

MEMORANDUM AGREEMENT

This Memorandum Agreement is entered into February 11th, 2014, between North Snake Ground Water District, whose address is 152 E. Main Street, Jerome, Idaho 83338 ("District") and Howard (Butch Morris), whose address is 1101 East 2900 South, Hagerman, Idaho 83332 ("Morris"). The purpose of this Agreement is to provide for the ongoing delivery of irrigation water to Morris through the Sandy Pipeline in consideration for the District's use of certain water rights owned by Morris diverted from the Martin-Curren Tunnel at the head of Billingsley Creek to supply mitigation water to Rangen, Inc.

Water rights at the head of Billingsley Creek diverted from the Martin-Curren Tunnel are reflected in Table 3.1 attached. These include 6.05 cfs under water right numbers 36-134D, 36-134E, 36-135D, 36-135E, 36-10141A and 36-10141B owned by Morris (the "Morris Rights"). The District constructed in 2003 and owns and operates the Sandy Pipeline which delivers irrigation water from the end of the North Side Canal Company system to Morris, with a discharge into Billingsley Creek immediately downstream from Rangen.

The Sandy Pipeline has in the past and will continue in the future to be operated and maintained by the Districts to deliver irrigation water to Morris by reason of which the Morris Rights have not been diverted from the Martin-Curren Tunnel and have instead been delivered to the junior water rights of Rangen. Morris's irrigation diversions from the Sandy Pipeline utilize and replace the full 6.05 cfs available under the Morris Rights. Were it not for the Sandy Pipeline, Morris would take all water available from the Martin-Curren Tunnel under the Morris Rights for irrigation purposes.

The District agrees that Morris may continue to use the Sandy Pipeline without expense to deliver irrigation water to the property he owns. The District and Morris will cooperate with each other and with North Side Canal Company and use their best efforts to continue to supply irrigation water to Morris. In return therefore, Morris agrees that the District may use the Morris Rights as needed to provide mitigation water to Rangen to satisfy the IDWR Director's January 29, 2014 Order curtailing 157,000 acres of ground water rights junior to July 13, 1962.

This Memorandum Agreement is for a period of five (5) years and then will be reviewed by the parties to determine if it should be extended or terminated. By signing this Agreement Morris in no way agrees to any forfeiture or loss of water rights from the Martin-Curren Tunnel.

NORTH SNAKE GROUND WATER DISTRICT

By: _____

LYNN CARLQUIST, Chairman

HOWARD (BUTCH) MORRIS