

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 644

RECEIVED

AUG 22 2022

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

CSS FARMS LLC
5911 2ND AVE WEST
KEARNEY, NE 68847

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
17-2052	4/15/1966	GROUND WATER	0.09	39.5	27.5	0.003	1.44
17-7063	9/12/1975	GROUND WATER	0.31	84.2	60.0	0.010	2.59
Combined Rental Totals			0.40	124	60.0	0.007	2.06

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2022. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2022, whichever occurs last.

Annual Rental Fee:

2022: \$247.40

The full fee for the rental of the above-described right(s) is \$247.40 for 2022. The rental fee includes an administrative fee of \$247.40 for 2022. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 17-2052, 17-7063. The full fee and administrative fee required for this rental are calculated using more decimals than the rounded amounts recorded on this agreement.

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

Detailed water right conditions are attached.

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WATER SUPPLY BANK RENTAL AGREEMENT No. 644

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

8/11/22

Date

STEVE GRIFFITHS

Printed Name

COO

Title

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

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

By 

BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 8/24/22

Rental approved by IDWR 

Date 8/24/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 644

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER SENW Sec. 25, Twp 14S, Rge 32E, ONEIDA County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
0.40 CFS

VOLUME
123.7 AF

SEASON OF USE

Water Right No.	From	To	
17-2052	4/1	10/31	0.24 CFS
17-7063	5/1	9/15	0.80 CFS

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
14S	32E	25							29.0										29.0
14S	32E	26				31.0													31.0

Total Acres: 60.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement 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. 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.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. 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.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
10. The period of use for the irrigation described in this approval may be extended to a beginning date of 4/1 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of

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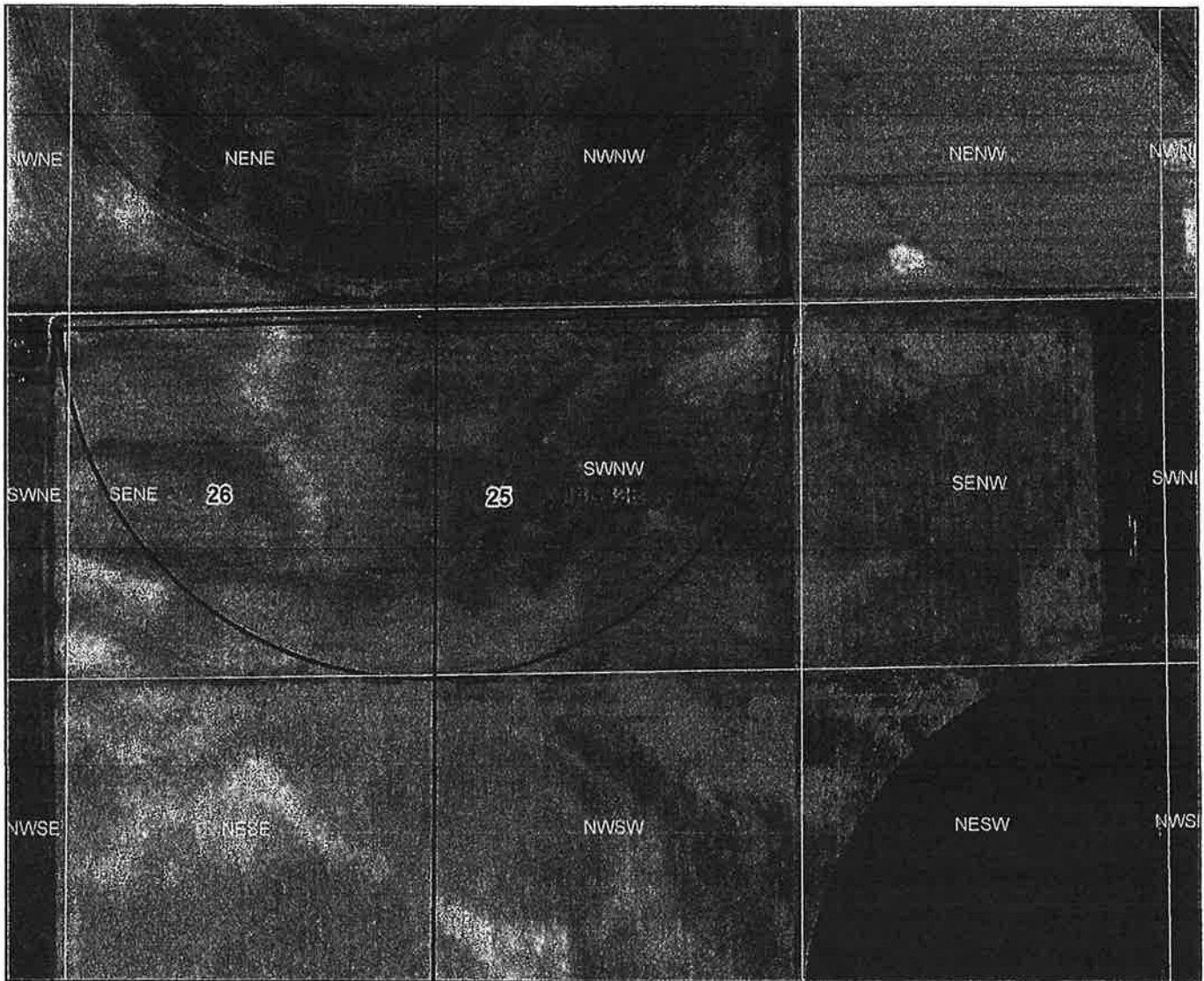
the right are not exceeded. The use of water before 5/1 and after 9/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than December 7, 2012.

11. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
12. This rental agreement does not authorize the construction of a well.
13. This rental does not grant any right-of-way or easement on the property of another party.

Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 644

Effective until December 31, 2022

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



- Authorized Rental Point of Diversion
- Authorized Rental Place of Use
- Township/Range
- Sections
- QQ



0 500 Feet

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

Applicant Name: CSS Farms, LLC

Is this application being submitted with a lease application as a lease/rental package? Yes ☒ No ☐
If yes, specify companion water rights in Section 4

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

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

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

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

MINIMUM REQUIREMENT CHECKLIST			
Check All Items as Either Attached (Yes) or Not Applicable (N/A)			
Yes ☒ Completed <i>Application to Rent Water from the Board's Water Supply Bank</i> ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank			
Attachment	N/A	Yes	
2		☒	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	☐	☒	Detailed information on a proposed use of rental water
3F	☒	☐	Authorization from the owner/operator of the rental point(s) of diversion
3H	☒	☐	Water modeling to account for the impacts of the rental request
3J	☒	☐	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	☐	☒	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☐	☒	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☒	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

17-2052

17-2063

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant CSS Farms, LLC

Mailing Address 5911 2nd Ave West Kearney, NE 68847

Street

City

State

Zip Code

Email Address _____

Phone Number _____

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

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

Representative Greg Sullivan

Professional Title Engineer

Organization Brockway Engineering

Relationship to Applicant Consultant

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

Email Address greg.sullivan@brockwayeng.com

Phone Number 208-736-8543

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

This rental will provide the necessary water to irrigate a new pivot.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.4 CFS	123.7 AF	0.4 CFS	123.7 AF	60 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
5/1/2022	7/1/2022	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ Process application as soon as possible	☒ Return application to applicant

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

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Existing wells, pumps and motors. New main line and pivot system will be installed.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
14S32ESec 25 SENW	Ground Water	17-2052, 17-7063

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒

If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒

Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒

If yes, label modeling Attachment 3 H.

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

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 60.0 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒

If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒

If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

None

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
17-2052	Irrigation	0.24	102.7	71.6		0.09	39.5	27.5
17-7063	Irrigation	0.80	218.9	84.4		0.31	84.2	32.5
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.40	123.7	60
						CFS	AF	AC

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

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

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Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

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

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

- D. Additional Information
N/A

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

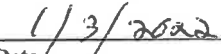
Signature of Applicant

Printed Name of Applicant

Date


Signature of Representative


Printed Name of Representative


Date

Mail to:

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

FARM LEASE (Banks 3 Pivot)

1. **PARTIES:** The parties of this lease are:

Landlord: Brad Woolstenhulme
Address: 101 Valleyview Drive
Montpelier, Idaho 83254

Social Security or Federal I.D. Number: [REDACTED]

Tenant: CSS Farms, LLC
5911 2nd Ave W
Kearney, NE 68847

2. **PROPERTY:** The Landlord leases to the Tenant the following described real property located in Oneida County, Idaho:

Approx'y 60 acres in the NE ¼ of section 26 T-14S, R-32E (Banks 3 Pivot)

3. **TERM:** The term of this Lease shall be for one (1) year, commencing January 1, 2022 and ending on December 31, 2022.

4. **RENTAL AMOUNT:** The total rental amount will be [REDACTED] to be paid by April 15, 2022.

Tenant plans to install a center pivot irrigation system and ancillary equipment on this property in 2020. All removable personal property that Tenant places on the property shall remain the property of the Tenant, both during and after the expiration of this lease.

5. **INSURANCE:** The Tenant shall provide liability insurance for injuries or damages occurring on the premises due to its negligence, acts or failure to act, and those of its employees, agents, and invitees.

The Tenant shall obtain and pay for insurance covering the irrigation system, and the Landlord will have no financial obligations relative to the center pivot irrigation system and ancillary equipment.

6. **IRRIGATION SYSTEM:** Tenant will be responsible for the day-to-day operation of the irrigation system that Tenant places on the property. Tenant will

be responsible for all repairs as well as all recommended preventative maintenance to the center pivot, irrigation well, pump, motor, pipeline, and associated electrical equipment.

Tenant will provide the water and will pay all power costs incurred in operating the irrigator on the land rented by the Tenant during the term of this lease.

Landlord will not be liable for any damages to the crop due to lack of water.

Tenant will provide all the water needed by the Landlord in the fall (at no cost to the Landlord) to establish a wheat (or other cover crop) on the acres planted to potatoes each year.

7. FARMING PRACTICE: Tenant agrees to farm the land according to the farming practices that are proper, standard, and accepted in the locality.

Tenant agrees to use only such seeds, fertilizers, herbicides, and other chemicals in such quantities and qualities as are proper, standard, federally labeled according to FIFRA, and accepted in the locality.

8. REAL ESTATE TAXES: Landlord shall be responsible for payment of all real estate and personal property taxes and special assessments due on the property for the full term of this agreement and any extensions thereof.

9. HERBICIDE DISCLOSURES: Landlord represents and warrants that all herbicides used on the Leased Premises during the prior three production seasons are set forth on attached Schedule A, and further represents and warrants that the rates, methods of application, and other information provided on Schedule A are truthful and accurate in all respects.

10. ENTIRE CONTRACT and AMENDMENT: This agreement shall constitute the entire contract between the parties, and this agreement shall not be changed, nor any provision waived unless in writing signed by both parties. All of the agreements contained in this lease shall extend to and be obligatory upon the heirs, executors, administrators and assigns of the respective parties.

Dated this 21 day of Dec, 2021.

LANDLORD

BUS WOOLSTENHOLME

By: Bu Woolsteholme

Title: OWNER

Witness: _____

TENANT

CSS Farms

By: Cody Sisson

Title: Farm Manager

Witness: _____



June 16, 2022

Idaho Department of Water Resources

PO Box 83720

Boise, ID 83720-0098

To Whom It May Concern:

CSS Potato Farms, LLC and CSS Farms, LLC authorizes Cody Seamons, Farm Manager, to sign on its behalf all documents relating to water right applications, transactions, and management.

If you have any questions, please contact me at 402.480.4520 or steven.gangwish@cssfarms.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Gangwish".

Steven Gangwish
Chief Executive Officer

CONTRACT OF AGREEMENT

To Whom It May Concern,

Holbrook Farm LLC, and CSS Farms, LLC have in place a long term farm lease agreement or contract for property owned by Holbrook Farm LLC. The contract includes the property, water rights and water distribution systems pertaining to water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063.

CSS Farms, LLC has agreed to pay the annual farm contract payment for all years in which CSS Farms, LLC will rent water owned by Holbrook Farm, LLC. No additional fees are required by Holbrook Farm, LLC of CSS Farms, LLC from the Idaho Water Supply Bank.

Therefore, the rental payment of the 90% of the rental fees for water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063 have been paid in full.

Holbrook Farm, LLC:

Date: _____

CSS Farms, LLC

_____

Date: 6/16/22_____

CONTRACT OF AGREEMENT

To Whom It May Concern,

Holbrook Farm LLC, and CSS Farms, LLC have in place a long term farm lease agreement or contract for property owned by Holbrook Farm LLC. The contract includes the property, water rights and water distribution systems pertaining to water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063.

CSS Farms, LLC has agreed to pay the annual farm contract payment for all years in which CSS Farms, LLC will rent water owned by Holbrook Farm, LLC. No additional fees are required by Holbrook Farm, LLC of CSS Farms, LLC from the Idaho Water Supply Bank.

Therefore, the rental payment of the 90% of the rental fees for water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063 have been paid in full.

Holbrook Farm, LLC:

Gabriele Onorato - GABRIELE ONORATO

Date: 6/17/2022

CSS Farms, LLC

Date: _____

**ACTION
OF
MANAGERS AND OF DIRECTORS**

May 14, 2020

This Action of Managers and of Directors is made effective as of the date first above written.

WHEREAS, the undersigned Charles F.H. McNairy and John O. McNairy are the only managers (the "Managers") of each of the limited liability companies listed on Exhibit A attached hereto under "GP LLC", as such Exhibit may be amended from time to time through the addition of one or more limited liability companies as hereinafter provided (each a "GP LLC" and collectively the "GP LLCs");

WHEREAS, the undersigned Charles F.H. McNairy and John O. McNairy are the only directors (the "Directors") of IFC Core Farmland REIT LLC (the "REIT");

WHEREAS, the undersigned Charles F.H. McNairy and John O. McNairy are the only managers (the "Managers") of IFC Core TRS, LLC (the "TRS");

WHEREAS, the GP LLCs serve as general partners of limited partnerships as reflected on Exhibit A attached hereto under "FUND LIMITED PARTNERSHIP", as such Exhibit may be amended from time to time through the addition of one or more other limited partnerships as hereinafter provided (each a "Fund Limited Partnership" and collectively the "Fund Limited Partnerships");

WHEREAS, each of the Fund Limited Partnerships have, and/or in the future may have, limited liability companies as subsidiaries, whether owned by the Fund Limited Partnership directly or indirectly through one or more other such subsidiary limited liability companies (each a "Fund Subsidiary LLC" and collectively the "Fund Subsidiary LLCs"), including but not limited to the REIT and the TRS as Fund Subsidiary LLCs of IFC Core Farmland, LP.

WHEREAS, one or more of the Fund Limited Partnerships have, and/or in the future may have, direct or indirect equity investments in entities that are managed by the Fund Limited Partnership or one of its or its GP LLC's affiliates but are not, or may not be, subsidiaries of the Fund Limited Partnership, (each a "Fund Minority Investment" and collectively the "Fund Minority Investments"), including but not limited to Ice Harbor Properties LLC as a Fund Minority Investment of U.S. Farming Realty Trust III, LP.

WHEREAS, by their consent or approval the Managers may authorize or take actions on behalf of the GP LLCs, whether on the GP LLC's own behalf or in its capacity as general partner of a Fund Limited Partnership including on behalf of a Fund Limited Partnership, including (but not limited to) in the Fund Limited Partnership's capacity as the managing member, a member or the manager of a Fund Subsidiary LLC, in turn including (but not limited to) as the managing

member, a member or the manager of another Fund Subsidiary LLC, subject to any limitations imposed by the limited liability company agreement, limited partnership agreement, or other internal governance instrument of the GP LLC, Fund Limited Partnership, or Fund Subsidiary LLC or imposed by law (any such action described in this paragraph, an "Action");

WHEREAS, by their consent or approval the Managers may authorize or take actions on behalf of the GP LLCs, whether on the GP LLC's own behalf or in its capacity as general partner of a Fund Limited Partnership including on behalf of a Fund Limited Partnership, including (but not limited to) in the Fund Limited Partnership's capacity as (x) the managing member, a member or the manager of a Fund Minority Investment, or (y) the managing member, a member or the manager of another Fund Subsidiary LLC in such other Fund Subsidiary LLC's capacity as the managing member, a member or the manager of a Fund Minority Investment, subject to any limitations imposed by the limited liability company agreement, limited partnership agreement, or other internal governance instrument of the GP LLC, Fund Limited Partnership, Fund Minority Investment or Fund Subsidiary LLC or imposed by law (any such action described in this paragraph, an "Action");

WHEREAS, by their consent or approval the Directors may authorize or take actions on behalf of the REIT, subject to any limitations imposed by the limited liability company agreement or other internal governance instrument of the REIT or imposed by law (any such action described in this paragraph, an "Action");

WHEREAS, by their consent or approval the Managers may authorize or take actions on behalf of certain Fund Subsidiary LLCs of which the Managers serve (now or in the future) as the Managers, including but not limited to the TRS, subject to any limitations imposed by the limited liability company agreement of the Fund Subsidiary LLC or imposed by law (any such action described in this paragraph, an "Action");

WHEREAS, the Managers and Directors desire that Gabriele Onorato be authorized to take (i) Actions of certain types as hereinafter provided without further authorization of the Managers and Directors and (ii) other Actions of any type for which the Managers or Directors, as the case may be, have provided their consent or approval;

NOW, THEREFORE, IT IS RESOLVED:

(1) That Gabriele Onorato is hereby authorized and directed to take any Action of either of the following types without further authorization of the Managers and Directors:

(a) Actions with respect to the execution of leases involving a Fund Subsidiary LLC, or a Fund Minority Investment.

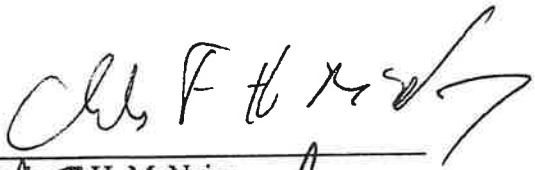
(b) Actions with respect to the execution of confidentiality agreements related to any of the affiliated entities of the GP LLCs.

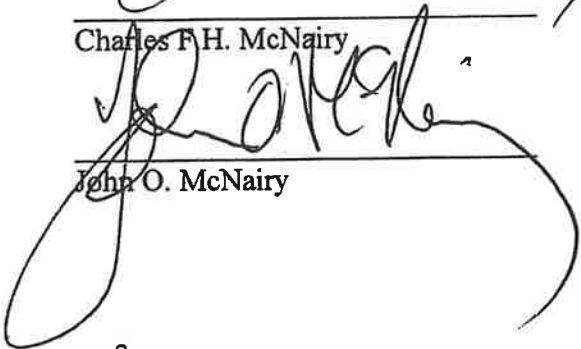
(2) That in taking any Action within the authority provided in the paragraph above, Gabriele Onorato is hereby authorized and directed to do so in the capacity of Authorized Person of the applicable GP LLC, the REIT, the TRS, the Fund Subsidiary LLC, and the Fund Minority Investment effective from and after the date hereof and prior to the date hereof in his capacity as an Authorized Person of the applicable GP LLC, the REIT, the TRS, the Fund Subsidiary LLC and the Fund Minority Investment.

(3) That from time to time with the consent or approval of the Managers and of the Directors, Exhibit A of this Action of Managers and of Directors may be amended by the addition of one or more limited liability companies as GP LLCs, and/or limited partnerships as Fund Limited Partnerships.

(4) That the authority granted to Gabriele Onorato in this Action of Managers may be terminated by either or both of the undersigned Managers and Directors by providing written notice of termination to Gabriel Onorato and, if the termination is being made by only one of the undersigned Managers and Directors, to the other of the undersigned Managers and Directors. Such termination may be of all the authority or of just a portion thereof, in either case as shall be specified in the notice of termination. Such termination shall be effective on the date such notice is delivered to Gabriel Onorato, or if later, the effective date of termination specified in such notice. In addition to and without limitation of or being limited by the foregoing, all of the authority granted to Gabriel Onorato in this Action of Managers and of Directors shall terminate automatically (without further act needed) on the date Gabriel Onorato ceases to be employed by IFC Core Investment Management LLC, a Delaware limited liability company, or any entity under common control therewith. Any termination of authority occurring pursuant to this paragraph shall be prospective only and shall not affect the validity of the exercise of such authority by Gabriel Onorato prior to the effective date of such termination.

This Action of Managers and of Directors is made by them in their capacities as the only managers of each of the GP LLCs, and each of the Fund Subsidiary LLCs with respect to which they serve as Managers and in their capacities as the only directors of the REIT, and it may be executed in one or more counterparts each of which need not bear the signature of each of the Managers and Directors so long as the signature of each of the Managers and Directors appears on at least one such counterpart, with any such signature permitted to be in electronic form and/or delivered by electronic means.



Charles F.H. McNairy

John O. McNairy

**EXHIBIT A
TO
ACTION OF MANAGERS AND OF DIRECTORS**

GP LLC	FUND LIMITED PARTNERSHIP
International Farming Corporation GP1, LLC	U.S. Farming Realty Trust, LP
International Farming Corporation GP2, LLC	U.S. Farming Realty Trust II, LP
International Farming Corporation GP3, LLC	U.S. Farming Realty Trust III, LP
IFC Core Farmland GP LLC	IFC Core Farmland Fund, LP



0004758317

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0004758317

Date Filed: 5/26/2022 7:01:49 AM

Entity Name and Mailing Address:

Entity Name: CSS FARMS, LLC
Foreign Name (name in home jurisdiction): CSS FARMS, LLC
The file number of this entity on the records of the Idaho Secretary of State is: 0004288809
Address: 5911 2ND AVE W
KEARNEY, NE 68847-1581

Entity Details:

Entity Status: Active-Existing
This entity is organized under the laws of: DELAWARE
If applicable, the old file number of this entity on the records of the Idaho Secretary of State was:

The registered agent on record is:

Registered Agent: CAPITOL CORPORATE SERVICES INC
Commercial Registered Agent
Physical Address: 921 S ORCHARD ST STE G
BOISE, ID 83705
Mailing Address: 921 S ORCHARD ST STE G
MARY ANN QUICK
BOISE, ID 83705

Agent or Address Change

☐ Select if you are appointing a new agent.

Limited Liability Company Managers and Members

Name	Title	Business Address
+ Steven Gangwish	Manager	5911 2ND AVE W KEARNEY, NE 68847

The annual report must be signed by an authorized signer of the entity.

Job Title: Manager

Steven Gangwish

Sign Here

05/26/2022

Date

DUPLICATE RECEIVED BY ID SECRETARY OF STATE LAWRENCE DENNEY



0004286713

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State

PO Box 83720

Boise, ID 83720-0080

(208) 334-2301

Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0004286713

Date Filed: 5/19/2021 11:05:56 AM

Entity Name and Mailing Address:								
Entity Name:	HOLBROOK FARM, LLC							
Foreign Name (name in home jurisdiction):	HOLBROOK FARM, LLC							
The file number of this entity on the records of the Idaho Secretary of State is:	0000506870							
Address	1318 DALE ST RALEIGH, NC 27605-1350							
Entity Details:								
Entity Status	Active-Existing							
This entity is organized under the laws of:	DELAWARE							
If applicable, the old file number of this entity on the records of the Idaho Secretary of State was:	W167152							
The registered agent on record is:								
Registered Agent	PARACORP INCORPORATED Commercial Registered Agent Physical Address 921 S ORCHARD ST STE G BOISE, ID 83705 Mailing Address 921 S ORCHARD ST STE G BOISE, ID 83705							
Agent or Address Change								
☐ Select if you are appointing a new agent.								
Limited Liability Company Managers and Members								
<table border="1"><thead><tr><th>Name</th><th>Title</th><th>Business Address</th></tr></thead><tbody><tr><td>U.S. Farming Realty Trust II, LP</td><td>Member</td><td>1318 DALE ST RALEIGH, NC 27605</td></tr></tbody></table>			Name	Title	Business Address	U.S. Farming Realty Trust II, LP	Member	1318 DALE ST RALEIGH, NC 27605
Name	Title	Business Address						
U.S. Farming Realty Trust II, LP	Member	1318 DALE ST RALEIGH, NC 27605						
The annual report must be signed by an authorized signer of the entity.								
Job Title: Member								
U.S. Farming Realty Trust II, LP		05/19/2021						
Sign Here		Date						

B0610-6190 05/19/2021 11:05 AM Received by ID Secretary of State Lawrence Denney

Main Farm Lease

Total Acres **1230**
 CFS **16.53**
 AFA **4305** 3.50 AFA/acre
 Acres sold/ Transferring **499.5**
 0.406098 %

Water Right

Amount

	cfs	AFA	Acres	Acre Limit
17-7007	8	2198	829	1230
17-2028	2.97	1078.1	394	
17-2045	4.03	626.4	385	
17-2030	2.08	402.5	115	
Additive Totals	17.08	4305.0	1723.0	

Lease Amount

	cfs	AFA	Acres
	3.25	892.6	336.7
	1.21	437.8	160.0
	1.64	254.4	156.3
	0.84	163.5	46.7

Leasing Amount

Total Limits	6.71	CFS
	1748.3	AFA
	499.5	Acres

Sod Farm Lease

Total Acres **316**
 CFS **2.11** 0.007
 AFA **651.4** 2.06 AFA/acre
 Acres sold/ Transferring **156**
 0.493671 %

Water Right

Amount

	cfs	AFA	Acres	Acre Limit
17-2052	0.49	208	145	316
17-7063	1.62	443.4	171	
Total	2.11	651.4	316	

Lease Amount

	cfs	AFA	Acres
	0.24	102.7	71.6
	0.80	218.9	84.4

Leasing Amount

Total Limits	1.04	CFS
	321.6	AFA
	156	Acres

Main Farm Rental

Acres Rented **433**
 0.352033 %

Water Right

Rental Amount

	cfs	AFA	Acres
17-7007	2.82	773.8	291.8
17-2028	1.05	379.5	138.7
17-2045	1.42	220.5	135.5
17-2030	0.73	141.7	40.5

Rental Amounts

	5.82	CFS
	1515.5	AFA
	433	Acres

Sod Farm Rental

Acres sold/ Transferring **60**
 0.189873 %

Water Right

Rental Amount

	cfs	AFA	Acres
17-2052	0.09	39.5	27.5
17-7063	0.31	84.2	32.5

Rental Amounts

	0.40	CFS
	123.7	AFA
	60	Acres

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JAN 10 2022

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant Name: CSS Potato Farms, LLC

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

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

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

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

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

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- 2 ☒ A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
- 3A ☐ ☒ Detailed information on a proposed use of rental water
- 3F ☒ ☐ Authorization from the owner/operator of the rental point(s) of diversion
- 3H ☒ ☐ Water modeling to account for the impacts of the rental request
- 3J ☒ ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre
- 3K ☐ ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use
- 4B ☐ ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes
- 4C ☒ ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

17-2052

17-2063

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant CSS Potato Farms, LLC

Mailing Address 5911 2nd Ave West Kearney, NE 68847

Street

City

State

Zip Code

Email Address _____

Phone Number _____

- B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Greg Sullivan

Professional Title Engineer

Organization Brockway Engineering

Relationship to Applicant Consultant

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

Email Address greg.sullivan@brockwayeng.com

Phone Number 208-736-8543

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

- A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

This rental will provide the necessary water to irrigate a new pivot.

- B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.4 CFS	123.7 AF	0.4 CFS	123.7 AF	60 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

- C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
5/1/2022	7/1/2022	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ Process application as soon as possible	☒ Return application to applicant

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

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
17-2052	Irrigation	0.24	102.7	71.6		0.09	39.5	27.5
17-2063	Irrigation	0.80	218.9	84.4		0.31	84.2	32.5
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.40	123.7	60
						CFS	AF	AC

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

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

CONTRACT OF AGREEMENT

To Whom It May Concern,

Holbrook Farm LLC, and CSS Potato Farms, LLC have in place a long term farm lease agreement or contract for property owned by Holbrook Farm LLC. The contract includes the property, water rights and water distribution systems pertaining to water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063.

CSS Potato Farms, LLC has agreed to pay the annual farm contract payment for all years in which CSS Potato Farms, LLC will rent water owned by Holbrook Farm, LLC. No additional fees are required by Holbrook Farm, LLC of CSS Potato Farms, LLC from the Idaho Water Supply Bank.

Therefore, the rental payment of the 90% of the rental fees for water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063 have been paid in full.

Holbrook Farm, LLC:



Date: 2/25/2021

CSS Potato Farms, LLC

Date: _____

SUPERCEDED

CONTRACT OF AGREEMENT

To Whom It May Concern,

Holbrook Farm LLC, and CSS Potato Farms, LLC have in place a long term farm lease agreement or contract for property owned by Holbrook Farm LLC. The contract includes the property, water rights and water distribution systems pertaining to water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063.

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Therefore, the rental payment of the 90% of the rental fees for water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063 have been paid in full.

Holbrook Farm, LLC:

Date: _____

CSS Potato Farms, LLC

_____

Date: 01/25/2021

SUPERCEDED

**Designation of Agent and Grant of Authority
Holbrook Farm, LLC**

This Designation of Agent and Grant of Authority is made this the 26th day of January, 2017, by the Manager of International Farming Corporation GP2 LLC, a Delaware limited liability company ("IFC") to Brian Uken.

Whereas, IFC is the General Partner of U.S. Farming Realty Trust II, LP, the sole member of Holbrook Farm, LLC ("Holbrook"); and

Whereas, the undersigned is the Manager of IFC and has the power and authority to act on behalf of IFC, including without limitation acting on behalf of IFC in designating agents for Holbrook and granting authority to such agents, including Brian Uken.

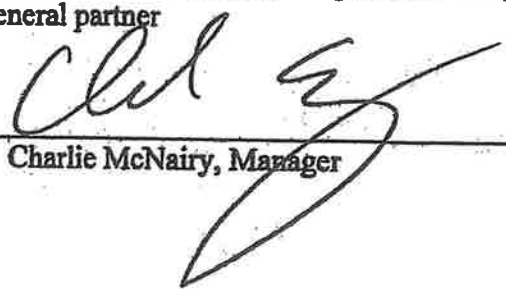
Now Therefore, the Manager of IFC, on behalf of IFC and Holbrook, takes the following action and grants the authority expressly provided to Brian Uken.

The undersigned Manager of IFC does expressly designate Brian Uken as an Agent for Holbrook Farm, LLC and does expressly grant to Brian Uken the authority to execute documents on behalf of Holbrook Farm, LLC to be filed with, presented to, or otherwise utilized by the State of Idaho or any of its agencies or subdivisions, and to do such further acts and execute such further documents as may be required by the State of Idaho or any of its agencies or subdivisions in connection with the foregoing.

HOLBROOK FARM, LLC

By: U.S. Farming Realty Trust II, LP

By: International Farming Corporation GP2, LLC,
its general partner

By: 
Charlie McNairy, Manager



December 1, 2020

Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

To Whom It May Concern:

CSS Potato Farms, LLC and CSS Farms, LLC authorizes Cody Seamons, Farm Manager, to sign on its behalf all documents relating to water right applications, transactions and management.

If you have any questions, please contact me at 206-898-3945 or reagan.grabner@cssfarms.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Reagan Grabner", written over a horizontal line.

Reagan Grabner
Managing Partner



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

August 29, 2022

CSS FARMS LLC
5911 2ND AVE WEST
KEARNEY, NE 68847

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 17-2028, 17-2030, 17-2045, 17-7007, 17-2052 & 17-7063,
AGREEMENT 643 & 644**

Dear Renter:

Please find enclosed two receipts for the amount of **\$3,278.40** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 1,520 & 124 acre-feet of water for irrigation of 433 & 60 acres during 2022. 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.

Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or \$3,278.40** for 2022.

Please note, the above rental agreement concludes at the end of **2022**. Once the rental agreement concludes, any diversion or use of water under this rental will no longer be authorized. If you wish to rent water in the future, and you have not already done so, you can download and complete an [Application to Rent Water Rights from the Water Supply Bank](http://idwr.idaho.gov) by visiting the Department's website at <http://idwr.idaho.gov>.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C113782 & C113763
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Eastern Regional Office
Greg Sullivan

Greg Sullivan

From: Condon, Mary <Mary.Condon@idwr.idaho.gov>
Sent: Monday, August 22, 2022 2:39 PM
To: Greg Sullivan
Subject: FW: Holbrook and CSS Farm wsb lease/rental package
Attachments: Holbrook and CSS Farm lease rental package.pdf

RECEIVED
AUG 24 2022
DEPARTMENT OF
WATER RESOURCES

Hi Greg,

The rental payment on agreement 644 for CSS Farms was short by forty cents (\$0.40). There was an error on the request for payment letter when two different rental totals were summed. If Brockway Engineering would like to cover the forty cents, you welcome to just add the \$0.40 difference onto another payment to IDWR and reference the \$0.40 department share for rental 644, versus sending a check for just the forty cents. I would rather keep track of the \$0.40 for a year and request later, than to ask anyone to send a check for forty cents.

Thanks so much,
Mary

From: Veibell, Amanda <Amanda.Veibell@idwr.idaho.gov>
Sent: Thursday, August 4, 2022 4:21 PM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: Holbrook and CSS Farm wsb lease/rental package

Good Afternoon,

Please see the attached documents being mailed to your client. If you have questions regarding the package itself, please contact a representative in the bank at bank@idwr.idaho.gov.

If you would like to submit the signed documents electronically, they must be emailed to file@idwr.idaho.gov per IDAPA 37.01.01.053. Please note, the signed documents will not be considered complete until the required payment is received. The Department is not able to process payments over the phone or via the internet at this time.

Thank you.

Amanda Johnson-Veibell

Technical Records Specialist I

 IDAHO DEPARTMENT OF
WATER RESOURCES
PO Box 83720 Boise ID 83720-0098
208-287-4945



322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

August 4, 2022

CSS FARMS LLC
5911 2ND AVE WEST
KEARNEY, NE 68847

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 17-2028, 17-2030, 17-2045, 17-7007, 17-2052 & 17-7063,
AGREEMENTS 643 & 644**

*****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 **\$3,031.00 & \$247.40** was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 1515.5 & 123.7 acre-feet. Since you are both the lessor and the renter of the right(s), **you are only obligated to pay the 10% administrative fee or \$3,031.00 & \$247.40.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$3,278.00 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 this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure(s)

c: IDWR Front Desk

MEMORANDUM FOR LEASE CONTRACT 1543 AND RENTAL AGREEMENT 644

To: Water Right(s) 17-2052 and 17-7063

From: Michele Edl

Date: July 6, 2022

Re: Review & Analysis of Companion Applications to Lease and Rent Water from the State Water Supply Bank ('Sod Farm' lease-rental for 2022)

PURPOSE/NARRATIVE: Companion lease-rental applications were received on January 10, 2022. The applications were submitted by Greg Sullivan (engineer, Brockway Engineering) on behalf of Holbrook Farm, LLC, lessor and CSS Farms, LLC, renter. The renter intends to minimize potato pests by planting potatoes in fields that have not had them before.

A private agreement is in place for payment to the water right owner. Only the administrative fee will apply to the rental.

The lease application sought to lease 156 acres worth of water appurtenant to fields or portions of fields that were formerly irrigated by pivots with end guns. The end guns have been retired and two fields authorized as POU's for the rights will be idled for 2022.

The rental application requests to rent less than the leased amounts of the rights. The existing limits on the lease rights will be carried on the contract and the rental agreement will be made proportionate to avoid enlargement. The water will be applied to lands which don't have appurtenant water rights but there is no change to the point of diversion (POD). The rented water will be diverted from the same well as is authorized for diversion of the leased water. CSS Farms plans to use the existing well but move the pivot systems and pipelines.

AUTHORITY TO FILE: Concerns with authority to file the lease and rental applications have been resolved. A business search through the Idaho Secretary of State's office shows that both CSS Farms, LLC and Holbrook Farm, LLC are currently registered to do business in Idaho.

Lease

Water rights 17-2052 and 17-7063 are owned by Holbrook Farm, LLC. The applications to lease portions of rights were signed by Gabriele Onorato for Holbrook Farm, LLC. Holbrook Farm, LLC is a member of U.S. Farming Realty Trust II, LP and an internet search on U.S. Farming Realty Trust II, LP indicated that Gabriele Onorato is an executive officer. Oneida County parcel data shows that the lease places-of-use (POUs) are owned by Holbrook Farm, LLC.

Rental

Much of the original rental application has been superseded. During my review of the rental application documents, I found that the renter listed on the application, the authorization for Cody Seamons and the blocks for his signature were all in the name of CSS Potato Farms, LLC. But CSS Potato Farms, LLC, is no longer an active business entity in Idaho. The correct name for the renter is CSS Farms, LLC.

I requested and received updated authorization for Cody Seamons on June 16, 2022. I also requested and received pages of the rental application which correctly name the renter.

The corrected application to rent portions of rights 17-2052 and 17-7063 is in the name of CSS Farms, LLC and was signed by Cody Seamons, farm manager. Cody Seamons is granted authority for water right applications, transactions and management through Steven Gangwish, Chief Executive Officer of CSS Farms, LLC.

Oneida County parcel data shows that the proposed POU's for the rented water are properties owned by Brad Woolstenhulme and Leann Woolstenhulme or Holbrook Farm, LLC.

The rental POU is wiper pivot (labeled Banks 3 on the application map) and is within property owned by Brad Woolstenhulme and Leann Woolstenhulme.

I requested and received a copy of the executed Farm Lease agreement between Brad Woolstenhulme and CSS Farms (represented by Cody Seamons) for that field. The documents indicate that WSB rental water is expected for irrigation in 2022.

WATER RIGHT VALIDITY: There are no concerns related to the validity of the water rights offered to the bank.

Transfer 78181 acted on 17-2052 and 17-7063 and was approved in 2012. The transfer stacked the two rights and limited them to a 316-acre POU. On an annual basis since 2016, varying portions of the rights have been leased into the WSB.

INJURY TO OTHER WATER RIGHTS: No injury to other water rights is expected to result from this lease and rental.

WSB lease-rental packages similar to this one have been submitted and approved annually on these same rights since 2016.

No foreign water rights are brought into the area through this lease-rental package. Only portions the two existing rights will be rented. And the rental water and the lease water are diverted from the same existing well which is the authorized POD for the two water rights.

The well-POD is within the Curlew Valley Critical Ground Water Management Area. The area was designated a critical ground water area (CGWA) in 1976 but a management plan has not been developed. Nor has an advisory committee been formed.

IDWR maintains a ground water level monitoring network in the Curlew Valley. The most recent IDWR report summarizing the water levels in this area was written by Denis Owsley (technical hydrogeologist with IDWR) in 2012¹. The measurement information available at the time of the report indicated that water levels are declining.

One of the areas where ground water levels have changed the most encompasses the POU's and POD's for this lease-rental². The rights involved in this lease-rental package were developed before the CGWA was designated. The lessor and renter are likely aware of the water levels in the aquifer beneath the Curlew Valley and whether the levels are continuing to decline. But by Idaho Code, they are entitled to a 'reasonable pumping level'³. And this lease-rental package represents a voluntary reduction in the amounts of water used compared to the amount of water authorized.

No documentation of injury nor complaints of neighboring wells or springs going dry are found in the water rights files. In the absence of a management plan, only the well spacing statutes may be protecting other rights from being impacted directly by the diversion of water through this well.

¹ Find the report at <https://idwr.idaho.gov/wp-content/uploads/sites/2/publications/201205-OFR-curlew-valley-cgwa-water-conditions-update.pdf>

² Ibid see figure 3, p 8

³ <https://legislature.idaho.gov/statutesrules/idstat/title42/t42ch2/sect42-226/>

ENLARGEMENT OF USE: No enlargement is anticipated through this lease-rental package.

More acres are to be idled for the lease than are to be irrigated through the rental. This lease-rental package proposes to lease 156 acres worth of water and rent back 60 acres worth of water from the same two water rights: 17-2052 and 17-7063.

The rental rates and volumes requested from the two rights will be made proportionate to the leased elements of those rights. The total volumetric flowrate (in cubic feet per second (cfs) per acre) that can be applied for irrigation use through the rights is lower than IDWR standards for this area and are considered insufficient for operation of a typical pivot. But the farm manager and the consultant have successfully argued that their management techniques do not enlarge the authorized water use.

They run only one pivot at a time. The wheel line field is irrigated only when both pivots are off which means they grow grain crops or dry farm that field. The vegetation visible in aerial photography of the 'idled' fields is adequately justified as dry farming.

This lease-rental utilizes the native rights which have been diverted and used successfully on this farm for many years. The existing combined limit on the rights will be carried through the lease and rental approvals. The total unleased portion of rights 17-2052 and 17-7063 will be limited to 96 acres.

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: This lease and rental package appears consistent with beneficial use and conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The lease and rental well-PODs are located within the Curlew Valley CGWMA but are not subject to a Water District or watermaster.

Measurement devices are not yet required on wells in this area.

The authorized season-of-use (SOU) for water right 17-2052 is consistent with the current standard SOU for the area (04/01-10/31). But the SOU for water right 17-7063 is 05/01-9/15 and significantly shorter than the standard and likely impacts the type of crop that can be grown.

Request for comment was sent via email to the Eastern Region manager. He responded and had no concerns about this lease-rental.

Edl, Michele

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Friday, June 17, 2022 10:56 AM
To: 'Cody Seamons'; Edl, Michele
Subject: RE: CSS Potato Farms LLC authority
Attachments: Holbrook CSS agreement with CSS Signiture 2022.pdf; Cody Seamons Authority to sign CSS Potato Farms 2022.pdf; Holbrook CSS agreement Holbrook Signiture 2022.pdf

Michele,

See the attached documents. DO you need anything else to process these lease and rentals?

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

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

Edl, Michele

From: Cody Seamons <cody.seamons@cssfarms.com>
Sent: Thursday, June 16, 2022 10:51 AM
To: Edl, Michele; Greg Sullivan
Subject: CSS Farms LLC water tranfer
Attachments: Idaho Department of Water Resources Letter.pdf

Michele,

Attached is the updated authorization for me to sign on behalf of CSS Farms LLC. I am still working on some of the other documents you requested and will send them over when I get them rounded up.

Thanks

Cody Seamons
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