

WATER SUPPLY BANK LEASE CONTRACT DEC 28 2015

DEPARTMENT OF
WATER RESOURCES

This Lease Contract ("Lease") is between the Idaho Water Resource Board ("Board"), and

LESSOR: GLOBAL AG PROPERTIES USA LLC
2004 FOX DR STE L
CHAMPAIGN IL 61820
208-908-3848

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. On November 4, 2015, the Lessor filed an application to lease the water rights described below into the Water Supply Bank.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to the conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
51-13007	05/22/1968	GROUND WATER	NA	1.12 cfs	224.0 af	56.0 ac
51-13008	07/24/1968	GROUND WATER	NA	1.45 cfs	322.4 af	80.6 ac

Lease Totals 1.80 cfs 546.4 af 136.4 ac

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect from January 1, 2016 until December 31, 2020.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

SUPPORT DATA

IN FILE # 51-13007

WATER SUPPLY BANK LEASE CONTRACT

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

GLOBAL AG PROPERTIES USA LLC
2004 FOX DR STE L
CHAMPAIGN IL 61820

By Patrick Trainor

Date 12-22-2015

Printed Name Patrick Trainor

Title EVP

IDAHO WATER RESOURCE BOARD
322 EAST FRONT ST
PO BOX 83720
BOISE ID 83720-0098

By Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 12/28/2015

Lease approved by IDWR Ch. Water

Date 12-28-2015

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NOS. 51-13007 and 51-13008

The water right or portion thereof leased to the bank is described as follows:

Lessor: GLOBAL AG PROPERTIES USA LLC
2004 FOX DR STE L
CHAMPAIGN IL 61820
208-908-3848

Location of Point(s) of Diversion for Water Right 51-13007 and 51-13008

GROUND WATER	SWSESE	Sec. 01, Twp 10S, Rge 12E, TWIN FALLS County
GROUND WATER	SWSESW	Sec. 01, Twp 10S, Rge 12E, TWIN FALLS County
GROUND WATER	SWNENW	Sec. 34, Twp 09S, Rge 12E, TWIN FALLS County
GROUND WATER	NENESE	Sec. 34, Twp 09S, Rge 12E, TWIN FALLS County
GROUND WATER	SWSESW	Sec. 01, Twp 10S, Rge 12E, TWIN FALLS County
GROUND WATER	NWSESW	Sec. 02, Twp 10S, Rge 12E, TWIN FALLS County
GROUND WATER	SENESE	Sec. 34, Twp 09S, Rge 12E, TWIN FALLS County
GROUND WATER	SESWNW	Sec. 35, Twp 09S, Rge 12E, TWIN FALLS County
GROUND WATER	SWSESW	Sec. 35, Twp 09S, Rge 12E, TWIN FALLS County
GROUND WATER	SWNESW	Sec. 35, Twp 09S, Rge 12E, TWIN FALLS County
GROUND WATER	SESENE	Sec. 30, Twp 09S, Rge 13E, TWIN FALLS County
GROUND WATER	SWSESE	Sec. 02, Twp 10S, Rge 12E, TWIN FALLS County
GROUND WATER	SENE	Sec. 12, Twp 10S, Rge 12E, TWIN FALLS County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
51-13007	IRRIGATION	03/01	to 12/01	1.12 cfs	224.0 af
51-13008	IRRIGATION	04/01	to 10/31	1.45 cfs	322.4 af
Total:				1.80 cfs	546.4 af

Place of Use to be Idled Under This Lease for Water Right 51-13007: 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	
09S	13E	19		9.8	3.9						9.1			7.8			8.1		38.7
09S	13E	30		9.0			8.3												17.3

Total Acres: 56.0

Place of Use to be Idled Under This Lease for Water Right 51-13008: 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	
09S	12E	24	6.5			7.1									8.0				21.6
09S	13E	19			5.2		26.4	0.3	0.4	26.7									59.0

Total Acres: 80.4

Conditions Applicable to All Leased Water Rights

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department, even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, nor does it improve the status of the right or accomplish the resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) leased to the bank are subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. When combined with all other rights, the leased rights shall provide not more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
13. Unleased portions of rights 51-2258, 51-2259, 51-2444, 51-2445, 51-7108A, 51-7108B, 51-7127A, 51-13005, 51-13006, 51-13007, 51-13008, 51-13009, 51-13011, 51-13014, 51-130259, 51-13030, 51-13031, 51-13032, 51-13033, 51-13034, 51-13035 and 51-13037 are limited to irrigation of a combined total of 3788.9 acres in a single irrigation season, a total combined diversion rate of 46.9 cfs, and a total combined annual diversion volume of 15,084.3 af.
14. The period of use for the irrigation described in this approval for water right 51-13008 may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 9/28/2007.

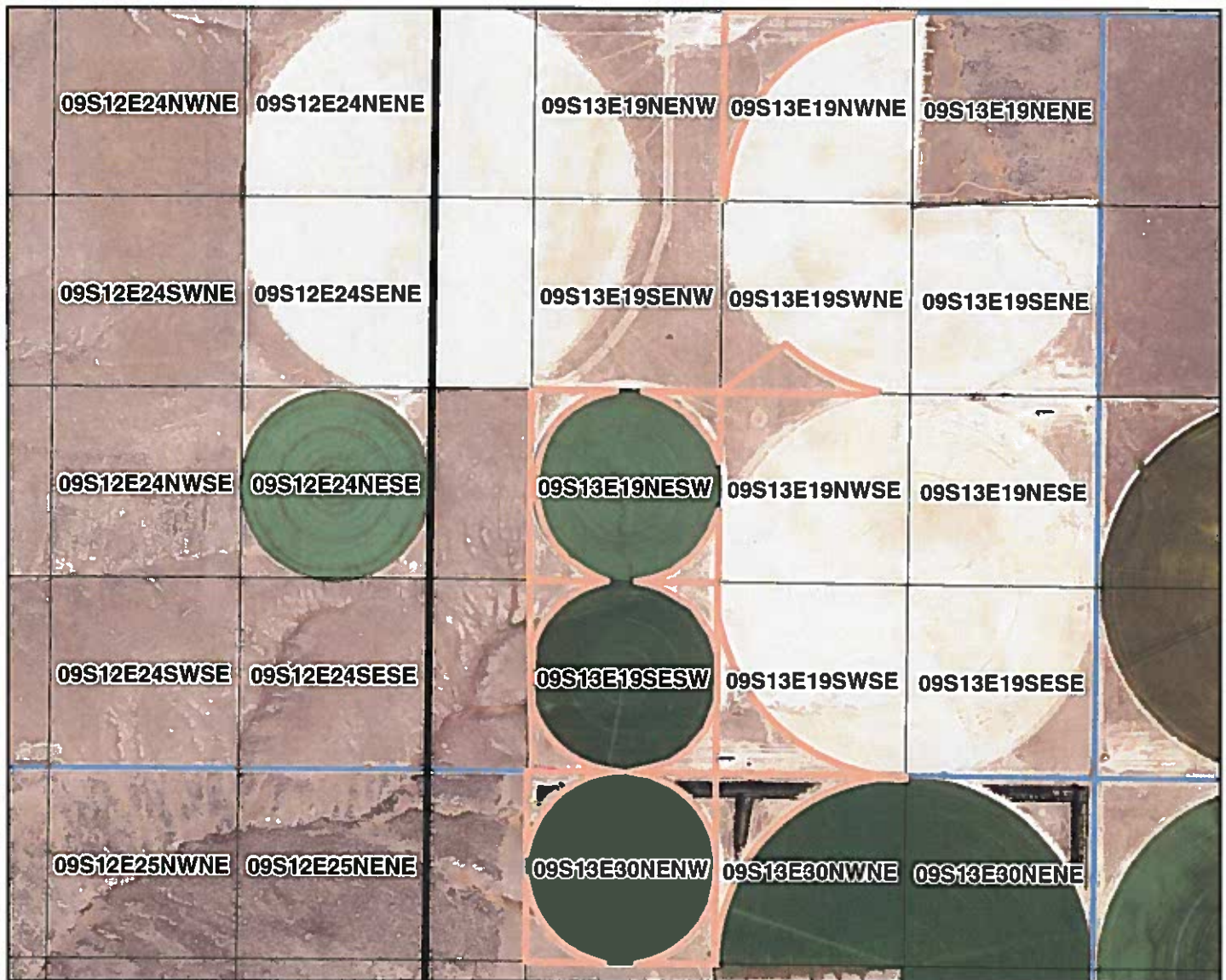
15. The unleased portion of water right 51-13007 is limited to the irrigation of 144.0 acres and the unleased portion of water right 51-13008 is limited to the irrigation of 239.6 acres within the authorized place of use in a single irrigation season.
16. The unleased portion of water rights 51-13007 and 51-13008 when combined shall not exceed a total diversion rate of 5.04 cfs.

Idaho Water Resource Board Water Supply Bank Lease

51-13007

Effective until December 31, 2020

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



2013 USDA-FSA Aerial Photography

- Approved Lease Place of Use
- Townships
- PLS Sections
- Quarter Quarters



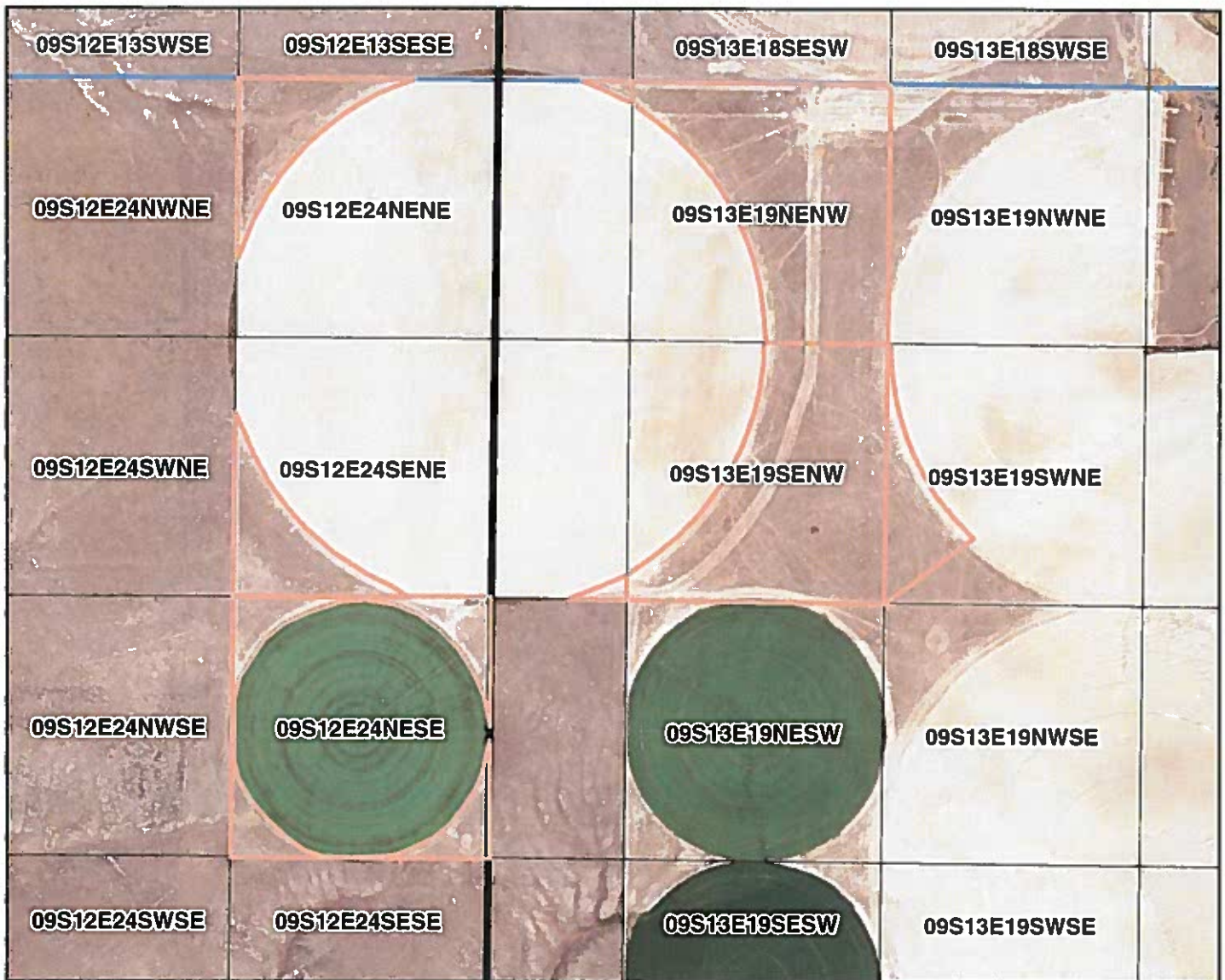
0 0.25 0.5 Miles

Idaho Water Resource Board
Water Supply Bank Lease

51-13008

Effective until December 31, 2020

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



2013 USDA-FSA Aerial Photography

-  Approved Lease Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



0 0.25 Miles

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

RECEIVED
NOV 04 2015
DEPARTMENT OF
WATER RESOURCES

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant Global AG Properties USA LLC
(Select one owner – see item 1A on the application)

Water Right No. 51-13008
(One water right per application)

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.

Attachment N/A YES

- | | | | |
|----|-------------------------------------|-------------------------------------|--|
| 1A | ☐ | ☒ | Contact information for <i>all owners</i> of the water right that is being leased or sold on this application. |
| 1B | | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov). |
| 1D | ☒ | ☐ | Written consent from irrigation district or water delivery company. |
| 1E | ☐ | ☒ | Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity. |
| 2 | ☐ | ☒ | Description of a water right portion offered to the Water Supply Bank. |
| 3E | ☐ | ☒ | Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to <u>Section 42-222(2), Idaho Code</u> . |
| 4 | | ☒ | A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov . |

Department Use Only

Fee Amount \$ <u>1,500.00</u>	Received By: <u>JS</u>	Date Received: <u>11/4/2015</u>	Receipt # <u>C101177</u>
W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)		Name on W-9:	

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Global AG Properties USA LLC Email Address _____

Mailing Address 2004 Fox Dr STE L Champaign, IL 61820 Phone Number (208) 908-3848

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? Previously Submitted Yes ☒ No ☐

C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative Greg Sullivan Organization Brockway Engineering

Professional Title Engineer Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 North Washington St Ste 4, Twin Falls Idaho 83301 Phone Number 208-736-8543

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☒ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 51-13008 ☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.
(If a portion of a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

- A. Please provide a description of the current water diversion system.

Existing wells, mainlines and delivery systems.

- B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.
51-13005 et al.

- C. Are any of the water rights identified in question 3B stacked with the water right proposed for lease? Yes ☒ No ☐

Stacked water rights are water rights that are utilized together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

D. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

E. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

F. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes ☐ No ☒

If yes, describe. _____

4. MAP

Plat map, survey map, or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒?

If lease, specify the years when the use of water will be suspended: 2016 to 2020 (maximum lease period 5 years).
(Year) (Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
normal rental rate _____

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Patrick Trainor

Signature of Designated Applicant

PATRICK TRAINOR

Printed Name

11-2-15

Date

Signature of Authorized Representative

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to a Water Supply Bank Lease Application however only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant. If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 51-13008

	Designated Applicant	Applicant #2	Applicant #3
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

STATE OF IDAHO
WATER RESOURCE BOARD

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

- | <u>1. Water Right Number</u> | <u>Amount (cfs/ac-ft)</u> | <u>Nature of Use</u> | <u>Period of Use</u> |
|------------------------------|---------------------------|----------------------|-----------------------------|
| <u>51-13008</u> | <u>1.51/322</u> | <u>Irrigation</u> | <u>4/01</u> to <u>11/01</u> |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| Total Amount: | 1.51/322 | | |

2. Source of water Ground Water tributary to _____

- 3. Point(s) of diversion:**

[illegible]

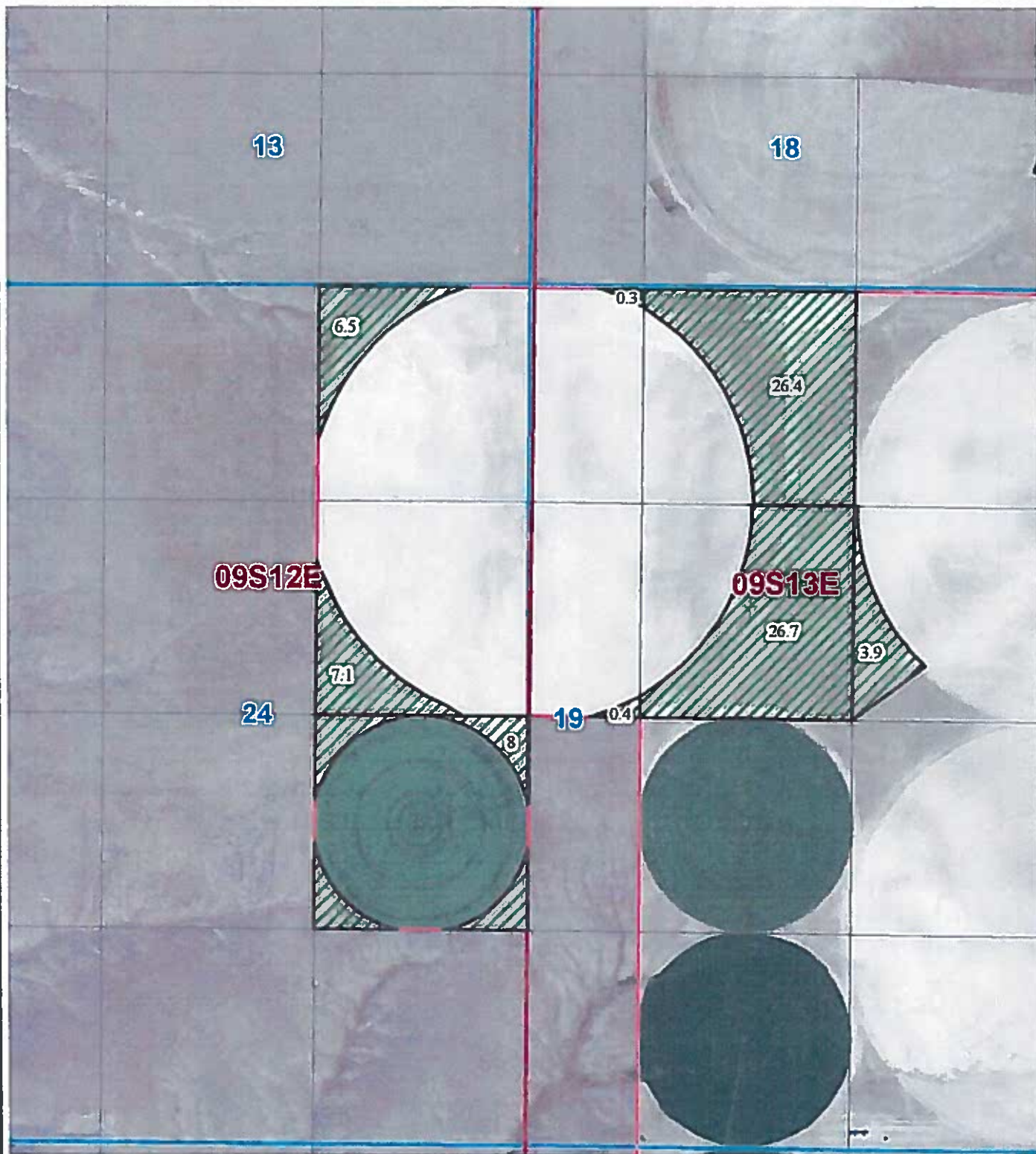
- 4. Acres to be idled within the place of use:**

[illegible]

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres 80.6

Exhibit A**PODs**

Township	Range	Sec.	QQQ	Source	County
9 S	12 E	34	SWNENW	GROUND WATER	TWIN FALLS County
9 S	12 E	34	NENESE	GROUND WATER	TWIN FALLS County
9 S	12 E	34	SENESE	GROUND WATER	TWIN FALLS County
9 S	12 E	35	SESWNW	GROUND WATER	TWIN FALLS County
9 S	12 E	35	SWNESW	GROUND WATER	TWIN FALLS County
9 S	12 E	35	SWNESW	GROUND WATER	TWIN FALLS County
9 S	12 E	30	SESENE	GROUND WATER	TWIN FALLS County
10 S	12 E	1	SWSESW	GROUND WATER	TWIN FALLS County
10 S	12 E	1	SWSESW	GROUND WATER	TWIN FALLS County
10 S	12 E	1	SWSESE	GROUND WATER	TWIN FALLS County
10 S	12 E	2	NWSESW	GROUND WATER	TWIN FALLS County
10 S	12 E	2	SWSESE	GROUND WATER	TWIN FALLS County
10 S	12 E	12	SENE	GROUND WATER	TWIN FALLS County



**WESTCHESTER - BLUE GULCH FARM
WSB 2016 LEASE 51-13008
AERIAL PHOTOGRAPH**

0 255 510 1,020 Feet

BROCKWAY ENGINEERING, PLLC.
ALR - Date: 9/29/2015

Legend

WSB_Lease_Areas_2016	Township-Range
51-13008	Sections
PPU_2010	QQ_lines

