

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

DEC 23 2015

DEPARTMENT OF
WATER RESOURCES

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

LESSOR: NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK CA 95380
(209)669-0742

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 September 8, 2015, the Lessor filed an application to lease the water right(s) 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
35-7789	2/16/1978	Ground Water	NA	4.68* cfs	936 af	234 ac
Annual Combined Lease Totals				4.68* cfs	936 af	234 ac

*Lease of Right 35-7789 is limited to a total diversion rate of 3.95 cfs.

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:** The term of this lease shall be January 1, 2016 to December 31, 2019. This Lease shall bind the parties and take effect when both parties have signed it.
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.

WATER SUPPLY BANK LEASE CONTRACT

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

NORTHERN AGRICULTURE II LLC

301 E MAIN ST

TURLOCK CA 95380

By: Hancock Natural Resource Group, Inc.

Its Manager

By 

Date 12/22/2015

Printed Name Oliver S. Williams IV

Title Senior Vice President

IDAHO WATER RESOURCE BOARD

322 EAST FRONT ST

PO BOX 83720

BOISE ID 83720-0098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 12/24/2015

Lease approved by IDWR 

Date 12-24-2015

ATTACHMENT A
WATER RIGHT NO. 35-7789
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NORTHERN AGRICULTURE II LLC
 301 E MAIN ST
 TURLOCK CA 95380
 (209)669-0742

Location of Point(s) of Diversion for Water Right 35-7789

GROUND WATER NWNW Sec. 24, Twp 07S, Rge 30E, POWER County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
35-7789	IRRIGATION	4/01 to	11/01	4.68 cfs*	936 af
		Total:		4.68 cfs*	936 af

Place of Use to be Idled Under This Lease: 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	
07S	30E	23	39.0			40.0													79.0
07S	30E	24					98.0	39.0	40.0	38.0									155.0

POU Total Acres: 234.0

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 leased to the bank is 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. Use of water under this right is regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
13. *Lease of this right is limited to a total diversion rate of 3.95 cfs.

RECEIVED
SEP 08 2015
DEPARTMENT OF
WATER RESOURCES

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

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 Northern Agriculture II LLC
(Select one owner – see item 1A on the application)

Water Right No. 35-7789
(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 \$ 750.00

Received By:

Date Received: 9/26/15

Receipt # C101045

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 Northern Agriculture II LLC

Email Address _____

Mailing Address 301 E Main St Turlock, CA 95380Phone Number 209-669-0742

☒ 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)?

W-9 Form has previously been 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 SullivanOrganization Brockway EngineeringProfessional Title EngineerEmail Address greg.sullivan@brockwayeng.comMailing Address 2016 North Washington St, Suite 4 Twin Falls, Id 83301Phone 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 35-7789

☒ 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 but no pump and motor installed.

- 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.

None

- 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. Irrigation is occurring from canal shares provided by Aberdeen Springfield Canal Company.

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. This water right has been leased into the Water Supply Bank since 2013.

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.

Rental payment from the renter to the lessor has already been contracted and payment has been made. Renter will pay current 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.

No. Ag II by [Signature]
Signature of Designated Applicant

DAVID BAUGHMAN
Printed Name

9/6/15
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). 35-7789

	Designated Applicant	Applicant #2	Applicant #3
Name	David Baughman		
Mailing Address	1603 Woodfield Dr, Ste B Savoy, IL 61874		
Phone Number	217-356-5518		
Email Address	dbaughman@hnrq.com		
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	<i>N. 1/15/11</i> <i>by: [Signature]</i>		

	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

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
35-7789	_____	_____	_____ to _____
	_____	_____	_____ to _____
	_____	_____	_____ to _____
	_____	_____	_____ to _____
	_____	_____	_____ to _____
Total Amount: _____			

2. Source of water _____ tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

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

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

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

State of Idaho
Department of Water Resources

Water Right
35-7789

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



0 0.1 0.2 0.4 Miles

-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections





State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

December 28, 2015

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK CA 95380

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 35-7789

Dear Lessor:

Water right **35-7789** was leased into the Water Supply Bank (Bank) as of September 8, 2015, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2019**, unless the right is released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

If you have questions regarding this matter, please contact me at 287-4881.

Sincerely,

for

Sandra Thiel
Sr. Water Resource Agent

Enclosure: Executed Lease Contract

c: Greg Sullivan – Brockway Engineering
James Cefalo – IDWR Eastern Region / Water District 120



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

December 18, 2015

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK CA 95380

RE: APPLICATION TO LEASE WATER RIGHT 35-07789 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2019**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

If you have questions regarding this matter, please contact me at 287-4881.

Sincerely,

for Sandra Thiel
Sr. Water Resource Agent

Enclosure: Proposed Lease Contracts

c. Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

December 7, 2015

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK CA 95380

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 35-07789 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right(s) to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on **December 31, 2020**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

If you have questions regarding this matter, please contact me at 287-4881.

Sincerely,

For - Sandra Thiel
Sr. Water Resource Agent

Enclosure: Proposed Lease Contracts

c. Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

November 10, 2015

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK CA 95380

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 35-7789 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application to lease the above referenced water right to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information within 30 days of the date of this letter or the application will be denied:

- Have <Name> Sign the W-9 form (attached)

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Christine Field

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s): W9 Form

C: Greg Sullivan – Brockway Engineering

No. W 88865	Due no later than Dec 31, 2015		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. NORTHERN AGRICULTURE II LLC 99 HIGH STREET 26TH FLOOR BOSTON MA 02110		CORPORATION SERVICE COMPANY 12550 W EXPLORER DR STE 100 BOISE ID 83713			
			3. <u>New</u> Registered Agent Signature:*			
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MEMBER	COLEEN GREENWOOD	99 HIGH ST 26 FL	BOSTON	MA	USA	02110
MEMBER	OLIVER S WILLIAMS IV	99 HIGH ST 26 FL	BOSTON	MA	USA	02110
5. Organized Under the Laws of: DE W 88865		6. Annual Report must be signed.* Signature: OLIVER S WILLIAMS IV Name (type or print): OLIVER S WILLIAMS IV Date: 10/26/2015 Title: MEMBER				
Processed 10/26/2015		* Electronically provided signatures are accepted as original signatures.				

WRITTEN DESIGNATION OF AUTHORITY

This WRITTEN DESIGNATION OF AUTHORITY is executed and effected pursuant to a vote of a quorum of the members of the Natural Resource Investment Committee (the "Committee") of *Hancock Natural Resource Group, Inc.* ("HNRGI") dated April 21, 1999 (the "Vote").

1. HNRGI is a corporation organized under the laws of the State of Delaware.
2. Northern Agriculture II LLC, a Delaware limited liability company (the "Company"), was formed under the terms and provisions of that certain Limited Liability Company Operating Agreement dated November 1, 2007 (the "Operating Agreement"). HNRGI provides certain agricultural real estate investment advisory and management services (the "Services") for the Company pursuant to that certain Agricultural Investment Advisory and Management Agreement dated October 1, 2004, as amended ("IAMA").
3. The Company is the title holder to real property devoted to various agricultural uses (the "Farms") and entered into a Master Lease dated as of January 1, 2010 ("Master Lease") with Farmland Management Services ("FMS") in which the Company leases the Farms to FMS and under which Master Lease, FMS operates and manages the Farms on behalf of the Company.
4. The IAMA permits HNRGI to provide some or all of the Services either directly or indirectly through one or more affiliates, agents, managers, sub-managers, master tenants or independent contractors.
5. Pursuant to authority granted in the Vote and the IAMA, I hereby authorize (a) Carl B. Evers, Jr., President of FMS, (b) David Baughman, Senior Vice President of FMS, and (c) Mark Hutson, Senior Vice President of FMS, acting singly, to take the following actions pursuant to the Vote and the IAMA on behalf of HNRGI and the Company in connection with the Farms under and subject to the IAMA:
 - (a) To execute operating contracts or agreements, leases and land use permits; and
 - (b) To establish reciprocal or other operating agreements or restrictions.
6. The designation of authority granted in this Written Designation is limited to the extent the Master Lease or IAMA limit or restrict the authority of FMS or HNRGI to undertake or delegate particular actions and may be revoked or terminated at any time upon written notice of HNRGI.

Executed as of the 20 day of August, 2012, but effective as of December 8, 2011.

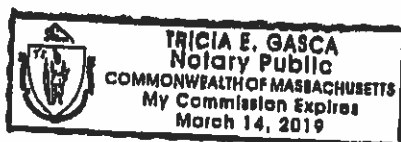


Oliver S. Williams IV in his capacity as Senior Vice
President of HNRGI and not individually

ACKNOWLEDGEMENT

Commonwealth of Massachusetts, ss.
County of Suffolk

On this 20 day of August, 2012, before me, the undersigned notary public, personally appeared Oliver S. Williams IV, proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purposes, as Senior Vice President of Hancock Natural Resource Group, Inc.





Official signature and seal of notary
Notary Public:
My Commission Expires: March 14, 2019

Palmer, Cherie

From: Palmer, Cherie
Sent: Thursday, October 08, 2015 12:58 PM
To: 'dbaughman@hnr.org'
Cc: 'Greg Sullivan'
Subject: Water Supply Bank Lease Applications-DEFICIENCY LETTER, PLEASE RESPOND

Dear Mr. Baughman,

The Department of Water Resources received three lease applications that were signed by you. The applications refer to water rights 35-7789, 35-14056 and 35-14058.

This letter is to notify you that the application is not complete in accordance with the Minimum Requirement Checklist (page 1 of the application). Applications that do not meet the requirements as listed on the application will be returned without being processed.

Within the next 14 days please submit the following information to complete your application:

Attachment 1E: Northern Agriculture II LLC is the designated applicant. The person signing the application, you, on behalf of the designated applicant must provide the authority to sign a lease application from an authorized agent of the company.

If the information is not submitted within 14 days your application will be returned.

Please let me know if you have any questions regarding this matter.

*Cherie Palmer, Water Rights Supervisor
Idaho Dept of Water Resources
Water Allocation Bureau
322 E. Front Street (Front St. & Broadway Ave)
Mail: PO BOX 83720 Boise, ID 83720-0098
email: cherie.palmer@idwr.idaho.gov
phone: (208) 287-4944
fax: (208) 287-6700*



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

SEP 28 2015

DEPARTMENT OF
WATER RESOURCES

September 24, 2015

Cherie Palmer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Northern Ag II LLC Lease

Dear Mrs. Palmer:

Northern Ag II LLC recently submitted lease applications for water rights 35-7789, 35-14056 and 35-14058. The lease processing fee of \$750.00 was not submitted at that time and a letter dated September 9, 2015 was mailed to Northern Ag II LLC informing them that the fee was not submitted.

Unfortunately, the representative listed on the application was never contacted by the Idaho Water Supply Bank regarding the deficiency. Please **"Send original correspondence to the Designated Applicant and copies to the representative."**

Attached with this letter is a check for the required processing fee.

Sincerely,

Greg Sullivan, M.S., Engineer

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

Cc: Lance Funk, Northern Ag II LLC

Enc: Water Supply Bank Fee Request Letter, Brockway Engineering Check
12901 for \$750.00

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506