

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE**

This is to certify that: HORIZON ORGANIC DAIRY LLC
2577 E 500 S
PAUL ID 83347
(208) 438-8450

has requested to lease the water right(s) listed below to the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board") being authorized to operate a bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director", "Department") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
36-2430	0.30 CFS	NA	21.7 AC	26.9 AC
36-8008	0.07 CFS	NA	5.2 AC	26.9 AC
36-8402	0.07 CFS	NA	NA	26.9 AC
COMBINED LEASE TOTALS:	0.44 CFS	107.6 AF	26.9 AC	26.9 AC

TERM OF LEASE:

Lease Begin Date: September 8, 2006

Expiration Date: December 31, 2016

RENTAL AVAILABILITY:

Season of Use: March 15 to November 15 annually

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 5th day of October, 20 11


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 36-2430 WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: HORIZON ORGANIC DAIRY LLC
2577 E 500 S
PAUL ID 83347
(208) 438-8450

Priority Date: 04/21/1960

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.30 CFS	
	Total:		0.30 CFS	

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NE¼SE¼SE¼ Sec. 16 Twp 09S Rge 21E JEROME County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	21E	16										7.7	8.4	2.0	3.9			4.9	26.9

Total Acres: 26.9

Limited to acres within place of use described above: 21.7

CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
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.

**WATER RIGHT NO. 36-2430
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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, or improve the status of the right including the notion of 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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. Lease of Right Nos. 36-2430 and 36-8008 is limited to a total combined diversion rate of 0.37 cfs, a total combined annual diversion volume of 107.6 AF at the field headgate, and the combined total of 26.9 acres in a single irrigation season.
12. Lease of Right Nos. 36-2430, 36-8008 and 36-8402 is limited to a total combined diversion rate of 0.44 cfs, a total combined annual diversion volume of 107.6 AF at the field headgate, and the combined total of 26.9 acres in a single irrigation season.
13. Lease of this right is limited to 21.7 acres within the place of use described above in a single irrigation season.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

**WATER RIGHT NO. 36-8008
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: HORIZON ORGANIC DAIRY LLC
2577 E 500 S
PAUL ID 83347
(208) 438-8450

Priority Date: 12/08/1981

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.07 CFS	
	Total:		0.07 CFS	

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NE¼SE¼SE¼ Sec. 16 Twp 09S Rge 21E JEROME County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
09S	21E	16										7.7	8.4	2.0	3.9			4.9	26.9

Total Acres: 26.9

Limited to acres within place of use described above: 5.2

CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
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.

**WATER RIGHT NO. 36-8008
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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, or improve the status of the right including the notion of 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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. Lease of Right Nos. 36-2430 and 36-8008 is limited to a total combined diversion rate of 0.37 cfs, a total combined annual diversion volume of 107.6 AF at the field headgate, and the combined total of 26.9 acres in a single irrigation season.
12. Lease of Right Nos. 36-2430, 36-8008 and 36-8402 is limited to a total combined diversion rate of 0.44 cfs, a total combined annual diversion volume of 107.6 AF at the field headgate, and the combined total of 26.9 acres in a single irrigation season.
13. Lease of this right is limited to 5.2 acres within the place of use described above in a single irrigation season.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

WATER RIGHT NO. 36-8402
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: HORIZON ORGANIC DAIRY LLC
 2577 E 500 S
 PAUL ID 83347
 (208) 438-8450

Priority Date: 04/21/1960

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.07 CFS	
Total:			0.07 CFS	

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼SE¼ Sec. 16 Twp 09S Rge 21E JEROME County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
09S	21E	16										7.7	8.4	2.0	3.9			4.9	26.9

Total Acres: 26.9

CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
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, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.

**WATER RIGHT NO. 36-8402
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. Lease of Right Nos. 36-2430, 36-8008 and 36-8402 is limited to a total combined diversion rate of 0.44 cfs, a total combined annual diversion volume of 107.6 AF at the field headgate, and the combined total of 26.9 acres in a single irrigation season.
12. The Director retains jurisdiction of the right and may change, add, or remove any requirement as determined to be appropriate.
13. Diversion and use of water under this right is subject to an annual use fee if rules are subsequently promulgated which provide for the submittal of the fee.
14. This right is for the use of trust water and is subject to review 20 years after the issuance of the permit to determine availability of water and to re-evaluate the public interest.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.