

Van Bussum, Monica

From: Dana Hofstetter [Dana@IdahoWaterLaw.com]
Sent: Tuesday, October 11, 2011 1:57 PM
To: Van Bussum, Monica
Cc: Wayne Ipsen
Subject: Re: Emailing: hcgn01_.pdf

Monica:

Thank you for your response while you're on vacation!!! Have a good one!

Dana

On 10/11/2011 9:05 AM, Van Bussum, Monica wrote:
Hi Dana,

I'm on vacation, but I redid the rental Friday afternoon before I left. The rental agreement that's coming (copied to you and Wayne both) shows a five-year term. That can be canceled, though, at just about anytime. However, a rental agreement can not be canceled mid-season. There is just no way of knowing whether the water has been used and the renter is technically under contract and their fee is due by the beginning of the season. Because of this, rental agreements can not be canceled mid-season. They can be canceled before the beginning of the season and after the end of the season. I'll be checking email sporadically the rest of the week, so if I don't get right back to you, give me until Monday of next week when I'll be back in the office. Thanks!

Monica

From: Dana Hofstetter [<mailto:Dana@IdahoWaterLaw.com>]
Sent: Mon 10/10/2011 3:40 PM
To: Van Bussum, Monica
Cc: Wayne Ipsen
Subject: Re: Emailing: hcgn01_.pdf

Monica:

As we discussed last week on the phone with Wayne Ipsen of US Ecology, Flying H Farms would like you to re-process this application such that US Ecology's Water Right No. 2-7065C would be used to satisfy 431 acres of the application for the 2012 irrigation season. Another water right would need to be assigned for the remainder of the acreage.

While Flying H Farms would like an annual rental term for the US Ecology water right, a longer term may be assigned for the other water right, since, as you indicated, the rental period may be terminated at any time except during an irrigation season. Please advise me immediately if I am not correct about this matter. As we discussed, US Ecology and Flying H Farms are about to enter into a Purchase and Sale Agreement for Water Right No. 2-7065C which transaction would close after approval of a Transfer Application, changing the place of use and point of diversion to Flying H property. Because of the anticipated transfer and the difficulty of predicting exactly when the transfer would be approved, only annual rental terms are desired for the US Ecology water right. However, if the transfer is not approved in 2012, Flying H Farms may need to rent 2-7065C in 2013 also.

Please let me know if you have any questions or need any additional information about this matter. Please include a copy of this email in the Water Bank file for Water Right No. 2-7065C as a reminder that Flying H Farms desires to rent this water right until after the transfer is approved and the transaction closes at which time it is expected that this water right would be removed from the Water Bank.

Thank you,
Dana Hofstetter

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On 10/5/2011 3:05 PM, Van Bussum, Monica wrote:
Hi Dana,

Here is the rental agreement (with cover letter) for the Flying H Farms rental for 2012.

Monica

MONICA VAN BUSSUM

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