

- Until transfer is complete.
hold.

DEV

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form. Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s).	Adjudication Claim No(s).	Split(s)	Water Right No(s).	Adjudication Claim No(s).	Split(s)
35-7448	parent	X			
35-13702	Split into		35-14040 + 35-14041		

SUPPORT DATA

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

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).
- OR**
- D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency or equivalent **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former
Owner/Claimant(s)

KBC Farms LLC
3062 So. Frontage Rd.
Am. Falls, Idaho - 83211

4. New Owner/Claimant(s)

Bonanza Bar Ranch LLC
Name Connector (Check one): ☐ and, ☐ or, ☐ and/or

New Mailing Address

P.O. Box 724

City, State and ZIP Code

Idaho City

New Telephone Number

(208) 392-2277 Email: MAY 06 2009

5. Date you acquired the property

4-10-09

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (you may copy this page, if necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number <u>35-7448</u>		
Irrigation <u>X</u>	<u>566 acre-feet per annum</u>	<u>141.5 ac</u>
Stock	<u>(KBC Farms LLC retains ownership of this)</u>	
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number <u>35-7448</u>		
Irrigation <u>X</u>	<u>1290 acre-feet per annum</u>	<u>322.5 ac</u>
Stock	<u>(KBC Farms LLC sells this portion to Bonanza Bar Rancher LLC)</u>	
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number _____		
Irrigation		
Stock		
Domestic		
Other		
Totals		

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

7. Signature(s) of New Owner(s) or Claimant(s)

KBC Farms LLC by [Signature] general partner
Bonanza Bar Rancher LLC by [Signature] Fairrie Beck
 (title if applicable)
 (title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:

Received by _____
 Received by DK
 Processed by _____ AJ

Date _____
 Date 5-6-09
 Date _____

Receipt Amt. 100
 Receipt No. E035015
 WR _____ Date _____

WARRANTY DEED

THIS INDENTURE, made this 17th day of April, 2009, between KBC FARMS, LLC, an Idaho limited liability company, whose address is 3062 S. Frontage Road, American Falls, Idaho 83211 as Grantor and Bonanza Bar Ranch, LLC, whose address is 3853 C Highway 21, Idaho City, Idaho 83631, an Idaho limited liability company, as Grantee.

WITNESSETH: Grantor for value received, does by these presents, grant, bargain, sell and convey unto Grantee, and Grantee's heirs and assigns, all that certain lot, piece or parcel of lands situate, lying and being in the County of Bingham, State of Idaho and particularly described as:

See Exhibit A attached hereto and incorporated herein by this reference

TO HAVE AND TO HOLD said property, with its appurtenances, unto the said Grantee, and to the Grantees' heirs and assigns forever. This conveyance, however, is subject to federal patents; building or use restrictions; building and zoning regulations and ordinances of any governmental entity; all rights of way and easements claimed, established or of record; accruing taxes and assessments for 2009 and subsequent years and unpatented mining claims. Subject to the foregoing exceptions and limitations, Grantor covenants that, Grantor will forever warrant the title to said premises.

KBC FARMS, LLC, an Idaho Limited Liability Company

By: Kenneth K. Koopin
Kenneth K. Koopin, Authorized Member

By: Kathleen J. Koopin
Kathleen J. Koopin, Authorized Member

By: Klaren P. Koopin
Klaren P. Koopin, Authorized Member

By: Cheryl Ann Koopin
Cheryl Ann Koopin, Authorized Member

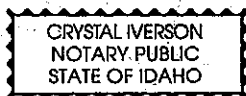
STATE OF IDAHO)

:ss

County of Bannock)

On this 15th day of April, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Kenneth K. Koompin, Kathleen J. Koompin, Klaren P. Koompin, and Cheryl Ann Koompin, known or identified to me to be the Authorized Members of KBC Farms, LLC who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



(seal)

A handwritten signature in cursive script, appearing to read "Crystal Iverson", written over a horizontal line.

NOTARY PUBLIC FOR IDAHO

Residing

at: Pocatello, ID

My Commission

Expires: 4/23/10

SCHEDULE A

Real property in the County of Bingham, State of Idaho, described as follows:

Parcel 1:

Township 1 South, Range 32 E.B.M., Bingham County, Idaho
Section 12: NW1/4, NE1/4SW1/4, S1/2NE1/4, SE1/4, S1/2SW1/4, NW1/4NE1/4

Parcel 2:

An easement for a road for ingress and egress across the North 50 feet of the NE1/4NE1/4 of said Section 12 and the North 50 feet of Government Lot 1, NE1/4NW1/4, NW1/4NE1/4 and that part of the NE1/4NE1/4 to a point on the West boundary of U.S. Hwy 26 of Section 7 Township 1 South, Range 33 E.B.M., Bingham County, Idaho.

Parcel 3:

Township 3 South, Range 31 E.B.M., Bingham County, Idaho
Section 33: SE1/4
Section 34: SW1/4
Excepting and Reserving to the United States all oil and gas.

Together with all water and water rights appurtenant thereto, with exception of and reserving unto Grantors, its heirs and assigns, 141.5 acres (566 allowable acre feet of diversion) of water referenced in CREP Contract No. 68, from Water Right No. 35-7448 which Water Right is appurtenant to Parcel 1, and 15.6 acres (62.4 allowable acre feet of diversion) of water referenced in CREP Contract No. 66, from Water Right No. 35-2426 which Water Right is appurtenant to Parcel 3 and the right to continue to maintain said reserved water rights as appurtenant to the land conveyed. By acceptance of this Warranty Deed, Grantee agrees to preserve and continue to appropriate and apply the water reserved by Grantor to beneficial use until transferred by Grantor.

FIRST AMERICAN TITLE

P.O. BOX 9 / 2240 EAST CENTER POCATELLO, ID 83204
PHONE 208-232-6224 FAX 208-232-6257
TOLL FREE 866-333-9805 EMAIL pocatelloid@firstamholding.com

FAX TRANSMITTAL SHEETPAGES INCLUDING COVER SHEET 3DATE: 6/3

TIME: _____

PLEASE DELIVER TO: Joni Berg

COMPANY: _____

FAX NUMBER: 525-7177FROM: Anita

RE: _____

MESSAGE:

Here is a copy of the Recorded Warranty Deed.
Let me know if you need anything else

IF YOU HAVE ANY PROBLEMS RECEIVING THIS MESSAGE OR HAVE ANY QUESTIONS REGARDING OUR TRANSMITTAL PLEASE CONTACT US AT 208-232-6224.

CONFIDENTIALITY NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

FA 292686

Instrument # 605452
 BINGHAM COUNTY, IDAHO
 04-10-2009 04:03:23 PM No. of Pages: 3
 Recorded for: FIRST AMERICAN TITLE - BL
 SARA J. STAUB Fee: 9.00
 Ex-Officio Recorder Deputy KBell
 Index To: WARRANTY DEED
 Electronically Recorded by Simplifile

WARRANTY DEED

THIS INDENTURE, made this 10th day of April, 2009, between KBC FARMS, LLC, an Idaho limited liability company, whose address is 3062 S. Frontage Road, American Falls, Idaho 83211 as Grantor and Bonanza Bar Ranch, LLC, whose address is 3853 C Highway 21, Idaho City, Idaho 83631, an Idaho limited liability company, as Grantee.

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See Exhibit A attached hereto and incorporated herein by this reference

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KBC FARMS, LLC, an Idaho Limited Liability Company

By: Kenneth K. Koopin
 Kenneth K. Koopin, Authorized Member

By: Kathleen J. Koopin
 Kathleen J. Koopin, Authorized Member

By: Klaren P. Koopin
 Klaren P. Koopin, Authorized Member

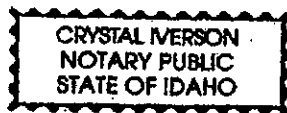
By: Cheryl Ann Koopin
 Cheryl Ann Koopin, Authorized Member

STATE OF IDAHO)

County of Bannock)

On this 10th day of April, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Kenneth K. Koompin, Kathleen J. Koompin, Klaren P. Koompin, and Cheryl Ann Koompin, known or identified to me to be the Authorized Members of KBC Farms, LLC who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



(seal)

A handwritten signature in cursive script, likely belonging to Crystal Iverson, the Notary Public.

NOTARY PUBLIC FOR IDAHO

Residing

at: Pocatello, ID

My Commission

Expires: 4/23/10

SCHEDULE A

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"Real Estate is what we know, Performance is what we sell."

FACSIMILE TRANSMISSION

DATE: 6/3/09

TO: Travis Bary

FAX # 525-7177

FROM: Allen Rollins

PAGES TO FOLLOW (5) 4

MESSAGE: Travis: As per your Request
The recorded deed for Bonanza
Bar Ranch. Thank You for
your help. Please Don't Hesitate
with any questions

Allen
Rollins

CCPS

IF YOU DO NOT RECIEVE ALL PAGES PLEASE CALL.



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N. Skyline Dr., Suite A • Idaho Falls, Idaho 83402-1718
Phone: (208) 525-7161 • Fax: (208) 525-7177 • Web Site: www.idwr.idaho.gov

EASTERN REGION

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

May 27, 2009

Bonanza Bar Ranch LLC
PO Box 724
Idaho City ID 83631

RE: Change in Ownership Water Right No. 35-7448

Dear Sir/Madam:

The Department of Water Resources acknowledges receipt of your Notice of Change in Water Right Ownership.

Our review of your notice indicates that additional information is required before we can process the change. The information required is indicated below:

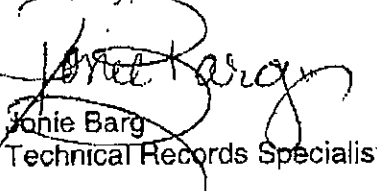
XXXX Evidence of Water Right Ownership: The Deed submitted with your request was not recorded. Please submit a copy of you recorded Warranty Deed.

Because the Department cannot process the ownership change without proper documentation/fees, we will hold any action on your notice pending receipt of the necessary information/fees. If we do not receive the necessary information/fees within 30 days we will return your notice and all attachments and your notice will not be processed.

Please note that Section 42-248, Idaho Code, requires you or the owner of this water right to maintain current ownership and address records on file with the department. Forms to file a change of ownership of a water right and/or a change in the address of the water right owner are available from any department office, or at the department's website at: www.idwr.idaho.gov.

Please feel free to contact the Department if you have any questions.

Sincerely,


Jonie Barg
Technical Records Specialist

Enclosure(s)

WARRANTY DEED

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By: Kenneth K. Koopin
Kenneth K. Koopin, Authorized Member

By: Kathleen J. Koopin
Kathleen J. Koopin, Authorized Member

By: Klaren P. Koopin
Klaren P. Koopin, Authorized Member

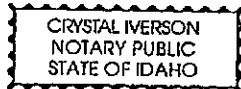
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STATE OF IDAHO)

County of Bannock)
:ss

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



(seal)

[Signature]
NOTARY PUBLIC FOR IDAHO
Residing

at: Paratello, IDExpires: 4/23/10 My Commission

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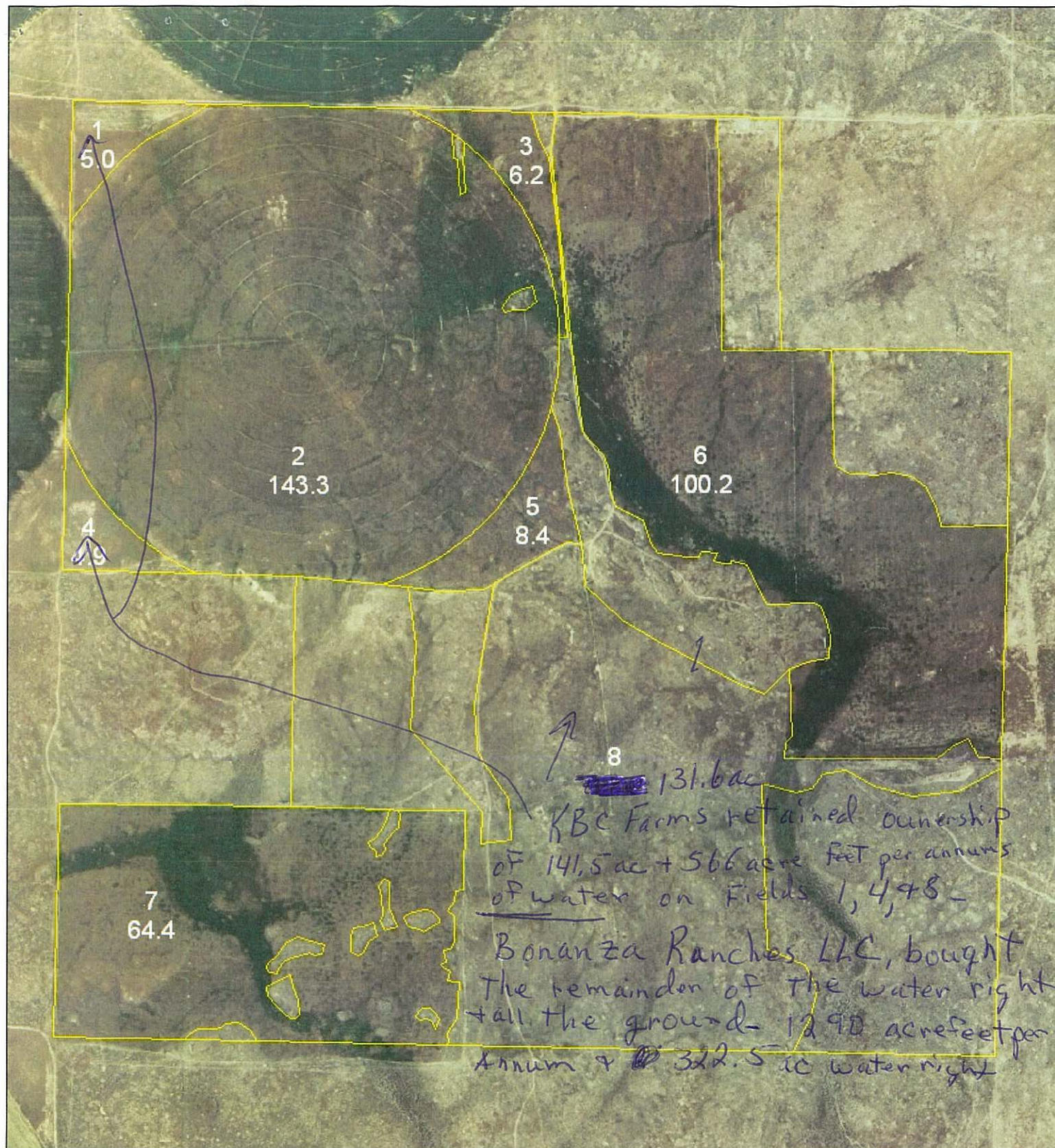
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UNITED STATES DEPARTMENT OF
AGRICULTURE

FARM SERVICE AGENCY
POWER COUNTY, IDAHO

T1S R32E S12



TRACT NO. 3412

February 26, 2007

Digital Orthophotography

Not to Scale

FSA Purposes Only

Idaho Department of Water Resources Receipt

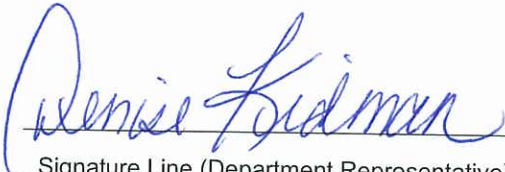
Receipt ID: E035015

Payment Amount	\$100.00	Date Received	5/6/09 4:06	Region	EASTERN
Payment Type	Check	Check Number	502		
Payer	BONANZA BAR RANCH LLC				

Comments Ownership Change/Split
WR 35-7448 KBC Farms LLC

Fee Details

Amount	Description	Fund	Fund Detail	PCA	Subobject
\$100.00	OWNERSHIP CHANGES/SECURITY INTERESTS	0229	21	63140	1155


Signature Line (Department Representative)

Time Date of Receipt:
Initials of SCC Employee:

**AGREEMENT NOT TO DIVERT WATER
FROM THE EASTERN SNAKE PLAIN AQUIFER**

Idaho Soil Conservation
Commission

Water Use Contract

1 PURPOSE

The State of Idaho has developed this form for purposes of enabling eligible landowners to apply to participate in the Eastern Snake Plain Aquifer Conservation Reserve Enhancement Program (CREP or "the Program") which has been implemented pursuant to an agreement by and between the State of Idaho (Idaho) and the U.S. Department of Agriculture, Commodity Credit Corporation (USDA). The State of Idaho is seeking to use the Program to encourage a reduction in the use of surface water and ground water for irrigation. Idaho seeks to accomplish this goal by assisting in the process of signing up eligible land to the Program. The Program will require participant landowners to agree to forego their use of water on the eligible land for the Contract Period. The unused water will remain in the Eastern Snake Plain Aquifer and increase spring flows into the Snake River. This Agreement is to be used to obtain a binding commitment from landowners who apply for CREP participation to discontinue the use of, and help conserve irrigation water that had been applied to the irrigated cropland, which is offered and accepted for enrollment into the Program. The CREP is part of the Conservation Reserve Program (CRP) operated by the Farm Service Agency (FSA) for the USDA.

The general authority for Idaho to enter into this Agreement is set forth at Idaho Code § 22-2715 et seq. Specific authorization and appropriation was provided for certain aspects of this Agreement by the Fifty-Eighth Idaho Legislature, in its 1st Regular Session for the year 2005 pursuant to House Bill 373, which was signed into law on April 12, 2005 (effective April 12, 2005) and House Bill 392, which was signed into law on April 7, 2005 (a portion of which was effective April 7, 2005 and the balance of which was effective July 1, 2005).

Note: Entering into this Agreement will not void or otherwise terminate any of the Participant's existing contractual agreements or obligations established under another state or federal program.

2 DEFINITIONS

A Conservation Plan of Operations

A written agreement between CREP Participants and the USDA, which describes the conservation practices to be implemented, the timing of Participants' implementation, practice location, operation and maintenance of the practice during the Contract Period, and related natural resource management provisions.

B Contract Period

The Contract Period shall be the duration, as provided in Article III.C of this Agreement, of the USDA Form CRP-1 (CRP Contract) entered into by and between the Participant and the USDA for the Eligible Irrigated Land.

C Eligible Irrigated Land

The tract(s) of land offered for inclusion in the CREP must have appurtenant thereto either (a), valid water right(s) to divert water from ground water sources within the CREP area or (b), valid water right(s) to divert from surface water sources other than the Snake River. If a tract(s) of land offered for the CREP is served by an irrigation district or canal company where the irrigation district or

canal company owns the water right(s) used on the tract(s) of land offered for the CREP, the irrigation district or canal company must agree to reduce its water use proportionately. Determinations of Eligible Irrigated Land based on these eligible water rights are within the sole discretion of the State of Idaho.

D Participant

The individual, partnership, limited liability company, corporation, association, or other entity that has applied to or entered into a CRP contract with USDA, which owns the Eligible Irrigated Land and appurtenant water rights and has the authority to agree that the amount of ground water or surface water conserved due the enrollment of irrigated cropland into the CRP will not be put to any use on any other land under their control, or otherwise transferred, sold or exchanged.

3 PARTIES AND ELIGIBLE IRRIGATED LAND

This Agreement is entered into by and between Koompin Farms (hereinafter "Participant") and State of Idaho by and through the Idaho Soil Conservation Commission (hereinafter "SCC"), 2270 Old Penitentiary Road, Boise, Idaho 83712. The parties base this Agreement on the following representations:

- A** Participant submits the land described in this paragraph (the "Eligible Irrigated Land") for inclusion in the CREP. Participant owns or leases water right(s) that allow for diversion of water from the Eastern Snake River Aquifer for irrigation use solely on the Eligible Irrigated Land. Those water rights are designated as no(s):

Water Right Number(s)	Acre Feet of Diversion
35-7448	1856

The Eligible Irrigated Land comprises 322.5 +/- acres and is described as follows:

FSA Tract S16 C077 T3412

- B** Idaho desires to reduce water use from the Eastern Snake Plain Aquifer by coordinating the implementation and administration of the CREP with the FSA through the SCC.
- C** The Program is a Federal cropland set-aside program. Under Idaho law, water rights appurtenant to lands placed in a Federal cropland set aside program are protected from forfeiture.
- D** Participant has agreed to enroll the Eligible Irrigated Land in the CREP upon the USDA's acceptance of a CRP Contract covering the Eligible Irrigated Land.
- E** The Program also requires that the Participant enter into an Agreement Not To Divert From The Eastern Snake Plain Aquifer to reduce ground water and surface water withdrawals from the aquifer.
- F** Participant and SCC desire to formally acknowledge and document the conditions and understandings between the parties.

NOW THEREFORE, in consideration of the following promises and commitments, the Participant and SCC agree as follows:

2 AGREEMENT

A Statement of Purpose

The purpose of this Agreement is to reduce water use from the Eastern Snake Plain Aquifer by establishing conditions to restrict the use of water on those lands placed in the CREP by the Participant during the term of this Agreement. This Agreement shall also serve to fulfill the

conditions required by the FSA for eligibility to participate in the Program.

B Scope of Work

1 Participant shall:

- a Restrict diversions from the Eastern Snake Plain Aquifer to no more than that for each water right listed below except as may be specified below for cover establishment:

Water Right Number(s)	Allowable Acre Feet of Diversion
35-7448	566

The Watermaster of water district WD 120 , acting under the authority of the Director of the Idaho Department of Water Resources (IDWR), shall verify said non-diversion through water measurement protocols. The IDWR may assist the Watermaster through additional field inspections and utilization of satellite imagery/aerial photography to ensure the lands enrolled in the CREP are not being irrigated. Participant shall cooperate fully with the Watermaster, the IDWR and SCC staff in accomplishing the provisions of this Agreement. Participant shall not apply water to the lands enrolled in the CREP, except as specified below for cover establishment.

- b Demonstrate to the satisfaction of the Watermaster that Participant's irrigation system has been sufficiently disabled to prevent irrigation of lands enrolled in the CREP. If lands not enrolled in the CREP will still be irrigated from the irrigation system, Participant shall install a method of water measurement, satisfactory to the Watermaster, within one year from the date of this Agreement to verify that enrolled lands are not irrigated.
- c Participant agrees not to apply water from any other surface water or ground water source to the Eligible Irrigated Land during the Contract Period, except as specified in Article II.B.1.d.
- d Participant agrees that neither the Participant nor any other individual or entity will make any use of, affect, transfer, sell, exchange, or otherwise apply surface water or ground water from the Eastern Snake River Plain Aquifer during the Contract Period on the Eligible Irrigated Land enrolled, except, if determined necessary by the USDA, during the first 12 months after the effective date of the CRP Contract not more than 1/3rd of an acre-foot, for each acre enrolled in the CREP, may be applied for the purpose of establishing a long-term vegetative conservation cover on the Eligible Irrigated Land, as outlined in an approved Conservation Plan of Operations.
- 2 SCC shall have full access to the data and conclusions developed by the Watermaster and the IDWR, as outlined above in Section 4B(1.), and may apply that data and conclusions at its discretion, to perform the following tasks:
- a Monitor irrigation use on those lands enrolled in the CREP to determine if use is in conformance with the conditions of this Agreement.
- b Provide an annual report to FSA documenting the water usage on those lands enrolled in the CREP.
- c Notify FSA if water diversions are not in compliance with the terms of this Agreement.

C Term

This Agreement shall take effect upon signature by the parties and upon execution of a CRP Contract covering the Eligible Irrigated Land and shall extend through the term of said CRP Contract. Upon early termination of said CRP Contract by either Participant or FSA this Agreement shall also terminate. In the event FSA temporarily releases Participant from the contractual requirements of said CRP Contract in order to address a national emergency, this Agreement shall be temporarily suspended for the same duration of time as the temporary release granted by FSA. The water right(s), or portions thereof, appurtenant to the lands enrolled in the CREP are not eligible for transfer, lease, exchange, enrollment in the State Water Supply Bank, or any other mechanism that would result in their use on other lands.

D Compensation

- 1 Subject to the Limitation of Program Funds provision set forth herein at Section 4(L), Idaho shall make one-time incentive payments (referred to herein as an Idaho Incentive Payment or IIP), on a priority basis, to those Participants that submit Eligible Irrigated Land that meets the qualifications set forth in this paragraph, at the rate of \$30 per acre for each qualifying acre, until the three million dollar (\$3,000,000) fund established by Idaho to pay IIP for qualifying acreage is exhausted. To qualify to receive an IIP payment, each of the following qualifications must be met: a) the submitted acreage must have been irrigated by the diversion of ground water from that portion of the ESPA CREP project area identified in Appendix 1 (which is attached hereto and incorporated herein) as the "ESPA CREP Incentive Area" prior to inclusion in the Program, b) the Participant's signed offer to enter into this Agreement must be received and accepted by the SCC (where "accepted by the SCC" means the execution of this Agreement by the SCC Administrator), and c) the Participant's offer to enter into the CRP Contract must be accepted by the FSA (where "accepted by the FSA" means the execution of the Participant's offered CRP Contract by the FSA). The priority to receive IIP shall be established on a first submitted, first in priority basis, for acreage that is found to be qualifying, based on the time and date a Participant submits a signed copy of this Agreement to the SCC in a form that is ultimately accepted by the SCC (where "accepted by the SCC" means the execution of this Agreement by the SCC Administrator). Final determination of the order of priority shall be at the sole discretion of the SCC Administrator.
- 2 Federal CRP Payments due to the Participant in accordance with the CREP shall be paid to the Participant(s) according to applicable Federal statutes, regulations, and the National CRP Directives issued by USDA. The State of Idaho is not responsible for any Federal monetary obligations as a result of the CREP, except as may be agreed to in the CREP agreement between Idaho and the USDA.

E Rights to FSA Data

Participant hereby grants SCC and the IDWR the right to obtain copies of FSA records pertaining to Participant's lands.

F Successors and Assigns Obligated

This Agreement and all of its provisions shall jointly and severally apply to and bind the respective heirs, personal representatives, successors, and assigns of the parties hereto.

G Duplicate Originals

This Agreement may be executed in duplicate. Each of the copies of this Agreement bearing an original signature of a party shall be an original.

H Right of Entry

Participant(s) hereby grant the SCC or its designee a right of entry onto the Eligible Irrigated Land for purposes of verifying Participant(s)' compliance with the terms of this Agreement. Such entry shall not require prior notice to be provided to Participant(s), and shall not be deemed trespass.

I Enforcement of Water Rights

The USDA and the FSA, are not responsible for and will not administer, enforce, oversee, or otherwise manage water rights, water usage or State, local or Federal water use contracts and laws in any manner.

J Nondiscrimination

The SCC prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status.

K Attorneys' Fees

In the event of a legal proceeding of any kind instituted under this Agreement or to obtain performance of any kind under this Agreement, the prevailing party shall be awarded such additional sums as the court may adjudge for reasonable attorneys' fees and to pay all costs and disbursements incurred in such proceeding.

L Limitation of Program Funds

- 1 Participant acknowledges that the SCC cannot obligate funds prior to obtaining funding approval.
- 2 The SCC certifies that state or federal funds are presently available and authorized for expenditure to pay the portion of costs which will accrue during the current state or federal fiscal year or applicable grant period.
- 3 Participant agrees that all obligations of the SCC, including the continuance of payments under this Agreement, are contingent upon the availability and continued appropriation of funds. In the event state or federal funds become unavailable as determined by the SCC, the SCC may immediately terminate this Agreement or amend it accordingly. In no event shall the SCC be liable for any payments in excess of approved or appropriated funds available for this Program.

M No Personal Liability

Participant specifically understands and agrees that in no event shall any official, officer, employee or agent of the SCC or the State of Idaho be personally liable for any representation, statement, covenant, warranty or obligation contained in, or made in connection with, this Agreement, express or implied.

N Severability

If any part of this Agreement is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.

O No Waiver

The waiver of any breach or default of this Agreement shall not be construed as or deemed to be a waiver of any subsequent breach or default.

P Effect of Section Headings

The section headings appearing in this Agreement are not to be construed as interpretations of the text but are inserted for convenience and reference only.

Q Governing Law

This Agreement shall be governed as to validity, construction and performance by the laws of the State of Idaho. The venue of any action brought by any parties to this Agreement shall be in a State of Idaho District Court.

R Waiver, Modification or Amendment

No waiver, modification, or amendment of this Contract or of any covenants, conditions or limitations herein contained shall be valid unless in writing duly executed by both parties and the parties further agree that the provisions of this section may not be waived, modified, or amended except as herein set forth.

S Entire Agreement

This Agreement sets forth all the covenants, provisions, agreements, conditions and understandings between the parties, and there are no covenants, provisions, agreements, conditions or understandings, oral or written, between them other than are herein set forth.

By signing this agreement the Participant acknowledges that they have control over the water rights listed in the agreement for the term of their CREP contract. If the curtailed water rights listed in this agreement are transferred, placed in the waterbank, sold, or otherwise used for irrigation or other purposes during the term of this agreement the Participant will be deemed in violation of this agreement. Any violations of this agreement will be reported by the Watermaster to the Farm Services Agency.

IN WITNESS WHEREOF the parties executed this Agreement on the date following their respective signatures

Idaho State CREP Coordinator

Jerry Nicolescu, Administrator
Soil Conservation Commission

Date: 2-28-07

Participant Signature

Kenneth Farnby
Kenneth Farnby

Date: 2-28-07



UNITED STATES DEPARTMENT OF
AGRICULTURE

FARM SERVICE AGENCY
POWER COUNTY, IDAHO

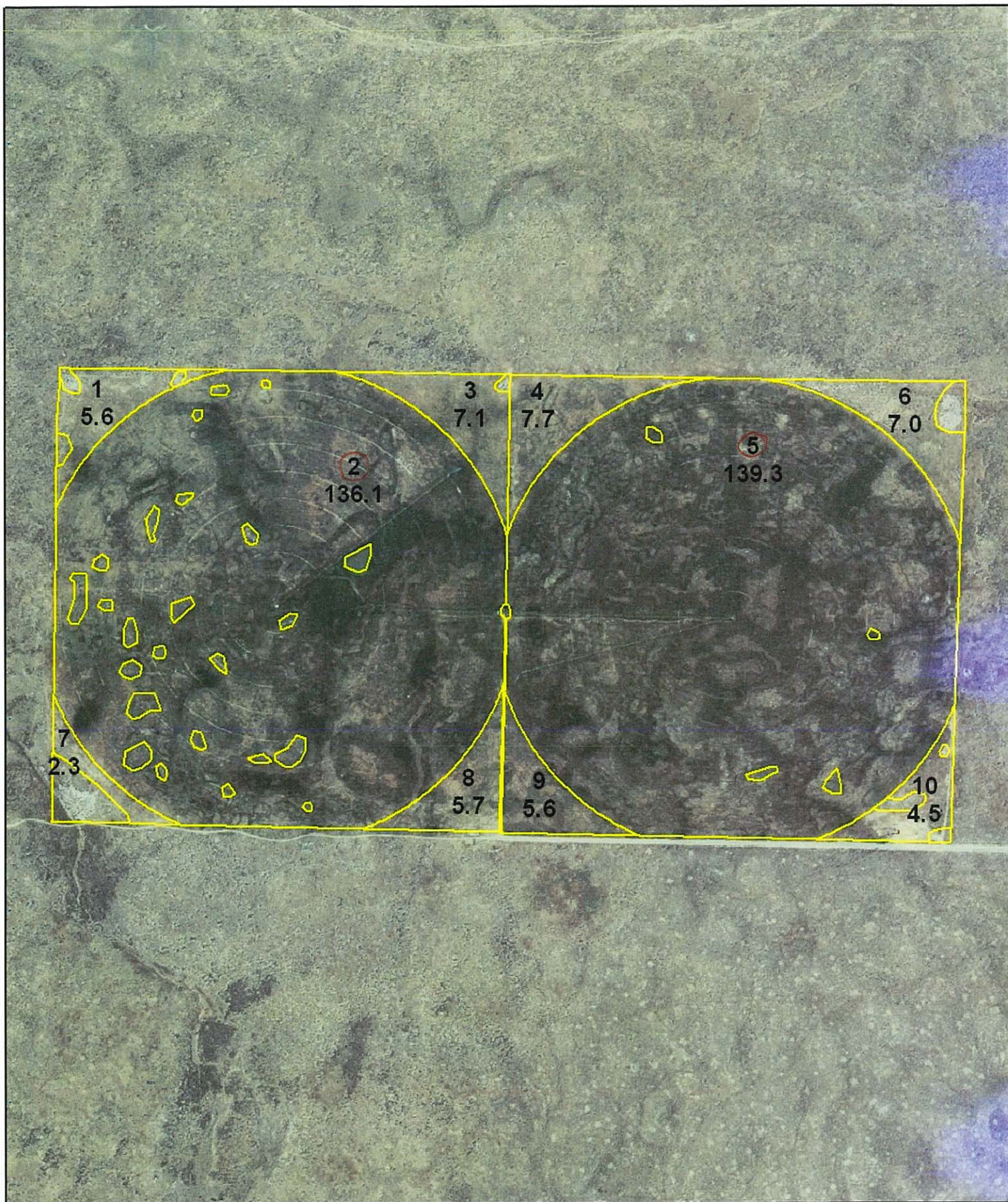
T1S R32E S12



TRACT NO. 3412

February 26, 2007

Digital Orthophotography
Not to Scale
FSA Purposes Only



United States Department of
AGRICULTURE

Farm Service Agency
Power County, Idaho

TRACT NO. 3491

T3 S R31 E S 33, 34

July 21, 2008

Digital Orthophotography
Not to Scale
FSA Purposes Only

