

PIPELINE LICENSE AGREEMENT

RANGEN, INC.
Southwest Irrigation District
North Snake Ground Water District
Magic Valley Ground Water District

LICENSE AGREEMENT ("Agreement") effective this ____ day of January, 2015, between RANGEN, INC., ("Rangen"), and Southwest Irrigation District, North Snake Ground Water District and Magic Valley Ground Water District (hereinafter "Districts"), collectively referred to as the "parties."

RECITALS

A. WHEREAS, Rangen, owns certain real property located in Gooding County, Idaho located in SW ¼ NW ¼, Section 32, Township 7S, Range 14E, B.M., Gooding County, Idaho ("Rangen Property");

B. WHEREAS, the Idaho Department of Water Resources (IDWR) recently approved IGWA's Fourth Mitigation Plan in IDWR Docket No. CM-MP-2014-006 ("Order"), authorizing IGWA to deliver mitigation water to Rangen from Magic Springs;

C. WHEREAS, over Rangen's objection to the Districts Fourth Mitigation Plan, the Director Ordered Rangen to accept the water and allow construction on its land related to placements of the delivery pipe, and if not accepted, the Districts mitigation obligation would be suspended ;

D. WHEREAS, on November 6, 2014, pursuant to the Order, Rangen conditionally accepted delivery of the water;

E. WHEREAS, pursuant to Rangen's conditional acceptance of delivery of water under the Order, the Districts desire to obtain from Rangen a license for a right-of-way 20' in width as described in Exhibit "A" attached for the purpose of constructing, owning and operating buried and above grade pipelines through the Rangen Property with necessary equipment and facilities to convey water from Magic Springs to Rangen; and

F. WHEREAS, pursuant to the Order, Rangen hereby provides the Districts with a license for a right-of-way as set forth in this Agreement.

AGREEMENT

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

1. **Access License for Pipelines and Appurtenances.** Rangen grants the Districts a license to install, operate, maintain, and replace as needed, at their expense, buried pipelines for the conveyance of water from Magic Springs to Rangen's hatchery as described in Exhibit "A" attached. The license includes the right to deliver water to Rangen's existing facility and gives the districts authority to convey water to Rangen's existing diversions and pipes. Other than as necessary to attach to Rangen's existing facility, Rangen does not grant any license to the districts to use any of Rangen's pipes, diversions or existing structures owned or otherwise used by Rangen. The Districts shall install said pipelines and appurtenances within the licensed area in accordance with standard specifications for pipe, materials, installation, and backfill, as set forth in the Idaho standards for public works construction or the respective projects' construction drawings. The final description of the license and location of the pipelines are subject to amendment by the Districts based upon the final survey and installed pipe locations. This license covers the delivery of water only under the Fourth Mitigation Plan, and water delivered under transfer 79560 (water right 36-7072). This license does not cover the delivery of water under any other mitigation plan, right, license or permit.

2. **Pipeline Ownership and Maintenance.** The Districts shall own the pipelines and be responsible for their installation, maintenance, repair and replacement.

3. **Indemnification.** The Districts agree to indemnify and hold Rangen harmless from any and all claims arising out of the construction, operation, maintenance, repair or replacement of the pipeline, or the use of the easement for any purpose.

4. **The Districts' Representative.** The Districts agree to designate one person to represent the Districts in all dealings with Rangen and to act as a liaison between the parties. The Districts shall communicate to Rangen in writing the name, address and telephone number of such person.

5. **Additional Documents.** The parties will execute such additional documents and instruments as may be required to carry out the purpose and intent of this Agreement.

6. **Revocation.** Rangen may elect to terminate this Agreement upon not less than thirty (30) days written notice.

7. **Default.** This Agreement may be revoked by Rangen as set forth in paragraph 6, or in the event any party fails to perform any of the terms, conditions or provisions of this Agreement, and fails to cure such default within thirty (30) days of receipt of written notice of default, the non-defaulting party may elect any one of the following remedies, which are the sole and exclusive remedies available:

- (a) to terminate this Agreement;
- (b) file an action to obtain specific performance of this Agreement; or

- (c) pursue any other remedy to which they may be entitled under the laws of the state of Idaho.

8. **Attorney's Fees.** In the event that either party hereto retains an attorney to enforce any right or duty arising out of this Agreement, the prevailing party in such dispute shall be entitled to be paid reasonable attorney's fees by the non-prevailing party, whether or not litigation is actually instituted.

9. **Assignment of this Agreement.** The Districts may assign their interest in this Agreement to a third party, subject to the prior written consent of Rangen, which consent shall not be unreasonably withheld. Provided, that the Districts may assign their interest in this Agreement to one or more of their member groundwater districts without the consent of Rangen.

10. **Non-waiver:** By entering into this Agreement, Rangen does not waive any right to seek judicial review of the Order; Rangen does not waive any cause of action it may have against IGWA, its member Districts, its Directors, the Department, or the State of Idaho including, but not limited to, compensation for the condemnation of its real property, damages resulting from the implementation of the Fourth Mitigation Plan such as the loss of fish or the introduction of disease, pathogens, parasites, or other organisms harmful to Rangen's operation, or damages resulting from the failure to deliver water for any reason whatsoever; and Rangen also reserves the right to reject the water in the event it determines the delivery of water is causing harm to Rangen's operation. Furthermore, Rangen does not waive its right to avail itself of any and all administrative and legal remedies with respect to challenging or appealing transfer 79560 (water right 36-7072), or any other administrative or legal proceeding currently pending before the Parties, or any or any other administrative or legal proceeding which may arise between or involve the Parties.

11. **Dispute Resolution.** Any dispute between the parties shall be resolved in any court, or otherwise agreed by the parties.

12. **Choice of Law.** This Agreement and the validity, interpretation and performance thereof shall be governed by and construed in accordance with the laws of the State of Idaho.

13. **Merger.** Except for the terms of this Agreement, the Parties agree that the terms, covenants and conditions of this Agreement shall supersede all such prior negotiations and agreements, and that there are no other agreements not contained in this Agreement, and that this Agreement shall be and is the final expression of the agreement of the Parties and shall control. No modification of this Agreement shall be valid unless in writing and executed by the Parties to the Agreement.

14. **Notices.** All notices required to be given pursuant to this Agreement shall be served upon the parties by certified mail, return receipt requested, at the following addresses:

Rangen, Inc.
c/o Christopher T. Rangen, President
P.O. Box 706
Buhl, Idaho 83316

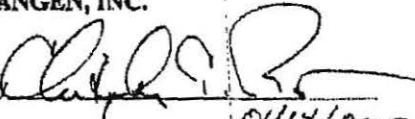
Southwest Irrigation District
P.O. Box 910
Burley, Idaho 83318

North Snake Ground Water District
152 E. Main St.
Jerome, Idaho 83338

Magic Valley Ground Water District
P.O. Box 430
Paul, Idaho 83347

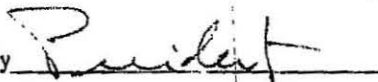
IN WITNESS WHEREOF, the parties have executed this Agreement effective on
the date recited above.

RANGEN, INC.

By 
01/14/2015

SOUTHWEST IRRIGATION
DISTRICT

By _____
RANDY BROWN, Chairman

By 

NORTH SNAKE GROUND WATER
DISTRICT

By _____
LYNN CARLQUIST, Chairman

MAGIC VALLEY GROUND WATER
DISTRICT

By _____
DEAN STEVENSON, Chairman

Rangen, Inc.
c/o Christopher T. Rangen, President
P.O. Box 706
Buhl, Idaho 83316

Southwest Irrigation District
P.O. Box 910
Burley, Idaho 83318

North Snake Ground Water District
152 E. Main St.
Jerome, Idaho 83338

Magic Valley Ground Water District
P.O. Box 430
Paul, Idaho 83347

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RANGEN, INC.

By _____

By _____

**SOUTHWEST IRRIGATION
DISTRICT**

By _____
RANDY BROWN, Chairman

**NORTH SNAKE GROUND WATER
DISTRICT**

By  _____
LYNN CARLQUIST, Chairman

**MAGIC VALLEY GROUND WATER
DISTRICT**

By _____
DEAN STEVENSON, Chairman

Rangen, Inc.
c/o Christopher T. Rangen, President
P.O. Box 706
Buhl, Idaho 83316

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P.O. Box 910
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Paul, Idaho 83347

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the date recited above.

RANGEN, INC.

By _____

**SOUTHWEST IRRIGATION
DISTRICT**

By Craig E. Searl
Craig E. Searl, Chairman

By _____

**NORTH SNAKE GROUND WATER
DISTRICT**

By _____
LYNN CARLQUIST, Chairman

**MAGIC VALLEY GROUND WATER
DISTRICT**

By _____
DEAN STEVENSON, Chairman

Rangen, Inc.
c/o Christopher T. Rangen, President
P.O. Box 706
Buhl, Idaho 83316

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Paul, Idaho 83347

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RANGEN, INC.

By _____

By _____

**SOUTHWEST IRRIGATION
DISTRICT**

By _____
RANDY BROWN, Chairman

**NORTH SNAKE GROUND WATER
DISTRICT**

By _____
LYNN CARLQUIST, Chairman

**MAGIC VALLEY GROUND WATER
DISTRICT**

By Dean H. Maughan - Board Member
DEAN STEVENSON, Chairman

STATE OF IDAHO)

County of Twin Falls)

: ss.

On this 14th day of January, 2015, before me, a Notary Public for the State of Idaho, personally appeared Christopher T. Rangen known or identified to me to be the President of RANGEN, INC., that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

CINDY KOEPPLIN
NOTARY PUBLIC
STATE OF IDAHO

(SEAL)

Cindy Koepplin
NOTARY PUBLIC FOR IDAHO

Residing at: Filer Idaho

My Commission Expires: 09-05-15

STATE OF IDAHO)

County of _____)

: ss.

On this ____ day of January, 2015, before me, a Notary Public for the State of Idaho, personally appeared RANDY BROWN, known or identified to me to be the Chairman, of SOUTHWEST IRRIGATION DISTRICT, that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

(SEAL)

NOTARY PUBLIC FOR IDAHO

Residing at:

My Commission Expires:

STATE OF IDAHO)
 : ss.
County of _____)

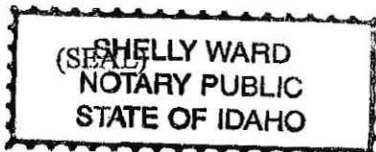
On this ____ day of January, 2015, before me, a Notary Public for the State of Idaho, personally appeared _____, known or identified to me to be the _____, of RANGEN, INC., that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing at:
My Commission Expires:

STATE OF IDAHO)
 : ss.
County of Cassia)

On this 14th day of January, 2015, before me, a Notary Public for the State of Idaho, personally appeared Craig E. Seay, known or identified to me to be the Chairman, of SOUTHWEST IRRIGATION DISTRICT, that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



NOTARY PUBLIC FOR IDAHO
Residing at: _____
My Commission Expires: 05/30/26

STATE OF IDAHO)
 : ss.
County of JEROME)

On this 14TH day of January, 2015, before me, a Notary Public for the State of Idaho, personally appeared LYNN CARLQUIST, known or identified to me to be the Chairman, of NORTH SNAKE GROUND WATER DISTRICT, that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Joyce Thompson
NOTARY PUBLIC FOR IDAHO
Residing at: JEROME COUNTY
My Commission Expires: 3/4/16

STATE OF IDAHO)
 : ss.
County of _____)

On this _____ day of January, 2015, before me, a Notary Public for the State of Idaho, personally appeared DEAN STEVENSON, known or identified to me to be the Chairman, of MAGIC VALLEY IRRIGATION DISTRICT, that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing at:
My Commission Expires:

EXHIBIT A
Attached to Pipeline Agreement

SW ¼ NW ¼, Section 32, Township 7S, Range 14E, B.M., Gooding County, Idaho:

A licensed right-of-way approximately 510' feet in length and 20' in width running from south boundary line of described Rangen Property in a northerly direction to a point between the small raceway and hatch house as depicted in Exhibit A-1 attached, with 4", 12" and 16" lines running from there to small raceway and hatch house per attached engineering drawings Exhibit A-2. Final description of the right-of-way and location of the pipelines to be provided by amendment to this Exhibit A upon final survey and installed pipe locations.