

SETTLEMENT TERM SHEET

This Settlement Term Sheet ("Term Sheet") is intended to set forth the terms and conditions of a full and final settlement of the Transfer Applications of Ward and G5 pending before the Idaho Department of Water Resources ("IDWR") protested by Barry T. Williams as well as other matters identified herein.

A. Parties

1. Ward & Sons Co., Inc. ("Ward") who filed pending Application for Transfer No. 69458 ("Ward Transfer") pertaining to water right nos. 29-7291 and 29-7931A ("Ward Water Rights").
2. G5 Land Co. ("G5"), who filed pending Application for Transfer No. 78314 ("G5 Transfer") pertaining to water right nos. 29-13984, 29-1949, 29-13950, 29-13951, 29-13952 and 29-13985 ("G5 Water Rights").
3. Barry T. Williams, Protestant to the Ward Transfer and G5 Transfer claiming injury to surface water right no. 29-13764 (irrigation) and 29-13528 (stockwater) in Bannock Creek and 29-13530 (stockwater). ("Williams Water Rights").
4. A. Jacob Andersen ("Andersen") water right nos. 29-2470 and 29-13708.
5. Bill Curry and Deanna Curry ("Curry") water right no. 29-2458A.
6. Lyle Woodbury ("Woodbury") water right no. 29-7630

B. Objectives

1. Secure IDWR approval of the Ward Transfer and G5 Transfer upon the conditional withdrawal of the Williams's protest.
2. To fully compromise and settle Williams's protest and claim that junior groundwater pumping has adversely affected the flows of Bannock Creek and caused material injury to Williams's senior surface water rights.
3. To provide "safe harbor" from present and future administration and curtailment to Ward, G5, Andersen, Curry, Williams, and Woodbury who are parties to the Term Sheet resulting from any delivery call by any party and their successors in interest.
4. To minimize economic impact on individual water users and the local economy.
5. To maintain peace in the valley and help restore neighborly relationships.

C. Settlement Terms

1. Williams will file with IDWR an Application for Transfer to move the point of diversion and source for his water right no. 29-13764 from Bannock Creek to groundwater or an

Application for Permit for groundwater with non-use of water right no. 29-13764 as mitigation. The settlement will be conditional upon IDWR approving the transfer or new permit application with conditions satisfactory to Williams to enable Williams to pump groundwater for irrigation purposes under the applicable water right. Ward, G5, Andersen, Curry and Woodbury agree not to protest the application for transfer.

2. If the Williams Transfer or Permit Application described above is either denied by IDWR, or approved with other than standard conditions which Williams reasonably rejects, Ward, G5, Andersen, Curry and/or Woodbury will transfer a total of 0.7 cfs of groundwater to Williams as an acceptable alternative to number 1.
3. Within sixty (60) days following the issuance of a final order by the Department approving the transfer or permit application identified in either Paragraphs 1 or 2 above, Ward, G5, Andersen, Curry and Woodbury will deposit a total \$35,000 in an escrow account for the benefit of Williams. Williams may withdraw funds from the escrow account as needed to pay the costs of drilling a new well and developing a sprinkler irrigation system for water right no. 29-13764. If the cost of the well and irrigation system exceeds \$35,000, Williams will pay the cost. If the cost is less than \$35,000, Williams may withdraw against the escrow account to pay power bills for operating the pump and motor. To the extent the escrow funds have not been so expended within five (5) years, they will be returned to Ward, G5, Andersen, Curry and Woodbury.
4. Upon approval of the transfer or permit application identified in either Paragraphs 1 or 2 above, Williams will withdraw his protest to the Ward Transfer and the G5 Transfer upon approval of the Settlement Agreement upon which the transfers will be approved by IDWR. The parties agree to stay the contested case proceedings until the transfer or permit applications and proceedings identified in Paragraphs 1 or 2 are complete.
5. G5 agrees to condition the transfer approval to provide that it will not pump more water from either of its existing two wells than authorized by the G5 Water Rights at each well as follows:

Well No. 1:	NENWSW, Sec. 1, T12S, R33E, B.M., Oneida County
Water Right No. 29-13984	4.71 cfs 984.2 af

Well No. 2:	NWSESE, Sec. 2, T12S, R33E, B.M., Oneida County
Water Right No. 29-13949	1.41 cfs 406.8 af
Water Right No. 29-13951	1.89 cfs 544.8 af
Water Right No. 29-13985	0.58 cfs 121.8 af
Water Right No. 29-13952	0.30 cfs 87.2 af
Water Right No. 29-13950	<u>0.72 cfs</u> <u>209.2 af</u>
Total for Well #2	4.90 cfs 1,369.8 af

G5 further agrees that water from Well #1 will primarily be used on lands appurtenant to Well #1 water rights and that water from Well #2 will primarily be used on lands appurtenant to Well #2 water rights, except that water from either or both Wells may be used to serve G5's south pivot, with the intent of primarily using water from Well #2 on this pivot. However, in the event of equipment failure, emergencies or other abnormal circumstances, water from either well may be used to serve any of the combined places of use under all water rights pursuant to the transfer during the duration of such events.

6. The parties will not exceed the flow rates and volumetric limits under their respective water rights.
7. No party will make a delivery call against any other party based on the water rights described in this Term Sheet.
8. Upon approval of this Term Sheet by all parties, it will be reduced to a written Settlement Agreement signed by the parties and submitted to the Department to enter an Order approving the same in the appropriate transfer proceedings.

WARD & SONS CO., INC.

7/18/2016
Date

By: Vance E Ward

G5 LAND CO.

Date

By: _____

6-28-16
Date

Barry T. Williams
BARRY T. WILLIAMS

7-19-2016
Date

A. Jacob Anderson
A. JACOB ANDERSON
E

7-19-16
Date

Bill Curry
BILL CURRY

7-19-16
Date

Deanna Curry
DEANNA CURRY

7-20-16
Date

Lyle Woodbury
LYLE WOODBURY

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7. No party will make a delivery call against any other party based on the water rights described in this Term Sheet.
8. Upon approval of this Term Sheet by all parties, it will be reduced to a written Settlement Agreement signed by the parties and submitted to the Department to enter an Order approving the same in the appropriate transfer proceedings.

WARD & SONS CO., INC.

Date

By: _____

G5 LAND CO.

7/18/16
Date

By: Ryan Ramsey

6-28-16
Date

Barry T. Williams
BARRY T. WILLIAMS

Date

A. JACOB ANDERSON

Date

BILL CURRY

Date

DEANNA CURRY

Date

LYLE WOODBURY