



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
APR 14 2014
DEPARTMENT OF
WATER RESOURCES

This is to certify that: **WOLFE BROTHERS INC**
PO BOX ~~298~~ - 398
GRANDVIEW ID 83624
208-834-3505
wolfebro@hughes.net

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

<u>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Acre Limit</u>	<u>Total Rented Acres</u>
2-7061	1.85 CFS	463.5 AF	NA	92.7 AC
Combined Rental Totals:	1.85 CFS	463.5 AF	NA	92.7 AC
Term of Rental:	March 15, 2014 to December 31, 2016			
Rental Fee:	\$7,879.50 annually			

The fee for rental of the above-described water is \$7,879.50. Ten percent (\$787.95) will go to the Department for administrative costs, and the remainder will be paid to the lessor. An annual payment shall be received by the Department prior to March 1, the beginning of the irrigation season, each year 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. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions are attached.

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 R Wolfe
Printed Name and Title* Vice President

4-10-2014
Date

Signature of Renter

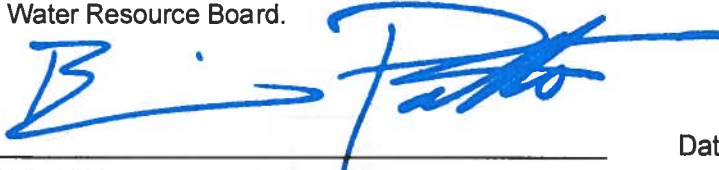
Printed Name and Title*

Date

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

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

Having determined that this agreement satisfies 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 conditions 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 4 / 14 / 2014

WATER SUPPLY BANK RENTAL AGREEMENT WATER RIGHT NO. 2-7061

The 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 below:

Renter: **WOLFE BROTHERS INC**
PO BOX 298
GRANDVIEW ID 83624

Priority Date: 4/9/1970

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	1.84 CFS	460.0 AF
	Total:		1.84 CFS	460.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

SNAKE RIVER L9 (SW¼SE¼SW¼) Sec. 34 Twp 05S Rge 04E OWYHEE County

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	
05S	03E	33			40.5	29.2	10.1	4		8.9									92.7

Total Acres: 92.7

Acre limit within place of use described: 92

CONDITIONS OF WATER USE

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.

**WATER SUPPLY BANK RENTAL AGREEMENT
WATER RIGHT NO. 2-7061**

CONDITIONS OF WATER USE

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 renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
11. Use of water under this agreement 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.
12. The use of water for irrigation under this right may begin as early as March 1 provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early irrigation use and a priority date earlier than the date a partial decree is entered for this right.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the place of use.

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JAN 13 2014

Department of Water Resources

APPLICATION 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 PO Box 298, Grandview, ID 83624Phone 208 834-3505Email wolfebros@hughes.net

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) 1.85 Maximum Volume (ac-ft) 463.5 Nature of Use Irrigation Period of Use 3/15 to 11/15

Total: 1.85 463.5

2. Source of water Snake River tributary to Columbia River

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	¼	¼	¼	County
5S	4E	34	9	SW	SE	SW	Owyhee

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	
5S	3E	33			40.5	29.2	10.1	4		8.9									92.7

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

Total Acres 92.7

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. Existing diversion for Bybee Canal

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. Walker Plow, LLP, PO Box 697, Eloy, AZ 85131 (480) 988-3828 or (208) 893-5333

C. MAP

PO Box 697 Eloy, AZ 85131

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.

Page 10



Based on 2011 NAIP Photography

AMENDMENT TO AGRICULTURAL LEASE AGREEMENT
Whitted Farm

THIS AMENDMENT to the Agricultural Lease Agreement (the "Amendment") is made and entered into as of November 20, 2013, by and between Wolfe Brothers, Inc. (the "Tenant") and Walker Plow Limited Partnership, LLP, (the "Landlord") (collectively the "Parties").

WHEREAS, the Parties have entered into that certain Agricultural Lease Agreement, dated as of October 28, 2010, (the "Lease") regarding the property commonly known as the Whitted Farm, (the "Leased Premises") and,

WHEREAS, the Parties desire at this time to formally amend said Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties hereto agree as follows:

1. **TERM:** The termination date shall be extended for an additional three (3) years, ending on December 31, 2016 (the "Extension Period"), unless terminated earlier pursuant to the terms and conditions outlined in the Lease.

2. **RENT:** The annual rental amount for the Extension Period beginning January 1, 2014, until the termination date stated in paragraph one hereinabove shall be:

For the year 2014 the annual rental amount shall be \$157,435.20 (\$180 per cropland acre),

For the year 2015 the annual rental amount shall be \$166,181.60 (\$190 per cropland acre),

For the year 2016 the annual rental amount shall be \$174,928.00 (\$200 per cropland acre) and payment of which shall be made in accordance with the Lease.

3. **COUNTERPARTS:** This Amendment may be executed in counterparts, and by facsimile or e-mail delivery, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

All of the terms and conditions as outlined in the Lease except as herein modified are to remain in full force and effect and are made a part of this Amendment.

LANDLORD:

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

By:

Robert Layton
Robert Layton

Its: President

Date:

12/13/2013

TENANT:

Wolfe Brothers, Inc.

By:

William R. Wolfe
William R. Wolfe

Its: Secretary/Treasure

Date:

11-25-2013



JAN 11 2011

SCYTHE & SPADE CO.

Simplifying Complex Agribusiness Issues

www.ag-management.com

AGRICULTURAL LEASE AGREEMENT SUMMARY

The following constitutes a summary of the terms of the Agricultural Lease Agreement entered into between Tenant and Landlord. Should any conflict exist between this Summary and the Agricultural Lease Agreement, the Agricultural Lease Agreement shall be the controlling document.

A. FARM NAME:		Whitted Farm	
B. EFFECTIVE DATE:		October 28, 2010	
C. TENANT:		Wolfe Brothers, Inc.	
	Phone:	(208) 834-3505	Fax: (208) 834-3506
	E-mail:	wolfebros@hughes.net	
	Address:	P.O. Box 398, Grand View, Idaho 83624	
D. LANDLORD:		Walker Plow Limited Partnership, LLP	
	Phone:	(208) 893-5333	Fax: (208) 439-1522
	E-mail:	danielles@ag-management.com	
	Address:	1059 E. Iron Eagle Dr., Ste. 155, Eagle, Idaho 83616	
E. RELATIONSHIP MANAGER:		Brett MacNeil	
F. COMMENCEMENT DATE:		January 1, 2011	
G. ENDING DATE:		December 31, 2013	
H. TERM:		Three (3) years	
I. ANNUAL RENT:		One Hundred Forty-Eight Thousand Six Hundred Eighty-Eight and 80/100 Dollars (\$148,688.80)	
J. PROPERTY ACREAGE:		Eight Hundred Seventy-Four and 64/100 (874.64) acres, FSA Cropland	
K. LEGAL DESCRIPTION:		Owyhee County, Idaho	



AGRICULTURAL LEASE AGREEMENT

Whitted Farm

THIS AGRICULTURAL LEASE AGREEMENT (hereinafter the "Lease"), is made and entered into as of **October 28, 2010** (the "Effective Date"), by and between **Wolfe Brothers, Inc.** (the "Tenant") and **Walker Plow Limited Partnership, LLP** its nominee or assigns (the "Landlord"). Collectively, Tenant and Landlord are referred to as the "Parties", or individually as a "Party".

AGREEMENT

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

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

2. **Term:** The term of this lease shall be for **Three (3)** years, commencing on -, **January 1, 2011**, (the "Commencement Date"), and ending on, **December 31, 2013** (the "Term"), unless terminated earlier pursuant to the terms and conditions outlined in this Agreement.

3. **Rent:**

A. Tenant hereby agrees to pay to Landlord a fixed annual rent ("Rent"), in lawful money of the United States of America, without deduction or offset, in the sum of **One Hundred Forty-Eight Thousand Six Hundred Eighty-Eight and 80/100 (\$148,688.80)** Dollars.

B. Payment of Rent shall be payable in advance and due in two equal payments of **Seventy-Four Thousand Three Hundred Forty-Four and 40/100 (\$74,344.40)** Dollars. The first payment shall be due and payable on the first day of March of every calendar year throughout the term of this Lease and the second payment shall be due and payable on the first day of November of every calendar year throughout the term of this lease. Payments shall be mailed postage-prepaid and via U.S. Certified Mail or in a comparable registered manner (to include, but not to be limited to, UPS, FedEx, etc.), to the offices of Scythe & Spade Company, located at **1059 E. Iron Eagle Dr., Ste. 155, Eagle, Idaho 83616**. All Rent not paid on or before the dates set forth herein shall be considered late. If not timely paid, all unpaid Rent shall bear interest from its due date until paid at the rate of eighteen percent (18%) per annum, or the highest rate



allowed by law which ever is higher. Upon signing this Lease, Tenant shall pay to Landlord the Rent due for the first year of the Term of this Lease.

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

5. Good Husbandry - Compliance With Law:

A. Tenant shall carry on all of Tenant's operations and obligations set forth in this Lease in accordance with good husbandry and the best management practices of the county in which the Leased Property is located. Tenant shall, at Tenant's sole cost and expense, properly and promptly comply with any and all laws, permits, ordinances, rules, regulations, requirements and orders whatsoever, present or future (collectively "Laws"), of the national, state, county, municipal government or district, which may in any way apply to the use, maintenance or occupation, environmental or physical condition of, or operations on the Leased Property, or the production of crops therein, or the sale or other disposition of such crops.

6. Hazardous Substances:

A. Tenant shall not store, use or dispose of any Hazardous Substances. The term "Hazardous Substances" means any substance which has the characteristics of ignitability, corrosiveness, toxicity, reactivity or radioactivity or has other characteristics determined to render the substance dangerous to health, safety or the environment pursuant to any existing or subsequently enacted federal, state or local law, regulation or ordinance. The term, "Hazardous Substance" includes, without limitation, substances defined as "hazardous material", "toxic substances", "hazardous waste", or "hazardous substances" in any federal, state or local law, regulation or ordinance, including petroleum. Tenant shall immediately notify Landlord of any inquiry, test, investigation, enforcement proceeding by or against Tenant or the Leased Property concerning Hazardous Substances. If Tenant shall be required to submit information or written reports to any agency on or relating to any of the foregoing, Tenant shall concurrently provide Landlord with copies thereof. If Tenant fails to comply with any laws, then Landlord, without obligation to do so, may take all necessary steps to ensure compliance. In such event, Tenant shall reimburse Landlord, upon demand, for all costs and expenses



which Landlord incurs, including any additional charges, assessments or penalties levied or charged against Landlord by reason of Tenant's failure to comply with such laws. Tenant will clean up all properties and maintain them in like manner during the term of the Lease.

B. No herbicide, pesticide, fertilizer, poison or other foreign chemical or substance, other than those approved by the United States Department of Agriculture and by the Idaho Department of Agriculture or other similar governmental agencies of the state in which Leased Property is located which regulate such substances, shall be applied to the Leased Property or crops growing thereon. Any and all of such materials and substances shall be applied in strict compliance with, and only at the time or times set forth in the instructions contained on the label or furnished by the manufacturer thereof or as permitted or required by the respective jurisdiction. No experimental poisons, herbicides, pesticides, fertilizers or other foreign chemical or substance shall be applied to the Leased Property, or the crops growing thereon, without the prior written consent of Landlord. Tenant agrees to keep correct records of the time, place and all other information and data pertaining to the quality, kind, use and method of application of such substances and to furnish to Landlord correct copies thereof upon demand. Tenant agrees to provide Landlord with a copy of Tenant's pesticide use permit and all other permits of any nature which Tenant makes application for during the term of this Lease. Tenant agrees not to use pesticides or herbicides that will have residual effect beyond the Lease term without the written consent of the Landlord.

C. At any time during the term of this Lease, Landlord shall have the right, but not the obligation, to appoint a consultant to conduct an investigation to (1) determine whether Hazardous Substances are located in or about the Leased Property; (2) determine the corrective measures, if any, required to remove Hazardous Substances; and (3) verify Tenant's compliance hereunder. Tenant shall provide access and reasonable assistance to such consultant at the Leased Property. Tenant, at its expense, shall promptly comply with the recommendations of such consultant upon receiving notice thereof, and shall reimburse Landlord for the reasonable fees and expenses of such consultant upon Landlord's request therefore, provided such consultant determines the Hazardous Substances exist and/or corrective action is necessary due to actions taken by Tenant.

D. In all events, Tenant shall be solely responsible for any requirements for mitigation or "clean-up" of any materials deposited or utilized by Tenant that have been released, deposited or used in violation of this Section or without the specific written consent of Landlord. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, cost, liabilities or losses which arise during or after the expiration of the Lease term or any renewal thereof as a result of any breach of this Section 6 of the Lease by Tenant. The covenants and obligations of Tenant and Landlord hereunder shall survive the expiration or earlier termination of the Lease as provided hereinabove.

7. Operating Costs: All costs incurred by Tenant in connection with Tenant's use, occupation and operations upon the Leased Property, including but not limited to, repair, replacement and maintenance costs of the irrigation delivery system including without limitation



all irrigation equipment, pumps ditches and lines, costs of preparing the Leased Property for planting of crops, costs of planting and harvesting crops, production costs, costs of tools and labor, costs of water diversion, pumping and delivery including related utilities, replacing all posts and rails on existing fences, the cost of building new fences, all electricity and other utilities used on or for the benefit of the Leased Property, shall be borne and paid by Tenant when due.

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

9. Insurance:

A. Tenant shall, at all times during the term of this Lease, maintain and keep in force a policy or policies of insurance acceptable to Landlord with reputable insurance companies which will adequately insure Landlord and Tenant against public liability and property damage in or about the Leased Property.

B. Tenant shall maintain at a minimum the following insurance: (1) a "Comprehensive General Liability" policy providing coverage in the amount of at least \$2,000,000 per occurrence and \$4,000,000 aggregate per policy year for bodily injury, death and property damage combined as a single limit. Said policy shall name the Landlord and its property manager as additional insured; (2) such Workmen's Compensation insurance as may be required under the Workmen's Compensation Safety Act of the State of Idaho and property insurance covering personal property, and other farm equipment owned by Tenant; and (3) insurance covering the replacement value of all Tenant's personal property and other farm equipment located and/or used on the Leased Property, including all irrigation equipment and pivots. Tenant understands and agrees that it is Tenant's sole responsibility to obtain insurance covering Tenant's personal property and other farm equipment owned by Tenant, which is located and/or used on the Leased Property. Said policy shall name the Landlord and its property manager as additional insured

C. Tenant shall, prior to taking occupancy of the Leased Property provide Landlord proof of insurance coverage acceptable to Landlord evidencing that the foregoing covenant of Tenant has been complied with, and said policies of insurance shall provide that if the underlying insurance is canceled or changed during the term of the policy, the insurance company shall notify Landlord in writing, and that no such cancellation or change shall become effective until ten (10) days from and after the date of receipt of such notice by Landlord.

D. If Tenant fails to procure and maintain the required insurance coverage, Landlord may but shall not be required to procure and maintain the required insurance coverage at the expense of the Tenant. Tenant shall be in default under the terms of this

Lease if such costs incurred by Landlord are not reimbursed by Tenant within ten (10) days of written demand. Such amounts shall also bear interest at the rate of 18% per annum or the highest rate allowed by law, which ever is higher, until such sums are repaid in full.

10. Water:

A. Tenant shall have the exclusive use of and obligation to repair, maintain and replace any wells, pumps, motors, pumping equipment and irrigation pipe lines now situated on the Leased Property, with any such use, repair, maintenance and replacement thereof being solely at Tenant's own cost and expense, and at Tenant's risk. Tenant shall be entitled to the use of all rights to well water and gravity water with respect to the Leased Property; provided, however, that Tenant shall use said well water or gravity water only upon the Leased Property and that Tenant shall not withdraw or use more than the annual allotment of water as provided by law, without the prior written consent of the Landlord.

B. NO PROVISION OF THIS LEASE SHALL BE CONSTRUED AS REQUIRING LANDLORD TO FURNISH OR GUARANTEE TO TENANT ANY AMOUNT OF WATER, IT BEING EXPRESSLY UNDERSTOOD THAT LANDLORD MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER AS TO THE ADEQUACY OR QUALITY OF ANY PRESENT OR FUTURE SOURCE OF WATER.

Tenant's Initials: _____

C. No obligation on the part of Tenant shall be required or enforced if either: (i) The deliverability of water to the Leased Property is prevented by the intentional acts of Landlord or (ii) If access to and from the Leased Property is prevented by the intentional acts of Landlord. In the event that either (i) or (ii) above are not remedied by Landlord within ten (10) days written notice, Tenant shall have the option to terminate this Lease and be entitled to a full refund of all documented out of pocket costs and expenses including but not limited to rents paid, that are related to the production of the crops for the current year. The provisions of this Paragraph shall specifically exclude acts of God, the effects of any drought conditions or calls brought by other water users to enforce priority rights of usage resulting therefrom, and the effect on the availability of water as it relates to the Leased Property or other conditions or occurrences outside the reasonable control of the Landlord.

D. Tenant understands and agrees that it is Tenant's sole responsibility to maintain, repair and replace all ditches, drainages, pipelines and pumping plants, and carrying out any major renovation to the pipeline system. Tenant shall give Landlord no less than forty-eight hours notice prior to performing any major repair or maintenance on the Leased Property. In the event Tenant fails to perform any of its maintenance, repair or replacement obligations set forth in the Lease, Landlord may upon providing forty-eight (48) hours prior written notice enter the Leased Premises and perform such maintenance, repair or replacement at the cost and expense of Tenant. Tenant shall reimburse Landlord



for all such costs and expenses within thirty (30) days of receiving written demand from Landlord.

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

F. Tenant also is aware that certain forms may be required by Federal, State or Municipal government entities, to include but not to be limited to the State Department of Water Resources, or the irrigation district/canal company to comply with reporting requirements. Tenant agrees to complete these forms and submit them when due along with any fees due, with a copy of the report forwarded to Landlord within fifteen (15) days of its submittal.

11. Disclaimer of Warranty of Soil Quality: Landlord, by granting this Lease to Tenant, makes no warranty of any kind as to the quality or suitability of the soil of the Leased Property for growing any crops Tenant may be authorized to grow on the Leased Property under this Lease. Tenant represents that Tenant has made an independent inspection of the Leased Property and is not relying upon any representation or warranty whatsoever from landlord as to such condition.

12. Defects in Leased Property: Tenant is fully familiar with and has either inspected or had complete opportunity to inspect and has not done so, the condition of all improvements, which comprise a part of the Leased Property, fully understands that Tenant is leasing the Leased Property "AS IS" and Tenant accepts the Leased Property in their present condition, without any representation or warranty by Landlord as to the condition or use thereof.

13. Alterations:

A. Tenant shall not make, or permit to be made, any alterations or improvements to the Leased Property during the term of this Lease without the prior written consent of Landlord.

B. Upon termination or expiration of this Lease pursuant to the terms hereof, all improvements and/or alterations made by Tenant, other than those constituting trade fixtures, shall revert to Landlord, without any right in Tenant for reimbursement. In the event some or all of the improvements are classified as trade fixtures and are not removed prior to the expiration of this Lease, all such trade fixtures not so removed shall revert to the Landlord within thirty (30) days after Tenant's vacation of the farm property, without any right in Tenant for any reimbursement.

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

15. Quiet Enjoyment: Landlord hereby covenants and agrees that if Tenant pays the rental as herein provided and faithfully performs the terms and conditions on Tenant's part, to be kept, observed and performed, Tenant shall have the peaceful enjoyment of the Leased Property during the term hereof, without hindrance or interference from Landlord. Note that this paragraph does not negate Landlord's rights to enter the property or for Landlord's agents to inspect the same under those circumstances that are listed elsewhere in this Lease Agreement.

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

17. Right of Entry, Inspection and Sale:

A. Landlord shall have the right to enter the Leased Property at all reasonable times during the term of this Lease, either in person or by nominee, agent or representative, for the purpose of exercising its rights hereunder and for the purposes of inspecting the Leased Property, posting notices of non-responsibility, ascertaining that the promises and covenants of Tenant herein contained are being kept, observed and performed, and to place thereon at any time "For Sale" signs. Landlord may enter the Leased Property for the purpose of making any alterations, repairs or improvements to the buildings or the Leased Property, which Landlord deems convenient or required for the maintenance or preservation thereof.

B. Tenant understands and agrees that Landlord may sell the Leased Property during the term of this Lease, and accordingly agrees that Landlord may have all reasonable access to the Leased Property for the purpose of showing the Leased Property to prospective purchasers. Tenant expressly waives any damages resulting from such entry or from the performance of such repairs or alterations, and such entry shall not be cause for any rebate of Rent herein, provided that the ingress and egress of Tenant shall not be unreasonably hindered, nor shall Tenant's occupancy be otherwise unreasonably inconvenienced.

Tenant's Initials: _____

C. Tenant further acknowledges that Landlord may assign this Lease at any time during the Term and will provide Tenant notice of such assignment.

18. Liens:

A. Tenant hereby agrees that Tenant will not permit or suffer any liens of any kind to be filed against the Leased Property as a result of any obligation, malfeasance, negligence or mission of the Tenant, and that Tenant shall diligently take all necessary and proper steps to remove and discharge any liens which are filed.

B. Except as otherwise approved by Landlord or provided herein, Tenant shall ensure that no liens of any nature are imposed or filed against the Property. In the

event that any such lien is imposed or filed against the Property resulting from actions or non-action by Tenant, Tenant shall immediately notify Landlord and shall either bond around such lien or have such lien removed from title or released within thirty (30) days of the imposition or filing thereof.

C. Landlord understands that from time to time Tenant may require crop financing related to the crops harvested pursuant to this Lease. Landlord agrees that Tenant may hypothecate the crops grown on the Leased Property, subject, however, to the prior written consent of the Landlord, and provided further that such hypothecation shall be in form, content and terms as may be acceptable to the Landlord. Any such liens shall in no event be for a term or period extending beyond the term of this Lease. Tenant shall satisfy any and all liens created by Tenant of record before the end of the term of this Lease. In the event any such liens create a cloud upon Landlord's title, all costs and expenses, including attorneys' fees required for the removal of the cloud, either before or after the termination of this Lease, shall be paid by Tenant. In no manner shall any security agreement or lien given or suffered by Tenant affect or in any manner encumber the crop share of Landlord, if any.

19. Waiver:

A. The specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other of any breach or threatened breach by Tenant of any covenant, agreement or condition of this Lease. The failure of Landlord to insist in any one or more cases upon the strict performance or observance of any of the covenants, agreements or conditions of this Lease shall not be construed as a waiver or a relinquishment for the future of such covenant, agreement or condition. The waiver by Landlord of a breach of any term, covenant, agreement or condition contained in this Lease shall not be treated as a continuing waiver of such term, covenant, or condition, or as a waiver of any future breach of the same or any other term covenant or condition contained in this Lease.

B. The acceptance of rent by Landlord shall not be treated as a waiver of a previous breach by Tenant of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of a previous breach at the time of acceptance of rent. In addition to the other remedies in this Lease provided, Landlord shall be entitled to the restraint by injunction of the violation of any of the covenants, agreements or conditions of the Lease.

20. Surrender of Lease Not Merger: The voluntary or other surrender by Tenant, or a mutual cancellation by Landlord and Tenant, of this Lease shall not work a merger, and such event shall, at Landlord's option, operate as an assignment to Landlord of any or all subleases or subtenants. In the event Landlord does not take an assignment of all subleases or subtenants of Tenant, such subleases and subtenants shall automatically terminate upon the expiration or early termination of this Lease.

21. Indemnification of Both Parties: Tenant shall at all times during the term of this Lease indemnify, save and hold Landlord harmless from all damages, injuries or claims arising

in or about the Leased Property or in connection with the conduct by Tenant of any activities thereon. In particular, Tenant shall defend, indemnify and hold Landlord and its agents, officers, directors, employees and shareholders harmless from and against all causes of action, claims, demands, damages, judgments, costs and liabilities of what ever kind, including attorney's fees and costs, arising out of or in any way connected with Tenant's storage, use, application, disposal, removal or cleanup of Hazardous Substances. Landlord, at his election, shall have the sole right, at Tenant's expense to negotiate, defend, approve and appeal any obligations hereunder which shall survive termination of the Lease. Conversely, Landlord shall hold Tenant harmless for damages, injuries, or claims arising from the gross negligence or intentional misconduct by the Landlord or its agents, officers, directors, employees, or representatives from and against all causes of action, claims, demands, damages, costs and liabilities arising out of or in any way connected with the management of the lease.

22. Landlord's Right to Perform Tenant's Covenants: If Tenant shall at any time fail to make any payment or perform any act on its part to be made or performed under this Lease, Landlord may, but shall not be obligated to, and without notice or demand and without waiving or releasing Tenant from any obligation under this Lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith pay expenses and employ counsel. All sums so paid by Landlord and all expenses in connection therewith, together with interest thereon at the maximum rate permitted by law from the date of such payment, shall be deemed additional Rent hereunder and be payable to Landlord on demand and Landlord shall have the same rights and remedies for the nonpayment thereof as in the case of the payment of rent.

23. Assignment or Subletting: Neither this Lease nor any interest therein shall be assigned, either voluntarily, by Tenant, or by operation of law or otherwise, nor shall the Leased Property, or any part thereof, be sublet by Tenant without the prior written consent of Landlord. Any such assignment or Subletting without such prior written consent of Landlord shall be void. Provided, however, that Landlord shall have the right to assign or transfer this Lease, or any rights to it.

24. Condition of Leased Property on Termination: At the expiration or sooner termination of this Lease, upon vacating the Leased Property, Tenant shall leave the Leased Property and any and all equipment and personal property owned by Landlord in as good of condition or better than the condition of such property at the commencement of this Lease and free and clear of all liens, encumbrances, weeds, debris and Hazardous Substances.

25. Events of Default: The parties hereto agree that the following are deemed to be events of default ("events of default") under this Lease:

A. Tenant's failure to pay when rent or other moneys due hereunder and such failure to pay continues for a period of ten (10) days after notice thereof to Tenant; or

B. Tenant's failure to perform any of the terms, covenants or conditions herein contained to be performed by Tenant, other than those covered by Paragraph 24a, above, and such failure to perform continues for a period of thirty (30) days after notice thereof to Tenant; or

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

D. Any one of the following events:

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

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

(3) An action taken or suffered by Tenant under any insolvency or bankruptcy act that in any way bears a relationship to the subject matter of the Lease Agreement, or

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

26. Remedies Upon an Event of Default: The parties hereto agree that in any of such events of default, Landlord may pursue any and all remedies it may have at law or in equity including without limitation the following:

A. Landlord shall without notice, have an immediate right of re-entry and to take possession of the Leased Property and eject all parties in possession therefrom, using such reasonable force for that purpose as may be necessary, without being liable to any prosecution for said re-entry or the use of such force, (the parties note that notice of an event of default to the non-defaulting party is required as listed herein), and the right to take possession of all crops, harvested or not harvested, and to remove the same to a public warehouse or elsewhere at Tenant's expense and for Tenant's account. Landlord, at his election, shall become the owner of all crops of which he has taken possession, and except when election to proceed under option b (ii) below, shall not be obligated to compensate Tenant for such crops.

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

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



D. Landlord, or its agents or assigns, or a receiver appointed at its insistence may (i) perform tenant's duties under this Lease in such things as maintaining the Leased Property and growing, harvesting, and marketing the crops contemplated by the Lease, (ii) charge the proceeds of the crop with all reasonable costs of maintenance and husbandry, and, if the rent is based in whole or in part on a crop share basis, (iii) divide the remainder of proceeds with Tenant in the same proportions as the crop would have been divided between Landlord and tenant if Tenant had faithfully performed under this Lease.

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

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

27. Default Notices: Notices given under this paragraph shall specify the alleged default and the applicable Lease provision, and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the Notice.

28. Landlord's Right to Sell or Cancel Lease.

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

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

C. Tenant agrees that Tenant will vacate the Leased Property within Thirty(30) days from the date landlord gave written notification of election to cancel.

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

E. Tenant further agrees that, in the event Landlord affords those remedies to Tenant that are more set forth in Paragraph 28 A., that Tenant will not hold Landlord

liable for any other such damages arising from Landlord's sale of the Leased Property to a third party.

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

30. Damage/Destruction:

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

B. In case of damage or destruction where the Lease is not terminated pursuant to Paragraph 29A above, there shall be an abatement or reduction of future Rent between the date of damage or destruction and the date of completion of restoration, if any, based on the extent to which the destruction interferes with Tenant's use of the Leased Property.

31. Hunting Rights: All of the hunting rights and privileges or other recreational pursuits on the Leased Property are particularly and specifically reserved to Landlord. Tenant agrees that it will not permit any hunting or other recreational activities on the Leased Property without the express written approval of Landlord.

32. Oil, Gas and Minerals Rights: All rights in all minerals, oil, gas and other hydrocarbons located on or under the Leased Property are particularly reserved to Landlord and are particularly excluded from the property covered by the terms of this Lease. Tenant expressly grants to Landlord, and to lessees of these oil, gas, and mineral rights, and to Landlord's agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Leased Property during the term of this Lease for the exploration, drilling, and mining of minerals, oil, gas, and other hydrocarbons on or under the Leased Property; provided that Landlord shall reimburse Tenant for any interference with the agricultural operations conducted on the Leased Property under the terms of this Lease arising from exploration, drilling or mining operations.

33. Expenses of Enforcement: Should any legal action be brought by either party against the other for the enforcement of any rights of either party against the other pursuant to the provisions of this Lease, or by reason of any alleged breach of any of the provisions of this



agreement or arising from this agreement, then and in such event the successful party in such action shall be entitled to receive attorney's fees incurred.

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

If to Landlord:

LANDLORD

Walker Plow Limited Partnership, LLP

Phone: (208) 893-5333

Fax: (208) 439-1522

E-mail: danielles@ag-management.com

Address: 1059 E. Iron Eagle Dr., Ste. 155

Eagle, Idaho 83616

If to Tenant:

TENANT

Wolfe Brothers, Inc.

Phone: (208) 834-3505

Fax: (208) 834-3506

E-mail: wolfebros@hughes.net

Address: P.O. Box 398

Grand View, Idaho 83624

If either party changes their address, the changing party is under an obligation to immediately advise the non-changing party of the new address by registered or certified mail, return receipt requested, postage prepaid as soon as is reasonably possible. In any event, the non-changing party may not be held responsible or liable for failing to serve the changing party at the new address should a notice that is required by law or the terms of this Lease Agreement fail to be given to the changing party as a result of the changing party's failure to provide timely notification of change of address.

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

36. Lease Binding of Heirs, Etc: This Lease and each of its provisions shall be binding upon and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustee, successors, and assigns of the parties hereto.

37. Amendments: This Lease represents the sole and exclusive agreement between the parties respecting their mutual rights and obligations against and to one another, respecting any manner or thing whatsoever, and supersedes in all respects any prior agreement or agreements with reference to the subject matter hereof or otherwise, whether written or oral, and in no event shall either party have any obligation or liability to the other or in respect to any other person except as expressly stated in this Lease to the contrary.

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

39. Holding Over: If Tenant remains in possession of the Leased Property after expiration of the Lease without executing a new Lease, and such possession is not as a result of



an act of God, such holding-over shall be construed as a tenancy from month-to-month, subject to all covenants and conditions of this Lease insofar as the same are applicable to month-to-month tenancy, with the exception that upon the commencement of such month-to-month tenancy the rent for such month-to-month tenancy shall be calculated as follows: The amount of the annual lease, divided by 12 (to determine the monthly cost of the lease), times two (2). The hold-over-cost amount will be payable in advance on the first day of each month.

40. General: If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such terms or provisions shall not be affected thereby. The captions of this Lease are for the convenience of reference only and shall not define or limit any of the terms or provisions hereof. All of the covenants of Tenant hereunder shall be deemed and construed to be "condition" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate instance. The Landlord / Tenant relationship created by the terms of this lease does not constitute a joint venture relationship or any other relationship other than one of Landlord/Tenant.

41. Plowdown: Tenant agrees to have Property comply with all United States or Idaho Department of Agriculture abatement programs within the time frame specified by statute. In the event this lease is not renewed, tenant shall shred, pull and incorporate the crop residue into the soil or plow the residue into the fields, prior to vacating the Leased Property.

42. No Partnership Intended: It is particularly understood and agreed that this Lease shall not be deemed to be, nor intended to give rise to, a partnership relation.

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

44. Notice Of Change In Name Or Business Structure: The Tenant shall not change his name or his business entity structure without first giving the Landlord at least thirty (30) days prior written notice of such change. The notice under this paragraph shall be deemed sent when received by the Landlord.

45. Knowledge Regarding Agreement: This agreement is made and entered into voluntarily by both parties, free and clear from any duress, coercion or undue influence on either party by the other. Each party warrants and represents that he has carefully read and understands each provision of this agreement in its entirety and has given careful and mature consideration to the making of this agreement. Each party warrants that he is fully and completely informed as to the facts relating to the subject matter of this agreement and as to the rights and liabilities of the parties. Each party has had the opportunity to be advised fully and adequately by his attorney. Each party warrants that he fully understands the nature, character and legal effect of all Recitals, Covenants, Warranties, Representations and other terms, conditions and agreements contained in this agreement. This agreement has been prepared by Scythe & Spade Company (S&S) solely for the convenience of the parties. S&S, Landlord and Tenant agree, in light of the foregoing, that this agreement will not be construed against S&S or Landlord merely because S&S has prepared the initial draft of the Agreement.

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

47. Exceptions To Demise. Notwithstanding anything to the contrary herein contained, this Lease is subject to:

A. Utility easements, both recorded and unrecorded, pertaining to or affecting the Leased Property or the real estate upon which the Leased Property is situated; and

B. All governmental laws, ordinances, orders, regulations, codes, directives, variances, permits, and all orders, permits, rules and regulations issued by or at the direction of any such governmental agency or authority or any board or instrumentality thereof.

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

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

50. Display Of Signs. During the last sixty (60) days of the term of this Lease, Landlord or its agent shall have the privilege of displaying the usual "For Sale" or "For Rent" or "Vacancy" signs on the Leased Property and of showing the Leased Property to prospective purchasers or tenants.

51. Abandonment.

A. Abandonment of the Leased Property by Tenant shall be a breach of this Lease and shall entitle Landlord to its remedies as set forth in this Lease and as provided by law. Landlord shall have the right to declare the Leased Property abandoned upon Tenant's absence from the Leased Property for more than twenty (20) days without prior notification to Landlord, the termination of electrical, water, sewer, or garbage service to the residence on the Leased Property, or the removal of Tenant's household furniture and personal items from the residence. Upon the occurrence of one or more of the above events or other conduct by Tenant that indicates abandonment of the Leased Property, Landlord shall be entitled to declare the Leased Property abandoned and to regain possession thereof. Landlord reserves a right of re-entry to the Leased Property three (3) days after posting a notice of intent to retake possession on the door of the residence.

B. Landlord, at Landlord's discretion and as agent for Tenant, may relet the Leased Property for the whole or any part of the then unexpired term of this Lease, and may receive and collect all rent payable by virtue of such reletting and, at Landlord's option, hold Tenant liable for any difference between the rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realized by Landlord by means of the reletting.

C. All personal property remaining in or about the Leased Property for more than three (3) days after the time that Tenant's tenancy ends by either expiration of the Lease, termination of the Lease, or abandonment of the Leased Property shall be abandoned personal property. Tenant surrenders all right, title and interest to the abandoned personal property and agrees that Landlord may keep, sell, or otherwise dispose of the abandoned personal property in Landlord's discretion. Tenant further agrees that Landlord shall be entitled to charge the expense of handling, storing, or otherwise disposing of abandoned personal property against Tenant's security deposit or to otherwise recover those expenses from Tenant.

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

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

54. Limitation Of Landlord's Liability. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owners at the time in question of the fee simple title to the building and Leased Property, and in the event of transfer of said fee simple estate, then the party conveying



said fee simple estate shall be automatically relieved, after the date of such transfer, of all personal liability as respects the performance of any obligations on the part of Landlord contained in this Lease arising out of acts thereafter occurring or covenants thereafter to be performed, it being intended hereby that all the obligations contained in this Lease on the part of Landlord shall be binding upon Landlord, its successors and assigns, only during and in respect of their respective periods of ownership of said fee simple estate in the Leased Property.

55. Access For Reletting. Landlord may at any time, after a default of this Lease by Tenant, enter the Leased Property at all reasonable hours upon prior notice to Tenant for the purpose of offering the same for rent and may place and keep on the grounds of said Leased Property signs advertising the Leased Property for rent.

56. Default Of Landlord – Cure Period. Landlord shall not be deemed to be in default in the observance or performance of any covenants, conditions, agreements or provisions of this Lease on its part to be observed or performed, unless Landlord shall fail to remedy such default within fifteen (15) days after written notice from Tenant specifying the nature of any such default, or, if default cannot be reasonably remedied within the said fifteen (15) day period, Landlord shall not be deemed to be in default unless Landlord shall fail to initiate action to remedy such default within fifteen (15) days after such written notice and to prosecute the same to completion with due diligence.

57. Release And Waiver Of Subrogation. Landlord shall not be liable for any damage or loss to fixtures, equipment, merchandise or other personal property of Tenant located anywhere in or on the Leased Property caused by fire, water, explosion, sewer backup or any other insurable hazards, regardless of the cause thereof, or any injury to or death of any person or persons who may at any time be using, occupying or visiting the Leased Property, and Tenant does hereby expressly release Landlord of and from any and all liability and agrees to indemnify and defend Landlord from such damages or loss. Landlord and Tenant hereby waive any and all rights of recovery against the other for loss of or damage of such waiving party of its property or the property of others which loss or damage is covered under any policy of insurance required to be carried by the terms of this Lease. To the extent that any of the risks or perils described in this Section 22 are in fact covered by insurance, each party shall cause its insurance carriers to waive all rights of subrogation against the other party.

58. Estoppel Certificates. Tenant shall, within ten (10) days after written request of Landlord, execute, acknowledge and deliver to Landlord or to Landlord's mortgagee, or proposed purchaser of the Leased Property or any part thereof, any estoppel certificates requested by Landlord, from time to time, which estoppel certificates shall state whether the term of the Lease has commenced and full rental is accruing; whether there are any defaults by Landlord and, if so, the nature of such defaults; and whether rent has been paid more than thirty (30) days in advance and that there are no liens, charges, or offsets against rental due or to become due and that the address shown on such estoppel certificate is accurate. Landlord shall, within ten (10) days after written request of Tenant, execute, acknowledge and deliver to Tenant or to Tenant's mortgagee or proposed mortgagee, any estoppel certificate(s) requested by Tenant from time to time, which estoppel certificate(s) shall state whether the term of the Lease has commenced and full rental is accruing, and whether there are any defaults by Tenant and, if so, the nature of such defaults.



59. Brokers.

A. Landlord will indemnify Tenant from any leasing commissions or finders fees claimed by brokers or agents assisting or representing Landlord regarding this Lease.

B. Tenant will indemnify Landlord from any leasing commissions or finders fees claimed by brokers or agents assisting or representing Tenant regarding this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Lease on the day and year set forth above.

LANDLORD:

TENANT:

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

By: Robert Layton
Print: Robert Layton
Its: President
Date: 1/7/2011

Wolfe Brothers, Inc.

By: J D Wolfe
Print: James D Wolfe
Its: President
Date: 11-30-10



Exhibit "A"

Legal Description

Tract I

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

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

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

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

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

Tract II

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

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

Tract III

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

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

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

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

North 59 degrees 35' West 697 feet;

North 70 degrees 30' West 400 feet;

North 88 degrees 30' West 1,000 feet;

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

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

Tract IV

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



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

April 15, 2014

WOLFE BROTHERS INC
PO BOX 398
GRANDVIEW ID 83624

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 02-07061**

Dear Renter:

Please find enclosed a receipt in the amount of **\$7,879.50** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 463.5 acre-feet of water for irrigation of 92.7 acres during 2014. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$7,091.55 of the rental fee will be paid to the lessor(s) and 10% or \$787.95 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure(s): Receipt No. C098676
Rental Agreement (copy)

c: Sascha Marston – Fiscal
John Westra – IDWR Western Regional Office
Corbin Knowles – State Water District No. 02
Rob Whitney-IDWR Compliance Bureau
Liz Cresto – IDWR State Office



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

April 8, 2014

C.L. "BUTCH" OTTER

Governor

WOLFE BROTHERS INC
PO BOX 298
GRANDVIEW ID 83624

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 02-07061**

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

Dear Applicant:

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

A rental fee of \$7,879.50 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 463.5 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to March 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$7,879.50 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$7,091.55 of the rental fee will be paid to the lessor(s) and 10% or \$787.95 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure(s)

c: IDWR Front Desk

MEMORANDUM

To: Right(s) 2-7061

From: Cherie Palmer

Date: March 31, 2014

Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: The applicant has filed a rental application in order to cover some land that doesn't have a water right. Apparently this land has been irrigated without a water right in the past and is filing in order to avoid an NOV.

AUTHORITY TO FILE: The applicant, Wolfe Brothers is authorized to irrigate on land owned by Walker Plow Limited via an agricultural lease agreement that expires on 12/31/2016. This rental agreement was supposed to cover 5 years per the application but, I can only extend the rental to coincide with the agricultural lease.

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

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

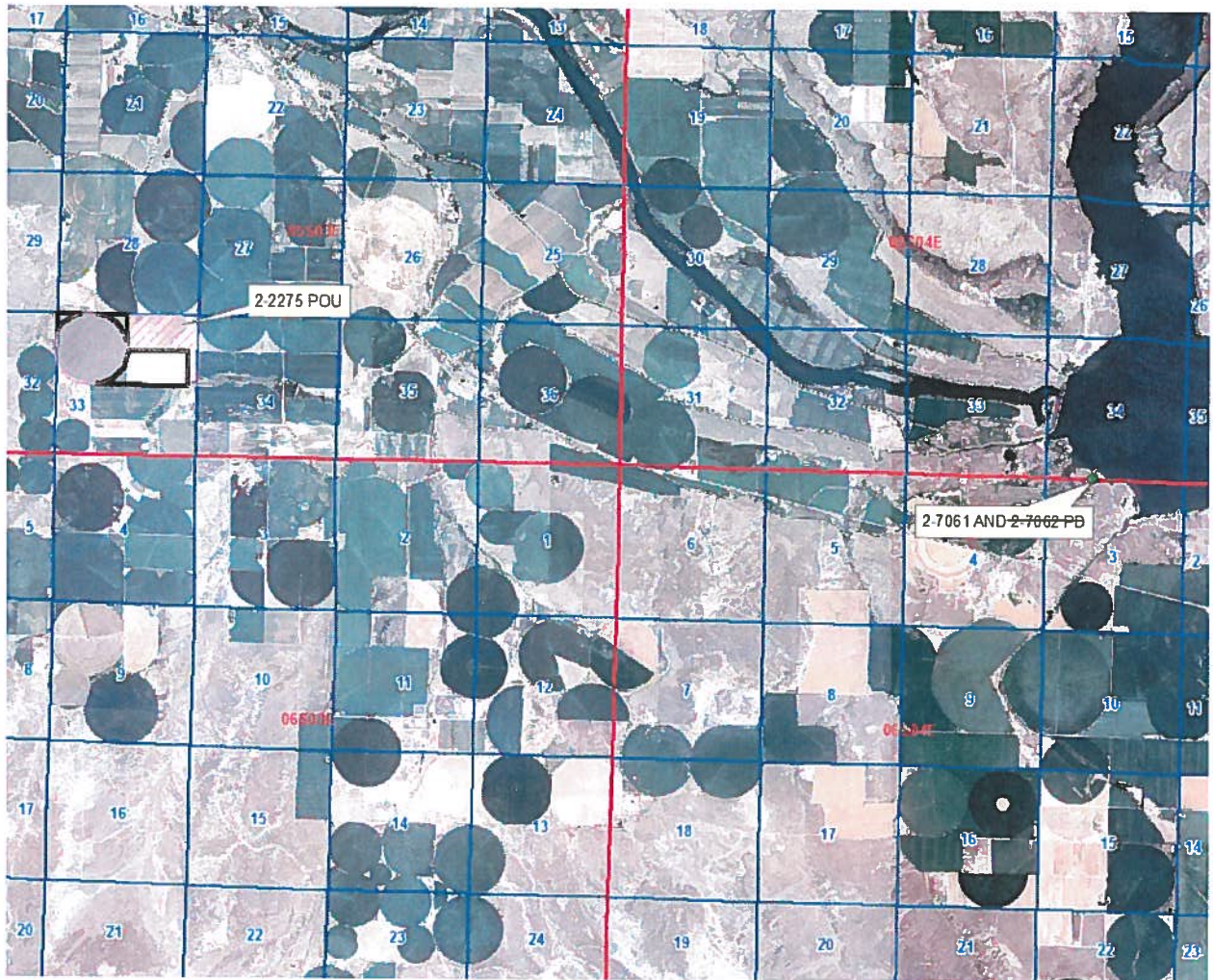
INJURY TO OTHER WATER RIGHTS: No injury is apparent.

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

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: This rental falls within water district 02. The watermaster and the regional manager agree that this rental agreement is approvable.



The black outlined area represents the rental POU.

Palmer, Cherie

From: Lester, Steve
Sent: Friday, April 04, 2014 8:57 AM
To: Palmer, Cherie
Cc: Knowles, Corbin
Subject: RE: WSB Rental for Wolfe Brothers

Hi Cherie:

I saw Corbin's response & agree, looks good to go with this one.

Steve

From: Palmer, Cherie
Sent: Monday, March 31, 2014 5:29 PM
To: Knowles, Corbin; Lester, Steve
Subject: WSB Rental for Wolfe Brothers

Gentlemen,

I drafted some documents associated with a rental application. I have attached a map to the second page of my review memo. Please let me know if you have any feedback or concerns. Although this one looks like a real straight forward winner.

Thanks,
Cherie

Palmer, Cherie

From: Knowles, Corbin
Sent: Thursday, April 03, 2014 4:59 PM
To: Palmer, Cherie
Cc: Lester, Steve
Subject: RE: WSB Rental for Wolfe Brothers

Cherie

This looks pretty straight forward, Terry Fields right historically has been diverted through the same common point of diversion and wheeled through the Bybee system to the place of use for Walker Plow LLC whom is also a water right holder in the same ditch system. This is a perfect fit for what the WSB provides to water users who need additional acres covered. Please proceed with this rental as outlined in your memo.

Thanks

Corbin

From: Palmer, Cherie
Sent: Monday, March 31, 2014 5:29 PM
To: Knowles, Corbin; Lester, Steve
Subject: WSB Rental for Wolfe Brothers

Gentlemen,

I drafted some documents associated with a rental application. I have attached a map to the second page of my review memo. Please let me know if you have any feedback or concerns. Although this one looks like a real straight forward winner.

Thanks,
Cherie