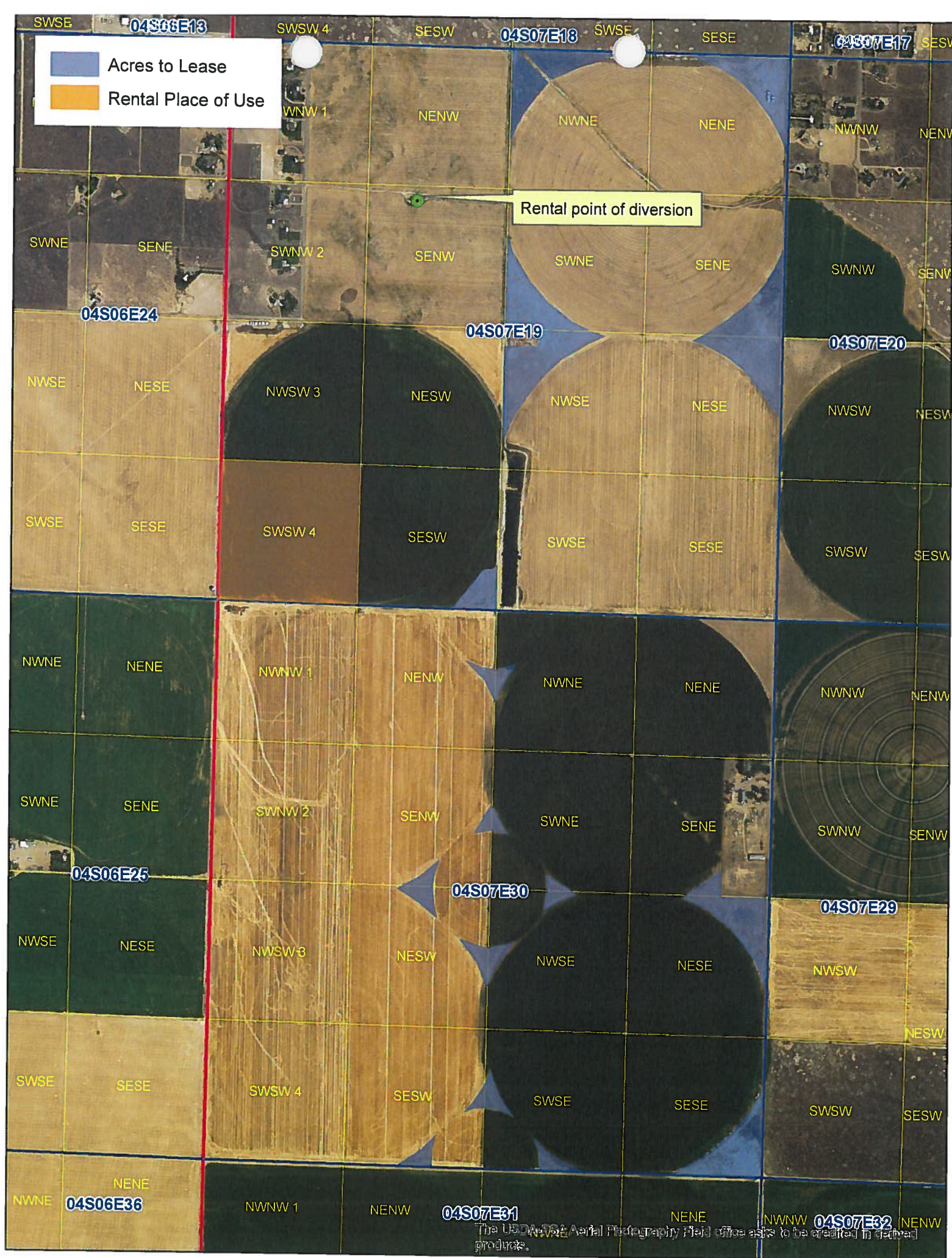
INJURY TO OTHER WATER RIGHTS: No injury is apparent.

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.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The region had no concerns.



MEMORANDUM

To: Water Rights: 61-12084

From: Sandy Thiel

Date: February 5, 2015

Re: Land rental agreement

I talked to Lori Graves of SPF. She represents Billy Wolfe on his water supply bank rental. He has been renting land from Bonnie Baker and farming it for the past few years. They irrigate with a pivot and had found out that the water right they are using does not cover the south west quarter of that pivot. Mr. Wolfe would like to purchase the land from Ms. Baker. If he is able to do that he would like to transfer the water that he has been renting to the pivot.

Ms. Baker has only been willing to allow Mr. Wolfe to rent the land on a year by year basis. Lori's proposal is that it become a stipulation of the rental agreement that he submit a copy of the land rental agreement with each year's rental payment.

Thiel, Sandra

From: Lori Graves [LGraves@spfwater.com]
Sent: Thursday, February 05, 2015 3:40 PM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

Yep. We'll get you another rental app submitted by November 1, 2015 with a new farm lease agreement for the 2016 season to make sure we get the same water.

From: Thiel, Sandra [mailto:Sandra.Thiel@idwr.idaho.gov]
Sent: Thursday, February 05, 2015 3:03 PM
To: Lori Graves
Subject: RE: Water supply bank rental 61-12086

I just want to make sure I'm completing this correctly. Will Wolfe's rental agreement be for one year? If so I'll send it out soon this week or early next.

From: Lori Graves [mailto:LGraves@spfwater.com]
Sent: Thursday, February 05, 2015 2:06 PM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

Thanks for your efforts Sandra. Billy is going to get the dates extended on the yearly lease document for the upcoming years and will submit a new rental application each year around Halloween to insure availability of leased water right 61-12084. John Wind is in Needles California right now in an RV Park. Billy is forwarding the 61-12084 lease contract to him for signature ASAP as soon as he locates an address (he doesn't have email). Please let me if you have any other questions.

From: Thiel, Sandra [mailto:Sandra.Thiel@idwr.idaho.gov]
Sent: Thursday, February 05, 2015 10:35 AM
To: Lori Graves
Subject: RE: Water supply bank rental 61-12086

Hello, Since the land rental is only for one year, the Wolfes are only going to be able to rent the water for one year. Also, based on the real estate lease the irrigation rental will end on September 30. I don't have any way to reserve the Wind's water right for the Wolfes to rent next year. So if Mr. Wolfe plans to rent those same water rights please let him know that he needs to have that rental application in to us by November 1, 2015 or it could be rented by someone else. I wish I had better news....

From: Lori Graves [mailto:LGraves@spfwater.com]
Sent: Wednesday, February 04, 2015 4:08 PM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

Nope. We still want 5 years. I'll call you tomorrow to discuss. Please let me know a good time to reach you. Thanks Sandra.

From: Thiel, Sandra [mailto:Sandra.Thiel@idwr.idaho.gov]
Sent: Wednesday, February 04, 2015 1:48 PM

To: Lori Graves
Subject: RE: Water supply bank rental 61-12086

Hi Lori, So are we changing the rental agreement to one year?

From: Lori Graves [<mailto:LGraves@spfwater.com>]
Sent: Wednesday, February 04, 2015 8:28 AM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

The Wolfe Brothers plan to be leasing the ground for the next 5 years if not longer. Bonnie prefers yearly leases rather than long-term leases. We can supply you with a renewed lease each year with the rental contract. Thanks Sandra.

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Friday, January 30, 2015 4:26 PM
To: Lori Graves
Subject: RE: Water supply bank rental 61-12086

Hello Lori, I have what I hope is one final question. The land rental agreement is only for 2015, and it ends September 30. The water rental application is for 5 years. Do you know what the Wolfe Brothers plan to do after the land rental expires? As I see it they have three options. They can amend their rental application to reflect the 1 year land rental. They can amend their land rental to 5 years. Or they can have Bonnie Baker rent the water for the remaining 4 years. Let me know what they want to do. Have a good weekend.

From: Lori Graves [<mailto:LGraves@spfwater.com>]
Sent: Tuesday, January 27, 2015 8:16 AM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

Sandra,

What do you need from me and the client to make this happen?

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Monday, January 26, 2015 3:27 PM
To: Lori Graves
Subject: RE: Water supply bank rental 61-12086

Hello, If the Winds lease 64 acres and the Wolfes only want to irrigate 40 acres the Wolfes could rent the additional 24 acres worth of water. That would give them an additional 0.19 cfs and 70 af. That is provided that no one else planned to rent the 24 acres.

From: Lori Graves [<mailto:LGraves@spfwater.com>]
Sent: Friday, January 23, 2015 8:41 AM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

Can you explain how the lease would let them rent more?

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Friday, January 23, 2015 8:35 AM

To: Lori Graves

Subject: Water supply bank rental 61-12086

Hello, I am working on the Wolfe rental agreement and I'm curious about the rate and volume. The Wolfes are only requesting 0.01 cfs and 2.9 af/a. It looks like the lease would allow them to rent more. I just wanted to make sure that they are getting what they need.

Sandra Beer Thiel

Idaho Department of Water Resources

322 East Front Street

Boise, Idaho 83720-0098

(208)287-4881

sandra.thiel@idwr.idaho.gov

Thiel, Sandra

From: Lori Graves [LGraves@spfwater.com]
Sent: Tuesday, January 27, 2015 7:49 AM
To: Thiel, Sandra
Subject: RE: Water supply bank rental 61-12086

Fantastic! I'll call the client.

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Monday, January 26, 2015 3:27 PM
To: Lori Graves
Subject: RE: Water supply bank rental 61-12086

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Sandra Beer Thiel

Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 24 2014

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) Wolfe Brothers Inc.Mailing Address c/o Billy Wolfe, PO Box 368, Grand View, ID 83624Phone 208-599-2691Email wolfebros@hughes.net

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. <u>Maximum Flow Rate (cfs)</u>	<u>Maximum Volume (ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>0.30 cfs</u>	<u>116.7 ac-ft</u>	<u>Irrigation</u>	<u>4/10</u> to <u>10/20</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u> to <u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u> to <u> </u>
Total: <u>0.30 cfs</u>	<u>116.7 ac-ft</u>		

2. Source of water Ground Water tributary to

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	¼	¼	¼	County
4S	7E	19			NE	NE	Elmore
4S	7E	19			SE	NW	Elmore

4. Lands to be irrigated or place of use:

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

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres 40

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion. John & Ann Wind Trust

2. Do you own the land at the proposed place of use?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use. Dr. Robert and Bonnie Baker Jr. Family Trust. See attached farm lease agreement.

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.

Wells, pumps, sprinklers

2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.

61-12084, 61-12085, 61-12086, 61-12087

3. Will the proposed place of use receive water from any other source?

Yes ☐ No ☒

If yes, describe.

4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed.

5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental?

Yes ☐ No ☒

If yes, describe.

6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation?

Yes ☐ No ☒

If yes, describe.

E. RENTAL TERM

Do you wish to rent water from the Board's bank for more than one (1) year?

Yes ☒ No ☐

If yes, please specify the number of years desired through proposed rental. 5

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.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. 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.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant

Printed Name and Title*

Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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

RECEIVED
DEC 24 2014
DEPARTMENT OF
WATER RESOURCES

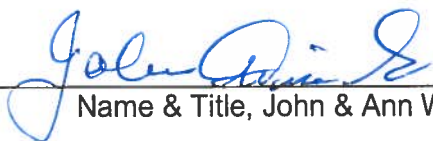
Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705

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,

 12-16-14
Name & Title, John & Ann Wind Trust 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



RECEIVED

DEC 24 2014

DEPARTMENT OF
WATER RESOURCES

REAL ESTATE LEASE

This Lease agreement (this "Lease") is dated September 1, 2014, 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, 2014 and will terminate September 30, 2015.

Lease Payments: Tenant shall pay the Landlord \$170.00 per acres totaling \$6,800.00 plus property taxes of \$185 for grand total of \$6,985.00 payable in 1 payment(s). The payment of \$6,985.00 will be due on October 1, 2014 payable of Robert M.L. Baker, Jr. Lease payments shall be made to the Landlord at: 8123 Tuscany Ave., Playa del Ray, CA, 90293 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, 2015 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 the with

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

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

Monitor and maintain the dripper oil on the irrigation system

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

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

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

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

Cumulative rights: The rights of the parties under this lease are cumulative, and shall not be 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
8123 Tuscany Ave
Playa Del Rey, CA 90293
1-310-823-4143**

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

9-7-2014

Bonnie Baker

Tenant:

Wolfe Brothers Inc.

Date

8-29-2014

Wolfe Brothers Inc.