AGREEMENT

This Agreement is made this 7th day of October, 2015, by and between A&B Irrigation District ("A&B") and the Idaho Ground Water Appropirators, Inc., Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, and Fremont-Madison Irrigation District (referred to collectively herein as the “Ground Water Districts”).

RECITALS

WHEREAS, all members of the Surface Water Coalition, except A&B Irrigation District, and all eight Ground Water Districts and Fremont-Irrigation District, executed the Settlement Agreement (Ex. A) by August 1, 2015; and

WHEREAS, disputes have arisen concerning the scope of A&B’s participation in the Settlement Agreement; and

WHEREAS, the parties wish to address and resolve these issues in this Agreement.

COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are an integral part of this Agreement and are fully incorporated herein by this reference.

2. **A&B Irrigation District Surface Water Delivery Call.** A&B agrees to participate in the Settlement Agreement as a surface water right holder only. The obligations of the Ground Water Districts set forth in Paragraphs 2 – 4 of the Settlement Agreement do not apply to A&B and its ground water rights. A&B agrees to not make a surface water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts as set forth in Paragraph 6 of the Settlement Agreement.

3. **A&B Irrigation District Ground Water Delivery Call.** A&B further agrees to not make a ground water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts.

4. **A&B Irrigation District “Soft Conversions.”** A&B agrees to implement approximately 3,000 acres of “soft conversions” within its project. A&B has already developed approximately 1,500 acres and is currently in the process of developing an additional 1,500 acres to receive water through a new pumping plant and pipeline project to be completed in the future.
5. **Ground Water Districts’ Implementation of Settlement Agreement.** The safe harbor identified above is conditioned upon the Ground Water Districts implementing the Settlement Agreement in accordance with its terms.

6. **Ground Water Districts’ Delivery Calls.** The safe harbor provided by A&B above shall be null and void against any Ground Water District and/or against any participating member of a Ground Water District that files a surface or ground water delivery call against A&B’s ground water rights.

7. **Ground Water Recharge Projects.** A&B and the Ground Water Districts agree to cooperate and work together to identify and implement recharge projects within or near A&B’s irrigation project that benefit aquifer levels, and the sentinel wells identified in the Settlement Agreement.

8. ** Binding Effect.** This Agreement shall bind and inure to the benefit of the respective successors of the parties.

9. **Entire Agreement.** This Agreement sets forth all understandings between the parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.

10. **Effect of Headings.** Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

The parties have executed this Agreement on the date following their respective signatures.

A&B IRRIGATION DISTRICT

[Signature]
Harold Mohlman
Chairman

Date: 10-12-15
IDAHO GROUNDWATER APPROPRIATOR’S, INC.:

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

[Signature]

Nick Behrend
Chairman

Date: 10-7-15
BINGHAM GROUND WATER DISTRICT

Craig Evans
Chairman

Oct 8, 2015
Date

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)
BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

[Signature]
Dane Watkins
Chairman

10/17/15

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)
CAREY VALLEY GROUND WATER DISTRICT

[Signature]
Leta Hansen 10/7/15
Chairman

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)
MADISON GROUND WATER DISTRICT

Jason Webster
Chairman

Date
10-19-15

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)
MAGIC VALLEY GROUND WATER DISTRICT

Dean Stevenson                     10/7/2015
Chairman

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)
NORTH SNAKE GROUND WATER DISTRICT

[Signature]

Date 10/7/2015
Chairman

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)