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STATE OF IDAHO
IDAHO DEPARTMENT OF WATER RESOURCES

Department of Water Resources
Southern Region

NOTICE OF CHANGE OF WATER RIGHT OWNERSHIP

RECEIVED

JUL 08 1998

Please print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned.

Department of Water Resources

1. Water Right No(s):

Adjudication Claim No(s): 080114
080113
36-02310; 02376; 07351; 08005; 08011; 02254A; 02254B; 02284;
02430; 010907; (08004); 08016; 02319; 02248; 02249; 07688; 14601; 08008; 08014; 08113

2. The following REQUIRED information must be submitted with this form:

A. A copy of the most recent DEED, TITLE POLICY, CONTRACT OF SALE or other legal document indicating your ownership of the property and water rights or claims in question, WITH ATTACHED LEGAL DESCRIPTION.

AND

B. PLAT OF PROPERTY or SURVEY MAP for parcel of ten acres or less. (These are usually attached to your deed or on file with the county.)

OR

C. For water rights or adjudication claims involving ten or more irrigated acres, a USDA Farm Service Agency AERIAL PHOTO with irrigated acres outlined and point(s) of diversion clearly marked.

Name and Address of Former
Owner/Claimant

SUNRISE ORGANIC FARMS, INC.
12050 NORTH PECOS, SUITE 200
WESTMINISTER CO 80234-2711

New Owner/Claimant(s)

HORIZON ORGANIC DAIRY, IDAHO FARM, INC.

New Mailing Address

Name Connector (Check one): ☐ and, ☐ or, ☐ and/or
6311 HORIZON LANE

City, State and ZIP Code

LONGMONT, CO 80503

New Telephone Number

(303) 530-2711

Date you acquired the property

MAY 29, 1997

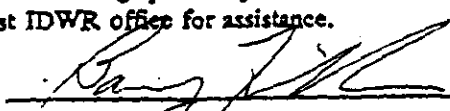
If you have acquired only a portion of the former owner's property, IDWR may need to split the water right(s) or adjudication claim(s). If this applies, describe in detail your portion of each water right or adjudication claim in the spaces below. If necessary, attach additional pages.

Number of acres you irrigate _____ Number and type of stock _____

Diversion rate in CFS _____ Number of homes _____ Other uses _____

If a water right or adjudication claim is being split and you are not sure how to identify your portion of the original right or claim, please contact the nearest IDWR office for assistance.

Signature of New Owner
or Claimant(s)


HORIZON ORGANIC DAIRY, IDAHO FARM INC.
BARNEY FEINBLUM, PRESIDENT

* (Corporations or other organizations must submit a list of directors and/or officers demonstrating authority to sign form.)

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him or her for all matters related to your claims.

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JUL 17 2000

T # 5283

LAW OFFICES OF

KRENDL HOROWITZ & KRENDL

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

370 SEVENTEENTH STREET, SUITE 3350

DENVER, COLORADO 80202

(303) 629-2400

Telecopier No. (303) 629-2406

JAMES R. KRENDL
JAY S. HOROWITZ
CATHY S. KRENDL
DANIEL F. WAKE
KIM E. KELLER
LEE F. SACHNOFF
SHERM D. WAY
CHARLES D. BYBEE
PHILIP L. GORDON
ROBERT G. HURSTON
E. LEE RECHERT
ROBERT T. FRIEDMAN
JENNIFER A. D'ALESSANDRO

June 18, 1997

Internal Revenue Service
Attention: Taxpayer Services
1160 West 1200 South
Ogden, Utah 84201

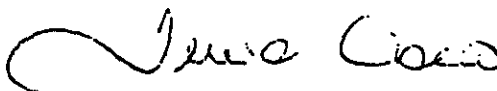
Re: Change of Corporate Name

Dear Sir or Madam:

Please change your records to reflect that our client, Sunrise Organic Farms, Inc. (FEIN # 82-0460690) changed its corporate name effective May 29, 1997 to Horizon Organic Dairy, Idaho Farm, Inc. Attached to evidence such name change is a copy of the Articles of Amendment as filed of record with the Colorado Secretary of State.

Sincerely,

KRENDL HOROWITZ & KRENDL



Teresa K. Ciacco
Paralegal

Enclosure

cc: Mr. Barnet Feinblum
Mr. Marc Peperzak

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JUL 17 2000

AMENDED AND RESTATED**ARTICLES OF INCORPORATION**

OF

19971066079 C

\$ 60.00

SECRETARY OF STATE

05-29-97 16:45:07

SUNRISE ORGANIC FARMS, INC.**n/k/a HORIZON ORGANIC DAIRY, IDAHO FARM, INC.**

These Amended and Restated Articles of Incorporation of Sunrise Organic Farms, Inc., which include amendments, correctly set forth the provisions of the corporation's Articles of Incorporation, as amended, and supersede the corporation's original Articles of Incorporation and all amendments thereto. These Amended and Restated Articles of Incorporation were recommended by the board of directors and approved by the shareholders of the corporation on May 14, 1997. The number of votes cast for such Amended and Restated Articles of Incorporation by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

FIRST: The name of the corporation is Horizon Organic Dairy, Idaho Farm, Inc.

SECOND: The corporation shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon corporations organized under the laws of Colorado. In addition, the corporation may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes. The corporation may conduct part or all of its business in any part of Colorado, the United States or the world and may hold, purchase, mortgage, lease and convey real and personal property in any of such places.

THIRD: (a) The aggregate number of shares which the corporation shall have authority to issue is 10,000,000 shares of common stock. The shares of this class of common

stock shall have unlimited voting rights and shall constitute the sole voting group of the corporation, except to the extent any additional voting group or groups may hereafter be established in accordance with the Colorado Business Corporation Act. The shares of this class shall also be entitled to receive the net assets of the corporation upon dissolution.

(b) Each shareholder of record shall have one vote for each share of stock standing in his name on the books of the corporation and entitled to vote, except that in the election of directors, each shareholder shall have as many votes for each share held by him as there are directors to be elected and for whose election the shareholder has a right to vote. Cumulative voting shall not be permitted in the election of directors or otherwise.

(c) Unless otherwise ordered by a court of competent jurisdiction, at all meetings of shareholders one-third of the shares of a voting group entitled to vote at such meeting, represented in person or by proxy, shall constitute a quorum of that voting group.

FOURTH: The number of directors of the corporation shall be fixed by the bylaws, or if the bylaws fail to fix such a number, then by resolution adopted from time to time by the board of directors, provided that the number of directors shall not be less than one nor more than nine.

FIFTH: The street address of the registered office of the corporation is 370 17th Street, Suite 5350, Denver, Colorado 80202. The name of the registered agent of the corporation at such address is Lee F. Sachnoff.

SIXTH: The address of the principal office of the corporation is 7490 Clubhouse Rd., Suite 103, Boulder, Colorado 80301.

SEVENTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the corporation, and the same are in furtherance of and not in limitation or exclusion of the powers conferred by law.

(d) Conflicting Interest Transactions. As used in this paragraph, "conflicting interest transaction" means any of the following: (i) a loan or other assistance by the corporation to a director of the corporation or to an entity in which a director of the corporation is a director or officer or has a financial interest; (ii) a guaranty by the corporation of an obligation of a director of the corporation or of an obligation of an entity in which a director of the corporation is a director or officer or has a financial interest; or (iii) a contract or transaction between the corporation and a director of the corporation or between the corporation and an entity in which a director of the corporation is a director or officer or has a financial interest. No conflicting interest transaction shall be void or voidable, be enjoined, be set aside, or give rise to an award of damages or other sanctions in a proceeding by a shareholder or by or in the right of the corporation, solely because the conflicting interest transaction involves a director of the corporation or an entity in which a director of the corporation is a director or officer or has a financial interest, or solely because the director is present at or participates in the meeting of the corporation's board of directors or of the committee of the board of directors which authorizes, approves or ratifies a conflicting interest transaction, or solely because the director's vote is counted for such purpose if: (A) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested

directors, even though the disinterested directors are less than a quorum; or (B) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the shareholders entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved or ratified in good faith by a vote of the shareholders; or (C) a conflicting interest transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof, or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves or ratifies the conflicting interest transaction.

(e) Loans and Guaranties for the Benefit of Directors. Neither the board of directors nor any committee thereof shall authorize a loan by the corporation to a director of the corporation or to an entity in which a director of the corporation is a director or officer or has a financial interest, or a guaranty by the corporation of an obligation of a director of the corporation or of an obligation of an entity in which a director of the corporation is a director or officer or has a financial interest, until at least ten days after written notice of the proposed authorization of the loan or guaranty has been given to the shareholders who would be entitled to vote thereon if the issue of the loan or guaranty were submitted to a vote of the shareholders. The requirements of this paragraph (b) are in addition to, and not in substitution for, the provisions of paragraph (a) of Article SEVENTH.

(f) Indemnification. The corporation shall indemnify, to the maximum extent permitted by law, any person who is or was a director, officer, agent, fiduciary or employee of the corporation against any claim, liability or expense arising against or incurred by

such person made party to a proceeding because he is or was a director, officer, agent, fiduciary or employee of the corporation or because he is or was serving another entity as a director, officer, partner, trustee, employee, fiduciary or agent at the corporation's request. The corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

(g) Limitation on Director's Liability. No director of this corporation shall have any personal liability for monetary damages to the corporation or its shareholders for breach of his fiduciary duty as a director, except that this provision shall not eliminate or limit the personal liability of a director to the corporation or its shareholders for monetary damages for: (i) any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) voting for or assenting to a distribution in violation of Colorado Revised Statutes § 7-106-401 or the articles of incorporation if it is established that the director did not perform his duties in compliance with Colorado Revised Statutes § 7-108-401, provided that the personal liability of a director in this circumstance shall be limited to the amount of the distribution which exceeds what could have been distributed without violation of Colorado Revised Statutes § 7-106-401 or the articles of incorporation; or (iv) any transaction from which the director directly or indirectly derives an improper personal benefit. Nothing contained herein will be construed to deprive any director of his right to all defenses ordinarily available to a director nor will anything herein be construed to deprive any director of any right he may have for contribution from any other director or other person.

(h) Negation of Equitable Interests in Shares or Rights. Unless a person is recognized as a shareholder through procedures established by the corporation pursuant to Colorado Revised Statutes § 7-107-204 or any similar law, the corporation shall be entitled to treat the registered holder of any shares of the corporation as the owner thereof for all purposes permitted by the Colorado Business Corporation Act, including without limitation all rights deriving from such shares, and the corporation shall not be bound to recognize any equitable or other claim to, or interest in, such shares or rights deriving from such shares on the part of any other person including without limitation, a purchaser, assignee or transferee of such shares, unless and until such other person becomes the registered holder of such shares or is recognized as such, whether or not the corporation shall have either actual or constructive notice of the claimed interest of such other person. By way of example and not of limitation, until such other person has become the registered holder of such shares or is recognized pursuant to Colorado Revised Statutes §7-107-204 or any similar applicable law, he shall not be entitled: (i) to receive notice of the meetings of the shareholders; (ii) to vote at such meetings; (iii) to examine a list of the shareholders; (iv) to be paid dividends or other distributions payable to shareholders; or (v) to own, enjoy and exercise any other rights deriving from such shares against the corporation. Nothing contained herein will be construed to deprive any beneficial shareholder, as defined in Colorado Revised Statutes § 7-113-101(1), of any right he may have pursuant to Article 113 of the Colorado Business Corporation Act or any subsequent law.

EIGHTH: These Amended and Restated Articles of Incorporation shall become effective on the date that they are filed with the Colorado Secretary of State.

**SUNRISE ORGANIC FARMS, INC., n/k/a
HORIZON ORGANIC DAIRY, IDAHO FARM,
INC.**

By: 
Barnet M. Feinblum, President

Lee F. Sachnoff hereby agrees to continue as the registered agent for Sunrise Organic Farms, Inc., n/k/a Horizon Organic Dairy, Idaho Farm, Inc.


Lee F. Sachnoff

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MAY 17 2000

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT (the "Agreement") is made as of the 20th day of March, 1997 among HORIZON ORGANIC DAIRY, INC., a Colorado corporation ("Horizon"), HORIZON ORGANIC HOLDING CORPORATION, a Delaware corporation ("Holding Co."), SUNRISE ORGANIC FARMS, INC., a Colorado corporation ("Company"), and the shareholders of the Company other than Horizon who are listed on the signature page of this Agreement (collectively, the "Shareholders" and together with the Company, the "Sellers").

RECITALS

WHEREAS, the Company is a corporation duly organized and existing under the laws of the State of Colorado;

WHEREAS, Horizon currently holds 107,666 (approximately twenty-seven percent (27%)) of the Company's issued and outstanding stock;

WHEREAS, Horizon and Holding Co. desire to acquire the remaining approximately seventy-three percent (73%), which is 293,694 shares, of the Company's issued and outstanding stock (the "Company Stock");

WHEREAS, the agreed upon value of the Company's common stock is \$20.2394 per share, for an aggregate purchase price of \$5,944,190;

WHEREAS, it is the intent of the parties that the shareholders of the Company transfer some of their shares in the Company in a nonrecognition exchange under Section 351 of the Internal Revenue Code to Holding Co., and for the shareholders of Horizon to transfer all their shares to Holding Co., resulting in Horizon and the Company becoming wholly-owned subsidiaries of Holding Co.; and

WHEREAS, the Board of Directors of Horizon and the Board of Directors of the Company (both of which corporations are hereinafter collectively referred to as "Constituent Corporations") deem it advisable and in the best interests of the Constituent Corporations and their respective shareholders that Horizon acquire at this time a portion of the Shareholders' stock in the Company for subordinated promissory notes, and subsequently have Holding Co. acquire the remaining shares in the Company in exchange for shares in Holding Co. pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, the parties hereto hereby agree as follows:

shall be placed in escrow and not released until the earlier of the Second Closing or such other events more fully described in the Escrow Agreement substantially in the form attached hereto as Exhibit 7.18. While such shares of the Company Stock are in escrow, the Shareholders shall have the right to receive any dividends or other distributions, if any, on such shares, and they shall have the right to vote such shares in the event any matter is submitted to the vote of Company's shareholders.

8. COVENANTS AFTER CLOSING.

8.1 Release From Guarantees. After the Closing, Horizon and Holding Co. shall use their best efforts to have the Shareholders released from those personal guarantees specified on Schedule 8.1 of indebtedness of the Company.

8.2 Continued Operations. Horizon and Holding Co. agree to operate the Company as it has been historically operated, subject to legal compliance, until such time that the releases identified on Schedule 8.1 have been obtained.

8.3 Officers and Directors. The parties agree that following the First Closing, they shall cause the following individuals to be elected to as directors of the Company until their successors are duly elected and qualified: Barnet M. Feinblum, Marcus B. Peperzak, Mark A. Retzloff and Paul B. Repetto. The parties further agree that following the First Closing, they shall cause the following individuals to be elected to the following offices of the Company:

<u>Officer</u>	<u>Office</u>
President	Barnet M. Feinblum
Vice President	Barney Little
Vice President	Marcus B. Peperzak
Secretary	Paul B. Repetto
Treasurer	Mark A. Retzloff

8.4 Name Change. Immediately following the Second Closing, Horizon shall cause the Company to amend its Articles of Incorporation to change the corporation's name to "Horizon Organic Farms, Inc." and to make such other changes necessary to conform the Company's articles of incorporation to the Colorado Business Corporations Act of 1994.

8.5 Subordination of Notes. The Shareholders agree to execute the standard form subordination agreement(s) which the then current commercial lender, facilities lender or principal lender, and any successors thereto, of Company, Horizon and/or Holding Co. shall require from time to time in order to subordinate the Notes to any debt owed to such lenders.

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JUL 17 2000

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HORIZON ORGANIC DAIRY, INC.

By: B. M. J. C.
Barnet M. Feinblum, President

HORIZON ORGANIC HOLDING CORPORATION

By: B. M. J. C.
Barnet M. Feinblum, President

SUNRISE ORGANIC FARMS, INC.

By: M. B. P.
Marcus B. Peperzak, President

SHAREHOLDERS:

M. B. P.
Marcus B. Peperzak

Barney Little

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JUL 17 2000

T. H. 2002

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HORIZON ORGANIC DAIRY, INC.

By: _____
Barnet M. Feinblum, President

HORIZON ORGANIC HOLDING CORPORATION

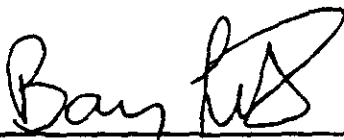
By: _____
Barnet M. Feinblum, President

SUNRISE ORGANIC FARMS, INC.

By: _____
Marcus B. Peperzak, President

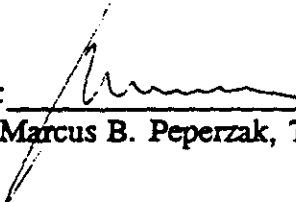
SHAREHOLDERS:

Marcus B. Peperzak

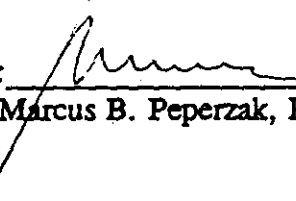


Barney Little

AURORA DAIRY CORPORATION PENSION &
PROFIT SHARING PLAN

By: 
Marcus B. Peperzak, Trustee

AURORA DAIRY CORPORATION

By: 
Marcus B. Peperzak, President

David Sumrall

Gregory S. McDonald

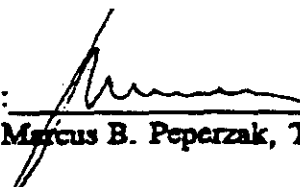
THE MCCLOSKEY CHILDREN'S TRUST

By: _____
William R. Jordan, III, Trustee

ID CONSOLIDATED

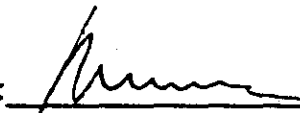
By: _____
Gregory S. McDonald, General Partner

**AURORA DAIRY CORPORATION PENSION &
PROFIT SHARING PLAN**

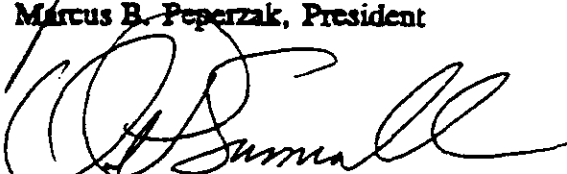
By: 

 Marcus B. Peperzak, Trustee

AURORA DAIRY CORPORATION

By: 

 Marcus B. Peperzak, President



 David Sumrall

 Gregory S. McDonald

THE MCCLOSKEY CHILDREN'S TRUST

By: _____
 William R. Jordan, III, Trustee

ID CONSOLIDATED

By: _____
 Gregory S. McDonald, General Partner

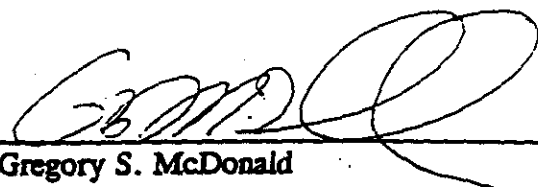
AURORA DAIRY CORPORATION PENSION &
PROFIT SHARING PLAN

By: _____
Marcus B. Peperzak, Trustee

AURORA DAIRY CORPORATION

By: _____
Marcus B. Peperzak, President

David Sumrall

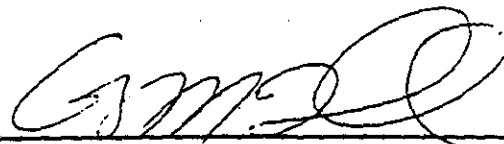


Gregory S. McDonald

THE MCCLOSKEY CHILDREN'S TRUST

By: _____
William R. Jordan, III, Trustee

ID CONSOLIDATED

By: 

Gregory S. McDonald, General Partner

AURORA DAIRY CORPORATION PENSION &
PROFIT SHARING PLAN

By: _____
Marcus B. Peperzak, Trustee

AURORA DAIRY CORPORATION

By: _____
Marcus B. Peperzak, President

David Sumrall

Gregory S. McDonald

THE MCCLOSKEY CHILDREN'S TRUST

By: William R. Jordan, III, Trustee
William R. Jordan, III, Trustee

ID CONSOLIDATED

By: _____
Gregory S. McDonald, General Partner

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JUL 17 2000

T# 5283

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA)
Case No. 39576)
_____)

PARTIAL DECREE PURSUANT TO
I.R.C.P. 54(b) FOR

Water Right 36-14601

DEC 13 AM 10:38

DISTRICT COURT - SRBA
TWIN FALLS CO., IDAHO

FILED _____

NAME & ADDRESS: AURORA FARMS INC
1333 W 120 AVE #317
WESTMINISTER CO 80234

SOURCE: GROUNDWATER

QUANTITY: 0.04 CFS

THE QUANTITY OF WATER UNDER THIS RIGHT SHALL NOT EXCEED 13,000
GALLONS PER DAY.

PRIORITY DATE: 12/31/1954

POINT OF DIVERSION: T09S R21E S27 NWSWSE Within JEROME County

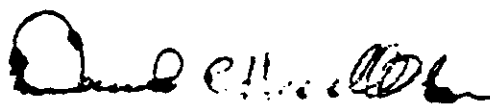
PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	DOMESTIC 2 HOMES	01-01 12-31	0.04 CFS

PLACE OF USE: DOMESTIC Within JEROME County
T09S R21E S27 SWSE

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THE QUANTITY OF WATER DECREED FOR THIS WATER RIGHT IS NOT A
DETERMINATION OF HISTORICAL BENEFICIAL USE.

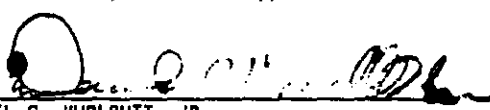
DATED: DEC 13 1996


DANIEL C. HURLBUTT, JR.
PRESIDING JUDGE
Snake River Basin Adjudication

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

DATED: DEC 13 1996


DANIEL C. HURLBUTT, JR.
PRESIDING JUDGE
Snake River Basin Adjudication

PARTIAL DECREE PURSUANT TO I.R.C.P. 54(b)
Water Right 36-14601

MICROFILMED

JUL 17 2000

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JUN 04 1997

PAGE 1
NOV-26-1996



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 327-7900 FAX: (208) 327-7866

April 23, 1999

DIRK KEMPTHORNE
GOVERNOR

KARL J. DREHER
DIRECTOR

HORIZON ORGANIC DAIRY IDAHO FARM INC
6311 HORIZON LANE
LONGMONT CO 80503

RE: Decreed Water Rights 36-10907 & 36-14601

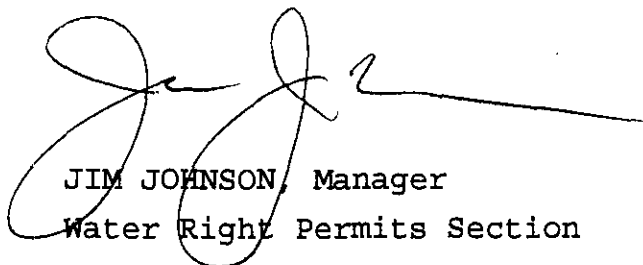
Dear Water Right Holder(s):

The Department is in receipt of the correspondence changing the ownership of the above referenced decreed water rights to you. We have modified our records to reflect these changes in ownership and computer generated reports are enclosed.

Just a reminder, because of a law that went into effect July 1, 1996, all water right owners are required to report change of address or ownership to the department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee to the water right owner. If you have other water rights that haven't had the ownership updated please contact the department as soon as possible.

If you have any questions regarding this matter, please feel free to contact me at (208) 327-7947.

Sincerely,



JIM JOHNSON, Manager
Water Right Permits Section

JJ:klt

Enclosure

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JUL 17 2000